

Company no. 02661333
Charity no. 1006060

Paper Boat Ltd
Report and Unaudited Financial
Statements
31 March 2023

Paper Boat Ltd

Reference and administrative details

For the year ended 31 March 2023

Company number 02661333

Charity number 1006060

Registered office and operational address 1 and 3 Kings Meadow
Osney Mead
Oxford
OX2 0DP

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Deborah Stenner Munton
Thomas Wilkinson (resigned 6 March 2023)
Deborah Wetherall
Arun Chinnaraj

Bankers Barclays Bank plc Virgin Money
Church Street 5 Church Street
Peterborough Peterborough
PE1 1EZ PE1 1XB

Independent examiners Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Paper Boat Ltd

Report of the trustees

For the year ended 31 March 2023

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Paper Boat Ltd. is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Charity number 1006060. Company number 02661333.

Trustees' welcome and introduction to the annual report 2022-23

This report highlights the voyage we have been on with the children we support and work within 2022/23. As a charity we have continued to focus our support on our trusted local partners, inspiring and enabling children to change their world. We hope you will enjoy reading about the activities and progress of Paper Boat and our partner organisations in this report.

As we reported last year, the charity is in a financially sound position and this has enabled us to continue to invest in the work on the ground through our trusted local partners, whilst further deepening our working relationship with CEDAR in particular. Long-term financial sustainability remains at the top of our agenda as a Board so that we can continue to deliver meaningful impact in line with our charitable objects in years to come.

During the reporting period we were delighted to recruit our new Charity Manger Dave Magill to Paper Boat, and the trustees would like to extend their sincere thanks to Dave for his efforts and commitment to the charity over the last 15 months.

As a Board, we have remained committed to robust effective governance whilst being guided by our Paper Boat values of Courage, Creativity and Collaboration. Tom Wilkinson resigned from his Trustee position during the year and our thanks go to him for contributing his time during his tenure on the Board and his ongoing support.

We are pleased to share that in October of this year we co-opted Bert O'Donoghue to the Board. Bert brings a wealth of valuable experience to the organisation and we hope to elect him to the Board at this year's AGM.

Looking ahead, we continue to be deeply inspired by the creativity, courage and optimism of the children we serve, and as we look to the future our commitment to our beneficiaries remains steadfast.

We are hugely grateful to our regular supporters and those who have left generous legacies to the charity recently. We are confident that in collaboration with others we can continue our journey towards a world that unlocks the infinite potential of every child, and we look forward to sharing this exciting journey with you.

We thank you for your continued support.

Deborah Wetherall, Arun Chinnaraj and Debbie Stenner

Paper Boat Ltd

Report of the trustees

For the year ended 31 March 2023

Objectives and activities

The objectives of the charity are the prevention or relief of poverty and inequality by advancing formal and informal education, as well as developing capacity and skills for children and communities. This is achieved through the following activities:

- making grants to appropriate NGO's overseas;
- providing programme and capacity building support;
- supporting partner organisations to network and collaborate; and
- other means which further our charitable objects for the public benefit.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Achievements and performance

2022-2023 has been a transitional year for Paper Boat Ltd. Having said goodbye to our previous staff members Kemal and Jo, we completed the recruitment of our new Charity Manager, Dave Magill. The year has been one focused on reviewing and assessing our work in order to build a coherent plan for the future. We continue to thank our partners CEDAR and DACS for the on going work we deliver together and there is much to celebrate from this year.

We would also like to thank Tom Wilkinson for his time serving on the Paper Boat board which has come to an end in the past year.

Partnerships

We continue our strategic overseas partnerships with CEDAR India and DACS as is seen in the subsequent sections of this report.

The Board continued to build relationships with potential new partners e.g. Mariwala Health Initiative, CESCO and Global Girl Media UK.

CEDAR INDIA

The provision in Tamil Nadu has fully recovered following the impact of the COVID-19 pandemic and is back to a fully functioning programme. In the past 12 months two new Children's Hubs have opened close to Madurai. One of these, amongst the Sologas semi-nomadic tribal people is in the early months of development at the time of writing but is already showing significant impact amongst the children and community.

