

REGISTERED COMPANY NUMBER: 2624238
REGISTERED CHARITY NUMBER: 1008788

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2009

for Children's Scrapstore
(A Company Limited by Guarantee)

SATURDAY



A3340FCB

A50

28/11/2009

390

COMPANIES HOUSE

Children's Scrapstore

**Contents of the Financial Statements
for the Year Ended 31 March 2009**

	Page
Report from the Chair	1
Report of the Trustees	2 to 9
Report of the Independent Auditors'	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 to 19

Children's Scrapstore

Report of the Chair for the year ended 31 March 2009

It is with great pleasure that I am able to report a successful year for the Children's Scrapstore, despite the current economic situation. A huge thank you is due to our fantastically committed, resourceful and hard working staff team who have been alert and ready to respond to any changes needed.

Areas of greatest development have been the innovative and exciting Play Pods project which has had a tremendously positive response from all involved including the schools staff, children and parents. The creation of the National Federation of Scrapstores strengthening the links between the various organisations, the continued sourcing of new scrap, and the generosity of companies who donate it, the inclusion of the Artrageous shop under the Scrapstore 'umbrella' and the highly successful Saturday sample sessions which introduces children to a world of creative possibilities.

The management and development of the building and the spaces within and without have also had its share of change and development but continues to be a great resource and focal point for St Werburghs and Bristol in general.

We on the Committee would also like to thank others who have contributed to help Children's Scrapstore remain central to play and creativity, Bristol City Council, B&NES, South Gloucestershire Council and North Somerset Council.

This report was prepared by the chairman and approved by the board on 20.10.09

C. J. Casswell

C J Casswell
Chair and Trustee

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2009

The trustees present their report and accounts for the year ended 31 March 2009.

Reference and administrative details

Charity Registration Number
1008788

Company Registration Number
2624238

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

Auditors
Milsted Langdon LLP, One Redcliff Street, Bristol, BS1 6NP

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

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

Trustees and Directors

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 serving during the year and since the year end were as follows:

C J Casswell	Chair, Company Secretary, Director and Trustee
K E Cole	Secretary, Director and Trustee (Resigned 17 March 2009)
R M Rich	Vice-chair, Director and Trustee (Appointed Vice-chair 28 April 2009)
J L Simpson	Treasurer, Director and Trustee
P S Penrose	Secretary, Director and Trustee (Appointed Secretary 28 April 2009)
K Rowe	Director and Trustee (Appointed 30 June 2009)

Chief Executive Officer
Mr J Hill

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.

Review of the Memorandum & Articles of Association:

We are pleased to announce that the review of the Mem & Arts will be completed during the coming financial year.

This project, which was undertaken by trustees in order to provide a modern memorandum and articles which reflected the new operating status and activities of the organisation as well as protect the objects for the future, has been held in process while the Attorney General's office and Charities Commission review an important aspect regarding the voting procedure at AGM.

At the time of publishing this end of year report this matter is still not concluded. Until it is, on the advice of our solicitors, it will not be possible to devise changes to any other items or recommend to the AGM any significant changes, and Children's Scrapstore will therefore continue to operate under the existing articles.

As with last year we are able to make financial reports available to members and the public from our offices here on request, but cannot hold an AGM as it will not be quorate until the court decides on our proposed changes. We envisage that during the 2009/2010 year we will be able to return to normal practise and hold an AGM.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2009

Structure, Governance and Management (continued)

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.

Children's Scrapstore have produced a trustees handbook which each new trustee receives and a session on the operation and financial procedures of the charity with the current C.E.O. is a standard part of the induction process.

Trustees are made aware of the literature and websites of independent governance advisory agencies and can access these at any time. Training is offered to trustees via bulletin links which are received by the C.E.O. and passed on for their attention.

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	Chief Executive Officer
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's activities have been hived up into the charity and it is now dormant.

Risk Assessment

The trustees have a 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.

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 well-being. 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.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2009

Objectives and Activities (continued)

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 complement 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.

Objects: (from the constitution of Children's Scrapstore)

The objects of the Scrapstore shall be 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 playthings.

