

REGISTERED COMPANY NUMBER: 2624238
REGISTERED CHARITY NUMBER: 1008788

Report of the Trustees and
Financial Statements For The Year Ended 31 March 2007
for
Children's Scrapstore
(A Company Limited by Guarantee)

Dunkley's
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

FRIDAY

THUR



A03 "AA4CVX1T"
08/02/2008 247
COMPANIES HOUSE

B04 "B9EB4WT2"
31/01/2008 72
COMPANIES HOUSE

Children's Scrapstore
Contents of the Financial Statements
for the Year Ended 31 March 2007

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Company Information

Trustees and Directors

C J Casswell	Chairman, Company Secretary, Director and Trustee
K E Cole	Secretary, Director and Trustee
R M Rich	Director and Trustee
J L Simpson	Treasurer, Director and Trustee

Charity Co-ordinator
Mr J Hill

Registered Office and Operating Address
The Proving House, Sevier Street, St Werburghs, Bristol, BS2 9LB

Auditors
Dunkley's, Woodlands Grange, Woodlands Lane, Bradley Stoke, Bristol, BS32 4JY

Bankers
HSBC Plc, 49 Corn Street, Bristol, BS99 7PP
Caf Cash, Kings Hill, West Malling, Kent
Tridos Bank, 11 The Promenade, Bristol, BS8 3NN

Solicitors
Osborne Clarke, 2 Temple Back East, Bristol, BS1 6EG

Registered Number
2624238

Charity Registration Number
1008788

Trastees' Report

The trustees present their report and accounts for the year ended 31 March 2007

Results

The accounts are set out on pages 12 to 20

Name, Registered Office and Constitution of the charity

See company information on page 1.

Objectives and Activities

Objects, as set out in the governing document

The objectives of the charity / company as laid down in its Memorandum and Articles of Association are to provide or assist in the provision of facilities for recreation, education and other leisure time activities for children, being facilities of which such children have need by reason of their age or social or economic circumstances, and which will improve conditions of life for such children by promoting their educational, physical or mental wellbeing To promote the use of waste materials as play-things

The charity's aims including the changes or differences it seeks to make through its activities and its significant activities

Children's Scrapstore collects safe waste and surplus materials from industry and 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 nearly all of the children and young people in the greater Bristol area. Members join us from throughout Bristol, North Somerset, South Gloucestershire and Bath and North East Somerset, as well as some groups from Gloucestershire, Wiltshire, Devon and South Wales Full member groups include playgroups, nurseries, crèches, parent and toddler groups, resources and activities centres, cubs, scouts, guides, brownies, beavers, woodcraft folk, city farms, adventure playgrounds, hospitals, arts, environmental and theatre groups Associate member groups are schools and college departments

The focus of Scrapstore's work is to provide waste materials as an art and craft resource for creative play and education, provide other resources to compliment this work and also in the process raise members' awareness of recycling issues

Scrapstore's 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 limited budgets if any, and rely heavily on Scrapstore's 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 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 association with various national and local networks such as the Play Strategy Development Group, The Play and Early Years Training Unit, Bristol Holiday Playschemes, and Bristol Association of Neighbourhood Daycare

The Charity is in the process of developing new services to members in support of their development needs thereby contributing to the objects in new ways

Main objectives for the year and strategies for achieving those objectives

- 1 To engage in a review of our objects and memorandum & articles of association in order determine if the current operating procedures for Scrapstore fully reflect the changes made in the organisation during the past 3 years and if there is adequate protection for the charities aims

The coordinator has been engaged to carry out an initial survey of our Constitution and memorandum & articles This review will be long term and it is likely that quarterly reports on information discovered will be presented at committee meetings

Trustees' Report

Once the options available to the Management Committee are known, a special meeting will be convened to review the possibilities going forward. Anticipated outcomes include a possible restructuring of the organisation, the protection of our constitutional objects against erosion or abuse in the future and the opportunity to ensure the legal and financial best interests and protection of the charity are being served.

2. Ensure that the budget agreed is reported on and measured at each monthly meeting in order to safeguard the financial integrity of the charity.

The committee agenda ensures this review takes place. The treasurers report and financial meeting ensure that continuity and risk are constantly evaluated.

3. Confirm all legal and reporting requirements are met particularly with the Charities Commission and Companies House as priorities.

The coordinator is responsible for carrying out these reporting functions and must confirm these with the chair of the organisation. The process for this is inclusive as the chair is a signatory for both of these reports.

Additional requirements such as planning obligations are monitored by the coordinator and reported on in monthly written reports.

The committee will set the date for the AGM and recruit replacement or additional committee members for the following term.

4. Oversee the development of new and improved service delivery which offers increased value for children via our members in keeping with our objects.

The operational business plan for this year details the actions and developments which are being undertaken by the organisation. Staff reports given to the management committee monthly ensure the monitoring and progress of these activities are brought to the committee's attention.

5. Manage the coordinator and ensure we are aware of any issues which may threaten the security and safety of the organisation via the written reports, staff presentations and verbal questioning of the coordinator at meetings.

The primary relationship of the coordinator is with the chair. The coordinator reports to the management committee monthly via verbal and written reports on the key developments of the business. Any deviation or admission is subject to the normal disciplinary process open to the committee.

6. Maintain an overview on the progress of staff development.

Staff managers report in rotation personally to the committee at which time they are able to comment or question any aspect of the committee's work or intention and vice versa the committee are able to question the department directly. Minutes of these are kept.

The coordinator is responsible for staff development and reports on issues, training and needs of the staff both written and verbally on a monthly basis.

These comments are recorded in the minutes of these meetings and reviewed at the following meeting.

7. Review the charities assets in order to maximise the well being and available strength to the charity in support of our constitutional aims.

