

THE PAOLOZZI FOUNDATION

England & Wales · Charity number 1162290

Details

Other names	THE PAOLOZZI TRUST
Status	Registered
Legal form	CIO
Registered	2015-06-18
Register	View on the Charity Commission register

Contact

Address Calder & Co
St. Vincent House
30 Orange Street
London
WC2H 7HF

Phone 02078396655

Website www.paolozzifoundation.org

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC BY THE PROMOTION OF THEIR APPRECIATION OF THE FINE ARTS AND IN PARTICULAR THE WORKS OF SIR EDUARDO PAOLOZZI.

Activities: The principal object of the charity is to advance the education of the public by the promotion of their appreciation of fine arts and in particular, the works of Sir Eduardo Paolozzi.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£119,448	£168,048	-	-
2024-03-31	£343,960	£285,555	-	-
2023-03-31	£127,076	£104,282	-	-
2022-03-31	£89,020	£38,504	-	-
2021-03-31	£39,718	£34,228	-	-

Trustees

Name	Role	Appointed
DAVID PETER JOHN ROSS	Chair	2022-04-25
ADRIAN JOHN BARR-SMITH MA		2015-06-18
Ann Gallagher		2022-04-25
Daniel Frank Herrmann		2022-04-25
TOBY CHARLES TREVES		2015-06-18

THE PAOLOZZI FOUNDATION

England & Wales - Charity number 1162290

Accounts

THE PAOLOZZI FOUNDATION

**UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

THE PAOLOZZI FOUNDATION

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THE PAOLOZZI FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees	David Ross, Chairman Adrian Barr-Smith, Secretary Toby Treves Ann Gallagher Daniel Herrmann
Charity registered number	1162290
Principal office	Calder & Co 30 Orange Street London WC2H 7HF
Accountants	Calder & Co Chartered Accountants 30 Orange Street London WC2H 7HF
Investment Managers	Evelyn Partners 45 Gresham Street London EC2V 7BG

THE PAOLOZZI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the financial statements of the The Paolozzi Foundation for the 1 April 2024 to 31 March 2025.

Objectives and activities

a. Policies and objectives

The principal objective of the foundation is to advance the education of the public by the promotion of their appreciation of the fine arts and, in particular, the works of Sir Eduardo Paolozzi. The Trustees' policy is to utilize the assets held by the Charity to achieve this objective.

b. Activities undertaken to achieve objectives

Following the death of Sir Eduardo Paolozzi in April 2005 and the significant legacies received, the Trustees continually review the most appropriate methods of generating the funds necessary to achieve their objectives.

Achievements and performance

a. Key performance indicators

The Foundation generates income from sales of artwork, royalties and licences. In the period to 31st March 2025, income of £50,379 was earned as well as investment income of £17,271. Designated income donations of £51,798 were also received during the year.

b. Review of activities

Waldfrieden Skulpture Park, Wuppertal

The Foundation supported the catalogue publication and exhibition from August 2024 of Paolozzi's work at Tony Cragg's gallery in Wuppertal, Germany.

"Head of Oscar Wilde"

This sculpture was installed on Dovehouse Green, Chelsea and later unveiled on 10 October 2024 by Sir Christopher Frayling and Gyles Brandreth, President of the Oscar Wilde Society.

The Foundation is funding the production of a short film about the casting and installation of the work.

Nevill Holt

The Foundation supported the exhibition of work by Paolozzi assembled at Nevill Holt in Leicestershire during June 2024.

Publications

The Trustees believe that both publishing projects (Paolozzi's prints and his metal sculptures) are progressing. The scale of the latter means that publication date remains some way ahead and the level of support required will be significant.

Novotel, Edinburgh

As trade mark owner, the Foundation has licensed the use of the name "Paolozzi" by the hotel in its revamped bar area.

Artificial Intelligence (AI)

The Foundation is supportive of concerns, expressed to Government on behalf of UK's creative industries, about the developmental use or "scraping" of copyright works.

Artists and their heirs are understandably alarmed that current legislative proposals will significantly reduce their ability to control and monetise their creative output.

THE PAOLOZZI FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance (continued)

c. Factors relevant to achieve objectives

The principal mechanisms which enable the Foundation to achieve its objectives are the public exhibition of works of art, in particular those by Sir Eduardo Paolozzi, and activities in print and other media. Since the Foundation does not itself actively trade, it requires the cooperation and support of art historians and others. It is then able to respond to initiatives with funding and / or other support, utilising reserves which it holds.

d. Investment policy and performance

The fund value at the year end was £1,012,905. The Trustees are taking a long term view on the investments and no immediate changes are planned. Income of £17,271 was generated in the period compared to £17,144 in the previous year.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

The Foundation needs to maintain reserves in order to fund conservation and storage of artwork. However, there is no intention to hold significant reserves for the long-term and grants and/or donations will be made as appropriate.

Structure, governance and management

a. Constitution

The Paolozzi Foundation is a registered charity, number 1162290, and is constituted as a charitable incorporated organisation.

b. Methods of appointment or election of Trustees

The management of Foundation is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Foundation is managed by the Trustees with the assistance of a qualified Treasurer. All decisions are made by the Trustees at regular meetings held not less than three times a year. The Foundation has no employees.

THE PAOLOZZI FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

d. Related party relationships

During the period, no Trustee received remuneration or benefits in kind. Routine expenses were reimbursed.

e. Financial risk management

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Funds held as custodian

There are no funds held as custodian for other parties.

Statement of Trustees' responsibilities

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

The law applicable to charities in England & 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 in business.

THE PAOLOZZI FOUNDATION

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Statement of Trustees' responsibilities (continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charity (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 order of the members of the board of Trustees on 29 September 2025 and signed on their behalf by:



Adrian Barr-Smith
Secretary

THE PAOLOZZI FOUNDATION

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2025

Independent examiner's report to the Trustees of The Paolozzi Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2025.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this 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 charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

As permitted by Direction 2, issued by the Charity Commission the firm for which I work has provided the charity with bookkeeping services during the year ended 31 March 2024. As a consequence I have followed the requirement of the FRC's Ethical Standard when undertaking this assignment.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

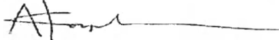
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

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

THE PAOLOZZI FOUNDATION

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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.

Signed: 

Dated: 29 September 2025

A Koupland

ACA

CALDER & CO
Chartered Accountants
30 Orange Street
London
WC2H 7HF

THE PAOLOZZI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	2	-	51,798	51,798	274,387
Other trading activities	3	50,379	-	50,379	52,420
Investments	4	17,271	-	17,271	17,144
Other income		-	-	-	9
Total income		67,650	51,798	119,448	343,960
Expenditure on:					
Charitable activities	7	96,026	72,022	168,048	285,555
Total expenditure		96,026	72,022	168,048	285,555
Net (expenditure)/income before net (losses)/gains on investments					
		(28,376)	(20,224)	(48,600)	58,405
Net (losses)/gains on investments	9	(11,939)	-	(11,939)	122,987
Net movement in funds		(40,315)	(20,224)	(60,539)	181,392
Reconciliation of funds:					
Total funds brought forward		2,185,582	53,703	2,239,285	2,057,893
Net movement in funds		(40,315)	(20,224)	(60,539)	181,392
Total funds carried forward		2,145,267	33,479	2,178,746	2,239,285

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

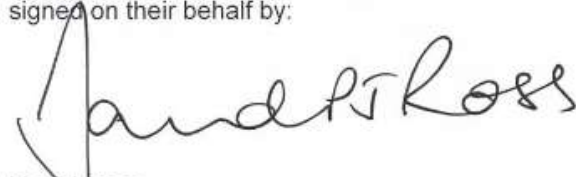
The notes on pages 10 to 18 form part of these financial statements.

