

Cropper Paper Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

31 December 2019

**Company registration number: 10493204
Charity registration number: 1172250**



Cropper Paper Foundation
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Cropper Paper Foundation
Reference and Administrative Details

Charity name	Cropper Paper Foundation
Charity registration number	1172250
Company registration number	10493204
Principal office	C/O Estate Office Ellergreen KENDAL LA9 5SD
Registered office	C/O Estate Office Ellergreen KENDAL LA9 5SD
Trustees	A Cropper M A J Cropper J E Sharp P J Willink
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

Cropper Paper Foundation

Trustees' Report for the Year Ended 31 December 2019

The Trustees, who are directors of the Company for the purposes of company law, present their report together with the financial statements of the Charity for the year ended 31 December 2019.

Governing Document

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.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

Appointment of Directors/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 Assessment

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.

Investment powers and restrictions

The Trustees have the power to invest in such assets as they see fit.

Objectives and Activities

The Foundation has been established to preserve, promote and celebrate paper and associated 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 preserve and perpetuate knowledge and skills related to paper and associated arts
- To provide a living and breathing institution for the global community of paper devotees and practitioners
- To curate festivals and events that make paper and associated arts exciting and accessible to the broadest possible audience
- To regenerate the paper-making community of Burneside and enrich the cultural life of the north of England and all those who visit

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.

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

Cropper Paper Foundation
Trustees' Report for the Year Ended 31 December 2019

Achievements and Performance

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

This has included reaching agreement for the acquisition of the historic paper artefact collection related to Hayle mill and the Barcham Green family.

The foundation has also been working, at an early stage, on plans to create a small handmade paper – making operation in order that the skills related to this are carried on. In relation to this it has been in discussions with related parties including hand made paper-makers on the brink of retirement and the Royal Collections Trust which has an interest in this and related fields.

The foundation is beginning to explore the potential to hold a paper festival in Burnside, although this is not an immediate focus.

Financial Review

The Charity received donations of £45,000 in the year excluding gift aid reclaimed. The charity received a further £11,264 in gift aid. Expenditure in the year totalled £14,873 resulting in a surplus of £41,391 and total carried forward reserves of £60,539. All reserves are unrestricted.

At the end of the period the charity had free reserves of £33,631.

Reserves Policy

The charity is in start-up mode with no ongoing overheads for the year to December 2019. A reserves policy will be drafted as matters evolve including budgets and greater clarity on overheads and other financial commitments.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 29 June 2020 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'M A J Cropper', is written over a dotted line.

M A J Cropper
Trustee

Cropper Paper Foundation

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Cropper Paper Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law 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 charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

I report on the accounts of the company for the year ended 31 December 2019, which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Faye Armstrong FCA
Dodd & Co Limited
Chartered Accountants

29 June 2020

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Cropper Paper Foundation

**Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended
31 December 2019**

		Unrestricted Funds	Total Funds 2019	Total Funds 2018
	Note	£	£	£
Income and endowments from:				
Voluntary income	2	56,264	56,264	20,000
Total income and endowments		<u>56,264</u>	<u>56,264</u>	<u>20,000</u>
Expenditure on:				
Charitable activities		14,873	14,873	5,828
Total expenditure		<u>14,873</u>	<u>14,873</u>	<u>5,828</u>
Net movements in funds		41,391	41,391	14,172
Reconciliation of funds				
Total funds brought forward		19,148	19,148	4,976
Total funds carried forward		<u>60,539</u>	<u>60,539</u>	<u>19,148</u>

All of the Charity's activities derive from continuing operations during the above periods.

The notes on pages 8 to 13 form an integral part of these financial statements.

Cropper Paper Foundation
Company registration number: 10493204
Balance Sheet as at 31 December 2019

		2019	2018
	Note	£	£
Fixed assets			
Heritage assets		26,908	4,750
Current assets			
Debtors	8	117	5,044
Cash at bank and in hand		45,428	11,404
		<u>45,545</u>	<u>16,448</u>
Creditors: Amounts falling due within one year	9	<u>(11,914)</u>	<u>(2,050)</u>
Net current assets		<u>33,631</u>	<u>14,398</u>
Net assets		<u>60,539</u>	<u>19,148</u>
The funds of the charity:			
Unrestricted funds			
Unrestricted income funds		<u>60,539</u>	<u>19,148</u>
Total charity funds		<u>60,539</u>	<u>19,148</u>


For the financial year ended 31 December 2019, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved by the Board on 29 June 2020 and signed on its behalf by:



M A J Cropper
Trustee

The notes on pages 8 to 13 form an integral part of these financial statements.

