

Charity registration number 1189383

Company registration number 12171611 (England and Wales)

THE PAPILLON PROJECT
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE PAPILLON PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Mr P R Waldron	(Appointed 19 October 2020)
	Dr D Davies	
	Mrs D J Palmer	
Charity number	1189383	
Company number	12171611	
Trading Address	The HUB City Academy Norwich 299 Bluebell Road Norwich NR4 7LP	
Registered office	25 Station Road Reepham Norfolk NR10 4LF	
Independent examiner	Mervyn Clarke FCCA Baker Clarke FDV Limited Swiss House Beckingham Street Tolleshunt Major Essex CM9 8LZ	
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS	
	Co-Operative Bank PO Box 250 Skelmersdale WN8 6WT	
Solicitors	Birketts LLP Kingfisher House 1 Gilders Way Norwich	

THE PAPILLON PROJECT

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THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report and financial statements for the year ended 31 August 2021.

Trustees

Mrs D Palmer (Chair)	resigned Chair 18 February 2021
Mr P Waldron (Chair)	appointed Trustee 19 October 2020 appointed Chair 18 February 2021
Dr D Davies (Treasurer)	
Miss L Dollman	resigned 11 May 2021
Mr D Kennedy	
Mrs S Green	resigned 29 August 2021

Trustees in post at 31 August 2021:

Mr P Waldron (Chair), Dr D Davies (Treasurer), Mr D Kennedy, Mrs D Palmer.

Senior Management Team

Mr M Willer - Schools' Project Lead

Objectives and activities

Purposes and Aims

Our Charity's purposes as set out in the objects contained in the company's memorandum of association are: restricted specifically only for the public benefit to advance the education of the public, in particular but not exclusively young people under the age of 25 years, in environmental awareness and sustainable living, in particular but not exclusively through the establishment and development of school allotment projects.

Ensuring our work delivers our aims

We review our aims, objectives and activities regularly. These reviews look at what we achieved and the outcomes of our work. The reviews look at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The reviews also help us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

It is the vision of The Papillon Project that children and young people in secondary schools across Norfolk along with their teachers, support staff, parents and members of their schools' wider community will be inspired to lead more sustainable, ethical and healthier lives and to be more aware and respectful of the environment.

The creation of School Allotments

In this, our second full year of The Papillon Project, we have employed a full time Schools' Project Lead (SPL) to take our charitable work forward. We have also taken advantage of the Department of Work and Pension's Kickstart Scheme and have employed a young person to assist the SPL from June 2021 for six months.

Six schools received intensive and regular support from our *Transformative Programme* to successfully build from scratch their school allotments. Fourteen additional schools received occasional support via our *DIY* (Do it Yourself) Programme throughout the academic year 2020-21. These two programmes form our core charitable work with Norfolk secondary schools, which include three Pupil Referral Units.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

The creation of School Allotments - Continued

Alongside our core charitable work, many of the schools are actively engaging with our additional charitable work:

The *YES Award* (Young Environmental Stewardship) is an award that The Papillon Project has created to celebrate any young person who goes above and beyond to help inspire their school to be more environmentally friendly and sustainable.

No Straight Lines is the charity's on-going film project;

International Exchange Programme links our schools with schools around the world to broaden the horizons of young people.

These additional programmes are being led and coordinated by members of the charity's Leadership Group.

At the time of this report, there were a total of twenty schools who are registered with the charity and are actively engaging with either our core or additional charitable work or indeed both. All twenty schools are members of our support network: *The Butterfly Effect*.

As COVID-19 restrictions have eased since the Spring Term 2021, our ability to 'grow help' (volunteers) from the local community of schools has been successful. These local volunteers, all obtaining a clear DBS (enhanced) certificate along with compulsory training (including safeguarding), are absolutely paramount to the 'future proofing' of all schools that we work with. At the time of this report, there were approximately thirty school volunteers supporting our charitable work in schools.

However, due to the unpredictability of COVID-19 restrictions and unprecedented challenges on schools, our bi-annual Convergences (autumn and spring), bringing together staff, volunteers and students from all the schools, have been postponed until the next academic year.

Our first 'SALT' (School Allotment Leadership Training) course was a success and there will be four additional SALT courses for teachers and teaching assistants during the next academic year.