Highlights from this year's programme, include the continued interest in the 'We Can Overcome Hurdles' film and the showing of a documentary 'Children Making Children's Films' at Jaipur International Film Festival at which it received fantastic feedback.

The team has also begun to see results from their continued work in Child Rights and Safeguarding Programmes. This has led to parents speaking up for the rights of the children, most notably in Kovilpatti. Alongside this work, the team has conducted a substance abuse awareness programme and a child safety audit through which children were assessed for any further support.

Paper Boat Ltd

Report of the trustees

For the year ended 31 March 2023

CEDAR continues to be a central player in the work of increasing child safety and well-being in each location it works. The continued hosting of regular meetings of parent groups, children's groups as well as gathered local child safety committees, CEDAR is keeping the safeguarding high on the agenda in the communities it is involved with. Partnership with Karpom Karpom is continuing and their input is assisting in educating communities on best practices for the region.

The CEDAR team have continued to deliver teaching in art, theatre, filmmaking, photography and writing through the Children's Hubs. They have also begun further partnerships with groups such as, Gub (Zurich), Palanganatham Govt School, Poikaikatraipatti Govt. School, LKB Nagar Govt. School and Cholapuram Aided School. They have also partnered in an internship programme with Lady Doak College and Yadava College.

In the latter-half of the year the team at CEDAR has worked with Paper Boat towards the co-creation of a project called 'Window to the World,' which will seek to connect children in our projects in India with children around the world, starting in the UK. In the planned first stage of this, children in both locations will co-create a published book of art, photography and written pieces around the same topic/topics, thus showing solidarity and cultural sharing across the two locations.

Children reached through children's hubs

	Me	Female	TOTAL
Keela Eral I CRC	14	16	30
Keela Eral II CRC	12	25	37
Koosalipatti I CRC	11	20	31
Koosalipatti II CRC	16	14	30
Manjanaickerpatti I CRC	11	16	27
Manjanaickerpatti II CRC	10	19	29
Pungavarnatham CRC	13	15	28
Thomas Nagar I CRC	11	24	35
Thomas Nagar II CRC	15	19	34
Manthithoppu CRC	19	11	30
Chozhapuram CRC	13	15	28
Lakkammaaldevi CRC	19	15	34
RURAL TOTAL	164	209	373
Ambedkar Colony CRC	13	10	23
Jawaharlalpuram CRC	15	6	21
Tallakulam CRC	10	10	20
Thirupalai CRC	18	11	29
Urban Deprived Area TOTAL	56	37	93
GRAND TOTAL	220	246	466

Paper Boat Ltd

Report of the trustees

For the year ended 31 March 2023

Children reached through schools and outreach

Outreach Programme	Name of the School	No. of Children
Collaborating with Schools in Teaching Art	Madurai Corporation Primary School, Palanganatham, Madurai	94
	Govt. Primary School, Poigaikaraipatti, Madurai	75
	Kamaraj High School, Chozhapuram, Thoothukudi	160
	Tallakulam Corporation Primary School, Madurai	30
Collaboration with Schools in Providing Awareness to School Children	Govt. Girls Higher Secondary School, Kovilpatti, Thoothukudi	400
Collaboration with Schools in Organising Art Exhibitions	Tamil Baptist School, Thomas Nagar, Kovilpatti, Thoothukudi	250
Collaborating with Schools in Screening Our Children's Films	Al Ameen Higher Secondary School, Madurai	500
	Kamaraj High School, Chozhapuram, Thoothukudi	240
	Meenakshi Matriculation Children's NSS camp	30
	Kattunaickers Community Children in Madurai	80
	LKB Nagar Govt. Panchayat Union Middle School	300
Number of Children Reached Through Outreach Programmes		2,159
Grand Total – Number of Children Reached Through CRCs and School Outreach Programmes from April to December 2022		466+2,159 = 2,625

TOTALS

- Total Number of CRCs were 17, 12 (Kovilpatti), & 5 (Madurai);
- the Number of Schools Collaborated was 9; and
- the Total Number of Children Reached was 2,625.

