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Children's Scrapstore

Accounts for the year ending

31st March 2003

Company no: 2624238

Charity no: 1008788



Children's Scrapstore 2002 - 2003

The Children's Scrapstore is a registered Charity which collects safe waste and surplus materials from industry & commerce and makes them available, at very little cost, to 1200 member groups. Groups who work in a creative, play, care, educational or therapeutic setting in the greater Bristol area are eligible to join Children's Scrapstore. These groups work with around 200,000 users, the majority of whom are children and young people. Members join us from throughout Bristol, North Somerset, South Gloucestershire and Bath & N.E. Somerset, as well as some groups from Gloucestershire, Wiltshire, Devon and South Wales. Full member groups include playgroups, nurseries, crèches, parent & toddler groups; Resources & Activities Centres, cubs, scouts, guides, brownies, beavers, woodcraft folk, city farms, adventure playgrounds, hospitals, arts, environmental & theatre groups, and associate member groups are schools and college departments. The focus of Scrapstores work is to provide waste materials as an art & craft resource for creative play and education, other resources to compliment this work and also in the process raise the members' awareness of recycling issues.

Scrapstores main aim, besides the re-use of scrap materials, is to allow children to play, experiment and stimulate their imaginations with a variety of familiar and unusual, inexpensive materials - a chance they might not otherwise have. Many of our member groups are voluntary, have very limited budgets if any, and rely heavily on Scrapstores existence for their basic play materials. The materials range from off-cuts of paper, card, wood, fabrics and hot air balloon material, to plastic trays, boxes and empty tins. They are used in a wide range of art, craft and play activities, for example, painting, drama, games, kite making, puppets, masks, mobiles and musical instruments.

Scrapstore is a Registered Charity Limited by Guarantee. Charity No. 1008788. Company No. 2624238.

Just over half the staff salary costs are funded by the four local authorities. The remainder of costs are covered by general trading activities, including Scrapstore Enterprises Ltd (Artrageous art & craft shop within Scrapstore), income from membership subscriptions and loan equipment, donations for scrap materials and other fundraising.

Scrapstore has built up a sound local reputation and is a respected organisation, not only for the services it offers but also because of its consistently enterprising and innovative organisational approach. It is more widely known through its active association with various national & local networks such as the Play Panel, The Play and Early Years Training Unit, BHP, BAND, WPSD, The Recycling Consortium and The CREATE Centre.

Trustees' Report

This financial year has been another challenging one for Children's Scrapstore as we are actively planning for the future yet trying to keep our current operations functioning as usual.

We began 2002/2003 with a surplus with which we purchased a new phone system and two new computers. There was movement in our general reserves and our restricted reserves which are detailed in the accounts. Our fundraising strategy and public donations have meant we have kept our heads above water. We adopted tight budgets and during the year have been given small donations towards running costs. Unfortunately Scrapstore Enterprises Ltd was unable to donate any Gift-aid at the end of the financial year due to a reduction in the annual turnover and an increase in costs.

Our Rural Groups working party continues the valuable research into the needs of our member groups from rural areas and other groups who operate miles from Bristol. There have been Roadshows in each Unitary with more planned for 2003-04.

Any other donations received during the year, which were not specified for particular work or used for core costs, have been put into our Building Fund. We have succeeded in getting a grant from the Tudor Trust for the continuation of the Building Project Manager. We located a suitable site and in July paid £30,000 deposit and signed a contract promising to purchase it in July 2003. Meantime we have been working hard to secure huge funding bids from SWRDA, Objective 2 etc.

We have received grants through the Landfill Tax from Cliffeville Ltd and Esmee Fairbairn Trust, for the continuation of our Increased Capacity Project, so that we can research potential new scrap suppliers in order to resource an increased membership in the future.

Reserves Policy

The Management Committee have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between 3 and 6 months of the resources expended, which equates to £54,000 to £108,000 in general funds. At this level the Management Committee feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider the 'Risks & Reserves Management Plan' if the funding would need to be replaced or activities changed. At present the free reserves, which amount to £63,774 are only just within the lower end of the recommended level, and the Management Committee are considering ways in which additional funds will be raised.

Risk review

The Management Committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. External risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

It is our opinion that Children's Scrapstore is in an adequate financial state and the budget indicates we will continue to be so for the coming year and beyond.

Dick Maule is to be reappointed as Auditor.