Environmental Benefits

We create allotments using organic methods, simple technologies and materials for construction are upcycled items that would otherwise have gone into landfill, for example fly tipped tyres and old baths. This changes people's perception of 'rubbish', turning these things into something useful. By creating these allotments many schools have considered the peripheral areas of their schools and the value to wildlife. This will inevitably lead to increased biodiversity; they can see more birds, insects etc. It would be good to carry out some research in this area but at present we do not have a volunteer to coordinate this for us.

The environmental impact of every aspect of our Charity is considered, from teaching the students about composting and water conservation to the merchandise we sell to raise funds. We have a parent volunteer who has experience and knowledge of building water pumps using simple technology, another who has an interest in alternative building methods. We have developed a range of merchandise that is made by volunteers using upcycled materials or crafting using sustainable materials. This also provides another way for members of the local community and volunteers to become involved, whilst demonstrating practical ways to be sustainable.

Our aim is to create an environmental policy that will ensure these ideals are maintained in the future.

The HUB – Charity Base

We have our Charity Base in a suite of rooms offered to us by one of the schools we work with. This is at no cost to us, and reflects the genuine gratitude and appreciation of the work we are doing. This is a very important opportunity for the Charity. It means we have an office space for the Schools' Project Lead to meet contacts, hold meetings, training and carry out administrative tasks. In the future we aim to use this space to connect with the local community, especially young people, through advice and support in aspects of growing food sustainably.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2021**

Achievements and performance

How our activities deliver public benefit

Our main activities and who we try to help are described below.

How the Charity benefits the school community

The school community sees from the outset that we are a group of committed volunteers working hard to build them somewhere they can grow their own food. This in itself inspires and intrigues them. What usually starts as a small trickle of interest becomes a deluge as they tell their friends about this cool thing to do at lunch time. They take a great pride in their work raising their self-esteem and confidence. Some of the schools keep chickens and the Head at one school commented that they had a particularly profound effect on a number of students.

The harvesting of the crops is very rewarding and many of the schools now supply their canteens and local restaurants with some of their produce. The growing of vegetables and fruit encourages a much healthier diet, but it also breaks down barriers, creating a cooperative approach, by involving the students in providing their own food, giving a sense of pride in their achievements.

The biodiversity of the school grounds can be seen to increase more birds, insects, and opportunities to bring science outside. This year has seen the beginnings of a partnership with the local university and other charities involving students' allotment plots in 'real' scientific research. Due to the pandemic this project was disappointing in that we were unable to work regularly with students and teachers, but volunteers helped complete the project.

The Allotments are seen as a whole school learning experience, a resource for all subjects from the obvious science to maths, art, and drama. There are opportunities for the whole school to be involved. This reflects the need to view sustainability and environmental awareness as fully integrated into every aspect of our lives

How the Charity benefits the wider community

One of the key ways we support schools to create and maintain allotments is through connections with their local communities. Examples of this might include connecting with local businesses that can support the school, farmers, green grocers, gardeners and retired trade people. Making connections like these improve the sustainability of these communities and inspires people to grow their own food, use fewer chemicals in their gardens. For many retired people, those who are unemployed or those with skills/resources they would like to share, connecting with the schools provides an opportunity to work with others in a valuable and meaningful way. Publicity through events is one way we help schools to find more volunteers.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

As is the case for many new charities, this year has depended once again on receiving small donations and grants. Expenditure was associated predominately with the employment of the Schools' Project Lead. The continuation of the pandemic has had an adverse effect on the Schools' Project Lead being able to welcome children and volunteers onto schools' allotments, however development of the allotments has gone ahead as planned.

Principal Funding Sources

The Charity's main source of income this year was from donations, many from well-wishers and others from supporting charities; in particular a grant from the Normans Foundation of £10,000 gave the Charity the confidence to employ its first full time employee. Circumstances surrounding the global pandemic meant that once again many events were unable to take place throughout the year, however a Summer Fete raised a much-welcomed £2,585. The PapUp Shop, with sales of upcycled materials, raised £1,129 net income. A fundraising walk raised an amazing £8,944 in August 2021.

Investment Policy

At this time, aside from retaining a prudent amount in reserves each year, most of the Charity's funds are to be spent in the short term so there are few funds available for long term investment.