THE PAOLOZZI FOUNDATION

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Investments	11	1,012,905	1,015,571
		<u>1,012,905</u>	<u>1,015,571</u>
Current assets			
Stocks	12	1,056,587	1,071,037
Debtors	13	7,051	18,336
Cash at bank and in hand		113,186	147,959
		<u>1,176,824</u>	<u>1,237,332</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(10,983)	(13,618)
		<u>2,178,746</u>	<u>2,239,285</u>
Net current assets		<u>2,178,746</u>	<u>2,239,285</u>
Total net assets		<u><u>2,178,746</u></u>	<u><u>2,239,285</u></u>
Charity funds			
Restricted funds	15	33,479	53,703
Unrestricted funds	15	2,145,267	2,185,582
Total funds		<u><u>2,178,746</u></u>	<u><u>2,239,285</u></u>

The financial statements were approved and authorised for issue by the Trustees on 29 September 2025 and signed on their behalf by:



David Ross
Chairman

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

THE PAOLOZZI FOUNDATION

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

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 Charities Act 2011.

The Paolozzi 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.

1.2 Income

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.3 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. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

THE PAOLOZZI FOUNDATION

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

1. Accounting policies (continued)

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 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.

1.8 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.

1.9 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 Charity 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.

1.10 Financial instruments

The Charity 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.

1.11 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 Charity 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 Charity 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.

Investment income, gains and losses are allocated to the appropriate fund.

THE PAOLOZZI FOUNDATION

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

2. Income from donations and legacies

	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations - Head of Oscar Wilde	51,798	51,798	274,387

3. Charity trading income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Sale of artwork	5,000	5,000	-
Royalties	17,731	17,731	26,267
Licence agreement	27,648	27,648	26,153
	50,379	50,379	52,420

4. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Investment income	17,047	17,047	16,810
Investment income from cash balances held	224	224	334
	17,271	17,271	17,144

5. Restricted costs

	Head of Oscar Wilde £	Total funds £	Total funds 2024 £
Sculpture costs	72,022	72,022	221,515

THE PAOLOZZI FOUNDATION

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

6. Unrestricted costs

	Unrestricted costs 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Support Costs			
Storage costs	11,485	11,485	10,118
Research costs	-	-	4,350
Computer costs	265	265	342
Website costs	-	-	1,200
Art photography and filming	2,600	2,600	180
Book publishing	1,609	1,609	10,000
Other support costs	480	480	534
Entertaining	63	63	7,077
Stock value adjustment	14,450	14,450	-
	<hr/>	<hr/>	<hr/>
	30,952	30,952	33,801
Governance costs			
Accountancy fees	9,050	9,050	9,435
Insurance	2,563	2,563	2,016
Investment management fees	10,277	10,277	9,365
Legal & professional fees	3,511	3,511	-
Bank Charges	76	76	113
Travel Costs	1,272	1,272	-
Carriage	2,324	2,324	310
	<hr/>	<hr/>	<hr/>
	29,073	29,073	21,239
	<hr/>	<hr/>	<hr/>
Total 2025	60,025	60,025	55,040

THE PAOLOZZI FOUNDATION

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

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Unrestricted costs	60,026	-	60,026	55,040
Restricted costs	-	72,022	72,022	221,515
Other donations	36,000	-	36,000	9,000
	<u>96,026</u>	<u>72,022</u>	<u>168,048</u>	<u>285,555</u>

8. Other donations

	2025 £	2024 £
Edinburgh University Travel Awards	6,000	6,000
Hospitalfield Trust - funding of loan of "Rio" sculpture	-	2,500
National Galleries of Scotland - purchase of artwork	-	500
Nevill Holt Exhibition	5,000	-
Cragg Exhibition	25,000	-
	<u>36,000</u>	<u>9,000</u>

9. Losses on listed investments

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Loss on disposal of listed investments	6,163	6,163	-
Revaluation loss on listed investments	5,776	5,776	(122,987)
	<u>11,939</u>	<u>11,939</u>	<u>(122,987)</u>

THE PAOLOZZI FOUNDATION

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

10. Independent examiner's remuneration

The Independent Examiner's remuneration amounts to an Independent Examination fee of £3,100 and other accounting, bookkeeping and administration fees of £5,950 totalling £9,050

11. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2024	1,015,571
Additions	157,581
Disposals	(154,471)
Revaluations	(5,776)
At 31 March 2025	<u>1,012,905</u>
Net book value	
At 31 March 2025	<u>1,012,905</u>
At 31 March 2024	<u>1,015,571</u>

12. Stocks

	2025 £	2024 £
Other works	142,500	142,500
Probate value of artwork donated from the estate of Sir Eduardo Paolozzi	914,087	928,537
	<u>1,056,587</u>	<u>1,071,037</u>

THE PAOLOZZI FOUNDATION

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

13. Debtors

	2025 £	2024 £
Due within one year		
Other debtors	-	11,299
Prepayments and accrued income	7,051	7,037
	<u>7,051</u>	<u>18,336</u>

14. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	2,838	7,980
Other taxation and social security	545	-
Accruals and deferred income	7,600	5,638
	<u>10,983</u>	<u>13,618</u>

THE PAOLOZZI FOUNDATION

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

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds					
General funds - all funds	2,185,582	67,650	(96,026)	(11,939)	2,145,267
Restricted funds					
Head of Oscar Wilde	53,703	51,798	(72,022)	-	33,479
Total of funds	2,239,285	119,448	(168,048)	(11,939)	2,178,746

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds					
General funds - all funds	2,057,062	69,573	(64,040)	122,987	2,185,582
Restricted funds					
Head of Oscar Wilde	831	274,387	(221,515)	-	53,703
Total of funds	2,057,893	343,960	(285,555)	122,987	2,239,285

16. Restricted funds

The restricted funds account represents monies received and expended on "The Head of Oscar Wilde" which is a bronze sculpture, based on a maquette created by Sir Eduardo Paolozzi cast by Pangolin Editions.

THE PAOLOZZI FOUNDATION

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Fixed asset investments	1,012,905	-	1,012,905
Current assets	1,143,345	33,479	1,176,824
Creditors due within one year	(10,983)	-	(10,983)
Total	2,145,267	33,479	2,178,746

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Fixed asset investments	1,015,571	-	1,015,571
Current assets	1,183,629	53,703	1,237,332
Creditors due within one year	(13,618)	-	(13,618)
Total	2,185,582	53,703	2,239,285

THE PAOLOZZI FOUNDATION

England & Wales - Charity number 1162290

Accounts

THE PAOLOZZI FOUNDATION (CIO)

**UNAUDITED
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

THE PAOLOZZI FOUNDATION (CIO)

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THE PAOLOZZI FOUNDATION (CIO)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees

David Ross, Chairman
Adrian Barr-Smith, Secretary
Toby Treves
Ann Gallagher
Daniel Herrmann

Charity registered number

1162290

Principal office

Calder and Co, 30 Orange Street, London, WC2H 7HF

Accountants

Calder & Co, 30 Orange Street, London, WC2H 7HF

Investment Managers

Evelyn Partners, 45 Gresham Street, London , EC2V 7BG

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the financial statements for the 1 April 2023 to 31 March 2024.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The principal objective of the Foundation is to advance the education of the public by the promotion of their appreciation of fine arts and, in particular, the works of Sir Eduardo Paolozzi. The Trustees' policy is to utilise the assets held by the Charity to achieve this objective.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

Following the death of Sir Eduardo Paolozzi in April 2005 and the significant legacies received, the Trustees continually review the most appropriate methods for generating the funds necessary to achieve their objectives.

c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and are confident that there is an identifiable public benefit.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The Foundation generates income from sales of artwork, royalties and licences. In the period to 31st March 2024, income of £50,022 was earned as well as investment income of £17,144. Designated income donations of £274,284 were also received during the year.

b. REVIEW OF ACTIVITIES

Hospitalfield, Arbroath. Trustees have funded the loan of the sculpture "Rio" from Hunterian Gallery, Glasgow. A support programme of talks at Hospitalfield was led by Daniel Herrmann and the Foundation has purchased a work by Emma Hart and donated it to the Scottish National Galleries of Modern Art (SNGMA).

