

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 2022
for
Paper Foundation
(A Company Limited by Guarantee)

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

**Contents of the Financial Statements
for the Year Ended 31 December 2022**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7 to 8
Notes to the Financial Statements	9 to 15
Detailed Statement of Financial Activities	16 to 17

Paper Foundation

**Reference and Administrative Details
for the Year Ended 31 December 2022**

TRUSTEES

J E Sharp
P J Willink
M A J Cropper
Mrs A F Cropper
E W G Bayntun Coward (appointed 14.2.22)
Ms P A H Elliott (appointed 5.12.22)

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

Paper Foundation

Report of the Trustees for the Year Ended 31 December 2022

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 2022. 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 preservation and celebration of paper-making and all paper related arts, crafts, and industries. It hopes to fulfil this role to a level of national and international significance.

It primarily fulfils its objectives from an institution located close to the historic James Cropper paper-mill in Burneside, a small village in the foothills of the English Lake District with a history of paper-making dating back to 1746.

The Paper Foundation has several interrelated aims:

- To perpetuate the craftsmanship and knowledge necessary for the production of handmade paper and the continuation of its associated arts, crafts and industries. This includes (but is not limited to) print-making, letterpress printing, bookbinding and paper conservation;
- To conserve the objects and artefacts that comprise the physical heritage of paper-making and related paper arts 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 bears several traits of a museum, but its ethos is to focus on the present and future of paper as much as the past.

Current activities include the creation since 2015 of the most important archive dedicated to paper in the United Kingdom. This is based on the ground-floor of a country house with paper industry associations and is growing all the time. Nearby the Foundation has operated a hand-made paper-mill since 2020.

Public benefit

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

Paper Foundation

Report of the Trustees for the Year Ended 31 December 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the Foundation has continued to build its profile, operations and collections.

The Foundation has continued to ensure the survival and continuation of the endangered craft of papermaking by hand and successfully recruited a trainee papermaker to work alongside the Foundation's papermaker. This has enabled the Foundation to significantly increase production and successfully develop a small product range. The Foundation successfully supported an application by the trainee papermaker for a Queen Elizabeth Scholarship Trust (QEST) craft apprenticeship. QEST funds craftspeople whom they recognise have potential for excellence.

The Foundation has increased its customer base for conservation papers and these continue to be supplied to leading museums and libraries internationally. In addition direct sales via the online website have also increased.

The Trustees agreed that it was important to focus on both improving the infrastructure and the production capacity of the Mill to help build resilience into the production process. With the help of an employed Fundraising Officer, planning and fundraising commenced towards the end of 2022, laying the foundations of an expansion project that will come to fruition in 2023.

The collections have continued to grow with further archiving undertaken in the partly refurbished ground floor of Ellergreen Mansion. Several successful events have been held in the library and meeting space including the Christmas Open day and meetings with academia.

FINANCIAL REVIEW

Financial position

The Charity received donations of £82,500 in the year (compared to £30,142 last year) excluding gift aid reclaimed. The charity received a further £12,500 (2021 - £10,292) in gift aid. Expenditure in the year totalled £105,748 (2021 £46,147) resulting in a surplus of £28,452 (2021 £7,858) and total carried forward reserves of £84,565 from £56,113 brought forward. All reserves are unrestricted.

At the end of the period the charity had unrestricted reserves of £84,565 (2021 £56,113). As the amount tied up in Fixed Assets is greater than this for both years there were no free reserves.

Reserves policy

The charity is in start-up mode with this being the second year of operations. 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.

Paper Foundation was incorporated on 23 November 2016 as a not for profit company limited by guarantee.

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.

Recruitment and appointment of new trustees

During 2022, two new trustees were appointed to strengthen the Trustee board:

Edward Bayntun-Coward was appointed as trustee as a result of his interest in the Foundation's aims, his long-term background and experience in the culture and arts sector, and his broad interest in paper arts.

Penny Elliot was appointed as trustee and has extensive relevant experience with cultural charitable institutions and as a lawyer, bringing a strong focus on governance.

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.

Paper Foundation

**Report of the Trustees
for the Year Ended 31 December 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm 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 22 September 2023 and signed on its behalf by:

M A J Cropper - Trustee

Independent Examiner's Report to the Trustees of Paper Foundation

Independent examiner's report to the trustees of 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 2022.