Reserves Policy

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby funds held by the Charity should be between 9 and 12 months of the expenditure, in order to guarantee the employment of the Schools' Project Lead. Although the strategy is to continue to build reserves through planned operating surpluses, the Trustees are well aware that it is unlikely that this target can be reached for several years. In the short term the Trustees have considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Plans for Future Periods

The Charity plans continuing the activities outlined above in the forthcoming years. New schools will be helped each year with continuing schools also being supported by the Schools' Project Lead. Grant applications to suitable charities and trusts will be prepared and presented by the Fundraising Committee, events will be organised and supported by the Events Committee. It is hoped that the PapUp Shop will continue to grow and donations encouraged from the general public. From September 2020, a School's Project Lead has been employed in a full-time position to lead the Charity moving forward with its aims and objectives. From June 2021, the Charity was accepted by the Government's DWP to employ a fully-funded unemployed young person for six months.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 23 August 2019 and registered as a charity on 6 May 2020. The company was established under Articles of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Trustees are elected to serve for a period of three years after which they must be re-elected.

All members of the Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 6 to the accounts.

Initially the Board of Trustees was formed from four individuals with an interest and experience in the Charity's aims as set out in the Articles. We are very aware of the need to have a broad but relevant set of skills within the board. Where we see a gap in our skills, individuals are approached to offer themselves for election to the Board, often from the pool of volunteers already involved in the Charity. It is very important we feel to have members of the Board with hands on experience of the work of the Charity. Where we see the need, we will be recruiting outside of the pool of volunteers by advertising. We hope this will bring fresh eyes and objectivity, as well as maintaining our legal responsibilities, for example in areas of employment, safeguarding or health and safety. At present we feel the Board represents the Charity well in terms of skills and experience, but in an effort to maintain the broad mix we have an audit of Trustee skills at our annual review. It is very important to us that the Board represents the diverse world we live in; at present we are achieving this in some aspects but will continue to be proactive in our recruitment of trustees to meet this aim.

Trustee Induction and Training

To ensure all the correct legal obligations are met and that we make it a smooth and welcoming experience for the prospective trustee, we have a Trustee Checklist. This becomes active from first contact with a prospective trustee. Each step of the process is logged, from sending information about becoming a trustee to their registration, and any legal obligations of either party. As part of the induction, it is felt essential for a trustee not familiar with the allotments to visit and speak with the volunteers, teachers and students.

Once the trustee has been appointed by the Board a 'Welcome' pack is sent which includes a number of key documents including:

- A letter of appointment
- Articles of Association
- Past minutes
- Recent financial statements
- CC3 Trustee Doc from the Charity Commission
- The Charity's complete set of policies
- Trustee Declaration form to be signed
- Trustee agreement form to be signed
- Schools' Project Lead reports

In addition, there are regular reviews of skills and training is offered where there is a need.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Risk Management

The Trustees have conducted a review of the major risks to which the Charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the Charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to schools. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity.

Organisational Structure

The Papillon Project has a Board of Trustees of, currently with three members who meet monthly and are responsible for the strategic direction and policy of the Charity. At present the Board's members come from a variety of professional backgrounds relevant to the work of the Charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the volunteer Schools' Project Lead, who is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. There are teams of other volunteers responsible for helping the Trustees and Schools' Project Lead with administration, fundraising, organisation of fundraising events and on-site school allotment work.

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees 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.

Members of the Trustees

Members of the Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1. In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant information of which the company's Independent Examiner is unaware

as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant accounting information and to establish that the Charity's Independent Examiner is aware of that information.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2021*

Independent Examiner

Mervyn Clarke FCCA of Baker Clarke FDV Limited was appointed as the charitable company's independent examiner during the year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The Trustees report was approved by the Board of Trustees.

Mr P R Waldron

Director and Chair of Trustees

12 May 2022

THE PAPILLON PROJECT

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE PAPILLON PROJECT

I report to the trustees on my examination of the financial statements of The Papillon Project for the year ended 31 August 2021.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). 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.

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 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.

