

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)  
**UNAUDITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

**CONTENTS**

|   | Page           |
|---|----------------|
| <b>Reference and administrative details of the Company, its Trustees and advisers</b> | <b>1</b>       |
| <b>Trustees' report</b>   | <b>2 - 6</b>   |
| <b>Independent examiner's report</b>  | <b>7</b>       |
| <b>Statement of financial activities</b>  | <b>8</b>       |
| <b>Balance sheet</b>  | <b>9</b>       |
| <b>Notes to the financial statements</b>  | <b>10 - 21</b> |

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2022**

**Trustees** Steven Williams (resigned 29 March 2022)  
Paul Almond  
Martin Baum  
Caroline Foster (resigned 15 December 2021)  
Sandra Overfield  
Zahid Tarvaz (appointed 22 April 2021)  
Lyndon Cowling (appointed 26 May 2022)

**Company registered number** 2895804

**Charity registered number** 1075863

**Registered office** Unit 5 Limewood Approach  
Leeds  
West Yorkshire  
LS14 1NG

**Company secretary** Sandra Overfield

**Chief executive officer** Jo Forsey

**Accountants** Armstrong Watson Audit Limited  
Chartered Accountants  
Third Floor  
10 South Parade  
Leeds  
West Yorkshire  
LS1 5QS

**Bankers** Lloyds Bank PLC  
8-11 Cambridge Crescent  
Harrogate  
North Yorkshire  
HG1 1PQ

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees present their annual report together with the financial statements of the Company for the year 1 April 2021 to 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**Structure, Governance and Management**

The company was incorporated on 8 February 1994 as a private company limited by guarantee without share capital. The company was registered as a charity under the Charities Act 1993 on 11 June 1999.

The directors of the company are the trustees of the charity for the purposes of charity law.

Paperworks had a Board of Trustee Directors whose role is to provide strategic direction, set the budget and business plan for the year and approve financial and business decisions where this falls outside the agreed budget and business plan. Operational decision making within the agreed budget and business plan is delegated to the Paperworks Chief Executive and their staff team.

**Responsibilities of the Trustees**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and of the profit and loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2018 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence to taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Recruitment and Appointment of Trustees**

The current trustees are shown on page 1.

Trustees who served during the year were as follows:

Steven Williams  
Caroline Foster  
Paul Almond

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

Martin Baum  
Sandra Overfield  
Zahid Tarvaz (appointed 22 April 2021)

Trustees are appointed to the Board following an discussion with at least one trustee, attendance at a meeting of the directors. References are taken up where thought appropriate. All appointments are approved by a meeting of the Trustees.

All new Trustees are supplied with a director's pack of information which details their responsibilities and duties. They attend on the premises both before and after appointment to gain an understanding of the activities and working practices of the company.

The Trustees confirm that the major risks, to which the company is exposed, as identified by the trustees, have been reviewed and systems established to mitigate those risks. It is the policy of the company that a full risk assessment is carried out for every new contract or initiative that the company enters into. This includes the acceptance of any new trainee.

### **Objectives and Activities**

The objective of this company is to assist people with learning or physical disabilities through educational and vocational training to improve their skills.

Trainees are referred for placements with the company through Social Services, Jobcentre Plus and other referral sources. They receive training in a working environment and work together with staff to deliver a variety of services to our commercial partners. The trainees are assisted by a number of volunteers.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit, when reviewing the charity's aims and objectives and in planning future activities, and they consider these activities are for public benefit. There are a sufficient number of potential trainees in the area within reach of our premises and local authority funding enables training for those who could not personally pay the charges.

### **Achievements and Performance in 2021/22**

Paperworks continues to provide training, learning opportunities and work experience for adults with learning disabilities, autism and other complex needs. We do this through real work for real customers as well as a range of wellbeing activities and project work.

### **Covid**

After a difficult year in 2020, and with the go ahead to open, albeit in a reduced capacity, this year felt positive and hopeful at the start of April 2021. Over the year, Covid restrictions were gradually eased and this meant we could return to full capacity, with more independent working, socialising and group work. This enabled trainees to engage with all the jobs, activities and most importantly each other. By the end of the year although all restrictions were removed by the government, the staff team decided to keep some sensible restrictions such as temperature checking, face masks for staff members and visitors, and hand sanitising, in order to keep everyone as safe as possible.