Publications. The Foundation has supported the publication of "The History of Nothing", over 45 years after the book was conceived and written by Jasia Reichardt. The book launch was held at the National Portrait Gallery on 8 March 2024, the exact date of the centenary of Paolozzi's birth. Trustees have maintained their efforts in support of preparation and publication of the books of respectively Paolozzi's metal sculptures and of his prints.

Waldfrieden Skulpture park, Wuppertal/Germany. An exhibition of Paolozzi's work is scheduled to open in August 2024 at Tony Cragg's gallery in Wuppertal. The exhibition, curated by Dr Jon Wood, and the catalogue will be supported by the Foundation.

Head of Oscar Wilde. This sculpture is now being cast in bronze at Pangolin Editions in Stroud, Glos with support from the Royal Borough of Kensington and Chelsea. Paolozzi lived and worked in the Royal Borough for over 40 years and Wilde also lived in Chelsea (at Tite Street) during his marriage. Permission has been granted by the relevant church authority (the Archdeacon of Middlesex) for this work to be installed on Dovehouse Green

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

in Chelsea.

Leith Athletic FC. The football club has adopted a new team strip, which has been based on designs by Paolozzi (who grew up in Leith).

Paolozzi's studio. The studio and its content, which was re-created in the Modern 2 gallery building at SNGMA, has now been digitally scanned on behalf of Dundee University.

Pimlico Cooling Tower/ Piscator. Both these public works by the artist require conservation work. The former is now a listed monument. The latter has been removed to store from its previous location at Euston station. The Foundation is continuing to liaise with the respective owners of the works to ensure that they are properly conserved and, in the case of Piscator, re-sited appropriately.

c. INVESTMENT POLICY AND PERFORMANCE

The fund value at the year end was £1,015,571. The trustees are taking a long term view on the investments and no immediate changes are planned. Income of £17,144 was generated in the period compared to £17,017 in the previous year.

d. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The principal mechanisms which enable the Foundation to achieve its objectives are the public exhibition of works of art, in particular those by Sir Eduardo Paolozzi, and activities in print and other media. Since the Foundation does not itself actively trade, it requires the cooperation and support of art historians and others. It is then able to respond to initiatives with funding and/or other support, utilising reserves which it holds.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. RESERVES POLICY

The Foundation needs to maintain reserves in order to fund the conservation and storage of artwork. However, there is no intention to hold significant reserves for the long-term and grants and/or donations will be made as appropriate.

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

a. CONSTITUTION

The Foundation is constituted as a charitable incorporated organisation.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Foundation is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Foundation is managed by the Trustees with the assistance of a qualified Treasurer. All decisions are made by the Trustees at regular meetings held not less than three times a year. The Foundation has no employees.

d. RELATED PARTY RELATIONSHIPS

During the period, no Trustees received remuneration or benefits in kind. Routine expenses were reimbursed.

e. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

FUNDS HELD AS CUSTODIAN

There are no funds held as custodian for other parties.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year and must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 Charity (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.

This report was approved by the Trustees, on 15 October 2024 and signed on their behalf by:


Adrian Barr-Smith
Secretary

THE PAOLOZZI FOUNDATION (CIO)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAOLOZZI FOUNDATION (CIO) (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2024.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity'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 charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

As permitted by Direction 2, issued by the Charity Commission the firm for which I work has provided the Company with bookkeeping services during the year ended 31 March 2024. As a consequence I have followed the requirement of the FRC's Ethical Standard when undertaking this assignment.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

INDEPENDENT EXAMINER'S STATEMENT

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

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

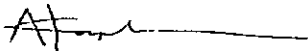
1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts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

THE PAOLOZZI FOUNDATION (CIO)

**INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024**

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.

Signed:



Dated: 15 October 2024

A Koupland ACA

CALDER & CO

Chartered Accountants

30 Orange Street
London
WC2H 7HF

THE PAOLOZZI FOUNDATION (CIO)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Donations and legacies	2	-	274,387	274,387	53,706
Trading activities	3	52,420	-	52,420	56,353
Investments	4	17,144	-	17,144	17,017
Other income		9	-	9	-
TOTAL INCOME		69,573	274,387	343,960	127,076
EXPENDITURE ON:					
Charitable activities		64,040	221,515	285,555	104,282
TOTAL EXPENDITURE	8	64,040	221,515	285,555	104,282
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)					
		5,533	52,872	58,405	22,794
Net gains/(losses) on investments	10	122,987	-	122,987	(44,962)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		128,520	52,872	181,392	(22,168)
NET MOVEMENT IN FUNDS		128,520	52,872	181,392	(22,168)
RECONCILIATION OF FUNDS:					
Total funds brought forward		2,057,062	831	2,057,893	2,080,061
TOTAL FUNDS CARRIED FORWARD		2,185,582	53,703	2,239,285	2,057,893

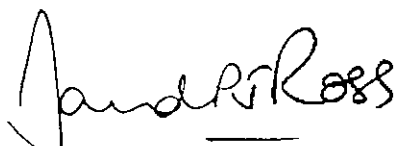
The notes on pages 10 to 17 form part of these financial statements.

THE PAOLOZZI FOUNDATION (CIO)

**BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	£	2024 £	£	2023 £
FIXED ASSETS					
Investments	10		1,015,671		849,930
CURRENT ASSETS					
Stocks	11	1,071,037		1,071,037	
Debtors	12	18,336		8,519	
Cash at bank and in hand		147,959		156,297	
			<u>1,237,332</u>	<u>1,235,853</u>	
CREDITORS: amounts falling due within one year	13	(13,618)		(27,890)	
NET CURRENT ASSETS			<u>1,223,714</u>		<u>1,207,963</u>
NET ASSETS			<u>2,239,285</u>		<u>2,057,893</u>
CHARITY FUNDS					
Restricted funds	14		53,703		831
Unrestricted funds	14		2,185,582		2,057,062
TOTAL FUNDS			<u>2,239,285</u>		<u>2,057,893</u>

The financial statements were approved by the Trustees on 15 October 2024 and signed on their behalf, by:



David Ross, Chairman

The notes on pages 10 to 17 form part of these financial statements.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Paolozzi Foundation (CIO) constitutes a public benefit entity as defined by FRS 102.

1.2 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Trustees is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES (continued)

1.3 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.4 Turnover

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.6 Interest receivable

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

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES (continued)

1.9 Creditors and provisions

Creditors 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 charity 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.

1.10 Financial instruments

The charity 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.

1.11 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 charity 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 charity 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.

