

REGISTERED COMPANY NUMBER. 2624238
REGISTERED CHARITY NUMBER 1008788

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2010**

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

SATURDAY



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COMPANIES HOUSE

Children's Scrapstore

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for the Year Ended 31 March 2010**

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Children's Scrapstore

Report of the Chair for the year ended 31 March 2010

Hello everyone Working at Children's Scrapstore is certainly entertaining This year so much has happened we have hardly had time to catch our breath

This year has been the first year of the recession and although the experts say it has ended we know that funding and stretching resources are becoming more critical as issues for our members

The Board, which is made up of members and other professionals, are very aware of the difficulties both now and those projected in the future, especially in 2011 and we are planning our service with you in mind all the time

I would also like to welcome our new members to the board as no fewer than five new members joined from the AGM this year

As the National belt tightens we see more of you coming in to use the Scrapstore and Artrageous We will continue to fight to keep our membership and suggested donation levels low and our discount in the shop exactly where it is, as in a way these are times when we can be most useful and must remain as accessible as possible

We are also pleased to announce the success of our Teachers specials evenings where we open late on a Thursday at key times of the year They have been well attended and we shall carry those on into the future

There is also a change in how we source our scrap We are doubling our efforts as more suppliers find themselves fighting to reduce the amount of scrap they create, leaving less for us

Our Warehouse and Waste Resources Manager Charlie is out and about getting new suppliers and organising swaps with other scrapstores so that you can have the most variety and the highest quality and quantity of scrap possible

Many of you will also know of our Scrapstore PlayPods project for Primary Schools This year has seen its first one without the support of any funding at all and I'm very pleased to report that it has managed to hold its own


The project has been receiving National recognition and the DVD of it in action is now widespread and causing much positivity for us with National organisations

You will know from the previous AGM that we have completed the changes to our Memorandum and Articles of Association and will, in the coming year be writing to you with some amendments which we hope you will vote on to help us secure our future

We are also pleased to announce that we have gained funding to install environmental energy systems at Scrapstore House We will have a biomass boiler, some solar panels and photo voltaic cells to convert sunshine into water heating

During the coming year we hope to install more Scrapstore PlayPods, provide you with ever more interesting scrap, help to open some playgrounds through our support of the Bristol City Council and Bath and North East Somerset Play forums and offer more extended free Super Saturday Sample Sessions from our warehouse

As I said at the beginning, hardly time to catch our breath Lastly, I would like to say thank you, to you, our members Your support and goodwill keeps us going as we know how much you value us and what the scrap means to us all


C J Casswell
Former Chair and Trustee

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2010

The trustees present their report and accounts for the year ended 31 March 2010

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, 62 George White Street, Cabot Circus, Bristol, BS1 3BA
CAF Bank 25 Kings Hill Avenue, West Malling, Kent, ME19 4JQ
Triodos Bank, Brunel House, 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 were as follows

C J Casswell	Chair, Company Secretary, Director and Trustee
R M Rich	Vice-chair, Director and Trustee
J L Simpson	Treasurer, Director and Trustee
P S Penrose	Secretary, Director and Trustee
K Rowe	Director and Trustee (appointed 30 June 2009)

Since the year end the roles of Trustees have changed as follows

J L Simpson	Chair, Director and Trustee
R M Rich	Vice-chair, Director and Trustee
C J Casswell	Treasurer, Company Secretary, Director and Trustee
P S Penrose	Secretary, Director and Trustee
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 Memorandum & Articles of Association has been completed during the last financial year.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2010

Structure, Governance and Management (continued)

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, had been held in process while the Attorney General's office and Charities Commission review an important aspect regarding the voting procedure at AGM

Although the review was completed it did not occur in time for the charity to inform the membership in good order prior to the AGM. This setback was however minor as we were able to convene a quorate AGM due to the new ruling by the courts

During the coming year the procedure for communicating effectively with the membership will be complete and so amendments will be proposed with the full Memorandum & Articles of Association being adopted

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 which 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 subcommittee 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	Business Development Manager
M Miller	Arttrageous Shop Manager
C Mason	Warehouse and Waste Resource Manager
L Ward	Membership and Outreach Officer
K Wilson	PlayPods Manager

Risk Assessment

The trustees have a risk management strategy which comprises

- An annual review of the risks that 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

Our main activities and who we aim to help are described below. All of our charitable activities focus on the encouragement of play and are undertaken to further our charitable objects for the public benefit

Objects, as set out in the governing document

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

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

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2010

Objectives and Activities (continued)

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.