### **Harrogate Site**

Following the closure of the Harrogate site, which was no longer deemed financially viable, we opened our temporary site in a village hall in Copt Hewick and supported 12 trainees three days per week. The long term aim was to move to a larger shared site with another provider. This was dependent on the provider building an extension to their current property, but unfortunately the building work was slow to progress and now looks like it will not complete until 2023. Changes in funding, and the ability to offer our service from Copt Hewick Hall long term, meant that the situation was no longer tenable and in March 2022 it was decided to close this site as a pause of provision in North Yorkshire until we could move somewhere more permanent. With support from NYCC, 50% of the current trainees were able to move to the Leeds site from May 2022.

### **Leeds Site**

Leeds site was growing in numbers towards the target number of 20 per day and had a waiting list for two days

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

per week at the start of the year. Throughout the year the numbers continued to grow with a through flow of referrals from our partnership with Leeds City College and Swarthmore offering site visits and taster sessions to people leaving college so that there would be a smooth transition between child and adult care. At the end of March 2022 the waiting list had grown to cover 3/5 days.

**Partnerships with Educational Establishments**

We supported a number of university student placements over the year, including Occupational Therapy and Social Work students for both 10 and 70 day placements. We have had excellent feedback from the students and universities on the quality of support and opportunities we provide and our reputation is constantly growing.

**Service Provision**

A range of new opportunities were added to our service provision over the year. The aim continues to be to extend the work and wellbeing elements of our service so that we have a range of activities to be able to support trainees achieve their goals.

As an example, at the end of the previous year we received a grant from Leeds Community Foundation to purchase a lazer cutter. During this year we learned how to design and create objects using different materials. A local printer supplied Perspex offcuts free of charge for us and we were able to also obtain plywood. Some of our clients purchased objects for their businesses and we made signs and other resources to use internally. We have also created a range of products we plan to sell on our e-bay site.

Last year we received a groundsman contract for East Leeds Cricket club to be able to take trainees down to the cricket field and use the equipment to prepare and maintain the pitch for the Summer months. As there were still several restrictions in place during Summer 2021, we had limited capacity to support this but in Spring of 2022, this changed. Trainees were able to roll and cut the grass, mark out the pitch and follow set procedures for keeping the ground prepared for games.

We have also launched a training programme delivered by a staff member training to become a teacher. By the end of 2021, we were running a training course every morning working in partnership with another training provider who ran 2/5 sessions per week. Courses have included money management, literacy through poetry, digital skills through movement, media studies and video editing. 6 trainees attend per day and each course lasts between 6-12 weeks. Feedback from this has been fantastic and we will continue to develop courses on an ongoing basis.

During the year we transformed our monitoring and recording processes to include work certificates for all clients. Trainees learn each part of the client process and then work through until they feel confident. This approach allows each step of the process and achievement to be celebrated so that everyone can participate in the work we deliver for every client. We also increased the number of commercial supporters we have and took on new types of business fulfilment with a range of different products.

Our website was revamped to showcase our service and our communication through social media was scaled up and revitalised. This has helped boost our presence generally and we have been able to reach new markets and people.

This has been a very exciting year for everyone, not only because we now have some sense of normality but because we have so much to offer trainees and this will continue to expand and develop as trainees share their ideas and thoughts.

**Future plans**

To increase capacity to be able to offer 22-25 sessions per day.

To continue to create our own products to sell and expand into other markets.

Refurbishment of the workshop and kitchen area to create a wellbeing room and larger kitchen space to accommodate our growing numbers and needs of trainees.

Further development of courses and projects.

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

Further development of our links with East Leeds Cricket club and weekly groundskeeping.

**Financial review**

The charity recorded a surplus for the year of £21,413. This compares with a surplus of £21,394 in the previous year and follows several years where deficits were incurred which eroded the reserves position.

Our income was marginally higher than the previous year at £377,776 (2021: £366,862). However, the composition was quite different in 2022 following the Covid-19 pandemic with a reduction in income from Government Grants of £23,802 (2021: £104,433) being offset by increases in income from charitable activities and other areas. As the pandemic continued we were able to continue to provide remote services to trainees in both the Leeds and North Yorkshire areas, both funded by local authorities, followed by a phased return to our normal on site provision. Contributions from commercial partners recovered as the country unlocked as we were once more able to return to our normal service provision.