The coordinator has been charged with opening discussions with an accountant independent to the charity in order to investigate the possibilities open to the charity for the use of the building as an asset both now and in the future. This will also inform the review of the constitution and memorandum and articles currently being undertaken.

Trustees' Report

Achievements and performance of the charity

A review of activities

The member groups have continued to benefit from the ongoing programme of activities, which continued to be developed

2006 to 2007 was a busy year with 1044 Full members, 75 Temporary members and 256 Associate members joining. Unfortunately this year we did not hit the full member target. The target this year was 1144 full members (see Table 7) and we ended the year 100 members under that figure.

This was the second year of the rolling membership system and membership take up throughout the year was monitored to see how our members are responding to the system (see Table 6). Although we did still have more members joining in April, May and June compared to other times of the year, this was less than in previous years. We are having less of a rush to buy membership in April etc as now members pay for a year from whenever they join.

The table below shows a breakdown of the membership with regards to Bands and the number of members in each local authority.

Table 1 Full members by Band

Band	02 - 03 (Q)	03 - 04 (R)	04 - 05 (S)	05 - 06*	06 - 07
A	616	623	605	671	607
B	94	75	87	94	78
C	84	66	61	60	61
D	71	68	65	64	51
E	73	69	71	67	54
F	172	202	210	200	192
Other	7	0	1	8	1
Total	1117	1103	1100	1164	1044
Target	1100	1210	1100	1122	1144

*Rolling membership introduced 1st April 2005

Table 2 Temporary members by Band

Band	02 - 03	03 - 04	04 - 05	05 - 06	06 - 07
A	20	18	48	40	59
B	3	0	2	1	7
C	4	2	3	1	2
D	1	1	4	0	3
E	4	2	6	1	1
F	2	1	8	4	3
Other	0	0	0	1	0
Total	34	24	71	48	75

Table 3 Full members by Local Authority

Local Authority	02 - 03*	03 - 04	04 - 05	05 - 06	06 - 07
Bristol	585	593	591	638	577
B&NES	165	136	125	123	103
NS	161	155	152	145	126
SG	194	173	158	180	183
More than one LA	n/a	25	52	46	38
Outside area	12	21	21	23	17
Other	0	0	1	9	0
Total	1117	1103	1100	1164	1044

* Figure derived from combining groups that worked solely in SG and groups that worked in SG and another Local Authority (LA)

Table 7 Full membership targets 01/04/05 onwards

Band	2004 - 2005	2005 - 2006	2006 - 2007	2007- 2008	2008 - 2009
A	606	618	630	643	656
B	87	89	91	93	95
C	61	62	63	65	66
D	65	66	67	68	69
E	71	73	75	76	78
F	210	214	218	222	226
Total	1100	1122	1144	1167	1190

Roadshow Report

Table 6 Roadshow attendance by Local Authority

2006 - 2007					
Local Authority	No of members	No of non-members	No of children	Total attendance	Workshop users
B&NES	58	118	55	231	66
North Som	101	94	42	237	53
Total	159	212	97	468	119

* Only 3 events in B&NES

Table 7 Roadshow attendance per event

Venue	Members	Non-members	No of children	Total attendance	Workshop users
08/05/06 Portishead Youth Club	24	15	9	48	10
03/07/06 Old School Rooms, Congresbury	15	18	6	39	13
16/10/06 Conygre Hall Timsbury	23	29	9	61	15
13/11/06 Nailsea Methodist Church	27	30	10	67	15
2/11/06 Ubley Parish Hall	10	25	16	51	26
5/03/07 Hutton Village Hall	35	31	17	83	15
19/3/07 Somer Centre MSN	25	64	30	119	25
Total	159	212	97	468	119

Table 8 Financial information

Venue/date	Non member fees	Scrap fee	Bags sold £3	Shop goods	Scrap Packs (£5 each)	Total £
08/05/06 Portishead Youth Club	30 00	50 00	16 5	0 00	0 00	80 00
03/07/06 Old School Rooms Congresbury	34 00	52 15	17	0 00	0 00	86 15
16/10/06 Conygre Hall Timsbury	38 00	158 35	52	18 13	0 00	214 48
13/11/06	34 00	109 00	36	33 81	0 00	176 81

Nailsea Methodist Church						
2/11/06 Ubley Parish Hall	36 00	110 58	39	53 89	0 00	200 47
5/03/07 Hutton Village Hall	46 00	188 53	63	23 46	5 00	262 99
19/3/07 Somer Centre, MSN	89 00	192 48	64	38 34	5 00	324 82
Total	£307	£861 09	£287 50	£167 63	£10	£1345 72

Children s Scrapstore Roadshow Project - Testimonials 2006 - 2007

Monday 16th October – Conygre Hall Timsbury

- Good fun scrabbling around – I like the idea of the art workshops to give my son ideas
- Good to look around and see the wide range of materials Excellent to see you back
- So good to see you back We are unable to get to Bristol
- Very pleased you are back, well done (St Julians)
- Excellent idea for Roadshows Too far for us to travel to Bristol Well set out Good ideas
- Fab again! As usual! Children occupied with spiders and play-dough Thank you
- Great resource, so much easier than getting to Bristol

Monday 13th November – Nailsea Methodist Church

- It was good Lots of stuff and good ideas Staff were helpful and friendly – Gemma Pring Inwood Nursery
- Excellent selection Friendly Loads of ideas – Janet Woods, Busy Bees Toddlers
- Good idea not to have to travel far
- Good to be local
- Great ideas and useful scrap Thank you
- Ab fab Very useful Keep it going please!
- Great idea to have a local event – excellent for Brownies

Monday 27th November – Ubley Parish Hall

- Venue very good Purchased a good bag of materials Would like to see more fabric
- Great to go out to community
- Good for networking with others and great resources at low cost
- Very good, plenty of different resources lots of choices at low costs – East Harptree
- Lots of ideas Great!
- Lots of useful things – very well attended
- Good resources – ideal just before Christmas Thank you Big sheets of paper and card would have been great but we arrived late so may have missed it