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 A thorough review of Governance and the changing role of the trustees
- 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 governance procedures and understanding in order to 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 members

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2010

Objectives and Activities (continued)

- 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 treasurer's 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 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

- 1 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

- 2 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

- 3 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

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

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

Achievements and performance of the charity

A review of activities

It can be seen from the attached financial report that this has been a successful year It has been the first year that Scrapstore PlayPods have had no support via external funding and as such has performed above expectations This has been accompanied by over budget performances in all departments, particularly within membership where a stable level of members has been reinvigorated by the diligent and hard working membership officer

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2010

Achievements and performance of the charity (continued)

Continued invention in display and presentation of the service and the products has also contributed to a vibrant outlook and the addition of special events for particular member groups has also supported increases in activity

We also attribute 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. They include 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 April 2008)

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

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 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

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2010

Financial review (continued)

However, the General fund stood at £128,935 at 31 March 2010, which represented £151,621 less than the level of 3 to 6 months of resources expended it is the trustee's 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. The trustees are anticipating our toughest test as the confirmed loss of funding to all of the sector in March 2011 is likely to be preceded by earlier losses as local authorities review their own budgets in preparation.

For the charity this is of great concern but even more so is the concern that cuts in spending will affect our membership and therefore the services to children in our operating area.

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.

We therefore perceive that via the expansion of the Scrapstore PlayPods and by the targeting of service improvements in line with research gained from members, we will be able to continue provision to the same standard and increase awareness of our service to prospective new groups / members.

More specific information is held below.

Scrapstore PlayPods: As this most popular service expands throughout the schools within our geographic boundary, the opportunity for us to deliver the programme to other areas both here and abroad have arisen.

We shall pursue a course of intense development where structures and procedures will be created to support the demand and yet ensure security for the charity both financially and organisationally in order to reach the aim of supporting as many children as possible.

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. With the advent of corporate support we will be developing new communications with a wider market via the web and the National Federation.

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 installing green energy into the building. We will be able to retro-fit systems for the environmental supply of cheaper energy to our tenants.

Children's Scrapstore

Report of the Trustees for the year ended 31 March 2010

Plans for the coming year (continued)

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

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 financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the trustees should follow best practice and

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is not appropriate to assume that the company will continue on that basis

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

Statement as to disclosure of information to auditors

The trustees, in their capacity as directors for the purpose of company law, certify that

- so far as we are aware, there is no relevant audit information of which the auditors are unaware, and
- as the directors of the charitable company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's 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 15 of the Companies Act 2006 relating to small companies, and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005)

This report was approved by the board on

28/10/2010

and signed on its behalf by



J L Simpson
Current Chair and Trustee

Children's Scrapstore

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 2010 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 statement of Trustees' responsibilities.

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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, 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 certain disclosures of trustees' remuneration specified by law are not made.

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,
- the financial statements have been properly prepared in accordance with the Companies Act 2006,
- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of the charitable company's surplus for the year then ended, and
- the information given in the report of the trustees is consistent with the financial statements.

Children's Scrapstore

Report of the Independent Auditors to the Trustees of Children's Scrapstore (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees' were not entitled to prepare the financial statements and the report of the trustees in accordance with the small companies regime

Milsted Langdon LLP

Mr D S Jacobs (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors,
Bristol, 29 October 2010