Expenditure of £356,363 (2021: £345,468) was marginally higher in 2021 compared with the prior year, and is in line with the increase in operational income.

The year end financial position is shown in the balance sheet on page 9. Overall reserves were £92,330 at 31 March 2022. Unrestricted reserves were £80,663, which includes £4,236 of unrestricted tangible fixed assets, resulting in free reserves of £76,427.

In light of the pandemic we took out a Covid Bounceback loan of £20,000 early in the 2021 financial year, this was paid back in the 2022 financial year as it was felt it was no longer needed as services returned to normal.

Careful overall cost management and continued support by funders has enabled us to rebuild reserves over the past three years which provides a more sustainable base to operate the charity from and gives opportunity for future potential investment where we believe prudent and effective to do so, and will allow us to weather the current cost of living crisis. .

Further information on our reserves policy is given on page 5 and on the current financial position is given in the going concern accounting policy on page 10.

**Key risks**

The Trustees consider the key risks facing the charity and its reserves policy annually. The review incorporates a consideration of the financial impact of risks that the charity is exposed to and seeks to set a reserves level that protects Paperworks against a realistic assessment of the likelihood of the identified risks materialising. In considering the reserves policy, the Trustees also have regard for the need to balance risk protection against maximising charitable output in line with the objectives of Paperworks.

The key risks identified include:

- loss of commercial contribution income from work with commercial partners;
- the ongoing COVID-19 pandemic;
- a change in government policy in relation to income from social care providers;
- inability to raise funds through donations required to balance the budget
- the ability of Paperworks to accommodate complex trainee needs impacting on trainee levels;
- cash flow issues caused by late payment from customers and partners; and
- income from social care providers; and reputational damage arising from a failure in service delivery;
- inflationary pressures, particularly increased utility costs

**Reserves policy**

The Trustees have quantified the risks outlined above based on a consideration of the likelihood and impact of the risk arising and have determined that the charity should target a reserves level of £50,000. The year end free reserves position (excluding restricted funds and any funds held as fixed assets) was above this, at £80,663.

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Going concern**

The financial statements are prepared on a going concern basis under the historical cost convention. In making the assessment around going concern the Trustees have considered the financial position of the charity, the risks that the charity faces and the level of reserves held. Further information is in the Going Concern Accounting Policy on page 10.

Approved by order of the members of the board of Trustees on  
and signed on their behalf by:

**Sandra Overfield**  
Trustee



**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Independent examiner's report to the Trustees of Paperworks (Harrogate) Limited ('the Company')**

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

**Responsibilities and basis of report**

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

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

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed:

Dated:

Simon Turner

Armstrong Watson Audit Limited  
Leeds

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

|                                    | Note | Restricted<br>funds<br>2022<br>£ | Unrestricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|------------------------------------|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                |      |                                  |                                    |                             |                             |
| Donations and legacies             | 2    | -                                | 6,096                              | 6,096                       | 104,878                     |
| Charitable activities              | 3    | -                                | 328,161                            | 328,161                     | 260,384                     |
| Investments                        | 4    | -                                | 8                                  | 8                           | 9                           |
| Other income                       |      | -                                | 43,511                             | 43,511                      | 1,591                       |
| <b>Total income</b>                |      | -                                | 377,776                            | 377,776                     | 366,862                     |
| <b>Expenditure on:</b>             |      |                                  |                                    |                             |                             |
| Charitable activities              |      | 1,460                            | 354,903                            | 356,363                     | 345,468                     |
| <b>Total expenditure</b>           |      | 1,460                            | 354,903                            | 356,363                     | 345,468                     |
| <b>Net movement in funds</b>       |      | (1,460)                          | 22,873                             | 21,413                      | 21,394                      |
| <b>Reconciliation of funds:</b>    |      |                                  |                                    |                             |                             |
| Total funds brought forward        |      | 13,128                           | 57,789                             | 70,917                      | 49,523                      |
| Net movement in funds              |      | (1,460)                          | 22,873                             | 21,413                      | 21,394                      |
| <b>Total funds carried forward</b> |      | 11,668                           | 80,662                             | 92,330                      | 70,917                      |

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

The notes on pages 10 to 21 form part of these financial statements.

