

Charity registration number 1189383

Company registration number 12171611 (England and Wales)

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Mr P R Waldron Dr D Davies Mrs G A Sheward (Appointed 23 June 2022)
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
(PRIVATE COMPANY LIMITED BY GUARANTEE)
CONTENTS**

	Page
Trustees Report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 15

**THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees present their annual report and financial statements for the year ended 31 August 2022.

Trustees

Mrs D Palmer
Mr P Waldron (Chair)
Dr D Davies (Treasurer)
Mr D Kennedy resigned 11 October 2021
Mrs G Sheward appointed 23 June 2022

Trustees in post at 31 August 2022:

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

Senior Management Team

Mr M Willer - Schools' Project Lead

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 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 (FRS 102)" (effective 1 January 2019).

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

This is our third year of operation and we have succeeded in enlarging the number of schools with whom we work. Our Transformative Programme is where the vast majority of the charity's time and funding goes with approximately six weeks given to support schools who followed our DIY Programme.

Four schools initially received the Transformative Programme starting from scratch on a new allotment. Three more schools benefitted from our help after Easter, two on the Transformative Programme and an existing allotment being helped in our DIY Programme. This was enabled by funding to create the role of Deputy Schools' Project Lead. Consequently, six schools followed our Transformative Programme this year; all schools who followed this programme had regular support with creating or rebooting a school allotment throughout the academic year 2021-22.

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The creation of School Allotments - Continued

Our DIY Programme continues to be used to support schools on an occasional basis throughout an academic year. Throughout 2021-22, during set weeks and sometimes on an ad hoc basis, we have been able to support a large number of schools, some needed more support than others, with a small number not needing our support at all. Schools previously following the Transformative Programme were automatically transferred to the DIY Programme.

The execution of both the Transformative and DIY Programmes has been a very intensive experience this year, especially with COVID restrictions relaxed in schools which opened up more interest and demand for our support. However, clear and organised communication with schools (and in return their trust) and the continuation of local volunteer support across the County, have enabled us to deliver these two programmes to thirty-three Norfolk schools. Most importantly, young people have successfully engaged, and continue to be engaged, in the vast majority of these projects. Some experienced projects, and ones with a sound link teacher, have also succeeded in engaging different groups of young people who use their allotment projects for multiple purposes, and as an addition to a regular lunchtime or after school session, throughout a school week e.g. Duke of Edinburgh Award; science lessons; sixth form environmental groups; SEND groups. Ultimately, although it is difficult to give a precise number, our charity works with hundreds of young people across Norfolk who are using allotments that we have previously helped to create or have helped to reboot through one of our programmes.

Alongside our core charitable work, we continue to support schools with additional activities:

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;

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

SALT (School Allotment Leadership Training) courses continue to be a success and this year volunteers were invited to join teachers and teaching assistants on courses in their local areas.

In 2021/2022 we were invited to participate in the Royal Norfolk Show for the first time as well as various other public events. We continue to work closely with BBC Radio Norfolk, appearing regularly on their Saturday morning chat show. We give public talks to many gardening and social clubs.

Our Pap Up Shop, making and selling recycled items, is popular at public events. We accept donated old tools which our volunteers repair and restore to be given to schools who request them.

Our website has fifteen online articles to help schools within our network and outside to gain allotment inspiration.

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
(PRIVATE COMPANY LIMITED BY GUARANTEE)
REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 (PRIVATE COMPANY LIMITED BY GUARANTEE) REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

The Trustees' aim this year has been to increase funds held in the bank accounts to provide security for our staff. Through a number of grants, sponsorship and private donations it has been possible to meet our proposed budget for the year.

Principal Funding Sources

During this year we have been fortunate in receiving funding for our Schools' Project Lead (Norwich Freeman's Charity £25,500), a Deputy Schools Project Lead (Norfolk County Council £9,000) and three Kickstart employees (Dept. Work & Pensions £16,030). Other grants received totalling over £7,000 together with general donations and gifts amounting to just over £8,000 have enabled the Charity to continue to run in a secure fashion.

Investment Policy

During this year, the Charity has opened a deposit account with Triodos Bank. At the moment, the Trustees feel that funds may still be needed in the short term, so are not placing any funding into long term investment.

Reserves Policy

The Trustees wish to build reserves to cover the main costs of staffing and core business costs for two years before expanding further.