Children's Scrapstore

Statement of Financial Activities for the Year Ended 31 March 2010

		2010 General Funds £	2010 Unrestricted Designated Funds £	2010 Restricted Funds £	2010 Total Funds £	2009 Total Funds £
Notes						
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	136,337	-	-	136,337	115,397
Investment income	3	250	-	-	250	1,141
Activities for generating funds	4	567,768	-	868	568,636	473,879
Incoming resources from charitable activities						
Grants and contracts		<u>63,976</u>	<u>-</u>	<u>37,279</u>	<u>101,255</u>	<u>145,387</u>
TOTAL INCOMING RESOURCES		<u>768,331</u>	<u>-</u>	<u>38,147</u>	<u>806,478</u>	<u>735,804</u>
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income		125,131	-	-	125,131	121,242
Costs of charitable activities		455,459	15,543	15,024	486,026	469,411
Governance costs		<u>136,992</u>	<u>-</u>	<u>-</u>	<u>136,992</u>	<u>112,177</u>
Total resources expended	9	<u>717,582</u>	<u>15,543</u>	<u>15,024</u>	<u>748,149</u>	<u>702,830</u>
NET INCOMING RESOURCES BEFORE TRANSFERS						
		50,749	(15,543)	23,123	58,329	32,974
Transfers between funds		<u>(36,086)</u>	<u>21,819</u>	<u>14,267</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		14,663	6,276	37,390	58,329	32,974
Reconciliation of funds						
Total funds brought forward		<u>114,272</u>	<u>717,627</u>	<u>2,910</u>	<u>834,809</u>	<u>801,835</u>
TOTAL FUNDS CARRIED FORWARD	16	<u>128,935</u>	<u>723,903</u>	<u>40,300</u>	<u>893,138</u>	<u>834,809</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

Children's Scrapstore

Balance Sheet for the Year Ended 31 March 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	11	1,237,499	1,232,004
CURRENT ASSETS			
Stock		21,436	25,169
Debtors	12	66,719	73,656
Cash at bank and in hand		<u>147,559</u>	<u>105,193</u>
		235,714	204,018
CURRENT LIABILITIES			
Creditors amounts falling due within one year	13	<u>(110,847)</u>	<u>(141,111)</u>
NET CURRENT ASSETS		<u>124,867</u>	<u>62,907</u>
TOTAL ASSETS LESS LIABILITIES		1,362,366	1,294,911
LONG TERM LIABILITIES			
Creditors amounts falling due after one year	15	<u>(469,228)</u>	<u>(460,102)</u>
NET ASSETS		<u>893,138</u>	<u>834,809</u>
FUNDS			
Unrestricted funds			
General fund	16	128,935	114,272
Designated funds	16	<u>723,903</u>	<u>717,627</u>
		852,838	831,899
Restricted funds	16	<u>40,300</u>	<u>2,910</u>
TOTAL FUNDS		<u>893,138</u>	<u>834,809</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small charitable companies

The financial statements were approved by the board of trustees and authorised for issue on 28/10/2010 and were signed on its behalf by


C J Casswell
Trustee

Children's Scrapstore

Notes to the Financial Statements **for the Year Ended 31 March 2010**

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 April 2008) the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) and the Companies Act 2006

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 costs 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 cannot 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

Fixed assets are stated at cost less accumulated depreciation. 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

Children's Scrapstore

Notes to the Financial Statements **for the Year Ended 31 March 2010**

1 ACCOUNTING POLICIES (CONTINUED)

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Stock

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

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

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.

Irrecoverable VAT

The charity is partially exempt for VAT and the irrecoverable VAT is the charge in the financial statements that is irrecoverable under partial exemption rules.

2 VOLUNTARY INCOME

	2010	2009
	£	£
Donations	9,789	1,268
Membership	55,487	54,575
Donations from scrap and equipment loan	<u>71,061</u>	<u>59,554</u>
	<u>136,337</u>	<u>115,397</u>

3. INVESTMENT INCOME

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

4 ACTIVITIES FOR GENERATING FUNDS

	2010	2009
	£	£
Rental income	216,222	216,596
Shop sales	191,021	153,043
Road show income	23,579	14,367
Play Pod income	137,154	87,953
Miscellaneous income	<u>660</u>	<u>1,920</u>
	<u>568,636</u>	<u>473,879</u>

Children's Scrapstore

Notes to the Financial Statements
for the Year Ended 31 March 2010

5 NET INCOMING RESOURCES

Net incoming resources are stated after charging

	2010	2009
	£	£
Depreciation	36,633	18,304
Loss on disposal of tangible asset	125	-
Auditors remuneration	<u>4,650</u>	<u>4,500</u>