Monday 5th March - Hutton Village Hall

- Great selection
- Hutton venue good
- Very good, our first time
- We are so pleased to have this valuable service for our community
- Possible venue Ashcombe Children's Centre

Monday 19th March – Somer Centre, MSN

- Somer Centre a great venue

- Excellent choice and great ideas Keep it up
- Well done, come over more often
- Very helpful for art and crafts
- Brilliant – as a childminder this is a great resource
- Very good – please come to Bath
- First time I've managed to get to a Roadshow – excellent ideas & resources Good venue Big thanks

Fundraising activities

Funding is via membership fees and donations for scrap and equipment loans 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 Limited Scrapstore's wholly owned trading subsidiary, which runs a craft shop within Scrapstore's premises Income from our owned premises covers the cost of running the property and the mortgage and therefore does not impact on overheads relating to delivering the service

The Charity is in the process of developing new services to members in support of their development needs thereby contributing to the objects in new ways

Investment performance

Surplus short term funds are held in an interest bearing deposit account, on which satisfactory levels of income were received

Structure, Governance and Management

Governing document, and constitution

The charity is constituted as a private company limited by guarantee and therefore has no share capital It is governed by a Memorandum and Articles of Association, dated 26 June 1991 It is registered as a charity with the Charity Commission

The methods adopted for the recruitment and appointment of new trustees

When selecting new trustees the charity seeks people who can bring relevant expertise

The policies and procedures adopted for the induction and training of trustees

New trustees are familiarised with all aspects of the work done by the charity and briefed on their legal obligations under charity and company law the committee and decision making process and key employees

Organisational structure of the charity

The board of trustees administers the charity The board meets monthly and there is a sub committee for finance and funding which informs the Treasurer and funder of progress and priorities Other sub groups are formed for specific activities as and when they occur The trustees delegate their responsibilities for the day to day administration of the charity

Officers and other senior staff members to whom day to day management of the charity is delegated

J Hill	Charity co-ordinator
J Pendlington	Funding and development officer
M Miller	Artrageous shop manager
C Mason	Warehouse manager
C Jones	Membership and Roadshow Officer

Related parties

The charity's wholly owned subsidiary undertaking Scrapstore Enterprises Limited was established to operate the arts and crafts shop Artrageous, in the charity's premises The subsidiary gift aids the majority of its profits to the charity (see note X to the accounts)

Children's Scrapstore

Trustees' Report

Risk Assessment

The trustees have risk management strategy which comprises

- An annual review of the risks to which the charity may face
- The establishment of systems and procedures to mitigate those risks identified in the plan, and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks arise
- This work has not identified any new risks but has resulted in better contingency plans and has given the impetus for better planning. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees

Financial review

Transactions and financial position

The trustees consider the financial performance during the year to have been satisfactory

The accounts are set out on pages 8 to 14. The accounts have been prepared implementing the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (effective April 2005) and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The Statement of Financial Activities (SOFA) shows net outgoing/incoming resources for the year of a revenue nature

The total at the foot of the Balance Sheet shows the total reserves at the year end

The charity's wholly owned subsidiary, Scrapstore Enterprises Limited, operated the arts and craft store Artrageous from the charity's premises during the year. Total profits were £16,635 (2006 £4,143) and all profits were gifted to the charity. The trustees are pleased with the commercial success of the venture and the profits generated assist the charity in meeting its objectives

Policies on reserves

The policy is to maintain reserves at the level necessary to sustain the planned activities of the charity

The accounting policies (Note 1) state the funds being operated. The **Designated funds** are maintained at a level equivalent to the investment in the freehold property. This is held within the building and forms the basis of Scrapstore's stability and flexibility. It is the intention of the Trustees not to create any borrowing against this asset in order to preserve strong levels of protection against market value changes and unforeseen events in the future, thus securing an asset of significant value which during the coming 20 years will become wholly owned with no debt against it.

The **General fund** accumulated surplus is intended to be raised to a level equal to between 3 months and 6 months of the resources expended. At this level the Trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Restricted funds if any, are spent in line with the donor's wishes, as soon as possible.

Principal funding sources

Funding is via membership fees, donations for scrap and equipment loans and grants received from local authorities for staff costs.

Investment policy and objectives

The trustees have wide powers of investment. Surplus short term funds are held in an interest bearing deposit account.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfill its obligations in respect of each fund

However General fund stood at £2500 at 31 March 2007, which represented £47 500 less than the level of 3 to 6 months of resources expended it is policy to retain The trustee's long term plan is to restore them to this level The board recognizes this shortfall and is satisfied that the policy of non extended borrowing against the value of the property would ensure that the asset would cover the eventuality of a complete failure of funds either as a bridging or redundancy support

Children's Scrapstore**Trustees' Report****Changes in fixed assets**

Changes in fixed assets are shown in detail in the notes to the accounts There has been no major capital expenditure this year, although the assets continue to be repaired and maintained as and when necessary

Plans for future periods

The trustees plan to continue providing affordable safe waste and surplus materials, to its member groups

The charity further plans to develop services relevant to the members which will support their own needs and development This has been identified as re-investment into the membership in order to meet our objects in further, creative ways

The charity has also received funding for the instigation of a project relating to free play in schools This Lottery funded project could revolutionise play and bring both materials and play benefits into schools ensuring a stimulating and rewarding environment for children while enabling schools to achieve part of their own ECM outcomes

Trustees who served as directors

The directors who served during the year and up to date were as follows

K E Cole

R M Rich

J L Simpson (appointed 23 October 2007)

L Casely (resigned 13 July 2007)

D Stevens (resigned 22 February 2007)

N Gill (resigned 22 May 2006)

A Churchill (resigned 20 April 2006)

R Gupta (resigned 19 July 2007)

All the directors of the charitable company are also trustees of the charity for the purpose of charity law and throughout this report are collectively referred to as trustees Their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Act

Trustees do not receive expenses, other than reimbursement of 'out of pocket expenses', where proof of purchase is always produced

The company secretary, C Casswell, is also a trustee

Trustees' responsibilities

Company law requires the trustees to prepare the Annual Report and Accounts for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), which give a true and fair view of the state of affairs of the company and of the result for that period In preparing those accounts, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees are responsible for maintaining 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. 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.