Signed.....
Mervyn Clarke FCCA, Baker Clarke FDV Limited
Chartered Certified Accountants

Dated: 12 May 2022

THE PAPILLON PROJECT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	33,964	11,345
Charitable activities	4	14,306	8,124
		<hr/>	<hr/>
Total income		48,270	19,469
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	5	28,956	5,644
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		19,314	13,825
Fund balances at 1 September 2020		13,825	-
		<hr/>	<hr/>
Fund balances at 31 August 2021		33,139	13,825
		<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PAPILLON PROJECT

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	8	1,011		1,270	
Cash at bank and in hand		32,128		12,555	
		<u>33,139</u>		<u>13,825</u>	
Net current assets			33,139		13,825
			<u>33,139</u>		<u>13,825</u>
Income funds					
Unrestricted funds			33,139		13,825
			<u>33,139</u>		<u>13,825</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 12 May 2022

Dr D Davies
Trustee

Company registration number 12171611

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

The Papillon Project is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Station Road, Reepham, Norfolk, NR10 4LF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.3 Income

All incoming resources are included in the statement of financial activities when the Charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy. The following policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Clothing and other items donated for resale through the Charity's shop are included as incoming resources within activities for generating funds when they are sold.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration by its performance.

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the Charity's shop.
- 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Affairs on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in Note 5.

1.5 Tangible fixed assets

The Charity has no Fixed Assets.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and Grants

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	13,442	9,345
Grants	20,522	2,000
	<u>33,964</u>	<u>11,345</u>

All donations and grants received were for unrestricted funds:

Donations received over £500:

Major fundraising project 'Matt's Walk' raised in total £8,944.

Grants:

Normans Foundation £10,000

Paul Bassham Charitable Trust £3,000

Persimmon Homes Ltd £1,000

Charles Littlewood Hill Trust £1,000

Clan Trust £2,000

Govt. DWP Grant: Kickstart Scheme £3,522

4 Charitable activities

	PapUp Shop	Public & Charitable Events	Total 2021	PapUp Shop	Public & Charitable Events	Total 2020
	2021	2021		2020	2020	
	£	£	£	£	£	£
Sales within charitable activities	1,330	3,376	4,706	785	3,158	3,943
Other income	-	9,600	9,600	-	4,181	4,181
	<u>1,330</u>	<u>12,976</u>	<u>14,306</u>	<u>785</u>	<u>7,339</u>	<u>8,124</u>

PapUp Shop Income £1,330

Clothing and other items donated for resale through the Charity's shop are included as incoming resources within activities for generating funds when they are sold.

Public Events

There was one major and various smaller events throughout the year, total income £3,376:

Including Edgefield Summer Fete income £2,592

Total of schools' donations to further the charitable activities £9,585

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Staff costs	23,854	-
PapUp Shop	202	261
Public Events	1,324	565
Charitable Activities	1,412	1,697
	<u>26,792</u>	<u>2,523</u>
Governance Costs	2,164	3,121
	<u>28,956</u>	<u>5,644</u>

PapUp Shop costs include purchase of second-hand T-Shirts and stencilling equipment: £200 (Net profit £1,129)

Public Events: (Net profit £2,052)

Charitable activities: Polytunnels and consumables for school allotments (Net income from schools £8,173)

Governance costs include: Web/email costs £758, Insurance £319, DBS checks £527, PP&S £136, Bank charges £40, misc £386

Salaries: 1FTE and 1PTE

6 Trustees

No members of the Trustees received any remuneration during the year. Expenses amounting to £225 for stationery and shop expenses were reimbursed to two Trustees. No Trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the year.

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	1	-
	<u>1</u>	<u>-</u>
Employment costs	2021 £	2020 £
Wages and salaries	23,854	-
	<u>23,854</u>	<u>-</u>

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	1,011	1,270
	<u>1,011</u>	<u>1,270</u>

Charity registration number 1189383

Company registration number 12171611 (England and Wales)

THE PAPILLON PROJECT
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE PAPILLON PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Mr P R Waldron	(Appointed 19 October 2020)
	Dr D Davies	
	Mrs D J Palmer	
Charity number	1189383	
Company number	12171611	
Trading Address	The HUB City Academy Norwich 299 Bluebell Road Norwich NR4 7LP	
Registered office	25 Station Road Reepham Norfolk NR10 4LF	
Independent examiner	Mervyn Clarke FCCA Baker Clarke FDV Limited Swiss House Beckingham Street Tolleshunt Major Essex CM9 8LZ	
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS	
	Co-Operative Bank PO Box 250 Skelmersdale WN8 6WT	
Solicitors	Birketts LLP Kingfisher House 1 Gilders Way Norwich	

THE PAPILLON PROJECT

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THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report and financial statements for the year ended 31 August 2021.

