

REGISTERED COMPANY NUMBER: 10493204 (England and Wales)
REGISTERED CHARITY NUMBER: 1172250

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Cropper Paper Foundation
(A Company Limited by Guarantee)

Stables Thompson & Briscoe Ltd
Chartered Accountants & Business Advisors
Lowther House
Lowther Street
Kendal
LA9 4DX

Cropper Paper Foundation

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Cropper Paper Foundation

Reference and Administrative Details for the Year Ended 31 December 2020

TRUSTEES

J E Sharp
P J Willink
M A J Cropper
Mrs A F Cropper

REGISTERED OFFICE

C/O Estate Office
Ellergreen
Kendal
Cumbria
LA9 5SD

REGISTERED COMPANY NUMBER

10493204 (England and Wales)

REGISTERED CHARITY NUMBER

1172250

INDEPENDENT EXAMINER

Stables Thompson & Briscoe Ltd
Chartered Accountants & Business Advisors
Lowther House
Lowther Street
Kendal
LA9 4DX

**Report of the Trustees
for the Year Ended 31 December 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Paper Foundation is a charity committed to the survival of the craft of papermaking by hand and the celebration of all paper related arts, crafts, and industries. It hopes to fulfil this role to a level of national and international significance.

It will primarily fulfil its objectives from a new institution located close to the historic James Cropper paper-mill in Burneside, a small village in the foothills of the English Lake District.

The Cropper Paper Foundation has several interrelated aims:

- To perpetuate the craftsmanship and knowledge necessary for the making of handmade paper and its associated arts, crafts and industries.
- To conserve the objects and artefacts that comprise the physical heritage of paper-making in the United Kingdom.
- To provide open access to archives, documents and artefacts, facilitate research, and share this with as wide an audience as possible.
- To regenerate the paper-making community of Burneside and enrich the cultural life of the north of England and all those who visit.

Significant activities

The Foundation will bear several traits of a museum, but its ethos is to focus on the present and future of paper as much as the past.

Public benefit

In determining these objectives, the Trustees have paid due regard to The Charity Commission guidance on public benefit.

**Report of the Trustees
for the Year Ended 31 December 2020**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In the last year the foundation has continued to build its profile, operations and collections.

Early in the year the Foundation took on its first full-time employee to oversee and progress the Foundation's mission.

The Foundation's focus in 2020 was on ensuring the survival and continuation of the endangered craft of papermaking by hand. In the first half of the year much time was spent commissioning a new hand-made paper mill utilising equipment rescued over a number of years from around the UK and Ireland. The Foundation recruited an apprentice paper-maker supported by a part-time millwright. This enabled the commencement of production and the commencement of training by the UK's leading hand paper-makers who handed over their knowledge and equipment prior to retirement. In the year the Foundation's papermaker began his apprenticeship in the craft of papermaking by hand. Following on from this in July 2020 the Foundation began to make and sell handmade paper on a small scale.

Building work was begun on the Ellergreen mansion which, once complete, the Foundation will lease and inhabit. It will be used to house additional workshops and its collections, and hold events, classes and exhibitions.

The Foundation has also taken on its first volunteer who has begun the work of cataloguing our collection.

In collaboration with the design studio Atelier Dyakova the Foundation developed a logo and identity.

FINANCIAL REVIEW

Financial position

The Charity received donations of £40,326 in the year (compared to £45,000 last year) excluding gift aid reclaimed. The charity received a further £5,000 (2019 - £11,264) in gift aid. Expenditure in the year totalled £77,279 (2019 - £14,873) resulting in a deficit of £27,284 (2019 - surplus of £41,391) and total carried forward reserves of £33,255 from £60,539 brought forward. All reserves are unrestricted.

At the end of the period the charity had no free reserves due to the deficit (2019 - £33,631).

Reserves policy

The charity is in start-up mode with the first year of operations being this year. A reserves policy will be drafted as matters evolve including budgets and greater clarity on overheads and other financial commitments.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Cropper Paper Foundation was incorporated on 23 November 2016 as a not for profit company limited by guarantee. Cropper Paper Foundation is a registered charity (number 1172250). The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

**Report of the Trustees
for the Year Ended 31 December 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Foundation currently has four trustees: Mark Cropper, Attosa Cropper (Mark's wife), Patrick Willink (fourth generation director of James Cropper plc and related to the founder) and Jim Sharp (non-executive director of James Cropper plc).

The following were all appointed owing to the proximity to and interest in the foundation's aims as well as broader interests in paper-making and related arts.