Statement as to disclosure of information to auditors

The trustees, in their capacity as directors, state that so far as each of directors at the time this report was approved are aware:

- a) There is no relevant audit information of which the auditors are unaware, and
- b) The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

Auditors

A resolution to reappoint Dunkley s as auditors will be put to the members at the Annual General Meeting.

Small company special provisions

The report of the trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and the Statement of Recommended Practice – Accounting and Reporting by Charities.

This report was approved by the board on

Trustee

Table 4 Temporary members by Local Authority

Local Authority	02 - 03	03 - 04	04 - 05	05 - 06	06 - 07
Bristol	13	12	40	26	31
B&NES	2	1	7	5	8
NS	6	2	2	1	14
SG	4	1	11	7	12
More than one LA	0	0	2	2	2
Outside area	9	8	9	7	8
?	0	0	0	0	0
Total	34	24	71	48	75

Table 5 Associate members by Local Authority

Local Authority	02 - 03	03 - 04	04 - 05*	05 - 06	06 - 07**
Bristol	118	120	135	141	134
B&NES	28	33	30	30	27
NS	17	27	29	37	32
SG	47	49	49	46	50
More than one LA	0	2	3	0	0
Outside area	16	13	14	13	13
?	0	2	1	3	0
Total	226	246	261	270	256

*Rolling membership introduced 1st September 2005** Membership is counted from 1st Sept 2006 to 31st August 2007

Table 6 Full membership take up per month 2003 to 2007

Month	APRIL TO MARCH MEMBERSHIP				ROLLING MEMBERSHIP			
	03 - 04		04 - 05		05 - 06		06 - 07	
	Per month	Total	Per month	Total	Per month	Total	Per month	Total
April	375		415		448		251	
May	173	548	213	628	164	612	152	403
June	151	669	117	745	133	745	111	514
July	90	789	103	848	84	829	82	596
Aug	32	821	39	887	54	883	54	650
Sept	60	881	66	953	56	939	57	707
Oct	76	957	62	1015	42	981	62	769
Nov	51	1008	49	1064	61	1042	84	853
Dec	16	1024	10	1074	16	1058	35	889
Jan	28	1052	15	1089	31	1089	40	931
Feb	34	1086	11	1100	28	1117	53	980
Mar	17	1103	0	1100	40	1157	64	1044
?					7	1164		
TOTAL	1103		1100		1164		1044	
TARGET	1210		1100		1122		1144	

Trustees' Report

Table 7 Full membership targets 01/04/05 onwards

Band	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009
A	606	618	630	643	656
B	87	89	91	93	95
C	61	62	63	65	66
D	65	66	67	68	69
E	71	73	75	76	78
F	210	214	218	222	226
Total	1100	1122	1144	1167	1190

Roadshow Report

Table 6. Roadshow attendance by Local Authority

2006 - 2007					
Local Authority	No of members	No of non-members	No of children	Total attendance	Workshop users
B&NES	58	118	55	231	66
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* Only 3 events in B&NES

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Venue	Members	Non-members	No of children	Total attendance	Workshop users
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5/03/07 Hutton Village Hall	35	31	17	83	15
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Total	159	212	97	468	119

Children's Scrapstore

Trustees' Report

Table 8: Financial information

Venue/date	Non member fees	Scrap fee	Bags sold £3	Shop goods	Scrap Packs (£5 each)	Total £
08/05/06 Portishead Youth Club	30.00	50.00	16.5	0.00	0.00	80.00
03/07/06 Old School Rooms, Congresbury	34.00	52.15	17	0.00	0.00	86.15
16/10/06 Conygre Hall Timsbury	38.00	158.35	52	18.13	0.00	214.48
13/11/06 Nailsea Methodist Church	34.00	109.00	36	33.81	0.00	176.81
2/11/06 Ubley Parish Hall	36.00	110.58	39	53.89	0.00	200.47
5/03/07 Hutton Village Hall	46.00	188.53	63	23.46	5.00	262.99
19/3/07 Somer Centre, MSN	89.00	192.48	64	38.34	5.00	324.82
Total	£307	£861.09	£287.50	£167.63	£10	£1345.72

The Roadshows were a huge success this year with many positive testimonials from the groups attending

Fundraising activities

Funding is via membership fees and donations for scrap and equipment loans. 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 Limited, Scrapstore's wholly owned trading subsidiary, which runs a craft shop within Scrapstore's premises. Income from our owned premises covers the cost of running the property and the mortgage and therefore does not impact on overheads relating to delivering the service.

Investment performance

Surplus short term funds are held in an interest bearing deposit account, on which satisfactory levels of income were received.

Structure, Governance and Management

Governing document, and constitution

The charity is constituted as a private company, limited by guarantee and therefore has no share capital. It is governed by a Memorandum and Articles of Association, dated 26 June 1991. It is registered as a charity with the Charity Commission.

The methods adopted for the recruitment and appointment of new trustees

When selecting new trustees the charity seeks people who can bring relevant expertise.

The policies and procedures adopted for the induction and training of trustees

New trustees are familiarised with all aspects of the work done by the charity and briefed on their legal obligations under charity and company law, the committee and decision making process, and key employees.