Main objectives for the year and strategies for achieving those objectives:

1. The continued engagement 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 4 years and if there is adequate protection for the charities aims.
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.
3. Confirm all legal and reporting requirements are met particularly with the Charities Commission and Companies House as priorities.
4. Oversee the development of new and improved service delivery which offers increased value for children via our members in keeping with our objects.
5. Manage the Chief Executive Officer 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 Chief Executive Officer at meetings.
6. Maintain an overview on the progress of staff development.
7. Review the charities assets in order to maximise the well being and available strength to the charity in support of our constitutional aims.

Objectives:

1. To complete the 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 Chief Executive Officer was engaged to carry out an initial survey of our Constitution and Mem & Arts. This review will be long term and it is likely that quarterly reports on information discovered will be presented at committee meetings.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2009

Objectives and Activities (continued)

Currently the decision on the next phase is with the Attorney General's office and we are excused from holding an AGM until a response is given.

2. Ensure that the budget agreed is reported on and measured at each monthly (11 monthly meetings are held each year), 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.

Budget targets are attached to this document.

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

The Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer at meetings.

The primary relationship of the Chief Executive Officer is with the chair. The Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer has been charged with opening discussions with our accountant 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 mem & arts currently being undertaken.

It is the understanding of the Trustees that the aims and objectives formulated for this year are concurrent with Charity Commission standards and requirements.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2009

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.

It can be seen from the attached financial report, budget against actual, that the performance of the charity has exceeded budget in all departments barring school membership and North Somerset grant funding.

School membership was projected to be more successful as we attempted new methods of enrolling schools and communicating with them. These were partially successful and the number of schools projected could be said to be too high or optimistic in the budget.

We are satisfied that the level of achievement here is very positive and we will use this experience to formulate a more modest budget target for next year.

North Somerset grant funding was not as successful as we had hoped due to changes within that council which were out of our control or influence. We did not adjust the budget figure to reflect this so that this change would be embedded in our records.

Otherwise the achievements of all of our activities are extremely positive and we are very pleased to report continued growth and appeal to our members and to the general public.

We attribute this success to the continued development planning that we practise year on year giving each operating centre specific targets to achieve in qualitative and quantitative service delivery. This includes new services to members, increasing the range and variety of our products and maintaining and developing high customer service standards.

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. 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.

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 11 to 19. 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 2007).

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 Arttrageous from the charity's premises during the prior year until its activities were hived up into the charity. Total profits were £Nil (2008, £16,691) and £Nil (2008, £18,000) of profits were gifted to the charity.

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.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2009

Financial review (continued)

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.

The **General fund** accumulated surplus is intended to be raised to a level equal to between 3 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 fulfil its obligations in respect of each fund.

However, the General fund stood at £114,272 at 31 March 2009, which represented £102,987 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 the coming year

Overview: We find ourselves in a changing landscape. Funding for our members is reducing and pressure on councils is increasing due to the current financial climate.

Our largest supporter, Bristol City Council, is undergoing an internal review, change over to commissioning and has pressure on budgets to reduce costs significantly. This means that not only our own funding is likely to become pressured or reduced as it is in other authorities, but that our members will also experience these changes.

Trustees agreed that this means our service is more relevant than before and that our efforts to support the supply of materials to children need to be increased and where possible to be introduced via alternative, sustainable means in order to help.

To this end the trustees have charged the charity with seeking those alternatives in order to continue to achieve the objects of the charity via the provision of affordable safe waste and surplus materials to its member groups and thereby to children.

More specific information is held below:

Scrapstore PlayPods: The project is due to be complete in May of 2009. From that time forward the structure of costs to schools has been designed to be as cheap as possible to support school provision while containing a sustainability element to allow for development and investment. Trustees do however believe that investment in the programme beyond May 2009 will be necessary and an early projection suggests that the risk is approx for a £5,000 loss which trustees have accepted as reasonable. There will also be a burden on cash flow as working capital will be required and this has also been seen as acceptable.