The proposal is to broaden this list considerably, ideally to include a list of the highest-level advocates for the Foundation across the arts, culture and educational sectors. This could be realised through the creation of an advisory board as well as trustee appointments.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

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

Approved by order of the board of trustees on 28 September 2021 and signed on its behalf by:

M A J Cropper - Trustee

Independent Examiner's Report to the Trustees of Cropper Paper Foundation

Independent examiner's report to the trustees of Cropper Paper Foundation ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

H M Holmes BSc FCA
ICAEW
Stables Thompson & Briscoe Ltd
Chartered Accountants & Business Advisors
Lowther House
Lowther Street
Kendal
LA9 4DX

28 September 2021

Cropper Paper Foundation

Statement of Financial Activities for the Year Ended 31 December 2020

		31.12.20 Unrestricted fund £	31.12.19 Total funds £
	Notes		
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	45,326	56,264
Other trading activities	3	4,669	-
Total		<u>49,995</u>	<u>56,264</u>
 EXPENDITURE ON			
Raising funds	4	26,928	14,873
Charitable activities			
Development costs		12,455	-
Support costs		37,896	-
Total		<u>77,279</u>	<u>14,873</u>
NET INCOME/(EXPENDITURE)		<u>(27,284)</u>	<u>41,391</u>
 RECONCILIATION OF FUNDS			
Total funds brought forward		60,539	19,148
TOTAL FUNDS CARRIED FORWARD		<u><u>33,255</u></u>	<u><u>60,539</u></u>

The notes form part of these financial statements

Cropper Paper Foundation (Registered number: 10493204)

Balance Sheet
31 December 2020

		31.12.20 Unrestricted fund £	31.12.19 Total funds £
FIXED ASSETS	Notes		
Tangible assets	9	2,019	-
Heritage assets	10	<u>35,126</u>	<u>26,908</u>
		37,145	26,908
CURRENT ASSETS			
Debtors	11	2,047	117
Cash at bank		<u>5,282</u>	<u>45,428</u>
		7,329	45,545
CREDITORS			
Amounts falling due within one year	12	(11,219)	(11,914)
NET CURRENT ASSETS		<u>(3,890)</u>	<u>33,631</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		33,255	60,539
NET ASSETS		<u>33,255</u>	<u>60,539</u>
FUNDS	13		
Unrestricted funds		<u>33,255</u>	<u>60,539</u>
TOTAL FUNDS		<u>33,255</u>	<u>60,539</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Balance Sheet - continued
31 December 2020

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

The financial statements were approved by the Board of Trustees and authorised for issue on 28 September 2021 and were signed on its behalf by:

M A J Cropper - Trustee

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 20% on cost

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Cropper Paper Foundation

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

2. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Appeals and donations	40,326	45,000
Gift aid tax reclaimed	<u>5,000</u>	<u>11,264</u>
	<u>45,326</u>	<u>56,264</u>

3. OTHER TRADING ACTIVITIES

	31.12.20	31.12.19
	£	£
Shop income	<u>4,669</u>	<u>-</u>

4. RAISING FUNDS

Raising donations and legacies

	31.12.20	31.12.19
	£	£
Support costs	<u>20,138</u>	<u>9,904</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	190	-
Hire of plant and machinery	<u>105</u>	<u>110</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Cropper Paper Foundation

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

7. STAFF COSTS

	31.12.20	31.12.19
	£	£
Wages and salaries	12,455	-
	<u>12,455</u>	<u>-</u>

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Number of staff	<u>1</u>	<u>-</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	56,264
EXPENDITURE ON	
Raising funds	14,873
Charitable activities	
Support costs	-
Total	<u>14,873</u>
NET INCOME	<u>41,391</u>
RECONCILIATION OF FUNDS	
Total funds brought forward	19,148
TOTAL FUNDS CARRIED FORWARD	<u>60,539</u>

Cropper Paper Foundation

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

9. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
Additions	<u>2,209</u>
DEPRECIATION	
Charge for year	<u>190</u>
NET BOOK VALUE	
At 31 December 2020	<u>2,019</u>
At 31 December 2019	<u>-</u>

10. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 January 2020	26,908
Additions	<u>8,218</u>
At 31 December 2020	<u>35,126</u>
NET BOOK VALUE	
At 31 December 2020	<u>35,126</u>
At 31 December 2019	<u>26,908</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
VAT	600	117
Prepayments	<u>1,447</u>	<u>-</u>
	<u>2,047</u>	<u>117</u>

Cropper Paper Foundation

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	570	-
Social security and other taxes	335	-
Other creditors	5,000	10,914
Accruals and deferred income	5,314	1,000
	<u>11,219</u>	<u>11,914</u>

13. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	At 31.12.20
	£	£	£
Unrestricted funds			
General fund	60,539	(27,284)	33,255
TOTAL FUNDS	<u>60,539</u>	<u>(27,284)</u>	<u>33,255</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	49,995	(77,279)	(27,284)
TOTAL FUNDS	<u>49,995</u>	<u>(77,279)</u>	<u>(27,284)</u>

Comparatives for movement in funds

	At 1.1.19	Net movement in funds	At 31.12.19
	£	£	£
Unrestricted funds			
General fund	19,148	41,391	60,539
TOTAL FUNDS	<u>19,148</u>	<u>41,391</u>	<u>60,539</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	56,264	(14,873)	41,391
TOTAL FUNDS	<u>56,264</u>	<u>(14,873)</u>	<u>41,391</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	19,148	14,107	33,255
TOTAL FUNDS	<u>19,148</u>	<u>14,107</u>	<u>33,255</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	106,259	(92,152)	14,107
TOTAL FUNDS	<u>106,259</u>	<u>(92,152)</u>	<u>14,107</u>

Cropper Paper Foundation

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

14. RELATED PARTY DISCLOSURES

One of the trustees, M A J Cropper, loaned the charitable company £5,000 in the year.