Trustees

Mrs D Palmer (Chair)	resigned Chair 18 February 2021
Mr P Waldron (Chair)	appointed Trustee 19 October 2020 appointed Chair 18 February 2021
Dr D Davies (Treasurer)	
Miss L Dollman	resigned 11 May 2021
Mr D Kennedy	
Mrs S Green	resigned 29 August 2021

Trustees in post at 31 August 2021:

Mr P Waldron (Chair), Dr D Davies (Treasurer), Mr D Kennedy, Mrs D Palmer.

Senior Management Team

Mr M Willer - Schools' Project Lead

Objectives and activities

Purposes and Aims

Our Charity's purposes as set out in the objects contained in the company's memorandum of association are: restricted specifically only for the public benefit to advance the education of the public, in particular but not exclusively young people under the age of 25 years, in environmental awareness and sustainable living, in particular but not exclusively through the establishment and development of school allotment projects.

Ensuring our work delivers our aims

We review our aims, objectives and activities regularly. These reviews look at what we achieved and the outcomes of our work. The reviews look at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The reviews also help us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

It is the vision of The Papillon Project that children and young people in secondary schools across Norfolk along with their teachers, support staff, parents and members of their schools' wider community will be inspired to lead more sustainable, ethical and healthier lives and to be more aware and respectful of the environment.

The creation of School Allotments

In this, our second full year of The Papillon Project, we have employed a full time Schools' Project Lead (SPL) to take our charitable work forward. We have also taken advantage of the Department of Work and Pension's Kickstart Scheme and have employed a young person to assist the SPL from June 2021 for six months.

Six schools received intensive and regular support from our *Transformative Programme* to successfully build from scratch their school allotments. Fourteen additional schools received occasional support via our *DIY* (Do it Yourself) Programme throughout the academic year 2020-21. These two programmes form our core charitable work with Norfolk secondary schools, which include three Pupil Referral Units.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

The creation of School Allotments - Continued

Alongside our core charitable work, many of the schools are actively engaging with our additional charitable work:

The *YES Award* (Young Environmental Stewardship) is an award that The Papillon Project has created to celebrate any young person who goes above and beyond to help inspire their school to be more environmentally friendly and sustainable.

No Straight Lines is the charity's on-going film project;

International Exchange Programme links our schools with schools around the world to broaden the horizons of young people.

These additional programmes are being led and coordinated by members of the charity's Leadership Group.

At the time of this report, there were a total of twenty schools who are registered with the charity and are actively engaging with either our core or additional charitable work or indeed both. All twenty schools are members of our support network: *The Butterfly Effect*.

As COVID-19 restrictions have eased since the Spring Term 2021, our ability to 'grow help' (volunteers) from the local community of schools has been successful. These local volunteers, all obtaining a clear DBS (enhanced) certificate along with compulsory training (including safeguarding), are absolutely paramount to the 'future proofing' of all schools that we work with. At the time of this report, there were approximately thirty school volunteers supporting our charitable work in schools.

However, due to the unpredictability of COVID-19 restrictions and unprecedented challenges on schools, our bi-annual Convergences (autumn and spring), bringing together staff, volunteers and students from all the schools, have been postponed until the next academic year.

Our first 'SALT' (School Allotment Leadership Training) course was a success and there will be four additional SALT courses for teachers and teaching assistants during the next academic year.

Environmental Benefits

We create allotments using organic methods, simple technologies and materials for construction are upcycled items that would otherwise have gone into landfill, for example fly tipped tyres and old baths. This changes people's perception of 'rubbish', turning these things into something useful. By creating these allotments many schools have considered the peripheral areas of their schools and the value to wildlife. This will inevitably lead to increased biodiversity; they can see more birds, insects etc. It would be good to carry out some research in this area but at present we do not have a volunteer to coordinate this for us.