The development and extreme success of this programme is such that trustees feel that it must be progressed as a priority for children.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2009

Financial review (continued)

Arttrageous Supporters Club: We have designed a service for supporters of Scrapstore to be engaged with art and crafts via the distribution of art ideas and information on events through a regular e-bulletin. This service is designed for the increasing number of general public visitors to the retail shop.

Currently we run free art and craft sessions for parents and children in the shop and the ideas and models arising from this activity will form the basis for reaching families and inspiring home arts as well as raising awareness with the general public of the contribution made by the shop to the charity and to children.

More Scrap: We will be developing increased activity in sourcing new scrap from businesses via outreach activities. We are also designing certificates for suppliers of scrap to acknowledge their contribution and to support their own quality standard processes.

Increases in membership: Childrens Scrapstore has the opportunity to develop new activities in both new and existing geographic areas. In Somerset and North Somerset there are depletions in service and funding which mean that children are not able to access materials.

We have been approached to investigate how we might support those areas and provide low cost materials for use.

Networking: We have been increasing our engagement with our suppliers and supporters via extensive networking in support of children across our four authority areas. As such we sit on four play development groups which strategically consider the delivery of play and support for children and young people. This has been a challenging and informative process.

This activity has also assisted us particularly now that we deliver a programme via the Scrapstore PlayPods where previously we did not engage in the direct delivery of play services at all. This networking has meant that we can improve our own strategic development in relation to the delivery of our services.

Funding: We are seeking to expand our services to the community in two ways via our building. Firstly we are bidding for funding to provide green energy into the building. We have approached several funding bodies and if successful we will be able to retro-fit systems for the environmental supply of cheaper energy to our tenants.

Secondly, we are hoping to discover funding for the installation of a large conference room and office space to enable both external use of the building and for more community tenancies to be available, some of them for free to fledgling third sector organisations.

Governance: The trustees are committed to developing more robust and thorough governance in accordance with developing standards for charities. The coming year will see us undertake a review and the development of new actions in support of this.

Scrapstore Enterprises Limited: The trustees have agreed under advice from our accountants that the subsidiary is no longer required and does not contribute significant benefit by being separate to the main charity. It has therefore been agreed that as of 1/4/2009 the subsidiary will be terminated and all assets and processes re-integrated within the main charity operations.

This will have the added benefit of reducing the administration burden on the charity.

Federation of Scrapstores: Children's Scrapstore has been instrumental in developing the federation in order to support political, funding and operational progress for all Scrapstores with National stakeholders. Trustees have endorsed this activity as being strategically beneficial in achieving the aims of the charity.

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.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2009

Financial review (continued)

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 the 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 Milsted Langdon LLP 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 20.10.09



C J Casswell
Trustee

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

We have audited the financial statements ("the financial statements") of Children's Scrapstore for the year ended 31 March 2009 which comprise the statement of financial activities, the balance sheet and the related notes. 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 2007).

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) and for being satisfied that the financial statements give a true and fair view are set out in the 'Report of the Trustees'.

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 United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), have been prepared in accordance with the Companies Act 1985 and give a true and fair view. 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 charity'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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2009 and of the charitable company's surplus for the year then ended;
- the information given in the Report of the Trustees is consistent with the financial statements.

Milsted Langdon LLP

Milsted Langdon LLP
Chartered Accountants and Registered Auditors,
Bristol
Date, 23 November 2009