Paper Boat Ltd

Report of the trustees

For the year ended 31 March 2023

We are proud to continue our work in partnership with CEDAR who alongside what is listed here have worked tirelessly in service of the children and their families; and are bringing transformation right across the region. We hope in the coming years to continue to see this work grow and develop with our support. Our thanks goes to the staff and trustees of CEDAR for the work they are doing.

DACS

The work of DACS is now in its twentieth year. They continue to share their gratitude for the partnership with Paper Boat.

In the past year the home has been housing between 30 and 35 children at any one time. They continue to provide the children with all that they need to live healthy childhoods including safety, education and healthcare. Children are regularly being brought to DACS but there is still room and capacity to give them the care they need.

Some highlights from the year have been a continued programme of life skills training for boys and girls. This has involved a wide range of topics from relationship skills to mental well-being.

DACS have also recently recruited a new child welfare officer, Ms F Jenitha. This is in line with local requirements and good practice. She is a graduate in social sciences from a college in Dindigul.

DACS has also been visited this year on a number of occasions by groups such as The School of Nursing at the local Government Medical College Hospital and Christian College of Nursing for training and engagement in the work amongst child and adolescent HIV/AIDS patients.

The children are reported to all be in good spirits and continue to celebrate one another as a family within the home. It is a privilege to support this vital work.

Financial review

Paper Boat, as with many charities across the sector, continues to face financial pressures and we continue to keep our UK operating costs as low as possible in order to focus our investment on the children we work to serve.

The legacy we received at the beginning of 2022 has enabled us to continue to give significant support to CEDAR and DACS in the region of around £100,000 shared between the two organisations. We have also received further legacies this year which have enabled us to stay financially secure for the foreseeable future as we continue to build towards a sustainable future.

After some investment in repairs and decoration of the Forest Lawns property we are now seeing a significant income of around £17,000 per annum which serves to cover almost a third of our UK operating costs.

We continue to be grateful for donations from both organisations and individuals.

Paper Boat Ltd

Report of the trustees

For the year ended 31 March 2023

Following the cessation of relationship between Paper Boat and previously supported partners in India, due to issues raised in previous papers, we have had ongoing communication with the Charity Commission and applied via Cy-Pres for a repurposing of funds from a small number of regular donors to Paper Boat. These funds relate to the repurposing of sponsorship income that the charity has been withholding from overseas partners in India due to safeguarding and financial due diligence issues. The donors concerned had begun their financial support of the charity in its old form and for its old purposes. This work has been on going in the months following these accounts and includes exhaustive list of checks and balances to ensure clarity and best practice. We believe this process will be completed by the publication of next year's annual accounts.

Plans for future periods

The Board are satisfied that at the end of this financial year the charity is on a sound footing both financially and operationally. We are thankful for the regular grant and legacy funding we have received that places us in a position to plan investments to benefit the lives of children in the future. We continue our commitment to our values and vision as we move into the coming year. We are thankful for our partnerships both with individuals and organisations that enable us to move this vision forward.

Reserves policy

The charity reserves refer to funds available and to be expended at the trustees discretion in furtherance of any of the charity's objectives but which are not yet spent, committed or designated.

The charity needs reserves:

- to provide financial security to ensure smooth and adequate support from the Charity for its existing partners and current projects; and
- to enable the Charity to take advantage of unexpected changes or opportunities arising that would enhance its partners' projects or improve the Charity's capacity to support its partners.

The trustees have considered the funds held in unrestricted reserves and have agreed that a policy should be in place whereby the charity should aim to maintain a reserves corridor of £45,000 that would cover 3 months expenditure. Unrestricted funds at 31 March 2023 were £271,939, in excess of this target.

Structure, governance and management

The Council of Management

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees in office during the period and at the date of this report are set out on Page 1. The Articles require that one third of the trustees retire in rotation and may offer themselves for re-election. The members of the charity attending the annual general meeting elect trustees annually.