Trustees' Report

Organisational structure of the charity

The board of trustees administers the charity. The board meets monthly and there is a sub committee for finance and funding which informs the Treasurer and funder of progress and priorities. Other sub groups are formed for specific activities as and when they occur. The trustees delegate their responsibilities for the day to day administration of the charity.

Officers and other senior staff members to whom day to day management of the charity is delegated

J Hill	Charity Co-ordinator
J Pendlington	Funding and Development Officer
M Miller	Artrageous Shop Manager
C Mason	Warehouse Manager
C Jones	Membership and Roadshow Officer

Related parties

The charity's wholly owned subsidiary undertaking, Scrapstore Enterprises Limited was established to operate the arts and crafts shop, Artrageous, in the charity's premises. The subsidiary gift aids the majority of its profits to the charity (see note 6 to the accounts).

Risk Assessment

The trustees have risk management strategy which comprises:

- An annual review of the risks to which the charity may face
- The establishment of systems and procedures to mitigate those risks identified in the plan, and
- The implementation of procedures designed to minimise any potential impact on the charity and should those risks arise.
- This work has not identified any new risks but has resulted in better contingency plans and has given the impetus for better planning. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

Financial review

Transactions and financial position

The trustees consider the financial performance during the year to have been satisfactory.

The accounts are set out on pages 12 to 20. The accounts have been prepared implementing the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (effective April 2005) and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The Statement of Financial Activities (SOFA) shows net outgoing/incoming resources for the year of a revenue nature.

The total at the foot of the Balance Sheet shows the total reserves at the year end.

The charity's wholly owned subsidiary, Scrapstore Enterprises Limited, operated the arts and craft store Artrageous from the charity's premises during the year. Total profits were £16,635 (2006 £4,143) and all profits were gifted to the charity. The trustees are pleased with the commercial success of the venture and the profits generated assist the charity in meeting its objectives.

Policies on reserves

The policy is to maintain reserves at the level necessary to sustain the planned activities of the charity.

The accounting policies (Note 1) states the funds being operated. The Designated funds are maintained at a level equivalent to the investment in the freehold property less the mortgage. This is held within the building and forms the basis of Scrapstore's stability and flexibility. It is the intention of the Trustees not to create any further borrowing against this asset in order to preserve strong levels of protection against market value changes and unforeseen events in the future, thus securing an asset of significant value which during the coming 20 years will become wholly owned with no debt against it.

Trustees' Report

The General fund accumulated surplus is intended to be raised to a level equal to between 3 months and 6 months of the resources expended. At this level the Trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding

Restricted funds, if any, are spent in line with the donor's wishes, as soon as possible.

Principal funding sources

Funding is via membership fees, donations for scrap and equipment loans and grants received from local authorities for staff costs

Investment policy and objectives

The trustees have wide powers of investment Surplus short term funds are held in an interest bearing deposit account

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfill its obligations in respect of each fund

However, the General fund stood at £53,980 at 31 March 2007, which represented £56,902 less than the level of 3 to 6 months of resources expended it is policy to retain. The trustee's long term plan is to restore them to this level. The Trustees recognise this shortfall and are satisfied that the policy of non extended borrowing against the value of the property would ensure that the asset would cover the eventuality of a complete failure of funds either as a bridging or redundancy support

Changes in fixed assets

Changes in fixed assets are shown in detail in the notes to the accounts There has been no major capital expenditure this year, although the assets continue to be repaired and maintained as and when necessary.

Plans for future periods

The trustees plan to continue providing affordable safe waste and surplus materials to its member groups.

The charity further plans to develop services relevant to the members which will support their own needs and development. This has been identified as re-investment into the membership in order to meet our objects in further creative ways.

The charity has also received funding for the instigation of a project relating to free play in schools This Lottery funded project could revolutionise play and bring both materials and play benefits into schools ensuring a stimulating and rewarding environment for children while enabling schools to achieve part of their own ECM outcomes

Trustees who served as directors

The directors who served during the year and up to date were as follows

C J Casswell (appointed 16 January 2008)

K E Cole

R M Rich

J L Simpson (appointed 23 October 2006)

L Casely (resigned 13 July 2007)

D Stevens (resigned 22 February 2007)

N Gill (resigned 22 May 2006)

A Churchill (resigned 20 April 2006)

R Gupta (resigned 19 July 2007)

All the directors of the charitable company are also trustees of the charity for the purpose of charity law and throughout this report are collectively referred to as Trustees Their responsibilities include all the responsibilities of directors under the Companies Acts and of Trustees under the Charities Act

Trustees do not receive expenses, other than reimbursement of 'out of pocket expenses', where proof of purchase is always produced.

Trustees' Report

Trustees' responsibilities

Company law requires the trustees to prepare the Annual Report and Accounts for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), which give a true and fair view of the state of affairs of the company and of the result for that period. In preparing those accounts, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees are responsible for maintaining 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. 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.

Statement as to disclosure of information to auditors

The trustees, in their capacity as directors, state that so far as each of directors at the time this report was approved are aware

- a) There is no relevant audit information of which the auditors are unaware, and
- b) The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information

Auditors

A resolution to reappoint Dunkley's as auditors will be put to the members at the Annual General Meeting

Small company special provisions

The report of the trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and the Statement of Recommended Practice – Accounting and Reporting by Charities

This report was approved by the board on 30 January 2008

C Casswell
Trustee



**Report of the Independent Auditors to the Trustees of
Children's Scrapstore**

We have audited the financial statements of Children's Scrapstore for the year ended 31 March 2007 on pages 12 to 20. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages one to three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 significant estimates and 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.


We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2007 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees is consistent with the financial statements.