Children's Scrapstore

Statement of Financial Activities for the Year Ended 31 March 2009

	Notes	2009 Unrestricted General Funds £	2009 Designated Funds £	2009 Restricted Funds £	2009 Total Funds £	2008 Total Funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	115,397	-	-	115,397	111,064
Investment income	3	1,141	-	-	1,141	1,468
Activities for generating funds	4	445,925	-	27,954	473,879	379,552
Incoming resources from charitable activities						
Grants and contracts		<u>71,560</u>	<u>-</u>	<u>73,827</u>	<u>145,387</u>	<u>157,711</u>
TOTAL INCOMING RESOURCES		<u>634,023</u>	<u>-</u>	<u>101,781</u>	<u>735,804</u>	<u>649,795</u>
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income		121,242	-	-	121,242	108,043
Costs of charitable activities		345,937	15,458	108,016	469,411	389,181
Governance costs		<u>112,177</u>	<u>-</u>	<u>-</u>	<u>112,177</u>	<u>111,625</u>
Total resources expended	8	<u>579,356</u>	<u>15,458</u>	<u>108,016</u>	<u>702,830</u>	<u>608,849</u>
NET INCOME BEFORE TRANSFERS		54,667	(15,458)	(6,235)	32,974	40,946
Transfers between funds		<u>(26,141)</u>	<u>26,141</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME FOR THE YEAR		28,526	10,683	(6,235)	32,974	40,946
Total funds brought forward		<u>85,746</u>	<u>706,944</u>	<u>9,145</u>	<u>801,835</u>	<u>760,889</u>
TOTAL FUNDS CARRIED FORWARD	18	<u>114,272</u>	<u>717,627</u>	<u>2,910</u>	<u>834,809</u>	<u>801,835</u>

Children's Scrapstore

Balance Sheet

For the Year Ended 31 March 2009

	Notes	2009 £	Group 2008 £	Charity 2008 £
FIXED ASSETS				
Tangible assets	11	1,232,004	1,235,178	1,233,982
Investment in subsidiaries	12	-	-	83
		<u>1,232,004</u>	<u>1,235,178</u>	<u>1,234,065</u>
CURRENT ASSETS				
Stock		25,169	37,054	550
Intercompany debtor	13	-	-	7,977
Debtors	13	73,656	62,679	61,187
Cash at bank in hand		<u>105,193</u>	<u>106,921</u>	<u>79,186</u>
		204,018	206,654	148,900
CURRENT LIABILITIES				
Creditors: amounts falling due within one year	14	<u>(141,111)</u>	<u>(158,900)</u>	<u>(148,629)</u>
NET CURRENT ASSETS		<u>62,907</u>	<u>47,754</u>	<u>271</u>
LONG TERM LIABILITIES				
Creditors: amounts falling due after one year	16	<u>(460,102)</u>	<u>(481,097)</u>	<u>(481,097)</u>
NET ASSETS		<u>834,809</u>	<u>801,835</u>	<u>753,239</u>
FUNDS				
Unrestricted funds				
General Fund	18	114,272	85,746	37,150
Designated funds	18	717,627	706,944	706,944
Restricted funds	18	<u>2,910</u>	<u>9,145</u>	<u>9,145</u>
TOTAL FUNDS		<u>834,809</u>	<u>801,835</u>	<u>753,239</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 2007).

The financial statements were approved by the Board of Trustees on 20.10.09 and were signed on its behalf by:

C. J. Casswell
C J Casswell
Trustee

Children's Scrapstore

Notes to the Financial Statements **for the Year Ended 31 March 2009**

I 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 2007) the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) and the Companies Act 1985.

Group financial statements

On 1 April 2008, the charity hived-up the charitable activities of the charitable subsidiary. The subsidiary was then effectively dormant. These financial statements show the consolidated results of the charity and its wholly owned subsidiary Scrapstore Enterprises Limited on a line by line basis during the prior year comparatives. A separate Statement of Financial Activities and Income and Expenditure accounts was not previously 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.

Children's Scrapstore

Notes to the Financial Statements **for the Year Ended 31 March 2009**

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 property	2% straight line on buildings. No depreciation is provided on land.
Improvements to property	2% straight line
Fixture and fittings	25% straight line
Website development	25% straight line
Motor Vehicles	25% straight line

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

	2009	2008
	£	£
Donations	1,268	5,097
Membership	54,575	50,750
Donations from scrap and equipment loan	<u>59,554</u>	<u>55,217</u>
	<u>115,397</u>	<u>111,064</u>

3. INVESTMENT INCOME

Investment income is interest received on bank deposits during the year.

4. ACTIVITIES FOR GENERATING FUNDS

	2009	2008
	£	£
Rental income	216,596	185,234
Shop sales	153,043	160,317
Road show income	14,367	11,031
Play Pod income	87,953	20,564
Miscellaneous earned income	<u>1,920</u>	<u>2,406</u>
	<u>473,879</u>	<u>379,552</u>

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2009

5. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2009 £	2008 £
Depreciation – owned assets	18,304	18,651
Auditors remuneration	<u>4,500</u>	<u>4,000</u>
And after crediting		
Donations	<u>-</u>	<u>1,724</u>

No trustee received any remuneration during the year.