Investment income, gains and losses are allocated to the appropriate fund.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations - Head of Oscar Wilde	-	274,387	274,387	53,706
<i>Total 2023</i>	-	53,706	53,706	

THE PAOLOZZI FOUNDATION (CIO)

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

3. TRADING ACTIVITIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Charity trading income				
Royalties	26,267	-	26,267	24,627
Licence agreement	26,153	-	26,153	31,726
	<u>52,420</u>	<u>-</u>	<u>52,420</u>	<u>56,353</u>
Net income from trading activities	<u>52,420</u>	<u>-</u>	<u>52,420</u>	<u>56,353</u>

4. INVESTMENT INCOME

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment income	16,810	-	16,810	16,867
Investment income from cash balances held	334	-	334	150
	<u>17,144</u>	<u>-</u>	<u>17,144</u>	<u>17,017</u>
<i>Total 2023</i>	<u>17,017</u>	<u>-</u>	<u>17,017</u>	

5. RESTRICTED COSTS

	Head of Oscar Wilde £	Total 2024 £	Total 2023 £
Sculpture costs	221,515	221,515	52,875
Digital works	-	-	3,000
	<u>221,515</u>	<u>221,515</u>	<u>55,875</u>
<i>Total 2023</i>	<u>55,875</u>	<u>55,875</u>	

THE PAOLOZZI FOUNDATION (CIO)

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

6. SUPPORT COSTS

	Activities £	Total 2024 £	Total 2023 £
Storage costs	10,118	10,118	8,778
Research costs	4,350	4,350	-
Computer costs	342	342	191
Website costs	1,200	1,200	-
Art Photography	180	180	-
Book publishing	10,000	10,000	-
Secretarial support	534	534	784
Entertaining	7,077	7,077	92
	<u>33,801</u>	<u>33,801</u>	<u>9,845</u>
<i>Total 2023</i>	<u>9,845</u>	<u>9,845</u>	

During the year ended 31 March 2024, the charity incurred the following Governance costs:

7. GOVERNANCE COSTS

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Accountancy	9,435	-	9,435	8,390
Insurance	2,016	-	2,016	1,993
Investment management fees	9,365	-	9,365	16,334
Bank charges	113	-	113	152
Travel costs	-	-	-	82
Carriage	310	-	310	2,059
	<u>21,239</u>	<u>-</u>	<u>21,239</u>	<u>29,010</u>

THE PAOLOZZI FOUNDATION (CIO)

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

8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Other costs 2024 £	Total 2024 £	Total 2023 £
Support costs	33,801	33,801	9,845
Other donations	9,000	9,000	9,552
Restricted costs	221,515	221,515	55,875
Charitable activities	<u>264,316</u>	<u>264,316</u>	<u>75,272</u>
Governance costs	<u>21,239</u>	<u>21,239</u>	<u>29,010</u>
	<u>285,555</u>	<u>285,555</u>	<u>104,282</u>
<i>Total 2023</i>	<u>104,282</u>	<u>104,282</u>	

Other Donations

	2024 £	2023 £
Edinburgh University Travel awards	6,000	-
Hospitalfield Trust - funding of loan of "Rio" sculpture	2,500	-
National Galleries of Scotland - purchase of artwork	500	-
Total	<u>9,000</u>	<u>-</u>

9. INDEPENDENT EXAMINATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £3,000 and other accounting, bookkeeping and administration fees of £6,435 totalling £9,435.

THE PAOLOZZI FOUNDATION (CIO)

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

10. FIXED ASSET INVESTMENT

	Listed securities £
Market value	
At 1 April 2023	849,930
Additions	136,585
Disposals	(91,617)
Revaluations	120,673
	1,015,571
At 31 March 2024	1,015,571

Investments at market value comprise:

	2024 £	2023 £
Listed investments	1,015,571	849,930
	1,015,571	849,930

11. STOCKS

	2024 £	2023 £
Other works	142,500	142,500
Probate value of artwork donated from the Estate of Sir Eduardo Paolozzi	928,537	928,537
	1,071,037	1,071,037
	1,071,037	1,071,037

12. DEBTORS

	2024 £	2023 £
Other debtors	11,299	2,987
Prepayments and accrued income	7,037	5,532
	18,336	8,519
	18,336	8,519

THE PAOLOZZI FOUNDATION (CIO)

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

13. CREDITORS: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	7,980	24,629
Accruals and deferred income	5,638	3,261
	<u>13,618</u>	<u>27,890</u>

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds					
General Funds - all funds	2,057,062	69,573	(64,040)	122,987	2,185,582
Restricted funds					
Head of Oscar Wilde	831	274,387	(221,515)	-	53,703
Total of funds	<u>2,057,893</u>	<u>343,960</u>	<u>(285,555)</u>	<u>122,987</u>	<u>2,239,285</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
General Funds - all funds	2,080,061	73,370	(48,407)	(3,000)	(44,962)	2,057,062
Restricted funds						
Head of Oscar Wilde	-	53,706	(55,875)	3,000	-	831
Total of funds	<u>2,080,061</u>	<u>127,076</u>	<u>(104,282)</u>	<u>-</u>	<u>(44,962)</u>	<u>2,057,893</u>

15. RESTRICTED FUNDS

The restricted funds account represents monies received and expended on 'Head of Oscar Wilde' which is to be a bronze sculpture, based on a maquette created by Sir Eduardo Paolozzi and to be cast by Pangolin Editions.

THE PAOLOZZI FOUNDATION

England & Wales - Charity number 1162290

Accounts

THE PAOLOZZI FOUNDATION (CIO)

**UNAUDITED
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

THE PAOLOZZI FOUNDATION (CIO)

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THE PAOLOZZI FOUNDATION (CIO)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees

David Ross, Chairman (appointed 25 April 2022)
Adrian Barr-Smith, Secretary
Toby Treves
Ann Gallagher (appointed 25 April 2022)
Daniel Herrmann (appointed 25 April 2022)
Robert Hiscox (resigned 25 April 2022)
Sir Christopher Frayling (resigned 18 September 2022)

Charity registered number

1162290

Principal office

Calder and Co, 30 Orange Street, London, WC2H 7HF

Accountants

Calder & Co, 30 Orange Street, London, WC2H 7HF

Investment Managers

Evelyn Partners, 45 Gresham Street, London , EC2V 7BG

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the financial statements for the 1 April 2022 to 31 March 2023.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The principal objective of the Foundation is to advance the education of the public by the promotion of their appreciation of fine arts and, in particular, the works of Sir Eduardo Paolozzi. The Trustees' policy is to utilise the assets held by the Charity to achieve this objective.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

Following the death of Sir Eduardo Paolozzi in April 2005 and the significant legacies received, the Trustees continually review the most appropriate methods for generating the funds necessary to achieve their objectives.

c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and are confident that there is an identifiable public benefit.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The Foundation generates income from sales of artwork, royalties and licences. In the period to 31st March 2023, income of £56,353 was earned as well as investment income of £17,017. Designated income donations of £53,706 were also received during the year.

b. REVIEW OF ACTIVITIES

2024 will be the centenary of the year of the birth of Sir Eduardo Paolozzi. To commemorate this centenary, the Trustees have agreed to support an exhibition of the artist's work at the Skulpturepark in Waldfrieden, Germany.

The Trustees funded the temporary loan of the Paolozzi sculpture entitled 'Rio' by the Hunterian Gallery, Glasgow to Hospitalfield Arts Centre in Arbroath.

The Trustees have continued to monitor the situation of the Paolozzi sculpture entitled 'Piscator'. The work was originally sited on the pedestrian approach to Euston station, the redevelopment of which is regularly reviewed by government.

The 'Head of Oscar Wilde' is to be a bronze sculpture, based on a maquette created by Sir Eduardo and to be cast by Pangolin. This casting will be supported by the Royal Borough of Kensington & Chelsea (and the Oscar Wilde Society, amongst other organisations and individuals) and subject to supervision by a former student of Sir Eduardo. Provided that permission to locate the work on Dovehouse Green is forthcoming from the church authorities, the intention is to install it during 2024.