Scrapstore Enterprises Ltd has their trading activities summarised in the accounts that follow.

Management Team 2002- 2003

Lyn Caseley (BHP)
Jude Andrews (Avon FOE)
Nicola Gill (Scraptastic)
Phil Haughton (BFC)
Venetia Shah Dayan (Scrap Happy)
Alice McColl (PEYTU)
Cherryl Wycherley (OSCA)
Dee Moxon (Gynormous Raucus)
Frances Brown (Respite Care)
Peter Capnos (Ex SOFA)
Carole Chance (Squirrel Tree Nursery)
Jess Houston (ACTA)
Ben Piper (Firefly)
Margaret McWilliam (Travellers School)
Steph Reeves (Gynormous Raucus)
Ruth Worsley

Chair
Treasurer
Resigned during the year
Secretary

Resigned during the year
Resigned during the year
Resigned during the year
Resigned during the year

Resigned during the year

Resigned during the year
Co-optee
Co-optee

Observers

Colin Clothier (Bath & N.E. Somerset Council)
John Knowlson (Bristol City Council)
Phil Humphries (North Somerset Council)

Bankers

HSBC plc & CafCash Ltd
49 Corn St. Kings Hill
Bristol West Malling
BS99 7PP Kent

Auditor

Dick Maule
10-12 Picton St.
Montpelier
Bristol

Trustees Responsibilities

Charity regulations and Company law require the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing those accounts the Trustees are required to:

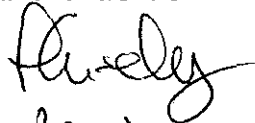
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting policies, subject to any material departures disclosed and explained in the accounts;
- Prepare accounts on the going concern basis unless it is inappropriate to presume the company will keep operating.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985, and with the Statement of Recommended Practice Accounting for Charities. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with s.385 of the Companies Act 1985, a resolution for the reappointment of Dick Maule as auditor is to be proposed at the forthcoming Annual General Meeting.

In preparing the above report the Trustees have taken advantage of special exemptions applicable to small companies.

By order of the Trustees


Signed: J. Andrews

3.9.03
Date: 3-9-03

Independent auditor's Report to the members of The Children's Scrapstore

I have audited the financial statements of The Children's Scrapstore for the year ended 31st. March 2003 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the Trustees and auditor

As described in the Statement of the Trustees's Responsibilities the trustees, who are also the Trustees for the purpose of company law are responsible for the preparation of the financial statements in accordance with applicable law and the United Kingdom Accounting Standards.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards.

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if, in my opinion, the Trustees Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for my audit, or if the information specified by law regarding Trustees remuneration and transactions with the company is not disclosed.

I read the Trustees's Report and consider the implications for my report if I became aware of any apparent misstatements within it.

Basis of opinion

I conducted my audit in accordance with United Kingdom Accounting Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the charitable company's and group's affairs at 31st. March 2003, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Dick Maule

Chartered Accountant and Registered Auditor
10 Picton Street
Bristol 6

dated: 3.9.03

(5)



The Children's Scrapstore

Consolidated Statement of Financial Activities [including Income and Expenditure Account] for the year ended 31st. March 2003

	Notes	Unrestricted Funds 2003 £	Restricted Funds 2003 £	Total Funds 2003 £	2002 £
Incoming resources					
Grants and donations		78,683	17,050	95,733	95,577
<i>Activities for generating funds</i>					
Donations and equipment loan		42,937	76,650	119,587	42,766
Membership		41,917	-	41,917	38,724
Miscellaneous earned income		10,686	-	10,686	2,282
Sales of trading company		125,365	-	125,365	138,986
Investment income		2,052	-	2,052	4,658
Total Incoming Resources		<u>301,641</u>	<u>93,700</u>	<u>395,341</u>	<u>322,993</u>
<i>Less cost of generating funds</i>					
Trading Company expenditure	(6)	87,908	-	87,908	94,461
Net incoming resources available for charitable application		<u>213,733</u>	<u>93,700</u>	<u>307,433</u>	<u>228,532</u>
Resources expended					
Fundraising costs		3,932	-	3,932	-
Direct charitable expenditure	(11)	256,199	82,519	338,718	215,535
Management and administration	(11)	<u>5,616</u>	<u>-</u>	<u>5,616</u>	<u>6,001</u>
Total Resources Expended		<u>265,748</u>	<u>82,519</u>	<u>348,267</u>	<u>221,536</u>
Net incoming resources					
- Net income for the year		(52,015)	11,181	(40,833)	6,996
Total funds at 1st. April 2002		162,677	1,000	163,677	156,681
Total funds at 31st. March 2003		<u>110,662</u>	<u>12,181</u>	<u>122,844</u>	<u>163,677</u>