No trustee received any reimbursed expenses in the year.

6. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

On 1 April 2008 the charity hived up the trade and assets of its wholly owned trading subsidiary undertaking, Scrapstore Enterprises Limited, which is incorporated in the United Kingdom.

Before the hive up Scrapstore Enterprises Limited operated the craft shop, Artrageous, in the charity's premises and paid all but a small proportion of its profits to the charity by gift aid.

The charity owned the entire share capital of 83 ordinary shares of £1 each. A summary of the trading results for the previous year is shown below.

	2008 £
Turnover	160,317
Cost of sales and admin costs	(144,649)
Interest receivable	<u>1,039</u>
Net profit	<u>16,707</u>
Amount gift aided to charity	18,000
The assets and liabilities of the subsidiary were:	
Fixed assets	1,196
Current assets	65,730
Current liabilities	<u>(17,247)</u>
Total net assets	<u>49,679</u>

7. STAFF COSTS

	2009 No of staff	2008 No of staff	2009 £	2008 £
Wages and salaries	9	9	237,899	209,206
Pensions			11,495	8,015
Employers NI			<u>21,186</u>	<u>18,316</u>
Total staff costs			<u>270,580</u>	<u>235,537</u>

No employee received remuneration of more than £50,000 (2008: no employees)

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2009

8. TOTAL RESOURCES EXPENDED

	Fund raising £	Charitable activities £	Governance costs £	Total 2009 £	Total 2008 £
Cost of trading company expenditure	114,182	-	-	114,182	99,437
Newsletter costs	910	-	-	910	1,607
Loan equipment	1,217	-	-	1,217	1,613
Publicity advertising	926	-	-	926	3,783
Fundraising expenses	-	-	-	-	295
Volunteer and staff expenses	1,200	-	-	1,200	1,175
Wages and pensions	-	270,580	-	270,580	235,537
Road shows	-	5,634	-	5,634	8,554
Rates	-	(89)	-	(89)	1,295
Insurance and alarm	-	178	15,017	15,195	10,796
Building depreciation	-	15,458	-	15,458	15,430
Building service costs	-	76,179	-	76,179	50,290
Repairs, renewals & building maintenance	-	7,092	-	7,092	5,529
Cleaning	-	15,845	-	15,845	10,039
Big lottery pods project expenses	-	78,534	-	78,534	70,122
Motor and travel	-	-	10,526	10,526	4,516
Legal & professional	-	-	3,851	3,851	10,631
Print, postage & stationery	2,807	-	5,231	8,038	3,829
Small computer software	-	-	3,446	3,446	188
Office machines & maintenance	-	-	358	358	2,026
Telephone & fax	-	-	5,243	5,243	3,680
Photocopying	-	-	1,702	1,702	525
Audit & accountancy	-	-	20,270	20,270	19,083
AGM expenses	-	-	-	-	-
Staff & refreshment costs	-	-	2,590	2,590	1,181
Staff training	-	-	1,109	1,109	2,172
Warehouse renewals & repairs	-	-	3,274	3,274	2,470
Trolley costs	-	-	970	970	-
Bank charges	-	-	2,094	2,094	2,379
Triodos mortgage interest	-	-	32,480	32,480	33,822
HMRC interest and penalties	-	-	-	-	116
Bad debt	-	-	542	542	-
Subscriptions and affiliations	-	-	291	291	351
Sundry	-	-	319	321	976
Super Saturday expense	-	-	16	16	205
Fixtures & fittings depreciation	-	-	2,640	2,640	5,072
Motor vehicles depreciation	-	-	125	125	125
Website depreciation	-	-	83	83	-
	<u>121,242</u>	<u>469,411</u>	<u>112,177</u>	<u>702,830</u>	<u>608,849</u>

9. TAXATION

The company is a registered charity and no provision is required for taxation.