The environmental impact of every aspect of our Charity is considered, from teaching the students about composting and water conservation to the merchandise we sell to raise funds. We have a parent volunteer who has experience and knowledge of building water pumps using simple technology, another who has an interest in alternative building methods. We have developed a range of merchandise that is made by volunteers using upcycled materials or crafting using sustainable materials. This also provides another way for members of the local community and volunteers to become involved, whilst demonstrating practical ways to be sustainable.

Our aim is to create an environmental policy that will ensure these ideals are maintained in the future.

The HUB – Charity Base

We have our Charity Base in a suite of rooms offered to us by one of the schools we work with. This is at no cost to us, and reflects the genuine gratitude and appreciation of the work we are doing. This is a very important opportunity for the Charity. It means we have an office space for the Schools' Project Lead to meet contacts, hold meetings, training and carry out administrative tasks. In the future we aim to use this space to connect with the local community, especially young people, through advice and support in aspects of growing food sustainably.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2021**

Achievements and performance

How our activities deliver public benefit

Our main activities and who we try to help are described below.

How the Charity benefits the school community

The school community sees from the outset that we are a group of committed volunteers working hard to build them somewhere they can grow their own food. This in itself inspires and intrigues them. What usually starts as a small trickle of interest becomes a deluge as they tell their friends about this cool thing to do at lunch time. They take a great pride in their work raising their self-esteem and confidence. Some of the schools keep chickens and the Head at one school commented that they had a particularly profound effect on a number of students.

The harvesting of the crops is very rewarding and many of the schools now supply their canteens and local restaurants with some of their produce. The growing of vegetables and fruit encourages a much healthier diet, but it also breaks down barriers, creating a cooperative approach, by involving the students in providing their own food, giving a sense of pride in their achievements.

The biodiversity of the school grounds can be seen to increase more birds, insects, and opportunities to bring science outside. This year has seen the beginnings of a partnership with the local university and other charities involving students' allotment plots in 'real' scientific research. Due to the pandemic this project was disappointing in that we were unable to work regularly with students and teachers, but volunteers helped complete the project.

The Allotments are seen as a whole school learning experience, a resource for all subjects from the obvious science to maths, art, and drama. There are opportunities for the whole school to be involved. This reflects the need to view sustainability and environmental awareness as fully integrated into every aspect of our lives

How the Charity benefits the wider community

One of the key ways we support schools to create and maintain allotments is through connections with their local communities. Examples of this might include connecting with local businesses that can support the school, farmers, green grocers, gardeners and retired trade people. Making connections like these improve the sustainability of these communities and inspires people to grow their own food, use fewer chemicals in their gardens. For many retired people, those who are unemployed or those with skills/resources they would like to share, connecting with the schools provides an opportunity to work with others in a valuable and meaningful way. Publicity through events is one way we help schools to find more volunteers.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

As is the case for many new charities, this year has depended once again on receiving small donations and grants. Expenditure was associated predominately with the employment of the Schools' Project Lead. The continuation of the pandemic has had an adverse effect on the Schools' Project Lead being able to welcome children and volunteers onto schools' allotments, however development of the allotments has gone ahead as planned.

Principal Funding Sources

The Charity's main source of income this year was from donations, many from well-wishers and others from supporting charities; in particular a grant from the Normans Foundation of £10,000 gave the Charity the confidence to employ its first full time employee. Circumstances surrounding the global pandemic meant that once again many events were unable to take place throughout the year, however a Summer Fete raised a much-welcomed £2,585. The PapUp Shop, with sales of upcycled materials, raised £1,129 net income. A fundraising walk raised an amazing £8,944 in August 2021.

Investment Policy

At this time, aside from retaining a prudent amount in reserves each year, most of the Charity's funds are to be spent in the short term so there are few funds available for long term investment.