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 2895804**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

|   | Note | 2022<br>£       | 2021<br>£      |
|---|------|-----------------|----------------|
| <b>Fixed assets</b>                                     |      |                 |                |
| Tangible assets   | 9    | <b>15,904</b>   | 16,423         |
|   |      | <u>15,904</u>   | <u>16,423</u>  |
| <b>Current assets</b>                                   |      |                 |                |
| Debtors   | 10   | <b>40,607</b>   | 40,938         |
| Cash at bank and in hand                                |      | <b>60,417</b>   | 69,091         |
|   |      | <u>101,024</u>  | <u>110,029</u> |
| Creditors: amounts falling due within one year          | 11   | <b>(24,597)</b> | (36,535)       |
|   |      | <u>76,427</u>   | <u>73,494</u>  |
| <b>Net current assets</b>                               |      |                 |                |
|   |      | <u>92,331</u>   | <u>89,917</u>  |
| <b>Total assets less current liabilities</b>            |      |                 |                |
| Creditors: amounts falling due after more than one year | 12   | -               | (19,000)       |
|   |      | <u>92,331</u>   | <u>70,917</u>  |
| <b>Total net assets</b>                                 |      |                 |                |
|   |      | <u>92,331</u>   | <u>70,917</u>  |
| <b>Charity funds</b>                                    |      |                 |                |
| Restricted funds  | 13   | <b>11,668</b>   | 13,128         |
| Unrestricted funds                                      | 13   | <b>80,663</b>   | 57,789         |
|   |      | <u>92,331</u>   | <u>70,917</u>  |
| <b>Total funds</b>                                      |      |                 |                |
|   |      | <u>92,331</u>   | <u>70,917</u>  |

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

**Sandra Overfield**  
Trustee

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

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

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Paperworks (Harrogate) Limited 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.

The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest £1.

The exemption has been taken from preparing a cash flow statement on the grounds that the charity is a small charity.

The company is exempt from tax under Sections 466 to 493 Corporation Taxes Act 2010 as long as income is applied for charitable purposes only.

**1.2 Going concern**

The financial statements are prepared on a going concern basis under the historical cost convention. In making this assessment the Directors have considered the financial risks, and the impact of the Covid-19 pandemic, summarised on pages 3 and 4.

The Trustees' Report summarises the financial position of the charity at 31 March 2022, the impact of the Covid-19 pandemic during the accounting year and the future prospects for the charity. Through careful cost management the charity has been able to further add to reserves in the year ended 31 March 2022.

The Trustees have prepared a budget for the remainder of the 2022/23 financial year which shows that the budgeted income of the charity is expected to cover its costs, and this stability is expected to continue beyond the end of the 2023 financial year.

The Trustees have considered the level of uncertainty that exists and have concluded that the possibility that the charity cannot pay its debts as they fall due for a period of at least 12 months is remote, and accordingly that no material uncertainty over going concern exists.

**1.3 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1.

**1.4 Income**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants receivable are recognised in the statement of Financial Activities when receivable. Grants related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance.

Bank interest and all other income resources are included when receivable.

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Costs of generating funds include those of generating donations and fundraising activities.

Direct charitable expenditure included the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimated time or floor space, as appropriate.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the fees and costs linked to the strategic management of the charity.

Costs of generating funds include those of generating donations and fundraising activities.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.6 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

|                              |                                |
|------------------------------|--------------------------------|
| Long-term leasehold property | - over the period of the lease |
| Plant and machinery          | - 25% straight line basis      |
| Motor vehicles               | - 20% straight line basis      |
| Fixtures and fittings        | - 33%-100% straight line basis |
| Office equipment             | - 33%-100% straight line basis |

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 Debtors**

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

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.12 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.13 Fund accounting**

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

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

**2. Income from donations and legacies**

|           | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|-----------|--|---------------------------------------|
| Donations | 96   | <b>96</b>                             |
| Legacies  | 6,000  | <b>6,000</b>                          |
|           | <hr/> 6,096 <hr/>                            | <hr/> <b>6,096</b> <hr/>              |

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

**2. Income from donations and legacies (continued)**

|           | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|-----------|--|---------------------------------------|
| Donations | 445  | 445                                   |
| Grants    | 104,433                                      | 104,433                               |
|           | <u>104,878</u>                               | <u>104,878</u>                        |