10. AUDITOR'S REMUNERATION

The auditor's remuneration of £4,500 related solely to the audit.

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2009

11. TANGIBLE FIXED ASSETS

	Freehold Property	Improvements To property	Fixtures and fittings	Website development	Motor Vehicles	Total
	£	£	£	£	£	£
COST						
At 1 April 2008	550,000	711,490	46,279	-	500	1,308,269
Additions	-	<u>5,642</u>	<u>7,490</u>	<u>2,000</u>	-	<u>15,132</u>
At 31 March 2009	<u>550,000</u>	<u>717,132</u>	<u>53,769</u>	<u>2,000</u>	<u>500</u>	<u>1,323,401</u>
DEPRECIATION						
At 1 April 2008	2,400	28,062	42,379	-	250	73,091
Charge for year	<u>1,200</u>	<u>14,258</u>	<u>2,640</u>	<u>83</u>	<u>125</u>	<u>18,306</u>
At 31 March 2009	<u>3,600</u>	<u>42,320</u>	<u>45,019</u>	<u>83</u>	<u>375</u>	<u>91,397</u>
NET BOOK VALUE						
At 31 March 2009	<u>546,400</u>	<u>674,812</u>	<u>8,750</u>	<u>1,917</u>	<u>125</u>	<u>1,232,004</u>
At 31 March 2008	<u>547,600</u>	<u>683,428</u>	<u>3,900</u>	<u>-</u>	<u>250</u>	<u>1,235,178</u>

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

Included within freehold property is land of £490,000 which is not depreciated (2008: £490,000).

Part of the freehold property is let to other organisations generating rental income. The value of the let property is not separately identifiable.

12. INVESTMENT IN SUBSIDIARIES

	Trading subsidiary £	Total £
COST		
At 1 April 2008	<u>83</u>	<u>83</u>
PROVISION FOR DIMINUTION IN VALUE		
Increase in year	<u>83</u>	<u>83</u>
NET BOOK VALUE		
31 March 2009	<u>-</u>	<u>-</u>
31 March 2008	<u>83</u>	<u>83</u>

The company holds 100% of the issued share capital of the following companies:

Name	Country of incorporation	Nature of business
Scrapstore Enterprises Limited	England	Dormant

The results of the subsidiary undertaking were included in the previous year's consolidated financial statements.

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2009

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 Group £	Charity £
Trade debtors	69,778	52,175	50,683
Other debtors	313	6,903	6,903
Prepayments	3,565	3,601	3,601
Intercompany debtor	-	-	7,977
	<u>73,656</u>	<u>62,679</u>	<u>69,164</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 Group £	Charity £
Bank loan	43,483	42,987	42,987
Trade creditors	37,614	36,383	35,313
Taxation and social security	20,795	18,904	17,306
Deferred income	25,497	38,057	38,057
Accruals	13,722	22,569	14,966
	<u>141,111</u>	<u>158,900</u>	<u>148,629</u>

The bank loan is secured on the charity's freehold property.

15. DEFERRED INCOME

Deferred income comprises funding received in advance.

16. LONG TERM LIABILITIES

	2009 £	2008 £
Bank loans	<u>460,102</u>	<u>481,097</u>
Amounts falling due in more than five years:		
Repayable by instalments	<u>381,107</u>	<u>407,080</u>

The bank loan is secured on the charity's freehold property.

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2009

17. MOVEMENT IN FUNDS

	At 1 April 2008 £	Incoming Resources £	Outgoing Resources £	Balance Transfers £	At 31 March 2009 £
UNRESTRICTED FUNDS					
Designated funds:					
Building fund	706,944	-	(15,458)	26,141	717,627
General	<u>85,746</u>	<u>634,023</u>	<u>(579,356)</u>	<u>(26,141)</u>	<u>114,272</u>
	<u>792,690</u>	<u>634,023</u>	<u>(594,814)</u>	<u>-</u>	<u>831,899</u>
RESTRICTED FUNDS					
Roadshow	9,186	14,367	(17,558)	-	5,995
Lottery play pod	<u>(41)</u>	<u>87,414</u>	<u>(90,458)</u>	<u>-</u>	<u>(3,085)</u>
	<u>9,145</u>	<u>101,781</u>	<u>(108,016)</u>	<u>-</u>	<u>2,910</u>