Reserves Policy

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby funds held by the Charity should be between 9 and 12 months of the expenditure, in order to guarantee the employment of the Schools' Project Lead. Although the strategy is to continue to build reserves through planned operating surpluses, the Trustees are well aware that it is unlikely that this target can be reached for several years. In the short term the Trustees have considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Plans for Future Periods

The Charity plans continuing the activities outlined above in the forthcoming years. New schools will be helped each year with continuing schools also being supported by the Schools' Project Lead. Grant applications to suitable charities and trusts will be prepared and presented by the Fundraising Committee, events will be organised and supported by the Events Committee. It is hoped that the PapUp Shop will continue to grow and donations encouraged from the general public. From September 2020, a School's Project Lead has been employed in a full-time position to lead the Charity moving forward with its aims and objectives. From June 2021, the Charity was accepted by the Government's DWP to employ a fully-funded unemployed young person for six months.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 23 August 2019 and registered as a charity on 6 May 2020. The company was established under Articles of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Trustees are elected to serve for a period of three years after which they must be re-elected.

All members of the Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 6 to the accounts.

Initially the Board of Trustees was formed from four individuals with an interest and experience in the Charity's aims as set out in the Articles. We are very aware of the need to have a broad but relevant set of skills within the board. Where we see a gap in our skills, individuals are approached to offer themselves for election to the Board, often from the pool of volunteers already involved in the Charity. It is very important we feel to have members of the Board with hands on experience of the work of the Charity. Where we see the need, we will be recruiting outside of the pool of volunteers by advertising. We hope this will bring fresh eyes and objectivity, as well as maintaining our legal responsibilities, for example in areas of employment, safeguarding or health and safety. At present we feel the Board represents the Charity well in terms of skills and experience, but in an effort to maintain the broad mix we have an audit of Trustee skills at our annual review. It is very important to us that the Board represents the diverse world we live in; at present we are achieving this in some aspects but will continue to be proactive in our recruitment of trustees to meet this aim.

Trustee Induction and Training

To ensure all the correct legal obligations are met and that we make it a smooth and welcoming experience for the prospective trustee, we have a Trustee Checklist. This becomes active from first contact with a prospective trustee. Each step of the process is logged, from sending information about becoming a trustee to their registration, and any legal obligations of either party. As part of the induction, it is felt essential for a trustee not familiar with the allotments to visit and speak with the volunteers, teachers and students.

Once the trustee has been appointed by the Board a 'Welcome' pack is sent which includes a number of key documents including:

- A letter of appointment
- Articles of Association
- Past minutes
- Recent financial statements
- CC3 Trustee Doc from the Charity Commission
- The Charity's complete set of policies
- Trustee Declaration form to be signed
- Trustee agreement form to be signed
- Schools' Project Lead reports

In addition, there are regular reviews of skills and training is offered where there is a need.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Risk Management

The Trustees have conducted a review of the major risks to which the Charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the Charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to schools. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity.

Organisational Structure

The Papillon Project has a Board of Trustees of, currently with three members who meet monthly and are responsible for the strategic direction and policy of the Charity. At present the Board's members come from a variety of professional backgrounds relevant to the work of the Charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the volunteer Schools' Project Lead, who is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. There are teams of other volunteers responsible for helping the Trustees and Schools' Project Lead with administration, fundraising, organisation of fundraising events and on-site school allotment work.

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees 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.

Members of the Trustees

Members of the Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1. In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant information of which the company's Independent Examiner is unaware

as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant accounting information and to establish that the Charity's Independent Examiner is aware of that information.

THE PAPILLON PROJECT

REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2021*

Independent Examiner

Mervyn Clarke FCCA of Baker Clarke FDV Limited was appointed as the charitable company's independent examiner during the year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The Trustees report was approved by the Board of Trustees.

Mr P R Waldron

Director and Chair of Trustees

12 May 2022

THE PAPILLON PROJECT

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE PAPILLON PROJECT

I report to the trustees on my examination of the financial statements of The Papillon Project for the year ended 31 August 2021.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). 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.

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 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.