Trustees are recruited to ensure the board is balanced and equipped to support the organisation. Most new trustees are already familiar with the practical work of the charity, they may be offered further induction. All trustees are given the opportunity of additional training where necessary.

As a charity accountable to all our donors, we must meet the requirement that our resources are carefully managed, and our legal responsibilities met. We can only achieve our vision as an organisation through skilled and committed people.

Paper Boat Ltd

Report of the trustees

For the year ended 31 March 2023

Trustees hold ultimate legal responsibility for the charity and collectively ensure delivery of our objectives, set our strategic direction, and uphold our beliefs as an organisation. The key responsibilities of the trustees are:

- development and review of the charity's performance;
- setting objectives for the fundraising, including approval of annual budgets;
- approval of the annual report and financial statements;
- identification of and management of risks;
- appointment of sub committees and delegation of powers; and
- monitor compliance with both company and charity law.

Trustees receive regular reports on all aspects of the work and meet formally at least 4 times a year. They delegate the main day to day decisions to the charity director.

All trustees give of their time freely and no trustee remuneration was paid in the year.

Risk management

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable; and
- the charity complies with relevant laws and regulations.

The trustees actively review the major risks associated with raising funds and supporting overseas projects, which the charity faces on a regular basis and believe that by designating funds to reserves they have sufficient resources to mitigate the significant risks.

This has been particularly important in these times of economic downturn and trustees are continually monitoring the effect on our charity and its activities. Our banking arrangements and investment policies have been reviewed and trustees consider them appropriate for current and future needs.

To conform with regulations the charity has in place effective policies. Due to the nature of the overseas projects the charity supports, trustees have encouraged those projects to put in place effective policies on child protection and its associated risks, which protect the children whom we support, and these requirements are captured by the due diligence checklist that all partners are assessed against on the commencement of partnership and annually thereafter.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Paper Boat Ltd

Report of the trustees

For the year ended 31 March 2023

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 19 November 2023 and signed on their behalf by

Debbie Stenner Munton

Debbie Stenner - Trustee

Independent examiner's report

To the trustees of

Paper Boat Ltd

I report to the trustees on my examination of the accounts of Paper Boat Ltd (the charitable company) for the year ended 31 March 2023, which are set out on pages 11 to 26.

Responsibilities and basis of report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no material 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 charitable company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Alison Godfrey

Date: 19 November 2023

Alison Godfrey FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Paper Boat Ltd

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2023

	Note	Endowment £	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Income and endowments from:						
Donations and legacies	3	-	14,397	52,400	66,797	465,087
Charitable activities	4	-	-	-	-	15,000
Other trading activities	5	-	-	11,267	11,267	13,000
Investments		-	-	13,480	13,480	3,180
Total income and endowments		-	14,397	77,147	91,544	496,267
Expenditure on:						
Raising funds		-	-	49,170	49,170	50,429
Charitable activities		-	22,942	109,762	132,704	105,449
Total expenditure	7	-	22,942	158,932	181,874	155,878
Net income / (expenditure)		-	(8,545)	(81,785)	(90,330)	340,389
Other recognised gains:						
Gains on revaluation of investment property		-	-	-	-	35,000
Net movement in funds	10	-	(8,545)	(81,785)	(90,330)	375,389
Reconciliation of funds:						
Total funds brought forward		398,000	112,142	353,724	863,866	488,477
Total funds carried forward		<u>398,000</u>	<u>103,597</u>	<u>271,939</u>	<u>773,536</u>	<u>863,866</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 18 to the accounts.

Paper Boat Ltd

Balance sheet

As at 31 March 2023

	Note	£	2023 £	2022 £
Fixed assets				
Tangible assets	13		393	687
Investment property	14		398,000	398,000
			398,393	398,687
Current assets				
Debtors	15	12,468		6,580
Cash at bank and in hand		382,413		473,580
		394,881		480,160
Liabilities				
Creditors: amounts falling due within 1 year	16	(19,738)		(14,981)
Net current assets				
			375,143	465,179
Net assets				
	17		773,536	863,866
Funds				
Endowment funds	18		398,000	398,000
Restricted funds			103,597	112,142
Unrestricted funds				
General funds			271,939	353,724
Total charity funds				
			773,536	863,866