**3. Income from charitable activities**

|   | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|---|--|---------------------------------------|
| Contribution from social care providers | 240,209                                      | <b>240,209</b>                        |
| Contribution from commercial partners   | 87,952                                       | <b>87,952</b>                         |
|   | <u>328,161</u>                               | <u><b>328,161</b></u>                 |

|   | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|---|--|---------------------------------------|
| Contribution from social care providers | 214,220                                      | 214,220                               |
| Contribution from commercial partners   | 46,164                                       | 46,164                                |
|   | <u>260,384</u>                               | <u>260,384</u>                        |

**4. Investment income**

|                       | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|-----------------------|--|---------------------------------------|
| Investment receivable | 8  | 8                                     |

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

**4. Investment income (continued)**

|                       | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|-----------------------|--|---------------------------------------|
| Investment receivable | 9  | 9                                     |

**5. Independent examiner's remuneration**

|   | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|---|-------------------|-------------------|
| Fees payable to the Company's independent examiner for the independent examination of the Company's annual accounts | <b>750</b>        | 750               |
| Fees payable to the Company's independent examiner in respect of:<br>All other services not included above          | <b>500</b>        | -                 |

**6. Staff costs**

|  | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|--|-------------------|-------------------|
| Wages and salaries                                   | <b>160,955</b>    | 177,208           |
| Social security costs                                | <b>43,798</b>     | 14,757            |
| Contribution to defined contribution pension schemes | <b>14,855</b>     | 15,240            |
|  | <b>219,608</b>    | 207,205           |

The average number of persons employed by the Company during the year was as follows:

|                             | <b>2022<br/>No.</b> | <b>2021<br/>No.</b> |
|-----------------------------|---------------------|---------------------|
| Average number of employees | <b>9</b>            | 10                  |

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

**7. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).



**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

**8. Analysis of expenditure by expenditure type**

|   | <b>Staff costs</b> | <b>Depreciation</b> | <b>Other costs</b> | <b>Total</b>   | <i>Total</i> |
|---|--------------------|---------------------|--------------------|----------------|--------------|
|   | <b>2022</b>        | <b>2022</b>         | <b>2022</b>        | <b>2022</b>    | <b>2021</b>  |
|   | <b>£</b>           | <b>£</b>            | <b>£</b>           | <b>£</b>       | <b>£</b>     |
| <b>Costs of raising funds:</b>          |                    |                     |                    |                |              |
| Expenditure on raising voluntary income | -                  | -                   | -                  | -              | -            |
| Costs of raising funds                  | -                  | -                   | -                  | -              | -            |
| <b>Charitable activities:</b>           |                    |                     |                    |                |              |
| Charitable activity                     | <b>219,608</b>     | <b>4,230</b>        | <b>132,525</b>     | <b>356,363</b> | 345,468      |
| Other expenditure                       | -                  | -                   | -                  | -              | -            |
|   | <b>219,608</b>     | <b>4,230</b>        | <b>132,525</b>     | <b>356,363</b> | 343,468      |
| <i>Total 2021</i>                       | 208,209            | 4,583               | 132,676            | 345,468        |              |

|  | <b>2022</b>    | <b>2021</b> |
|--|----------------|-------------|
|  | <b>£</b>       | <b>£</b>    |
| <b>Other costs</b>                                     |                |             |
| Rent and other associated costs                        | <b>40,027</b>  | 46,970      |
| Marketing and bad debts                                | -              | (760)       |
| Communication & other costs                            | <b>62,251</b>  | 38,171      |
| Other property costs                                   | <b>13,874</b>  | 15,544      |
| Recruitment, Consultancy and other staff related costs | <b>600</b>     | 6           |
| Loan and hire purchase interest                        | <b>(492)</b>   | 616         |
| Property repairs and flood damage                      | <b>7,693</b>   | 4,682       |
| Exceptional lease costs                                | <b>1,259</b>   | 16,000      |
| Other direct costs                                     | <b>7,313</b>   | 11,447      |
|  | <b>132,525</b> | 132,676     |

In the opinion of the Trustees charitable activities comprise one activity which is the provision of educational and vocational training for people with physical and learning disabilities.