Signed.....
Mervyn Clarke FCCA, Baker Clarke FDV Limited
Chartered Certified Accountants

Dated: 12 May 2022

THE PAPILLON PROJECT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	33,964	11,345
Charitable activities	4	14,306	8,124
		<hr/>	<hr/>
Total income		48,270	19,469
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	5	28,956	5,644
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		19,314	13,825
Fund balances at 1 September 2020		13,825	-
		<hr/>	<hr/>
Fund balances at 31 August 2021		33,139	13,825
		<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PAPILLON PROJECT

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	8	1,011		1,270	
Cash at bank and in hand		32,128		12,555	
		<u>33,139</u>		<u>13,825</u>	
Net current assets			33,139		13,825
			<u>33,139</u>		<u>13,825</u>
Income funds					
Unrestricted funds			33,139		13,825
			<u>33,139</u>		<u>13,825</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 12 May 2022

Dr D Davies
Trustee

Company registration number 12171611

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

The Papillon Project is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Station Road, Reepham, Norfolk, NR10 4LF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.3 Income

All incoming resources are included in the statement of financial activities when the Charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy. The following policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Clothing and other items donated for resale through the Charity's shop are included as incoming resources within activities for generating funds when they are sold.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration by its performance.

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the Charity's shop.
- 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Affairs on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in Note 5.

1.5 Tangible fixed assets

The Charity has no Fixed Assets.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and Grants

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	13,442	9,345
Grants	20,522	2,000
	<u>33,964</u>	<u>11,345</u>

All donations and grants received were for unrestricted funds:

Donations received over £500:

Major fundraising project 'Matt's Walk' raised in total £8,944.

Grants:

Normans Foundation £10,000

Paul Bassham Charitable Trust £3,000

Persimmon Homes Ltd £1,000

Charles Littlewood Hill Trust £1,000

Clan Trust £2,000

Govt. DWP Grant: Kickstart Scheme £3,522

4 Charitable activities

	PapUp Shop	Public & Charitable Events	Total 2021	PapUp Shop	Public & Charitable Events	Total 2020
	2021	2021		2020	2020	
	£	£	£	£	£	£
Sales within charitable activities	1,330	3,376	4,706	785	3,158	3,943
Other income	-	9,600	9,600	-	4,181	4,181
	<u>1,330</u>	<u>12,976</u>	<u>14,306</u>	<u>785</u>	<u>7,339</u>	<u>8,124</u>

PapUp Shop Income £1,330

Clothing and other items donated for resale through the Charity's shop are included as incoming resources within activities for generating funds when they are sold.

Public Events

There was one major and various smaller events throughout the year, total income £3,376:

Including Edgefield Summer Fete income £2,592

Total of schools' donations to further the charitable activities £9,585

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Staff costs	23,854	-
PapUp Shop	202	261
Public Events	1,324	565
Charitable Activities	1,412	1,697
	<u>26,792</u>	<u>2,523</u>
Governance Costs	2,164	3,121
	<u>28,956</u>	<u>5,644</u>

PapUp Shop costs include purchase of second-hand T-Shirts and stencilling equipment: £200 (Net profit £1,129)

Public Events: (Net profit £2,052)

Charitable activities: Polytunnels and consumables for school allotments (Net income from schools £8,173)

Governance costs include: Web/email costs £758, Insurance £319, DBS checks £527, PP&S £136, Bank charges £40, misc £386

Salaries: 1FTE and 1PTE

6 Trustees

No members of the Trustees received any remuneration during the year. Expenses amounting to £225 for stationery and shop expenses were reimbursed to two Trustees. No Trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the year.

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	1	-
	<u>1</u>	<u>-</u>
Employment costs	2021 £	2020 £
Wages and salaries	23,854	-
	<u>23,854</u>	<u>-</u>

THE PAPILLON PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	1,011	1,270
	<u>1,011</u>	<u>1,270</u>


Section A
Independent Examiner's Report
**Report to the
trustees/directors/
members of**
The Papillon Project

Charity Name

**On accounts for the year
ended**
1st September 2020
31st August 2021
Set out on pages
1 - 2
**Responsibilities and
basis of report**
**Independent
examiner's statement**
Signed:
Date:
~~October 2018~~

I report to the charity trustees on my examination of the accounts of the Company for the year ended **31/08/2021**.

As the charity's trustees of the Company (who are also the directors of the company 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 for this year 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.

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

Give here brief details of any items that the examiner wishes to disclose.

Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Section B

Disclosure

Name:		Mervyn Clarke FCCA
Relevant professional qualification(s) or body (if any):		Fellow Chartered Certified Accountant
Address:	Baker Clarke FDV Ltd, Swiss House, Beckingham Street,	
	Tollleshunt Major, Essex	
	CM9 8LZ	