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2023

Robert Hiscox has retired as chairman of the Trustees and has been succeeded by David Ross. Christopher Frayling has retired as a Trustee and been replaced by Ann Gallagher and Daniel Herrmann.

c. INVESTMENT POLICY AND PERFORMANCE

In order to diversify risk and generate additional income, the Foundation has invested an additional £80,000 into a number of funds with CanAccord. During the year these investments were transferred to a different investment broker Evelyn Partners Limited. The fund value at the year end was £849,930. The trustees are taking a long term view on the investments and no immediate changes are planned. Income of £17,017 was generated in the period compared to £18,013 in the previous year.

d. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The principal mechanisms which enable the Foundation to achieve its objectives are the public exhibition of works of art, in particular those by Sir Eduardo Paolozzi, and activities in print and other media. Since the Foundation does not itself actively trade, it requires the cooperation and support of art historians and others. It is then able to respond to initiatives with funding and/or other support, utilising reserves which it holds.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. RESERVES POLICY

The Foundation needs to maintain reserves in order to fund the conservation and storage of artwork. However, there is no intention to hold significant reserves for the long-term and grants and/or donations will be made as appropriate.

Structure, governance and management

a. CONSTITUTION

The Foundation is constituted as a charitable incorporated organisation.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Foundation is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Foundation is managed by the Trustees with the assistance of a qualified Treasurer. All decisions are made by the Trustees at regular meetings held not less than three times a year. The Foundation has no employees.

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

d. RELATED PARTY RELATIONSHIPS

During the period, no Trustees received remuneration or benefits in kind. Routine expenses were reimbursed.

e. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

FUNDS HELD AS CUSTODIAN

There are no funds held as custodian for other parties.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year and must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 Charity (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.

This report was approved by the Trustees, on 31 October 2023 and signed on their behalf by:



Adrian Barr-Smith
Secretary

THE PAOLOZZI FOUNDATION (CIO)

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAOLOZZI FOUNDATION (CIO) (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2023.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity'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 charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

As permitted by Direction 2, issued by the Charity Commission the firm for which I work has provided the Company with bookkeeping services during the year ended 31 March 2022. As a consequence I have followed the requirement of the FRC's Ethical Standard when undertaking this assignment.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

INDEPENDENT EXAMINER'S STATEMENT

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

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

THE PAOLOZZI FOUNDATION (CIO)

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

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.



Signed:

Dated: 31 October 2023

A Koupland ACA

CALDER & CO

Chartered Accountants

30 Orange Street
London
WC2H 7HF

THE PAOLOZZI FOUNDATION (CIO)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations and legacies	2	-	53,706	53,706	-
Trading activities	3	56,353	-	56,353	71,007
Investments	4	17,017	-	17,017	18,013
TOTAL INCOME		73,370	53,706	127,076	89,020
EXPENDITURE ON:					
Charitable activities		48,407	55,875	104,282	38,504
TOTAL EXPENDITURE	8	48,407	55,875	104,282	38,504
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)					
Net gains/(losses) on investments	10	24,963 (44,962)	(2,169) -	22,794 (44,962)	50,516 29,911
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	14	(19,999) (3,000)	(2,169) 3,000	(22,168) -	80,427 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(22,999)	831	(22,168)	80,427
NET MOVEMENT IN FUNDS					
		(22,999)	831	(22,168)	80,427
RECONCILIATION OF FUNDS:					
Total funds brought forward		2,080,061	-	2,080,061	1,999,634
TOTAL FUNDS CARRIED FORWARD		2,057,062	831	2,057,893	2,080,061

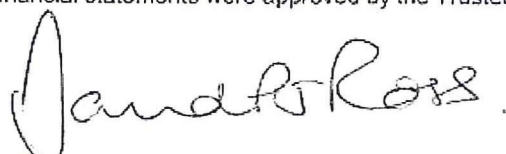
The notes on pages 9 to 16 form part of these financial statements.

THE PAOLOZZI FOUNDATION (CIO)

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Investments	10		849,930		857,748
CURRENT ASSETS					
Stocks	11	1,071,037		1,071,037	
Debtors	12	8,519		2,623	
Cash at bank and in hand		156,297		162,344	
			<u>1,235,853</u>	<u>1,236,004</u>	
CREDITORS: amounts falling due within one year	13	(27,890)		(13,691)	
NET CURRENT ASSETS			<u>1,207,963</u>		<u>1,222,313</u>
NET ASSETS			<u>2,057,893</u>		<u>2,080,061</u>
CHARITY FUNDS					
Restricted funds	14		831		-
Unrestricted funds	14		2,057,062		2,080,061
TOTAL FUNDS			<u>2,057,893</u>		<u>2,080,061</u>

The financial statements were approved by the Trustees on 31 October 2023 and signed on their behalf, by:



David Ross, Chairman

The notes on pages 9 to 16 form part of these financial statements.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Paolozzi Foundation (CIO) constitutes a public benefit entity as defined by FRS 102.

1.2 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Trustees is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES (continued)

1.3 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.4 Turnover

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.6 Interest receivable

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

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES (continued)

1.9 Creditors and provisions

Creditors 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 charity 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.

1.10 Financial instruments

The charity 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.

1.11 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 charity 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 charity 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.

Investment income, gains and losses are allocated to the appropriate fund.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations - Head of Oscar Wilde	-	53,706	53,706	-

THE PAOLOZZI FOUNDATION (CIO)

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

3. TRADING ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Charity trading income				
Royalties	24,627	-	24,627	38,036
Licence agreement	31,726	-	31,726	32,971
	<u>56,353</u>	<u>-</u>	<u>56,353</u>	<u>71,007</u>
Net income from trading activities	<u>56,353</u>	<u>-</u>	<u>56,353</u>	<u>71,007</u>

4. INVESTMENT INCOME

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	16,867	-	16,867	18,013
Investment income from cash balances held	150	-	150	-
	<u>17,017</u>	<u>-</u>	<u>17,017</u>	<u>18,013</u>
<i>Total 2022</i>	<u>18,013</u>	<u>-</u>	<u>18,013</u>	

5. RESTRICTED COSTS

	Head of Osacr Wilde £	Total 2023 £	Total 2022 £
Sculpture costs	52,875	52,875	-
Digital works	3,000	3,000	-
	<u>55,875</u>	<u>55,875</u>	<u>-</u>

THE PAOLOZZI FOUNDATION (CIO)

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

6. SUPPORT COSTS

	Activities £	Total 2023 £	Total 2022 £
Storage costs	8,778	8,778	7,916
Gifts	-	-	739
Printing postage and stationery	-	-	92
Computer costs	191	191	215
Secretarial support	784	784	44
Digital works	-	-	1,823
Entertaining	92	92	365
	<u>9,845</u>	<u>9,845</u>	<u>11,194</u>
<i>Total 2022</i>	<u>11,194</u>	<u>11,194</u>	

7. GOVERNANCE COSTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Accountancy	8,390	-	8,390	7,345
Insurance	1,993	-	1,993	1,863
Investment management fees	16,334	-	16,334	-
Bank charges	152	-	152	102
Travel costs	82	-	82	-
Carriage	2,059	-	2,059	-
	<u>29,010</u>	<u>-</u>	<u>29,010</u>	<u>9,310</u>

THE PAOLOZZI FOUNDATION (CIO)

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

8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Other costs 2023 £	Total 2023 £	Total 2022 £
Support costs	9,845	9,845	11,194
Other donations	9,552	9,552	12,000
Other grants	-	-	6,000
Restricted costs	55,875	55,875	-
Charitable activities	75,272	75,272	29,194
Governance costs	29,010	29,010	9,310
	104,282	104,282	38,504
<i>Total 2022</i>	<i>38,504</i>	<i>38,504</i>	

9. INDEPENDENT EXAMINATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £3,000 and other accounting, bookkeeping and administration fees of £5,390 totalling £8,390.