Plans for Future Periods

The Charity plans to continue helping all current schools through the DIY programme but not to take any new schools via our Transformative Programme and DIY Programme for the 2022-23 academic year, as we feel it's important to strengthen everything that we have achieved over the last three years across Norfolk. We would, therefore, like to spend our fourth year making sure that all thirty-three schools are fully supported and to consolidate our achievements to date. We plan to continue employing our Schools' Project lead and Deputy Project Lead. We also plan to take one of our Kickstart trainees through a two-year apprenticeship in horticulture.

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.

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

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 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 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 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.

**THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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

21 March 2023

**THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
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 2022.

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: 21 March 2023

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	2021 £
<u>Income from:</u>					
Donations and legacies	3	35,705	30,031	65,736	33,964
Charitable activities	4	7,902	-	7,902	14,306
Total income		43,607	30,031	73,638	48,270
<u>Expenditure on:</u>					
Charitable activities	5	32,232	17,453	49,685	28,956
Net income for the year/ Net movement in funds		11,375	12,578	23,953	19,314
Fund balances at 1 September 2021		33,139	-	33,139	13,825
Fund balances at 31 August 2022		44,514	12,578	57,092	33,139

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
(PRIVATE COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	8	853		1,011	
Cash at bank and in hand		56,239		32,128	
		<u>57,092</u>		<u>33,139</u>	
Net current assets			<u>57,092</u>		<u>33,139</u>
Income funds					
Restricted funds			12,578		-
Unrestricted funds			44,514		33,139
			<u>57,092</u>		<u>33,139</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 2022.

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 21 March 2023

DD Davies

Dr D Davies
Trustee

Company registration number 12171611

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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
(PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

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.

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

3 Donations and Grants

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022 £	2022 £	2022 £	2021 £
Donations and gifts	8,013	5,000	13,013	13,442
Grants	27,692	25,031	52,723	20,522
	<u>35,705</u>	<u>30,031</u>	<u>65,736</u>	<u>33,964</u>

Donations received over £500:

Unrestricted

Donations in memory of the late Peter William Lambley MBE £1,165

The Brisley Bell, Dereham £710

Fundraising projects: Debbie Palmer's Walk £1,153 and Faye's Cycle £838

Restricted

The Clan Trust £5,000

Grants:

Unrestricted

Alan Boswell Group £1,000

Norwich Freeman's Charity £25,500

Norwich Institute for Language Education £1,192

Restricted

Norwich Opportunity Area (Norfolk CC) £9,000

Government DWP Grant: Kickstart Scheme £16,031

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

4 Charitable activities

	PapUp Shop	Public & Charitable Events	Total 2022	PapUp Shop	Public & Charitable Events	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Sales within charitable activities	1,093	1,998	3,091	1,330	3,376	4,706
Other income	-	4,811	4,811	-	9,600	9,600
	<u>1,093</u>	<u>6,809</u>	<u>7,902</u>	<u>1,330</u>	<u>12,976</u>	<u>14,306</u>

PapUp Shop Income £1,093

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 £1,998:

Including Edgefield Summer Fete income £745

Total of schools' donations to further the charitable activities £4,811

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

5 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	39,469	23,854
PapUp Shop	221	202
Public Events	1,639	1,324
Charitable Activities	4,917	1,412
	<u>46,246</u>	<u>26,792</u>
Governance Costs	3,439	2,164
	<u>49,685</u>	<u>28,956</u>
Analysis by fund		
Unrestricted funds	32,232	28,956
Restricted funds	17,453	-
	<u>49,685</u>	<u>28,956</u>

Governance costs include: Web/email costs £1,483, Insurance £400, DBS checks £568, PP&S £589, 1st Aid courses £334, Bank charges £52, misc £13.

Salaries: 1FTE and 2PTE

6 Trustees

No members of the Trustees received any remuneration during the year. Expenses amounting to £118 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:

	2022 Number	2021 Number
	<u>3</u>	<u>1</u>
Employment costs	2022 £	2021 £
Wages and salaries	<u>39,469</u>	<u>23,854</u>

THE PAPILLON PROJECT
(PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

7 Employees **(Continued)**

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

8 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Prepayments and accrued income	<u>853</u>	<u>1,011</u>

9 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £
Fund balances at 31 August 2022 are represented by:				
Current assets/(liabilities)	<u>44,514</u>	<u>12,578</u>	<u>57,092</u>	<u>33,139</u>
	<u>44,514</u>	<u>12,578</u>	<u>57,092</u>	<u>33,139</u>