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

Paper Boat Ltd

Balance sheet

As at 31 March 2023

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

Approved by the trustees on 19 November 2023 and signed on their behalf by

Debbie Stenner Munton

Debbie Stenner - Trustee

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

a) Basis of preparation

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

Paper Boat Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or expendable according to the nature of the restriction. Endowments and the subsequent increases and decreases in value are shown in the Statement of Financial Activities as part of those funds.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the proportion of staff time as follows:

	2023	2022
Raising funds	36%	39%
Charitable activities	64%	61%

i) Grants payable

Grants payable are charged in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached have been fulfilled. Grants offered subject to conditions at the year end are noted as commitment but are not accrued as expenditure.

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

j) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	5 years
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Items of equipment are capitalised where the purchase price exceeds £500.

k) Investment property

Investment properties are included in the balance sheet at their fair value (note 14). Investment properties are informally re-valued every year. The aggregate surplus or deficit is included as an unrealised gain or loss within the appropriate fund.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

p) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

q) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

q) Accounting estimates and key judgements (continued)

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are depreciation as described in note (j) above and investment property revaluations as described in note (k) above.

2. Prior period comparatives: statement of financial activities

	Endowment	Restricted	Unrestricted	2022 Total
	£	£	£	£
Income from:				
Donations and legacies	-	22,345	442,742	465,087
Charitable activities	-	15,000	-	15,000
Other trading activities	-	-	13,000	13,000
Investments	-	-	3,180	3,180
Total income	<u>-</u>	<u>37,345</u>	<u>458,922</u>	<u>496,267</u>
Expenditure on:				
Raising funds	-	-	50,429	50,429
Charitable activities	-	39,755	65,694	105,449
Total expenditure	<u>-</u>	<u>39,755</u>	<u>116,123</u>	<u>155,878</u>
Net income / (expenditure)	-	(2,410)	342,799	340,389
Other recognised gains / (losses):				
Gains / (losses) on revaluation of investment property	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Net movement in funds	<u>35,000</u>	<u>(2,410)</u>	<u>342,799</u>	<u>375,389</u>

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Income from donations and legacies

	Restricted £	Unrestricted £	2023 Total £
Donations	14,397	21,350	35,747
Legacies	-	30,970	30,970
Membership income	-	80	80
Total income from donations and legacies	14,397	52,400	66,797

Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
Donations	22,095	26,834	48,929
Legacies	-	415,728	415,728
Membership income	250	180	430
Total income from donations and legacies	22,345	442,742	465,087

4. Income from charitable activities

	2023 Total £	2022 Total £
Grants	-	15,000

All income from charitable activities in the prior year was restricted.

5. Income from other trading activities

	2023 Total £	2022 Total £
Secondment income	11,267	13,000

All income from other trading activities in the current and prior year was unrestricted.

6. Government grants

The charitable company did not receive any government grants in the current or prior year.

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

7. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £
Grants payable (note 8)	-	90,465	-	90,465
Staff costs (note 11)	35,430	17,715	5,905	59,050
Depreciation	-	-	294	294
Rent and insurance	-	-	1,301	1,301
Repairs	-	-	5,693	5,693
Postage and telephone	-	-	537	537
Travel and subsistence	-	-	2,418	2,418
Office costs	-	-	4,671	4,671
Independent examination fees	-	-	2,940	2,940
Other accountancy services	-	-	1,296	1,296
Legal and professional	-	-	13,209	13,209
Sub-total	35,430	108,180	38,264	181,874
Allocation of support and governance costs	<u>13,740</u>	<u>24,524</u>	<u>(38,264)</u>	<u>-</u>
Total expenditure	<u>49,170</u>	<u>132,704</u>	<u>-</u>	<u>181,874</u>

Total governance costs were £2,940 (2022 : £2,640).

Prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £
Grants payable (note 8)	-	68,819	-	68,819
Staff costs (note 11)	40,570	20,899	6,830	68,299
Depreciation	-	-	294	294
Rent and insurance	-	-	1,290	1,290
Repairs	-	-	2,445	2,445
Postage and telephone	-	-	843	843
Travel and subsistence	-	-	116	116
Office costs	-	-	3,120	3,120
Independent examination fees	-	-	2,640	2,640
Other accountancy services	-	-	5,407	5,407
Legal and professional	-	-	2,605	2,605
Sub-total	40,570	89,718	25,590	155,878
Allocation of support and governance costs	<u>9,859</u>	<u>15,731</u>	<u>(25,590)</u>	<u>-</u>
Total expenditure	<u>50,429</u>	<u>105,449</u>	<u>-</u>	<u>155,878</u>

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

8. Grants payable

	2023	2022
	£	£
<u>Grants payable to institutions:</u>		
CEDAR	77,770	34,671
DACS	12,695	24,148
KKBT	<u>(10,000)</u>	<u>10,000</u>
Total grants payable	<u>80,465</u>	<u>68,819</u>

The charity ceased its working relationship with KKBT and no longer consider there to be an obligation to pay the grant committed in the prior year.

9. Grant commitments

	2023	2022
	£	£
Grants payable:		
Grant commitments brought forward	10,000	-
Grants committed during the period	90,465	68,819
Grants paid during the period	(90,465)	(58,819)
Grants written back during the period	<u>(10,000)</u>	<u>-</u>
Grant commitments carried forward	<u>-</u>	<u>10,000</u>

10. Net movement in funds

This is stated after charging:

	2023	2022
	£	£
Depreciation	294	294
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	104	Nil
Independent examiner's remuneration:		
▪ Independent examination (excluding VAT)	<u>2,450</u>	<u>2,200</u>

During the year one trustee was reimbursed for travel expenses (2022: none).

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

11. Staff costs and numbers

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	51,945	64,351
Social security costs	5,816	2,400
Pension costs	1,289	1,548
	<u>59,050</u>	<u>68,299</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the Trustees, and the Director. The total employee benefits of the key management personnel were £47,725 (2022: £46,980).

	2023	2022
	No.	No.
Average head count	<u>1.3</u>	<u>2.0</u>

12. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13. Tangible fixed assets

	Total
	£
Cost	
At 1 April 2022 At 31 March 2023	<u>1,470</u>
Depreciation	
At 1 April 2022	783
Charge for the year	<u>294</u>
At 31 March 2023	<u>1,077</u>
Net book value	
At 31 March 2023	<u>393</u>
At 31 March 2022	<u>687</u>

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

14. Investment property

	2023 £	2022 £
Fair value value at 1 April 2022	398,000	363,000
Unrealised gains	<u>-</u>	<u>35,000</u>
Fair value at 31 March 2023	<u>398,000</u>	<u>398,000</u>

15. Debtors

	2023 £	2022 £
Gift aid	<u>12,468</u>	<u>6,580</u>

16. Creditors : amounts due within 1 year

	2023 £	2022 £
Accruals	2,940	2,640
Grants payable < 1 year (note 9)	10,000	10,000
Other taxation and social security	6,584	1,994
Other creditors	<u>214</u>	<u>347</u>
	<u>19,738</u>	<u>14,981</u>

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

17. Analysis of net assets between funds

	Endowment funds £	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	-	393	393
Investment property	398,000	-	-	398,000
Current assets	-	103,597	291,284	394,881
Current liabilities	-	-	(19,738)	(19,738)
Net assets at 31 March 2023	<u>398,000</u>	<u>103,597</u>	<u>271,939</u>	<u>773,536</u>
Prior period comparative				
	Endowment funds £	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	-	-	687	687
Investment property	398,000	-	-	398,000
Current assets	-	112,142	368,018	480,160
Current liabilities	-	-	(14,981)	(14,981)
Net assets at 31 March 2022	<u>398,000</u>	<u>112,142</u>	<u>353,724</u>	<u>863,866</u>