THE PAOLOZZI FOUNDATION (CIO)

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

10. FIXED ASSET INVESTMENT

	Listed securities £
Market value	
At 1 April 2022	857,748
Additions	307,047
Disposals	(285,104)
Revaluations	(29,761)
	849,930
At 31 March 2023	849,930

Investments at market value comprise:

	2023 £	2022 £
Listed investments	849,930	857,747

All the fixed asset investments are held in the UK

11. STOCKS

	2023 £	2022 £
Other works	142,500	142,500
Probate value of artwork donated from the Estate of Sir Eduardo Paolozzi	928,537	928,537
	1,071,037	1,071,037

12. DEBTORS

	2023 £	2022 £
Other debtors	2,987	-
Prepayments and accrued income	5,532	2,623
	8,519	2,623

THE PAOLOZZI FOUNDATION (CIO)

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

13. CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	24,629	2,647
Other taxation and social security	-	1,544
Accruals and deferred income	3,261	9,500
	27,890	13,691

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General Funds - all funds	2,080,061	73,370	(48,407)	(3,000)	(44,962)	2,057,062
Restricted funds						
Head of Oscar Wilde	-	53,706	(55,875)	3,000	-	831
Total of funds	2,080,061	127,076	(104,282)	-	(44,962)	2,057,893

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
General Funds - all funds	1,999,634	89,020	(38,504)	29,911	2,080,061
Restricted funds					
Total of funds	1,999,634	89,020	(38,504)	29,911	2,080,061

15. RESTRICTED FUNDS

The restricted funds account represents monies received and expended on 'Head of Oscar Wilde' which is to be a bronze sculpture, based on a maquette created by Sir Eduardo Paolozzi and to be cast by Pangolin.

THE PAOLOZZI FOUNDATION

England & Wales - Charity number 1162290

Accounts

THE PAOLOZZI FOUNDATION (CIO)

**UNAUDITED
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

THE PAOLOZZI FOUNDATION (CIO)

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THE PAOLOZZI FOUNDATION (CIO)

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

Trustees

David Ross, Chairman (appointed 25 April 2022)
Ann Gallagher (appointed 25 April 2022)
Daniel Herrmann (appointed 25 April 2022)
Sir Christopher Frayling
Adrian Barr-Smith, Secretary
Toby Treves
Robert Hiscox (resigned 25 April 2022)
David, Marquess of Queensbury (resigned 18 August 2021)

Charity registered number

1162290

Principal office

Calder and Co, 30 Orange Street, London, WC2H 7HF

Accountants

Calder & Co, 30 Orange Street, London, WC2H 7HF

Investment Managers

Punter Southall Wealth, 11 Strand, London , WC2N 5HR

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements for the 1 April 2021 to 31 March 2022.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The principal objective of the Foundation is to advance the education of the public by the promotion of their appreciation of fine arts and, in particular, the works of Sir Eduardo Paolozzi. The Trustees' policy is to utilise the assets held by the Charity to achieve this objective.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

Following the death of Sir Eduardo Paolozzi in April 2005 and the significant legacies received, the Trustees continually review the most appropriate methods for generating the funds necessary to achieve their objectives.

c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and are confident that there is an identifiable public benefit.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The Foundation generates income from sales of artwork, royalties and licences. In the period to 31st March 2022, income of £71,007 was earned as well as investment income of £18,013

b. REVIEW OF ACTIVITIES

The pandemic continued to restrict and delay activities, but afforded an opportunity for planning.

The Trustees have agreed to finance some limited restoration work to the Paolozzi sculpture 'Rio', owned by the Hunterian Gallery, Glasgow. The intention is to fund a temporary placement of the work at Hospitalfield, Arbroath.

A first cohort of students at Edinburgh College of Art received 4 Paolozzi awards.

The Trustees have continued to monitor the conservation (now completed) of, and relocation proposals for, the Paolozzi sculpture 'Piscator', previously sited at Euston Station.

The Edinburgh Beer Factory continues to brew 'Paolozzi' lager under licence from the Trustees and now from a new site at Dunbar. The Trustees were heartened to note that the Paolozzi Bar and Grill in Edinburgh had reopened following the pandemic.

The Trustees have applied to the Church of England for permission to site a Paolozzi sculpture on Dovehouse Green, Chelsea, very close to the studios where Sir Eduardo Paolozzi lived and worked for over 40 years.

THE PAOLOZZI FOUNDATION (CIO)

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

David Ross has succeeded Robert Hiscox as chairman of Trustees. David Queensberry has also retired as Trustee and Ann Gallagher and Daniel Herrmann have been appointed as new Trustees.

c. INVESTMENT POLICY AND PERFORMANCE

In order to diversify risk and generate additional income, the Foundation has invested £704,444 into a number of funds with Punter Southall Wealth (formerly Psigma Investment Management). The fund value at the year end was £847,748. The trustees are taking a long term view on the investments and no immediate changes are planned. Income of £18,013 was generated in the period compared to £16,671 in the previous year.

d. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The principal mechanisms which enable the Foundation to achieve its objectives are the public exhibition of works of art, in particular those by Sir Eduardo Paolozzi, and activities in print and other media. Since the Foundation does not itself actively trade, it requires the cooperation and support of art historians and others. It is then able to respond to initiatives with funding and/or other support, utilising reserves which it holds.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. RESERVES POLICY

The Foundation needs to maintain reserves in order to fund the conservation and storage of artwork. However, there is no intention to hold significant reserves for the long-term and grants and/or donations will be made as appropriate.

Structure, governance and management

a. CONSTITUTION

The Foundation is constituted as a charitable incorporated organisation.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Foundation is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

THE PAOLOZZI FOUNDATION (CIO)

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

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Foundation is managed by the Trustees with the assistance of a qualified Treasurer. All decisions are made by the Trustees at regular meetings held not less than three times a year. The Foundation has no employees.

d. RELATED PARTY RELATIONSHIPS

During the period, no Trustees received remuneration or benefits in kind. Routine expenses were reimbursed.

e. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

FUNDS HELD AS CUSTODIAN

There are no funds held as custodian for other parties.

TRUSTEES' RESPONSIBILITIES STATEMENT

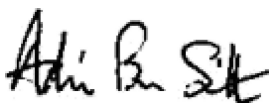
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year and must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 Charity (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.

This report was approved by the Trustees, on 12 September 2022 and signed on their behalf by:



Adrian Barr-Smith
Secretary

THE PAOLOZZI FOUNDATION (CIO)

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

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAOLOZZI FOUNDATION (CIO) (the 'charity')

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

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity'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 charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

As permitted by Direction 2, issued by the Charity Commission the firm for which I work has provided the Company with bookkeeping services during the year ended 31 March 2022. As a consequence I have followed the requirement of the FRC's Ethical Standard when undertaking this assignment.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

INDEPENDENT EXAMINER'S STATEMENT

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

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

THE PAOLOZZI FOUNDATION (CIO)

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

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.

Signed: 

Dated: 12 September 2022

David J Lyon FCA

CALDER & CO

Chartered Accountants

30 Orange Street
London
WC2H 7HF

THE PAOLOZZI FOUNDATION (CIO)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:				
Trading activities	2	71,007	71,007	23,047
Investments	3	18,013	18,013	16,671
TOTAL INCOME		89,020	89,020	39,718
EXPENDITURE ON:				
Charitable activities	5	38,504	38,504	34,228
TOTAL EXPENDITURE	6	38,504	38,504	34,228
NET INCOME BEFORE INVESTMENT GAINS				
Net gains on investments	8	50,516	50,516	5,490
		29,911	29,911	216,150
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		80,427	80,427	221,640
NET MOVEMENT IN FUNDS		80,427	80,427	221,640
RECONCILIATION OF FUNDS:				
Total funds brought forward		1,999,634	1,999,634	1,777,994
TOTAL FUNDS CARRIED FORWARD		2,080,061	2,080,061	1,999,634


The notes on pages 9 to 15 form part of these financial statements.