Included within charitable expenditure above is restricted expenditure of £1,460 (2021: £1,458) which relates to depreciation.

Included within charitable expenditure is £41,536 (2021: £39,010) of support costs, of which approximately £22,000 related to staff costs and £750 was governance costs.

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

**9. Tangible fixed assets**

|                          | Long-term<br>leasehold<br>property<br>(Restricted<br>fund)<br>£ | Plant and<br>machinery<br>(Unrestricted<br>fund)<br>£ | Motor vehicles<br>(Unrestricted<br>fund)<br>£ | Fixtures and<br>fittings<br>(Restricted<br>fund)<br>£ | Office<br>equipment<br>(Restricted)<br>£ | Office<br>equipment<br>(Unrestricted)<br>£ | Total<br>£ |
|--------------------------|---|---|---|---|--|--|------------|
| <b>Cost or valuation</b> |   |   |   |   |  |  |            |
| At 1 April 2021          | 21,877  | 6,600   | 22,250  | 7,734   | 2,737                                    | 2,975                                      | 64,173     |
| Additions                | -   | 3,711   | -   | -   | -  | -  | 3,711      |
| At 31 March 2022         | 21,877  | 10,311  | 22,250  | 7,734   | 2,737                                    | 2,975                                      | 67,884     |
| <b>Depreciation</b>      |   |   |   |   |  |  |            |
| At 1 April 2021          | 8,749   | 5,279   | 22,250  | 7,734   | 2,737                                    | 1,001                                      | 47,750     |
| Charge for the year      | 1,460   | 1,717   | -   | -   | -  | 1,053                                      | 4,230      |
| At 31 March 2022         | 10,209  | 6,996   | 22,250  | 7,734   | 2,737                                    | 2,054                                      | 51,980     |
| <b>Net book value</b>    |   |   |   |   |  |  |            |
| At 31 March 2022         | 11,668  | 3,315   | -   | -   | -  | 921  | 15,904     |
| At 31 March 2021         | 13,128  | 1,321   | -   | -   | -  | 1,974                                      | 16,423     |

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

**10. Debtors**

|                                | 2022<br>£     | 2021<br>£     |
|--------------------------------|---------------|---------------|
| <b>Due within one year</b>     |               |               |
| Trade debtors                  | 39,565        | 30,075        |
| Other debtors                  | 118           | 9,098         |
| Prepayments and accrued income | 924           | 1,765         |
|                                | <u>40,607</u> | <u>40,938</u> |

**11. Creditors: Amounts falling due within one year**

|                                    | 2022<br>£     | 2021<br>£     |
|------------------------------------|---------------|---------------|
| Other loans                        | -             | 2,449         |
| Trade creditors                    | 5,993         | 9,693         |
| Other taxation and social security | 3,071         | 797           |
| Deferred grant income              | -             | 3,536         |
| Accruals and deferred income       | 15,533        | 20,060        |
|                                    | <u>24,597</u> | <u>36,535</u> |

**12. Creditors: Amounts falling due after more than one year**

|             | 2022<br>£ | 2021<br>£     |
|-------------|-----------|---------------|
| Other loans | -         | 19,000        |
|             | <u>-</u>  | <u>19,000</u> |

Included within the above are amounts falling due as follows:

|                                   | 2022<br>£ | 2021<br>£     |
|-----------------------------------|-----------|---------------|
| <b>Between one and two years</b>  |           |               |
| Other loans                       | -         | 4,000         |
|                                   | <u>-</u>  | <u>4,000</u>  |
| <b>Between two and five years</b> |           |               |
| Other loans                       | -         | 13,000        |
|                                   | <u>-</u>  | <u>13,000</u> |
| <b>Over five years</b>            |           |               |
| Other loans                       | -         | 2,000         |
|                                   | <u>-</u>  | <u>2,000</u>  |

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

**13. Statement of funds**

**Statement of funds - current year**

|                           | Balance at 1<br>April 2021<br>£ | Income<br>£ | Expenditure<br>£ | Balance at<br>31 March<br>2022<br>£ |
|---------------------------|---------------------------------|-------------|------------------|-------------------------------------|
| <b>Unrestricted funds</b> |                                 |             |                  |                                     |
| Unrestricted              | 57,789                          | 377,777     | (354,903)        | 80,663                              |
| <b>Restricted funds</b>   |                                 |             |                  |                                     |
| Jimbos                    | 13,128                          | -           | (1,460)          | 11,668                              |
| <b>Total of funds</b>     | 70,917                          | 377,777     | (356,363)        | 92,331                              |