Cropper Paper Foundation

Notes to the Financial Statements for the Year Ended 31 December 2019

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

The charitable company 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 notes.

Going concern

These financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Further details of each fund are disclosed in note 12.

Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Cropper Paper Foundation

Notes to the Financial Statements for the Year Ended 31 December 2019

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Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed assets

Assets qualifying as heritage assets under SORP 2015 are capitalised in line with the capitalisation policy above. All heritage assets will be recognised at initial cost where purchased or an estimated value where donated. From there, the charity will adopt a revaluation policy whereby the trustees will review the list of assets held each year for any impairment or material change in individual values.

The trustees are continuously looking for new artefacts to either purchase directly, have donated or loaned to the charity and will assess each asset purchase individually on its merits depending on type, condition and cost. Any assets purchased will then be stored securely on the grounds of the state the charity operates from. Any maintenance will be undertaken by the trustees although the majority of assets, such as books and moulds, are not anticipated to require significant maintenance on an ongoing basis. Assets will on be disposed of if no longer required for use by the charity.

A register of assets held by the charity is maintained and updated regularly and access to the assets will only be permitted by the trustees whilst the collection is built upon over the coming years.

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Cropper Paper Foundation

Notes to the Financial Statements for the Year Ended 31 December 2019

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Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Donations and legacies			
Appeals and donations	45,000	45,000	20,000
Gift Aid tax reclaimed	11,264	11,264	-
	<u>56,264</u>	<u>56,264</u>	<u>20,000</u>

Of the donations and legacies income in 2018, £20,000 related to unrestricted funds.

Cropper Paper Foundation

Notes to the Financial Statements for the Year Ended 31 December 2019

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3 Expenditure

	Charitable activities	Total 2019	Total 2018
	£	£	£
Direct costs			
Purchases	4,969	4,969	3,887
Support costs			
Printing, postage and stationery	236	236	636
Sundry expenses	34	34	52
Management charges	7,014	7,014	-
Hire of equipment	110	110	-
Accountancy fees	1,000	1,000	1,250
Legal and professional fees	1,510	1,510	-
Bank charges	-	-	3
	<u>9,904</u>	<u>9,904</u>	<u>1,941</u>
	<u>14,873</u>	<u>14,873</u>	<u>5,828</u>

Of the expenditure in 2018, all related to unrestricted funds.

4 Governance costs

	2019	2018
	£	£
Accountancy fees	1,000	1,250
Legal and professional fees	1,510	-
	<u>2,510</u>	<u>1,250</u>

5 Trustees' remuneration and expenses

No trustees received any expenses during the period.

6 Employees' remuneration

No employee received emoluments of more than £60,000 during the year.

The key management personnel comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £nil (2018 - £nil).

Cropper Paper Foundation

Notes to the Financial Statements for the Year Ended 31 December 2019

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7 Tangible fixed assets

	Heritage assets £
Cost	
As at 1 January 2019	4,750
Additions	22,158
As at 31 December 2019	<u>26,908</u>
Net book value	
As at 31 December 2019	<u>26,908</u>
As at 31 December 2018	<u>4,750</u>

Heritage assets

Included within heritage assets are paper making moulds and other historical paper making artefacts that have been acquired and classified as heritage assets due to their historical significance. The assets are held to further the charity's objectives in educating the public in paper making and associated crafts using traditional techniques.

The assets are held at valuation which will be reviewed each year by the trustees. The trustees have experience in the paper making industry and will be acquiring further assets in the coming years to aid their valuations plus using contacts in the industry to help identify any material valuations changes.

8 Debtors

	2019 £	2018 £
Other debtors	<u>117</u>	<u>5,044</u>

9 Creditors: Amounts falling due within one year

	2019 £	2018 £
Other creditors	10,914	-
Accruals and deferred income	1,000	2,050
	<u>11,914</u>	<u>2,050</u>

10 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Cropper Paper Foundation

Notes to the Financial Statements for the Year Ended 31 December 2019

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11 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

12 Analysis of funds

	At 1 January 2019	Incoming resources	Resources expended	At 31 December 2019
	£	£	£	£
General Funds				
Unrestricted income fund	19,148	56,264	(14,873)	60,539

13 Net assets by fund

	Unrestricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£
Heritage assets	26,908	26,908	4,750
Current assets	45,545	45,545	16,448
Creditors: Amounts falling due within one year	(11,914)	(11,914)	(2,050)
Net assets	60,539	60,539	19,148