THE PAOLOZZI FOUNDATION (CIO)

**BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Investments	8		857,748		825,623
CURRENT ASSETS					
Stocks	9	1,071,037		1,071,037	
Debtors	10	2,623		1,828	
Cash at bank and in hand		162,344		106,565	
		<u>1,236,004</u>		<u>1,179,430</u>	
CREDITORS: amounts falling due within one year	11	<u>(13,691)</u>		<u>(5,419)</u>	
NET CURRENT ASSETS			<u>1,222,313</u>		<u>1,174,011</u>
NET ASSETS			<u>2,080,061</u>		<u>1,999,634</u>
CHARITY FUNDS					
Unrestricted funds	12		<u>2,080,061</u>		<u>1,999,634</u>
TOTAL FUNDS			<u>2,080,061</u>		<u>1,999,634</u>

The financial statements were approved by the Trustees on 12 September 2022 and signed on their behalf, by:



David Ross, Chairman

The notes on pages 9 to 15 form part of these financial statements.

THE PAOLOZZI FOUNDATION (CIO)

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 under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Paolozzi Foundation (CIO) constitutes a public benefit entity as defined by FRS 102.

1.2 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Trustees is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES (continued)

1.3 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.4 Turnover

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.6 Interest receivable

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

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES (continued)

1.9 Creditors and provisions

Creditors 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 charity 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.

1.10 Financial instruments

The charity 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.

1.11 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 charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

2. TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Charity trading income			
Sale of artwork	-	-	1,023
Royalties	38,036	38,036	14,781
Licence agreement	32,971	32,971	7,243
	<u>71,007</u>	<u>71,007</u>	<u>23,047</u>
Net income from trading activities	<u>71,007</u>	<u>71,007</u>	<u>23,047</u>

THE PAOLOZZI FOUNDATION (CIO)

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

3. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	18,013	18,013	16,671
<i>Total 2021</i>	<u>16,671</u>	<u>16,671</u>	

4. SUPPORT COSTS

	Activities £	Total 2022 £	Total 2021 £
Storage costs	7,916	7,916	7,916
Gifts	739	739	-
Printing postage and stationery	92	92	-
Computer costs	215	215	201
Restoration costs	-	-	5,680
Secretarial support	44	44	238
Other support costs	1,823	1,823	3,871
Entertaining	365	365	-
	<u>11,194</u>	<u>11,194</u>	<u>17,906</u>
<i>Total 2021</i>	<u>17,906</u>	<u>17,906</u>	

5. GOVERNANCE COSTS

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Accountancy	7,345	7,345	6,775
Insurance	1,863	1,863	1,862
Legal	-	-	386
Bank charges	102	102	69
Books	-	-	1,230
	<u>9,310</u>	<u>9,310</u>	<u>10,322</u>

THE PAOLOZZI FOUNDATION (CIO)

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

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Other costs 2022 £	Total 2022 £	Total 2021 £
Support costs	11,194	11,194	17,906
Other donations	12,000	12,000	6,000
Other grants	6,000	6,000	-
Charitable activities	29,194	29,194	23,906
Governance costs	9,310	9,310	10,322
	38,504	38,504	34,228
<i>Total 2021</i>	<i>34,228</i>	<i>34,228</i>	

7. INDEPENDENT EXAMINATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £2,750 and other accounting, bookkeeping and administration fees of £4,575 totalling £7,345.

THE PAOLOZZI FOUNDATION (CIO)

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

8. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 April 2021	825,623
Revaluations	32,125
	857,748
At 31 March 2022	857,748

Investments at market value comprise:

	2022 £	2021 £
Listed investments	857,747	825,623

All the fixed asset investments are held in the UK

9. STOCKS

	2022 £	2021 £
Other works	142,500	142,500
Probate value of artwork donated from the Estate of Sir Eduardo Paolozzi	928,537	928,537
	1,071,037	1,071,037
	1,071,037	1,071,037

10. DEBTORS

	2022 £	2021 £
Trade debtors	-	1,700
Other debtors	-	128
Prepayments and accrued income	2,623	-
	2,623	1,828
	2,623	1,828

THE PAOLOZZI FOUNDATION (CIO)

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

11. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,647	2,169
Other taxation and social security	1,544	-
Accruals and deferred income	9,500	3,250
	13,691	5,419

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2022
	£	£	£	£	£
Unrestricted funds					
General Funds - all funds	1,999,634	89,020	(38,504)	29,911	2,080,061
	1,999,634	89,020	(38,504)	29,911	2,080,061

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020	Income	Expenditure	Gains/ (Losses)	Balance at 31 March 2021
	£	£	£	£	£
General Funds - all funds	1,777,994	39,718	(34,228)	216,150	1,999,634
Total of funds	1,777,994	39,718	(34,228)	216,150	1,999,634

THE PAOLOZZI FOUNDATION

England & Wales - Charity number 1162290

Accounts

THE PAOLOZZI FOUNDATION (CIO)

**UNAUDITED
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

THE PAOLOZZI FOUNDATION (CIO)

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THE PAOLOZZI FOUNDATION (CIO)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

Robert Hiscox, Chairman
Adrian Barr-Smith, Secretary
Sir Christopher Frayling
The Marquess of Queensberry (resigned 18 August 2021)
Toby Treves

Charity registered number

1162290

Principal office

Calder and Co, 30 Orange Street, London, WC2H 7HF

Accountants

Calder & Co, 30 Orange Street, London, WC2H 7HF

Investment Managers

Punter Southall Wealth, 11 Strand, London , WC2N 5HR

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements for the 1 April 2020 to 31 March 2021.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The principal objective of the Foundation is to advance the education of the public by the promotion of their appreciation of fine arts and, in particular, the works of Sir Eduardo Paolozzi. The Trustees' policy is to utilise the assets held by the Charity to achieve this objective.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

Following the death of Sir Eduardo Paolozzi in April 2005 and the significant legacies received, the Trustees continually review the most appropriate methods for generating the funds necessary to achieve their objectives.

c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and are confident that there is an identifiable public benefit.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The Foundation generates income from sales of artwork, royalties and licences. In the period to 31st March 2021, income of £23,047 was earned as well as investment income of £16,671.

b. REVIEW OF ACTIVITIES

In common with others, activities of the Foundation this year have been restricted by the constraints imposed by the pandemic.

The Trustees have had preliminary discussions regarding a possible exhibition in China of works by Sir Eduardo Paolozzi, but these have not yet proceeded further.

The Trustees have continued to liaise with the developers of Euston mainline station and the sculpture 'Piscator' has now been removed from the demolition site at the station. The work requires restoration before it is relocated.

The Foundation has collaborated with Edinburgh College of Art and has funded the initial 4 Paolozzi awards to students in respectively the sculpture, printmaking, textiles and ceramics disciplines.

The Foundation has funded the restoration work to the wooden sculpture entitled 'London to Paris' by Sir Eduardo Paolozzi. With help from Sir Christopher Frayling a suitable location has been identified where the work will now be displayed. The Trustees have agreed to loan the work for display at Churchill College, Cambridge.

The Foundation has distributed copies of the Paolozzi monograph by Judith Collins to selected individuals.

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2021

The Edinburgh Beer Factory (EBF) has continued to distribute Paolozzi lager, despite the operational difficulties during the pandemic. In conjunction with EBF the Foundation has succeeded in registering "Paolozzi" as a trade mark.

c. INVESTMENT POLICY AND PERFORMANCE

In order to diversify risk and generate additional income, the Foundation has invested £704,444 into a number of funds with Punter Southall Wealth (formerly Psigma Investment Management). The fund value at the year end was £824,776. The trustees are taking a long term view on the investments and no immediate changes are planned. Income of £16,671 was generated in the period compared to £16,111 in the previous year.

d. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The principal mechanisms which enable the Foundation to achieve its objectives are the public exhibition of works of art, in particular those by Sir Eduardo Paolozzi, and activities in print and other media. Since the Foundation does not itself actively trade, it requires the cooperation and support of art historians and others. It is then able to respond to initiatives with funding and/or other support, utilising reserves which it holds.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. RESERVES POLICY

The Foundation needs to maintain reserves in order to fund the conservation and storage of artwork. However, there is no intention to hold significant reserves for the long-term and grants and/or donations will be made as appropriate.