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

**13. Statement of funds (continued)**

**Statement of funds - prior year**

|                           | <i>Balance at<br/>1 April 2020<br/>£</i> | <i>Income<br/>£</i> | <i>Expenditure<br/>£</i> | <i>Balance at<br/>31 March<br/>2021<br/>£</i> |
|---------------------------|--|---------------------|--------------------------|---|
| <b>Unrestricted funds</b> |  |                     |                          |   |
| Unrestricted              | 34,937                                   | 366,862             | (344,010)                | 57,789  |
| <b>Restricted funds</b>   |  |                     |                          |   |
| Jimbos                    | 14,586                                   | -                   | (1,458)                  | 13,128  |
| <b>Total of funds</b>     | <u>49,523</u>                            | <u>366,862</u>      | <u>(345,468)</u>         | <u>70,917</u>                                 |

**14. Summary of funds**

**Summary of funds - current year**

|                  | <b>Balance at 1<br/>April 2021<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Balance at<br/>31 March<br/>2022<br/>£</b> |
|------------------|--|---------------------|--------------------------|---|
| General funds    | 57,789                                   | 377,777             | (354,903)                | 80,663  |
| Restricted funds | 13,128                                   | -                   | (1,460)                  | 11,668  |
|                  | <u>70,917</u>                            | <u>377,777</u>      | <u>(356,363)</u>         | <u>92,331</u>                                 |

**Summary of funds - prior year**

|                  | <i>Balance at<br/>1 April 2020<br/>£</i> | <i>Income<br/>£</i> | <i>Expenditure<br/>£</i> | <i>Balance at<br/>31 March<br/>2021<br/>£</i> |
|------------------|--|---------------------|--------------------------|---|
| General funds    | 34,937                                   | 366,862             | (344,010)                | 57,789  |
| Restricted funds | 14,586                                   | -                   | (1,458)                  | 13,128  |
|                  | <u>49,523</u>                            | <u>366,862</u>      | <u>(345,468)</u>         | <u>70,917</u>                                 |

**PAPERWORKS (HARROGATE) LIMITED**  
(A company limited by guarantee)

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

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|                               | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|-------------------------------|--|--|---------------------------------------|
| Tangible fixed assets         | -  | 15,904                                       | <b>15,904</b>                         |
| Current assets                | 11,668                                     | 89,356                                       | <b>101,024</b>                        |
| Creditors due within one year | -  | (24,597)                                     | <b>(24,597)</b>                       |
| <b>Total</b>                  | <b>11,668</b>                              | <b>80,663</b>                                | <b>92,331</b>                         |

**Analysis of net assets between funds - prior year**

|                                     | <i>Restricted<br/>funds<br/>2021<br/>£</i> | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</i> |
|-------------------------------------|--|--|---------------------------------------|
| Tangible fixed assets               | 13,128                                     | 3,295  | 16,423                                |
| Current assets                      | -  | 110,029                                      | 110,029                               |
| Creditors due within one year       | -  | (36,535)                                     | (36,535)                              |
| Creditors due in more than one year | -  | (19,000)                                     | (19,000)                              |
| <b>Total</b>                        | <b>13,128</b>                              | <b>57,789</b>                                | <b>70,917</b>                         |

**16. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,855 (2021 - £15,240). No contributions were payable to the fund at the balance sheet date in this and the previous year.

**17. Operating lease commitments**

At 31 March 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|  | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|--|-------------------|-------------------|
| Not later than 1 year                        | <b>31,080</b>     | 35,830            |
| Later than 1 year and not later than 5 years | <b>67,339</b>     | 98,418            |
|  | <b>98,419</b>     | 134,248           |

**PAPERWORKS (HARROGATE) LIMITED**  
**(A company limited by guarantee)**

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

**18. Related party transactions**

There were no related party transactions to disclose during the year.

**19. Controlling relationships**

No single Trustee or group of associated Trustees has control of the company,

**20. Share capital**

The company is limited by guarantee and has no share capital.