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

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

Date:

Paper Foundation

Statement of Financial Activities for the Year Ended 31 December 2022

	Notes	Unrestricted fund £	Restricted fund £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	95,463	-	95,463	44,432
Other trading activities	3	38,737	-	38,737	9,566
Investment income	4	-	-	-	7
Total		<u>134,200</u>	<u>-</u>	<u>134,200</u>	<u>54,005</u>
EXPENDITURE ON					
Raising funds	5	16,516	-	16,516	8,934
Charitable activities					
Development costs		61,652	-	61,652	26,344
Depreciation		3,838	-	3,838	1,428
Support costs		21,329	-	21,329	6,672
Governance costs		2,413	-	2,413	2,769
Total		<u>105,748</u>	<u>-</u>	<u>105,748</u>	<u>46,147</u>
NET INCOME		28,452	-	28,452	7,858
RECONCILIATION OF FUNDS					
Total funds brought forward		56,113	-	56,113	48,255
TOTAL FUNDS CARRIED FORWARD		<u>84,565</u>	<u>-</u>	<u>84,565</u>	<u>56,113</u>

The notes form part of these financial statements

Paper Foundation

Balance Sheet 31 December 2022

	Notes	Unrestricted fund £	Restricted fund £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Intangible assets	10	1,500	-	1,500	2,250
Tangible assets	11	42,150	-	42,150	19,008
Heritage assets	12	<u>64,626</u>	<u>-</u>	<u>64,626</u>	<u>64,626</u>
		108,276	-	108,276	85,884
CURRENT ASSETS					
Stocks	13	9,493	-	9,493	1,000
Debtors	14	11,306	-	11,306	2,561
Cash at bank and in hand		<u>18,167</u>	<u>-</u>	<u>18,167</u>	<u>1,384</u>
		38,966	-	38,966	4,945
CREDITORS					
Amounts falling due within one year	15	(62,677)	-	(62,677)	(15,216)
NET CURRENT ASSETS		<u>(23,711)</u>	<u>-</u>	<u>(23,711)</u>	<u>(10,271)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		84,565	-	84,565	75,613
CREDITORS					
Amounts falling due after more than one year	16	-	-	-	(19,500)
NET ASSETS		<u>84,565</u>	<u>-</u>	<u>84,565</u>	<u>56,113</u>
FUNDS					
Unrestricted funds	17			84,565	56,113
TOTAL FUNDS				<u>84,565</u>	<u>56,113</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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.

Paper Foundation

Balance Sheet - continued
31 December 2022

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 22 September 2023 and were signed on its behalf by:

M A J Cropper - Trustee

Basis of preparing the financial statements

Income

Expenditure

Tangible fixed assets

Plant and machinery - 20% on cost

Stocks

Taxation

Fund accounting

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

Pension costs and other post-retirement benefits

Going concern

continued...

Paper Foundation

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. DONATIONS AND LEGACIES

	31.12.22	31.12.21
	£	£
Appeals and donations	82,500	30,142
Gift aid tax reclaimed	12,500	12,500
Grants	463	1,790
	<u>95,463</u>	<u>44,432</u>

Grants received, included in the above, are as follows:

	31.12.22	31.12.21
	£	£
QEST Apprenticeship funding	463	-
Other grants	-	1,790
	<u>463</u>	<u>1,790</u>

3. OTHER TRADING ACTIVITIES

	31.12.22	31.12.21
	£	£
Shop income	<u>38,737</u>	<u>9,566</u>

4. INVESTMENT INCOME

	31.12.22	31.12.21
	£	£
Deposit account interest	<u>-</u>	<u>7</u>

5. RAISING FUNDS

Raising donations and legacies

	31.12.22	31.12.21
	£	£
Advertising and marketing	<u>1,329</u>	<u>1,954</u>

6. NET INCOME/(EXPENDITURE)

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

	31.12.22	31.12.21
	£	£
Depreciation - owned assets	3,088	677
Computer software amortisation	<u>750</u>	<u>750</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

8. STAFF COSTS

	31.12.22	31.12.21
	£	£
Wages and salaries	60,505	26,344
Social security costs	(13)	-
Other pension costs	1,160	-
	<u>61,652</u>	<u>26,344</u>

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

	31.12.22	31.12.21
Number of staff	<u>2</u>	<u>1</u>

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

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	42,642	1,790	44,432
Other trading activities	9,566	-	9,566
Investment income	7	-	7
Total	<u>52,215</u>	<u>1,790</u>	<u>54,005</u>
EXPENDITURE ON			
Raising funds	8,934	-	8,934
Charitable activities			
Development costs	24,594	1,750	26,344
Depreciation	1,428	-	1,428
Support costs	6,632	40	6,672
Governance costs	2,769	-	2,769
Total	<u>44,357</u>	<u>1,790</u>	<u>46,147</u>
NET INCOME	7,858	-	7,858
RECONCILIATION OF FUNDS			
Total funds brought forward	48,255	-	48,255

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>56,113</u>	<u>-</u>	<u>56,113</u>

10. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2022 and 31 December 2022	<u>3,000</u>
AMORTISATION	
At 1 January 2022	750
Charge for year	<u>750</u>
At 31 December 2022	<u>1,500</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,500</u>
At 31 December 2021	<u>2,250</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2022	15,000	4,875	-	19,875
Additions	<u>15,659</u>	<u>7,690</u>	<u>2,881</u>	<u>26,230</u>
At 31 December 2022	<u>30,659</u>	<u>12,565</u>	<u>2,881</u>	<u>46,105</u>
DEPRECIATION				
At 1 January 2022	-	867	-	867
Charge for year	<u>-</u>	<u>2,512</u>	<u>576</u>	<u>3,088</u>
At 31 December 2022	<u>-</u>	<u>3,379</u>	<u>576</u>	<u>3,955</u>
NET BOOK VALUE				
At 31 December 2022	<u>30,659</u>	<u>9,186</u>	<u>2,305</u>	<u>42,150</u>
At 31 December 2021	<u>15,000</u>	<u>4,008</u>	<u>-</u>	<u>19,008</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

12. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 January 2022 and 31 December 2022	<u>64,626</u>
NET BOOK VALUE	
At 31 December 2022	<u>64,626</u>
At 31 December 2021	<u>64,626</u>

13. STOCKS

	31.12.22	31.12.21
	£	£
Stocks	<u>9,493</u>	<u>1,000</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade debtors	9,292	-
VAT	2,014	-
Prepayments	-	2,209
Accrued income	-	352
	<u>11,306</u>	<u>2,561</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Payments on account	13,882	-
Trade creditors	46,500	7,172
Social security and other taxes	668	366
VAT	-	6,678
Other creditors	367	-
Accruals and deferred income	1,260	1,000
	<u>62,677</u>	<u>15,216</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.22 £	31.12.21 £
Trade creditors	-	19,500

17. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	56,113	28,452	84,565
TOTAL FUNDS	<u>56,113</u>	<u>28,452</u>	<u>84,565</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	134,200	(105,748)	28,452
TOTAL FUNDS	<u>134,200</u>	<u>(105,748)</u>	<u>28,452</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	48,255	7,858	56,113
TOTAL FUNDS	<u>48,255</u>	<u>7,858</u>	<u>56,113</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	52,215	(44,357)	7,858
Restricted funds			
Heritage Crafts HCA	1,790	(1,790)	-
TOTAL FUNDS	<u>54,005</u>	<u>(46,147)</u>	<u>7,858</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

17. MOVEMENT IN FUNDS - continued

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

	At 1.1.21 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	48,255	36,310	84,565
TOTAL FUNDS	<u>48,255</u>	<u>36,310</u>	<u>84,565</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	186,415	(150,105)	36,310
Restricted funds			
Heritage Crafts HCA	1,790	(1,790)	-
TOTAL FUNDS	<u>188,205</u>	<u>(151,895)</u>	<u>36,310</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

Paper Foundation

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	31.12.22 £	31.12.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Appeals and donations	82,500	30,142
Gift aid tax reclaimed	12,500	12,500
Grants	463	1,790
	<u>95,463</u>	<u>44,432</u>
Other trading activities		
Shop income	38,737	9,566
Investment income		
Deposit account interest	-	7
Total incoming resources	<u>134,200</u>	<u>54,005</u>
EXPENDITURE		
Other trading activities		
Purchases	10,710	5,116
Payment processing fees	398	-
Closing stock	(8,049)	(1,000)
	<u>3,059</u>	<u>4,116</u>
Charitable activities		
Wages	60,505	26,344
Social security	(13)	-
Pensions	1,160	-
Contractors	4,934	3,278
Repairs and maintenance	2,080	889
Management fees	13,488	2,339
Miscellaneous staff costs	180	-
Membership and subscriptions	324	-
Collection additions	323	-
Software depreciation	750	750
Plant and machinery depreciation	3,088	678
	<u>86,819</u>	<u>34,278</u>
Advertising and marketing		
Management		
Rates and water	1,004	-
Insurance	-	126
Light and heat	967	95
Telephone and IT	1,196	959
Postage and stationery	1,559	763
Advertising	5,972	1,954
Carried forward	10,698	3,897

Paper Foundation

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	31.12.22 £	31.12.21 £
Management		
Brought forward	10,698	3,897
Sundries	598	556
Motor and travel expenses	2,161	493
	<u>13,457</u>	<u>4,946</u>
Finance		
Bank charges	-	38
Governance costs		
Accountancy	2,159	1,738
Legal fees	50	1,031
Training	204	-
	<u>2,413</u>	<u>2,769</u>
Total resources expended	<u>105,748</u>	<u>46,147</u>
Net income	<u><u>28,452</u></u>	<u><u>7,858</u></u>