Structure, governance and management

a. CONSTITUTION

The Foundation is constituted as a charitable incorporated organisation.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Foundation is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

THE PAOLOZZI FOUNDATION (CIO)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2021

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Foundation is managed by the Trustees with the assistance of a qualified Treasurer. All decisions are made by the Trustees at regular meetings held not less than three times a year. The Foundation has no employees.

d. RELATED PARTY RELATIONSHIPS

During the period, no Trustees received remuneration or benefits in kind. Routine expenses were reimbursed.

e. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

FUNDS HELD AS CUSTODIAN

There are no funds held as custodian for other parties.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year and must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 Charity (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.

This report was approved by the Trustees, on 18 August 2021 and signed on their behalf by:



Adrian Barr-Smith
Secretary

THE PAOLOZZI FOUNDATION (CIO)

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAOLOZZI FOUNDATION (CIO) (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2021.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity'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 charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

As permitted by Direction 2, issued by the Charity Commission the firm for which I work has provided the Company with bookkeeping services during the year ended 31 March 2020. As a consequence I have followed the requirement of the FRC's Ethical Standard when undertaking this assignment.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

INDEPENDENT EXAMINER'S STATEMENT

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

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

THE PAOLOZZI FOUNDATION (CIO)

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

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.

Signed: 

Dated: 18 August 2021

David J Lyon FCA

CALDER & CO

Chartered Accountants

30 Orange Street
London
WC2H 7HF

THE PAOLOZZI FOUNDATION (CIO)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:				
Trading activities	2	23,047	23,047	89,353
Investments	3	16,671	16,671	16,311
Other income		-	-	8,803
TOTAL INCOME		39,718	39,718	114,467
EXPENDITURE ON:				
Charitable activities	5	34,228	34,228	30,685
TOTAL EXPENDITURE	6	34,228	34,228	30,685
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		5,490	5,490	83,782
Net gains/(losses) on investments	8	216,150	216,150	(120,609)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		221,640	221,640	(36,827)
NET MOVEMENT IN FUNDS		221,640	221,640	(36,827)
RECONCILIATION OF FUNDS:				
Total funds brought forward		1,777,994	1,777,994	1,814,821
TOTAL FUNDS CARRIED FORWARD		1,999,634	1,999,634	1,777,994

The notes on pages 9 to 15 form part of these financial statements.

THE PAOLOZZI FOUNDATION (CIO)

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Investments	8		825,623		608,625
CURRENT ASSETS					
Stocks	9	1,071,037		1,071,915	
Debtors	10	1,828		29,285	
Cash at bank and in hand		106,565		76,828	
			<u>1,179,430</u>	<u>1,178,028</u>	
CREDITORS: amounts falling due within one year	11	(5,419)		(8,659)	
NET CURRENT ASSETS			<u>1,174,011</u>		<u>1,169,369</u>
NET ASSETS			<u>1,999,634</u>		<u>1,777,994</u>
CHARITY FUNDS					
Unrestricted funds	12		<u>1,999,634</u>		<u>1,777,994</u>
TOTAL FUNDS			<u>1,999,634</u>		<u>1,777,994</u>

The financial statements were approved by the Trustees on 18 August 2021 and signed on their behalf, by:



Robert Hiscox, Chairman

The notes on pages 9 to 15 form part of these financial statements.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Paolozzi Foundation (CIO) constitutes a public benefit entity as defined by FRS 102.

1.2 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES (continued)

1.3 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.4 Turnover

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.6 Interest receivable

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

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

THE PAOLOZZI FOUNDATION (CIO)

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

1. ACCOUNTING POLICIES (continued)

1.9 Creditors and provisions

Creditors 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 charity 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.

1.10 Financial instruments

The charity 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.

1.11 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 charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

2. TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charity trading income			
Sale of artwork	1,023	1,023	25,668
Royalties	14,781	14,781	17,088
Licence agreement	7,243	7,243	46,597
	<u>23,047</u>	<u>23,047</u>	<u>89,353</u>
Net income from trading activities	<u>23,047</u>	<u>23,047</u>	<u>89,353</u>

THE PAOLOZZI FOUNDATION (CIO)

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

3. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income	16,671	16,671	16,311
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>16,311</i>	<i>16,311</i>	
	<hr/>	<hr/>	

4. SUPPORT COSTS

	Activities £	Total 2021 £	<i>Total 2020 £</i>
Storage costs	7,916	7,916	8,406
General office costs	-	-	139
Computer costs	201	201	449
Restoration costs	5,680	5,680	3,150
Secretarial support	238	238	2,156
Framing costs	-	-	1,715
Other support costs	3,871	3,871	-
	<hr/>	<hr/>	<hr/>
	17,906	17,906	16,015
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>16,015</i>	<i>16,015</i>	
	<hr/>	<hr/>	

5. GOVERNANCE COSTS

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Accountancy	6,775	6,775	6,650
Insurance	1,862	1,862	1,862
Legal	386	386	354
Bank charges	69	69	60
Books	1,230	1,230	-
	<hr/>	<hr/>	<hr/>
	10,322	10,322	8,926
	<hr/>	<hr/>	<hr/>

THE PAOLOZZI FOUNDATION (CIO)

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

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Other costs 2021 £	Total 2021 £	Total 2020 £
Support costs	17,906	17,906	16,015
Other donations	6,000	6,000	-
Donations of artwork	-	-	5,744
Charitable activities	23,906	23,906	21,759
Governance costs	10,322	10,322	8,926
	34,228	34,228	30,685
<i>Total 2020</i>	<i>30,685</i>	<i>30,685</i>	

7. INDEPENDENT EXAMINATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £2,500 and other accounting, bookkeeping and administration fees of £4,275 totalling £6,775.

THE PAOLOZZI FOUNDATION (CIO)

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

8. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 April 2020	608,625
Revaluations	216,998
	<hr/>
At 31 March 2021	825,623
	<hr/> <hr/>

Investments at market value comprise:

	2021 £	2020 £
Listed investments	825,623	608,625
	<hr/> <hr/>	<hr/> <hr/>

All the fixed asset investments are held in the UK

9. STOCKS

	2021 £	2020 £
Other works	142,500	142,500
Probate value of artwork donated from the Estate of Sir Eduardo Paolozzi	928,537	929,415
	<hr/>	<hr/>
	1,071,037	1,071,915
	<hr/> <hr/>	<hr/> <hr/>

10. DEBTORS

	2021 £	2020 £
Trade debtors	1,700	29,285
Other debtors	128	-
	<hr/>	<hr/>
	1,828	29,285
	<hr/> <hr/>	<hr/> <hr/>

THE PAOLOZZI FOUNDATION (CIO)

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

11. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,169	2,261
Other taxation and social security	-	3,148
Accruals and deferred income	3,250	3,250
	5,419	8,659
	5,419	8,659

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	1,777,994	39,718	(34,228)	216,150	1,999,634
	1,777,994	39,718	(34,228)	216,150	1,999,634
	1,777,994	39,718	(34,228)	216,150	1,999,634

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General Funds - all funds	1,814,821	114,467	(30,685)	(120,609)	1,777,994
Total of funds	1,814,821	114,467	(30,685)	(120,609)	1,777,994
	1,814,821	114,467	(30,685)	(120,609)	1,777,994
	1,814,821	114,467	(30,685)	(120,609)	1,777,994