The Children's Scrapstore

Balance sheet as at 31st. March 2003

		The Group		The Charity	
	Notes	2003	2002	2003	2002
		£	£	£	£
Fixed assets					
Tangible assets	(4)	4,232	1,422	4,232	1,422
Investment in subsidiaries	(7)	-	-	83	83
		<u>4,232</u>	<u>1,422</u>	<u>4,315</u>	<u>1,505</u>
Current assets					
Stock	(3)	42,850	40,370	550	800
Inter company debtor		-	-	18,482	29,328
Debtors and prepayments	(8)	19,936	10,911	15,353	1,149
Cash at bank and on hand		70,077	127,183	47,146	98,736
		<u>132,863</u>	<u>178,464</u>	<u>81,531</u>	<u>130,013</u>
Current liabilities					
Creditors: amounts falling due within 12 months	(5)	(14,251)	(16,209)	(11,332)	(10,864)
Net Current assets		<u>118,612</u>	<u>162,255</u>	<u>70,198</u>	<u>119,149</u>
Net assets		<u>122,844</u>	<u>163,677</u>	<u>74,513</u>	<u>120,654</u>
Reserves and funds	(10)				
<i>Unrestricted funds</i>					
General funds		57,366	64,827	9,035	21,804
Designated funds		53,297	97,850	53,297	97,850
Restricted funds		12,181	1,000	12,181	1,000
Total Funds		<u>122,844</u>	<u>163,677</u>	<u>74,513</u>	<u>120,654</u>

These financial statements were approved by the Council of Management on.....3-9-03

On behalf of the Council of Management

Andrew
Widely

dated:- 3.9.03

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2003

(1) Principal Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

The accounts have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities. (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

Depreciation

All items over £250 are capitalised.

Tangible fixed assets are being written off over the expected useful life of the asset, using the reducing balance basis as follows:

motor vehicles, equipment, fixtures and fittings 25 % per annum .

Restricted and designated funds

Restricted funds are to be used for specific purposes as laid down by the donor, unrestricted funds are income received and generated by the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary Scrapstore Enterprises Limited on a line by line basis.

(2) Status

The Children's Scrapstore is a company limited by guarantee, and also a registered charity. No taxation is therefore due on the activities of the charity, but is due on its subsidiaries.

(3) Stock

Stock is valued at the lower of cost and net realisable value.

(4) Fixed Assets

Tangible Assets	Furniture fittings equipment £	Subsidiary equipment £	Total £
Cost:			
balance brought forward	17,237	7,858	25,095
additions in the year	4,304	-	4,304
	<u>21,541</u>	<u>7,858</u>	<u>29,399</u>
Depreciation			
balance brought forward	15,815	7,858	23,673
charge for the year	1,494	63	1,557
	<u>17,309</u>	<u>7,921</u>	<u>25,230</u>
Net book value at 31st. March 2003	<u>4,232</u>	-	<u>4,232</u>
Net book value at 31st. March 2002	<u>1,422</u>	-	<u>1,422</u>

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2003

(5) Creditors and accruals

charity.....	group.....	
	2003	2002	2003	2002
	£	£	£	£
Sundry creditors	<u>11,332</u>	<u>10,864</u>	<u>14,251</u>	<u>16,209</u>

(6) Group companies

	Scrapstore Enterprises Limited 31 March 2003 £	Scrapstore Enterprises Limited 31 March 2002 £
Turnover	125,251	138,926
Cost of sales	<u>(82,491)</u>	<u>(91,598)</u>
Gross Profit	42,760	47,328
Administrative expenses	(35,786)	(29,729)
Bank charges and interest payable	(1,382)	(1,051)
Gift Aid	-	(6,650)
Miscellaneous income	114	60
Interest receivable	<u>-</u>	<u>-</u>
	(37,054)	(37,370)
Net Profit/ (loss) before taxation	<u>5,706</u>	<u>9,959</u>
Corporation Tax	<u>(399)</u>	<u>(599)</u>
Net profit after taxation	5,307	9,360
Retained in subsidiary	<u>5,307</u>	<u>9,360</u>
The deficit is stated after charging:		
Auditor's remuneration	<u>515</u>	<u>515</u>
Total trading company expenses and cost of sales above	119,944	129,567
Inter company transactions	<u>(32,036)</u>	<u>(35,106)</u>
	<u>87,908</u>	<u>94,461</u>
(9)		

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2003

(7) Fixed Assets : Investments

The Children's Scrapstore hold shares in Scrapstore Enterprises Limited, which is a wholly owned subsidiary of the charity.