Dunkley's
Chartered Accountants
Registered Auditors
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date: 30/1/08

**Statement of Financial Activities
for the Year Ended 31 March 2007**

		Unrestricted General Funds 2007 £	Designated Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Notes						
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	94,190	-	6,100	100,290	109,011
Investment income	3	892	-	-	892	1,488
Activities for generating funds	4	296,442	-	14,760	311,202	274,880
Incoming resources from charitable activities						
Grants and contracts		66,643	-	-	66,643	100,770
TOTAL RESOURCES EXPENDED		<u>458,167</u>	<u>-</u>	<u>20,860</u>	<u>479,027</u>	<u>486,149</u>
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income		90,500	-	-	90,500	99,946
Costs of generating charitable activities		257,460	15,032	40,431	312,923	364,599
Governance costs		95,565	-	6,478	102,043	6,655
Total resources expended	8	<u>443,525</u>	<u>15,032</u>	<u>46,909</u>	<u>505,466</u>	<u>471,200</u>
NET INCOME BEFORE TRANSFERS		14,642	(15,032)	(26,049)	(26,439)	14,949
Transfers between funds		(21,097)	21,097	-	-	-
NET INCOME FOR THE YEAR		<u>(6,455)</u>	<u>6,065</u>	<u>(26,049)</u>	<u>(26,439)</u>	<u>14,949</u>
Total funds brought forward		60,435	689,527	37,366	787,328	894,833
Prior year adjustment		-	-	-	-	(122,455)
Total fund brought forward as restated		<u>60,435</u>	<u>689,527</u>	<u>37,366</u>	<u>787,328</u>	<u>772,378</u>
TOTAL FUNDS CARRIED FORWARD	17	<u>53,980</u>	<u>695,592</u>	<u>11,317</u>	<u>760,889</u>	<u>787,327</u>

Children's Scrapstore

Balance Sheet

For the Year Ended 31 March 2007

	Notes	Group 2007 £	Group Restated 2006 £	Charity 2007 £	Charity Restated 2006 £
FIXED ASSETS					
Tangible assets	11	1,245,135	1,236,436	1,242,558	1,233,398
Investment in subsidiaries	12	-	-	83	83
		<u>1,245,135</u>	<u>1,236,436</u>	<u>1,242,641</u>	<u>1,233,481</u>
CURRENT ASSETS					
Stock		39,174	33,259	550	550
Intercompany debtor		-	-	648	4,297
Debtors	13	40,999	109,818	33,669	70,737
Cash at bank in hand		58,142	73,031	48,111	49,211
		<u>138,315</u>	<u>216,108</u>	<u>82,978</u>	<u>124,795</u>
CURRENT LIABILITIES					
Creditors, amounts falling due within 12 months	14	(122,134)	(129,432)	(114,208)	(85,434)
NET CURRENT ASSETS		<u>16,181</u>	<u>86,676</u>	<u>(31,230)</u>	<u>39,361</u>
LONG TERM LIABILITIES					
Creditors amounts falling due after 12 months	16	(500,427)	(535,784)	(500,427)	(535,784)
NET ASSETS		<u>760,889</u>	<u>787,328</u>	<u>710,984</u>	<u>737,058</u>
FUNDS					
Unrestricted funds					
General Fund	17	53,980	60,435	4,075	10,165
Designated funds	17	695,592	689,527	695,592	689,527
Restricted funds	17	11,317	37,366	11,317	37,366
TOTAL FUNDS		<u>760,889</u>	<u>787,328</u>	<u>710,984</u>	<u>737,058</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Trustees on 30 January 2008 and were signed on its behalf by.

... C L Casswell.
Trustee

Notes to the Financial Statements
for the Year Ended 31 March 2007

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2005) the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) and the Companies Act 1985

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. A separate Statement of Financial Activities and Income and Expenditure accounts are not presented for the charity itself following the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP

Incoming resources

Voluntary income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis

Income from charitable activities includes income received under contract. Grant income included in this category provides funding to support charitable activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

Donated services and facilities are included at the value to the charity where this can be quantified.

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees annual report

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. 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 are those costs incurred in attracting voluntary income and the costs of trading for fundraising purposes.
- Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned to charitable expenditure in addition to the direct costs
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These costs include costs related to statutory audit together with an apportionment of support costs
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Allocation and apportionment of costs

Staff costs are allocated on the basis of estimated time spent on an activity during the year. All other support costs that can not be allocated directly are apportioned on the same basis as staff costs

Tangible fixed assets

Individual assets costing £250 or more are capitalised at cost

Notes to the Financial Statements
for the Year Ended 31 March 2007

1. ACCOUNTING POLICIES (CONTINUED)

Depreciation is provided at the following annual rates in order to write off each asset over its useful economic life.

Freehold buildings	2% reducing balance
Improvements	2% reducing balance
Fixtures, Fittings and Equipment	25% straight line
Motor Vehicles	25% straight line

No depreciation is provided on land

Freehold buildings had previously not been depreciated on the grounds that depreciation and accumulated depreciation were immaterial

Following a revision of the buildings useful economic life depreciation is now included within the financial statements. As this is deemed to be a change in an accounting estimate no prior year adjustment has been made

Stock

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Designated funds are unrestricted funds earmarked by the trustees for particular purpose

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Taxation

The charity is exempt from corporation tax on its charitable activities

2. VOLUNTARY INCOME

	2007	2006
Donations	7,724	2,097
Membership	47,005	52,402
Donations from Scrap and equipment loan	45,561	54,512
	<u>100,290</u>	<u>109,011</u>

3. INVESTMENT INCOME

Investment income is interest received on bank deposits during the year

4. ACTIVITIES FOR GENERATING FUNDS

	2007	2006
Rental income	159,564	135,261
Sales of trading company	136,878	133,379
Road show income	14,760	-
Miscellaneous earned income	-	6,240
	<u>311,202</u>	<u>274,880</u>

Notes to the Financial Statements
for the Year Ended 31 March 2007

5. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)	2007 £	2006 £
Depreciation - owned assets	22,809	-
Auditors remuneration	4,000	960
And after crediting		
Donations	1,724	2,094

No trustee received any remuneration during the year.