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

18. Movements in funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Endowment funds				
Endowment property	398,000	-	-	398,000
Total endowment funds	398,000	-	-	398,000
Restricted funds				
Boys Town Society*	66,169	6,723	-	72,892
Inba Seva Sangam*	16,796	1,786	-	18,582
CEDAR - Nodal office	-	678	(678)	-
CEDAR hubs - Kovilpatti and Madurai	18,720	500	(19,220)	-
MSGH*	10,457	1,666	-	12,123
DACS	-	1,880	(1,880)	-
Thailand	-	1,164	(1,164)	-
Total restricted funds	112,142	14,397	(22,942)	103,597
Unrestricted funds				
General funds	353,724	77,147	(158,932)	271,939
Total unrestricted funds	353,724	77,147	(158,932)	271,939
Total funds	863,866	91,544	(181,874)	773,536

*Expenditure on three restricted funds has been paused due to safeguarding concerns. The charity has informed the Charity Commission and at the date of signing is awaiting confirmation on how the funds may be distributed.

Endowment funds

In April 2004 a leasehold property was donated to the charity. One of the conditions of the donation was that the donor continues to live in the property for the duration of her life, after which the Trustees are able to deal with the property in any manner. The Trustees have classified this as an expendable endowment fund which they consider to be more appropriate than restricted funds as they are unable to use the fund at the current time.

Purposes of restricted funds

Boys Town Society*

The purpose of the fund is to work with Boys Town Society, an Indian NGO providing residential care for young people. This fund has been paused.

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

18. Movements in funds (continued)

Purposes of restricted funds (continued)

Inba Seva Sangam*

The purpose of the fund is to work with Inba Seva Sangam, an Indian NGO providing residential care for young people. This fund has been paused.

CEDAR - Nodal office

The purpose of the fund is to work with CEDAR, an Indian NGO, to provide programme management and monitoring of our work in India.

CEDAR hubs - Kovilpatti and Madurai

The purpose of the fund is to support community based creative learning programmes in India.

MSGH*

The purpose of the fund is to work with MSGH, an Indian NGO, providing residential care for young people. This fund has been paused.

DACS

The purpose of the fund is to work with DACS, an Indian NGO, to provide 'last resort' residential care for children and young people living with HIV/AIDS.

Thailand

The purpose of the fund is to work with Khon Kaen Boys Town, a Thai NGO providing residential care for young people. Paper Boat has now exited from this partnership.

Paper Boat Ltd

Notes to the financial statements

For the year ended 31 March 2023

18. Movements in funds (continued)

Prior period comparative

	At 6 April 2021 £	Income £	Expenditure £	Investment gains / (losses) £	Transfers between funds £	At 31 March 2022 £
Endowment funds						
Endowment property	363,000	-	-	35,000	-	398,000
Total endowment funds	363,000	-	-	35,000	-	398,000
Restricted funds						
Boys Town Society	57,460	8,709	-	-	-	66,169
Inba Seva Sangam	13,926	2,870	-	-	-	16,796
CEDAR - Nodal office	-	15,827	(15,827)	-	-	-
CEDAR hubs - Kovilpatti and Madurai	-	2,126	(9,656)	-	26,250	18,720
SPPD	63	-	(63)	-	-	-
MSGH*	8,103	2,354	-	-	-	10,457
DACS	-	2,429	(11,179)	-	8,750	-
Thailand	-	2,252	(2,252)	-	-	-
COVID Response	-	778	(778)	-	-	-
Restricted legacy fund	35,000	-	-	-	(35,000)	-
Total restricted funds	114,552	37,345	(39,755)	-	-	112,142
Unrestricted funds						
General funds	10,925	458,922	(116,123)	-	-	353,724
Total unrestricted funds	10,925	458,922	(116,123)	-	-	353,724
Total funds	488,477	496,267	(155,878)	35,000	-	863,866

19. Related party transactions

There were no related party transactions in the current or prior period.

20. Change in accounting period

The prior period comprises a period of slightly less (5 days) than a full year, from 6 April 2021 to 31 March 2022. The current period comprises a full year between 1 April 2022 and 31 March 2023.

This has not been notated for each note to the financial statements, as the periods are deemed to be materially comparable.