£26,141 was transferred from the general fund to the building fund to ensure this was in line with Trustee's policy (2008: £26,782)

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted	Total
	General £	Designated £	£	£
Fixed assets	10,792	1,221,212	-	1,232,004
Bank and cash	105,193	-	-	105,193
Other current assets	95,915	-	2,910	98,825
Less: current liabilities	(97,628)	(43,483)	-	(141,111)
Bank loans	<u>-</u>	<u>(460,102)</u>	<u>-</u>	<u>(460,102)</u>
	<u>114,272</u>	<u>717,627</u>	<u>2,190</u>	<u>834,809</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.

Children's Scrapstore

Detailed Statement of Financial Activities for the Year Ended 31 March 2009

	2009 £	2008 £
INCOMING RESOURCES		
Voluntary income		
Donations	1,268	5,097
Membership income	54,575	50,750
Donations for scrap & equipment loan	59,554	55,217
Subsidiary gift aid	-	18,000
Shop management fee	-	37,710
	<u>115,397</u>	<u>166,774</u>
Activities for generating funds		
Rental income	216,596	185,234
Roadshows	14,367	11,030
Play Pods	87,953	20,564
Shop sales	153,043	-
Miscellaneous income	1,920	2,406
	<u>473,879</u>	<u>219,234</u>
From charitable activities		
Grants	<u>145,387</u>	<u>157,711</u>
Investment income		
Interest receivable	<u>1,141</u>	<u>428</u>
Total incoming resources	<u>735,804</u>	<u>544,147</u>
RESOURCES EXPENDED		
Costs of generating voluntary income		
Costs of trading	114,182	-
Newsletter costs	910	1,607
Loan equipment	1,217	1,613
Publicity	926	2,348
Printing	2,807	133
Fundraising expenses	-	295
Volunteers expenses	1,200	1,175
	<u>121,242</u>	<u>7,171</u>
Charitable activities		
Gross wages	234,827	204,326
Casual labour	2,293	4,880
Employers NI	21,186	18,316
Employers Pension	11,495	8,015
Staff recruitment	779	-
Roadshows	5,634	8,554
General rates	(89)	1,295
Insurance	178	400
Building depreciation	15,458	15,430
Building service costs	76,179	50,290
Building repairs & security	7,092	4,320
Building cleaner & fire	15,845	10,039
Big lottery pods project expenses	78,534	70,122
	<u>469,411</u>	<u>395,987</u>

This page does not form part of the financial statements

Children's Scrapstore

Detailed Statement of Financial Activities for the Year Ended 31 March 2009

	2009 £	2008 £
Governance costs		
Repairs & servicing	-	376
Travelling	-	425
Motor expenses	10,526	3,715
Business insurance	15,017	10,396
Legal fees	2,055	10,631
Professional fees	1,796	-
Office stationery	2,000	1,996
Books & resources	-	59
Small computer software/hardware	3,446	188
Office machines/maintenance	358	2,026
Postage	3,231	1,539
Telephone & fax	5,074	3,293
Internet	169	387
Photocopying	1,702	525
Audit and accountancy	20,270	18,222
AGM expenses	-	-
Staff & refreshment costs	2,590	1,181
Staff training	1,109	1,210
Warehouse renewals & repairs	3,274	2,470
Trolley costs	970	-
Bank charges	427	825
PDQ machine charges	1,667	1,033
Triodos mortgage interest	32,480	33,822
Bad debt	542	-
Subscriptions and affiliations	291	351
Sundry expenses	319	638
Super Saturday expenses	16	205
Fixtures & fittings	2,640	3,096
Motor vehicles depreciation	125	125
Website depreciation	83	-
	<u>112,177</u>	<u>98,734</u>
Total resources expended	<u>702,830</u>	<u>501,892</u>
Net incoming resources	<u>32,974</u>	<u>42,255</u>

This page does not form part of the financial statements