Two trustees received £NIL (2006 £5,638) for reimbursed expenses in the year

6. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

The wholly owned trading subsidiary undertaking Scrapstore Enterprises Limited, which is incorporated in the United Kingdom, pays all but a small proportion of its profits to the charity by gift aid. Scrapstore Enterprises operates the craft shop, Artrageous, in the charity's premises. The charity owns the entire share capital of 83 ordinary shares of £1 each. A summary of the trading results is shown below

	2007 £	2006 £
Turnover	136,878	133,379
Cost of sales and admin costs	(120,709)	(129,946)
Interest receivable	466	710
Net profit	16,635	4,143
Amount gift aided to charity	17,000	4,200
The assets and liabilities of the subsidiary were:		
Fixed assets	2,577	3,038
Current assets	55,985	66,127
Current liabilities	(8,574)	(18,812)
Total net assets	49,988	50,353

7. STAFF COSTS

	2007 No of staff	2006 No of staff	2007 £	2006 £
Wages and salaries	9	8	194,029	164,387
Pensions			7,293	5,701
Employers NI			16,049	15,014
Total Staff Costs			217,371	185,102

No employee received remuneration of more than £50,000 (2006 nil)

8. TOTAL RESOURCES EXPENDED

	Fund raising	Charitable activities	Governance costs	Total 2007	Total 2006
	£	£	£	£	£
Cost of trading company expenditure	82,521	-	-	82,521	99,946
Newsletter costs	539	-	-	539	1,111
Loan equipment	1,395	-	-	1,395	1,344
Publicity advertising	4,254	-	-	4,254	3,979
Fundraising expenses	218	-	-	218	-
Volunteer and staff expenses	372	-	170	542	1,010
Wages and pensions	327	209,751	7,293	217,371	185,102
Road shows	-	8,051	-	8,051	-
Rates	-	1,381	-	1,381	3,606
Insurance and alarm	-	1,499	1,352	2,851	17,889
Building depreciation	-	15,032	-	15,032	-
Building service costs	-	62,226	-	62,226	61,821
Repairs, renewals & building maintenance	-	3,205	-	3,205	4,144
Cleaning	-	7,270	-	7,270	5,181
Tudor trust expenditure	-	3,116	-	3,116	-
Big lottery pods project expenses	-	1,392	-	1,392	-
Motor and travel	-	-	5,351	5,351	4,450
Legal & professional	-	-	12,596	12,596	15,260
Print, post & stationery	874	-	2,673	3,547	3,152
Small computer software	-	-	1,300	1,300	-
Telephone & fax	-	-	3,643	3,643	4,120
Photocopying	-	-	377	377	110
Audit & accountancy	-	-	17,862	17,862	1,350
AGM expenses	-	-	598	598	305
Staff & refreshment costs	-	-	508	508	-
Staff training	-	-	575	575	-
Warehouse renewals & repairs	-	-	2,407	2,407	-
Trolley costs	-	-	716	716	-
Bank charges	-	-	2,438	2,438	1,402
Triodes mortgage interest	-	-	32,706	32,706	31,910
HMRC interest	-	-	98	98	-
Bad debt	-	-	1,337	1,337	-
Subscription and affiliations	-	-	-	-	559
Sundry	-	-	266	266	822
Rural groups feasibility study	-	-	-	-	9,931
Non reclaimable VAT	-	-	-	-	10,000
Fixtures & fittings depreciation	-	-	7,652	7,652	2,696
Motor vehicles depreciation	-	-	125	125	-
	<u>90,500</u>	<u>312,923</u>	<u>102,043</u>	<u>505,466</u>	<u>471,200</u>

9. TAXATION

The company is a registered charity and no provision is considered necessary for taxation

10. AUDITOR'S REMUNERATION

The auditors remuneration of £4,000 related solely to the audit

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2007

11. TANGIBLE FIXED ASSETS – Group

	Freehold property £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2006	550,000	675,311	40,781	3,000	1,269,092
Additions	-	28,419	2,588	500	31,507
Disposals	-	-	-	(3,000)	(3,000)
At 31 March 2007	550,000	703,730	43,369	500	1,297,599
DEPRECIATION					
At 1 April 2006	-	-	29,655	3,000	32,655
Charge for year	1,200	13,832	7,652	125	22,809
Disposals	-	-	-	(3,000)	(3,000)
At 31 March 2007	1,200	13,832	37,307	125	52,464
NET BOOK VALUE					
At 31 March 2007	548,800	689,898	6,062	375	1,245,135
At 31 March 2006	550,000	675,311	11,126	-	1,236,436

All assets are used for direct charitable purposes and there are no unalienable or heritage assets

Included within freehold property is land of £490,000 which is not depreciated (2006 nil)

TANGIBLE FIXED ASSETS – Charity

	Freehold property £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2006	550,000	675,311	30,523	-	1,255,834
Additions	-	28,419	1,088	500	30,007
Disposals	-	-	-	-	-
At 31 March 2007	550,000	703,730	31,611	500	1,285,841
DEPRECIATION					
At 1 April 2006	-	-	22,436	-	22,436
Charge for year	1,200	13,832	5,691	125	20,848
Disposals	-	-	-	-	-
At 31 March 2007	1,200	13,832	28,127	125	43,284
NET BOOK VALUE					
At 31 March 2007	548,800	689,898	3,484	375	1,242,558
At 31 March 2006	550,000	675,311	8,087	-	1,233,397

All assets are used for direct charitable purposes and there are no unalienable or heritage assets

Included within freehold property is land of £490,000 which is not depreciated (2006 £NIL)

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2007

12. TRADING SUBSIDIARY

The trading subsidiary is wholly owned by the charity and operates a craft shop which is open to members and the general public. The bulk of the profits of the subsidiary are gifted to the charity.