(8) Debtors

charity.....	group.....	
	2003	2002	2003	2002
	£	£	£	£
Sundry debtors and prepayments	15,353	1,149	19,936	10,911
Inter-company debtors	9,482	19,328	-	-
Inter-company debtor re stock	<u>9,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
	<u>33,835</u>	<u>30,476</u>	<u>19,936</u>	<u>10,911</u>

(9) Capital commitments and contingent liabilities

There are none this year.

(10) Movements in funds

	Balance 1st. April 2002	Incoming Resources	Outgoing Resources	Balance Transfers	Balance 31st. March 2003
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Building Fund	68,971	-	-	(46,000)	22,971
Staff and risk contingency	18,879	-	-	2,447	21,326
Shop investment fund	<u>10,000</u>	-	-	<u>(1,000)</u>	<u>9,000</u>
	97,850	-	-	(44,553)	53,297
General Fund	<u>64,827</u>	<u>301,641</u>	<u>(353,656)</u>	<u>44,553</u>	<u>57,366</u>
	<u>162,677</u>	<u>301,641</u>	<u>(353,656)</u>	<u>-</u>	<u>110,663</u>
	=====	=====	=====	=====	=====
Restricted funds					
Building Fund donations	-	76,650	(76,650)	-	-
Rural Group Feasibility Study	<u>1,000</u>	<u>17,050</u>	<u>(5,869)</u>	<u>-</u>	<u>12,181</u>
	<u>1,000</u>	<u>93,700</u>	<u>(82,519)</u>	<u>-</u>	<u>12,181</u>
	=====	=====	=====	=====	=====

The Building reserve has been set up to contribute to the costs of purchasing the new building.

The shop investement fund recognises the nature of the long term investement in shop stock by the charity.

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2003

(11) Resources expended

	Direct Costs £	Management and Administration £	Total 2003 £	Total 2002 £
Wages and pensions	136,686	4,500	141,186	122,177
Print, post and stationery	1,576	-	1,576	1,315
Photocopy	676	-	676	651
Bank charges	359	-	359	255
Committee expenses	-	402	402	822
Rent and rates	10,338	-	10,338	10,506
Heat and light	2,972	-	2,972	2,851
Telephone	1,492	-	1,492	1,653
Workshop and training	340	-	340	991
Insurance	3,031	-	3,031	2,687
Subscriptions and affiliations	204	-	204	79
Newsletter	3,756	-	3,756	5,219
A.G.M.	300	-	300	-
Volunteer and staff expenses	872	-	872	922
Auditor's fees for accountancy	-	320	320	310
Audit	-	365	365	340
Sundry expenses	42	-	42	498
Recruitment and advertising	2,676	-	2,676	683
Audit letter	-	29	29	29
Cleaning	1,059	-	1,059	760
Professional fees	3,130	-	3,130	31,172
Building Fund costs	127,944	-	127,944	-
Rural Groups Feasibility Study	5,869	-	5,869	7,500
Depreciation	1,494	-	1,494	474
Alarm	602	-	602	879
Motor vehicle and travel	7,085	-	7,085	4,230
Repairs, renewals and building maintenance	3,188	-	3,188	1,548
Landfill expenses	21,911	-	21,911	22,000
Loan equipment	1,118	-	1,118	984
	<u>338,718</u>	<u>5,616</u>	<u>344,334</u>	<u>221,536</u>

(12) Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	4,232	-	-	4,232
Current assets	72,385	48,297	12,181	132,863
Current liabilities	(14,251)	-	-	(14,251)
Net assets at 31st March 2003	<u>62,366</u>	<u>48,297</u>	<u>12,181</u>	<u>122,844</u>

(13) Staff

There were 8 full and part time staff employed [2001/02 : 8]

No employee received emoluments of more than £50,000.

(14) Trustees

Committee expenses

The trustees only received expenses for attending meetings in the year.

402 822