The subsidiary has been valued in the accounts at the original nominal value.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007		2006	
	Group £	Charity £	Group £	Charity £
Amounts falling due within one year				
Trade debtors	30,470	28,771	104,305	65,224
Other debtors	6,981	1,350	701	701
Prepayments	3,548	3,548	4,812	4,812
	<u>40,999</u>	<u>33,669</u>	<u>109,818</u>	<u>70,737</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007		2006	
	Group £	Charity £	Group £	Charity £
Bank loans and overdrafts	42,679	42,679	-	-
Trade creditors	51,430	44,204	94,001	50,703
Taxation and social security	11,457	11,457	-	-
Deferred income	-	-	4,108	4,108
Accruals	16,568	15,868	31,323	30,623
	<u>122,134</u>	<u>114,208</u>	<u>129,432</u>	<u>85,434</u>

15. DEFERRED INCOME

Deferred income comprises funding received in advance.

16. LONG TERM LIABILITIES

	2007 £	2006 £
Bank loans	<u>500,427</u>	<u>535,784</u>
Amounts falling due in more than five years		
Repayable by instalments	<u>429,710</u>	<u>472,389</u>

The loan is secured

Children's Scrapstore

Funds Analysis for the Year Ended 31 March 2007

17. MOVEMENT IN FUNDS

UNRESTRICTED FUNDS	At 1 April 2006	Incoming resources	Outgoing resources	Balance transfers	At 31 March 2007
	£	£	£	£	£
Designated funds:					
Building fund	689,527	-	(15,032)	21,097	695,592
General	60,435	458,168	(443,526)	(21,097)	53,980
	<u>749,962</u>	<u>458,168</u>	<u>(458,558)</u>	<u>-</u>	<u>749,572</u>
RESTRICTED FUNDS					
Bristol City council shelter & training	6,788	-	(6,788)	-	-
Tudor trust	22,500	-	(22,500)	-	-
Greater Bristol Foundation	1,600	-	(1,600)	-	-
Other grants for new van	4,478	-	(4,478)	-	-
Bristol City Council van	2,000	-	(2,000)	-	-
Roadshow	-	14,760	(8,051)	-	6,709
Play area	-	100	(100)	-	-
Lottery play pod	-	6,000	(1,392)	-	4,608
	<u>37,366</u>	<u>20,860</u>	<u>(46,909)</u>	<u>-</u>	<u>11,317</u>

£21,097 was transferred from the general fund to the building fund to ensure this was in line with Trustee's policy

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted funds	Total 2007
	General	Designated		
	£	£	£	£
Fixed assets	6,437	1,238,698	-	1,245,135
Bank and cash	58,142	-	-	58,142
Other current assets	78,856	-	11,307	90,173
Less: current liabilities	(89,455)	-	-	(89,455)
Bank loans	-	(543,106)	-	(543,106)
	<u>53,980</u>	<u>695,592</u>	<u>11,307</u>	<u>760,889</u>

The objects of each of the unrestricted funds are as follows

GENERAL FUNDS: Funds are expendable at the discretion of the trustees in the furtherance of the objectives of the charity. Such funds are held in order to finance both working capital and capital investment.

DESIGNATED FUNDS: These are set aside out of the general funds and can be further split into *Building Reserve*, used to finance the current balance sheet net book value of the freehold building less the mortgage owing

Childrens Scrapstore**Detailed Statement of Financial Activities**
for the Year Ended 31 March 2007

	2007 £
INCOMING RESOURCES	
Voluntary income	
Donations	7,724
Membership income	47,005
Donations for scrap & equipment loan	45,561
Subsidiary gift aid	17,000
Shop management fee	31,894
	<u>149,184</u>
Activities for generating funds	
Rental income	159,564
Roadshows	14,760
	<u>174,324</u>
From charitable activities	
Grants	<u>66,643</u>
Investment income	<u>328</u>
Interest receivable	
Total incoming resources	390,478
RESOURCES EXPENDED	
Costs of generating voluntary income	
Newsletter costs	539
Loan equipment	1,395
Publicity	3,089
Printing	874
Fundraising expenses	218
Volunteers expenses	372
	<u>6,487</u>
Charitable activities	
Gross wages	176,052
Casual labour	17,650
Employers NI	16,049
Roadshows	8,051
General rates	1,381
Insurance	1,499
Building depreciation	15,032
Building refurbishment costs	321
Building service costs	62,226
Building repairs & security	2,254
Building cleaner & fire	7,271
Tudor trust expenditure	3,116
Big lottery pods project expenses	1,392
	<u>312,294</u>

This page does not form part of the financial statements

Childrens Scrapstore

Detailed Statement of Financial Activities
for the Year Ended 31 March 2007

Goverance costs	
Employers pensions	7,293
Staff xmas meal	170
Repairs & servicing	1,937
Travelling	251
Motor expenses	3,148
Business insurance	1,352
Legal fees	6,201
Professional fees	6,395
Office stationery	1,311
Books & resources	26
Small computer software/hardware	1,300
Postage	1,336
Telephone & fax	3,255
Internet	388
Photocopying	377
Audit and accountancy	16,462
AGM expenses	598
Staff & refreshment costs	508
Staff training	575
Warehouse renewals & repairs	2,407
Trolley costs	716
Bank charges	460
PDQ machine charges	1,448
Triodos mortgage interest	32,706
Bad debt	1,337
Fixtures & fittings	5,691
Motor vehicles depreciation	125
	<hr/>
	97,773
 Total resources expended	 416,554
 Net expenditure	 <hr/>
	(26,076)

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