The auditor's remuneration related solely to the audit

6 STAFF COSTS

	2010	2009
	£	£
Wages and salaries	269,611	237,899
Pensions	11,025	11,495
Employers NI	<u>23,107</u>	<u>21,186</u>
Total staff costs	<u>303,743</u>	<u>270,580</u>

No employee received remuneration of more than £60,000 (2009 no employees)

The average number of employee's, calculated on the basis of full time equivalents, was as follows

	2010	2009
Employees	9	9

7 PENSION COSTS

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £11,025 (2009 £11,495)

8. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

No trustee received any remuneration during the year (2009 nil)

No trustee received any reimbursed expenses in the year (2009 nil)

No trustee or any other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2009 nil)

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2010

9 TOTAL RESOURCES EXPENDED

	Fund raising	Charitable activities	Governance costs	Total 2010	Total 2009
	£	£	£	£	£
Cost of trading company expenditure	117,019	-	-	117,019	114,182
Newsletter costs	379	-	-	379	910
Loan equipment	1,285	-	-	1,285	1,217
Publicity advertising	1,577	-	-	1,577	926
Volunteer and staff expenses	1,837	-	-	1,837	1,200
Wages and pensions	-	303,743	-	303,743	270,580
Road shows	-	3,148	-	3,148	5,634
Rates	-	(1,550)	-	(1,550)	(89)
Insurance and alarm	-	-	9,000	9,000	15,195
Building depreciation	-	15,543	-	15,543	15,458
Building service costs	-	63,346	-	63,346	76,179
Repairs, renewals & building maintenance	-	8,223	-	8,223	7,092
Cleaning	-	17,036	-	17,036	15,845
Big lottery pods project expenses	-	76,537	-	76,537	78,534
Motor and travel	-	-	7,703	7,703	10,526
Legal & professional	-	-	12,277	12,277	3,851
Printing, postage & stationery	3,034	-	5,607	8,641	8,038
Small computer software	-	-	48	48	3,446
Office machines & maintenance	-	-	1,833	1,833	358
Telephone & fax	-	-	6,222	6,222	5,243
Photocopying	-	-	69	69	1,702
Audit & accountancy	-	-	26,794	26,794	20,270
AGM expenses	-	-	280	280	-
Staff & refreshment costs	-	-	2,839	2,839	2,590
Staff training	-	-	937	937	1,109
Warehouse renewals & repairs	-	-	1,957	1,957	3,274
Trolley costs	-	-	59	59	970
Bank charges	-	-	3,044	3,044	2,094
Triodos mortgage interest	-	-	30,951	30,951	32,480
Hire purchase interest	-	-	602	602	-
Bad debt	-	-	3,275	3,275	542
Subscriptions and affiliations	-	-	579	579	291
Sundry	-	-	464	464	319
Super Saturday expense	-	-	1,000	1,000	16
Fixtures and fittings depreciation	-	-	13,653	13,653	2,640
Motor vehicles depreciation	-	-	6,937	6,937	125
Website development depreciation	-	-	500	500	83
Loss on disposal of tangible asset	-	-	125	125	-
Irrecoverable VAT	-	-	237	237	-
	<u>125,131</u>	<u>486,026</u>	<u>136,992</u>	<u>748,149</u>	<u>702,830</u>

10 TAXATION

As a charity, Children's Scrapstore is exempt from tax on income and gains falling within section 505 of the Taxes Act 1998 or s 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2010

11 TANGIBLE FIXED ASSETS

	Freehold Property £	Improvements To property £	Fixtures and fittings £	Website development £	Motor Vehicles £	Total £
COST						
At 1 April 2009	550,000	717,132	53,769	2,000	500	1,323,401
Additions	-	-	12,840	-	29,413	42,253
Disposals	-	-	-	-	(500)	(500)
At 31 March 2010	<u>550,000</u>	<u>717,132</u>	<u>66,609</u>	<u>2,000</u>	<u>29,413</u>	<u>1,365,154</u>
DEPRECIATION						
At 1 April 2009	3,600	42,320	45,019	83	375	91,397
Charge for the year	1,200	14,343	13,653	500	6,937	36,633
Disposals	-	-	-	-	(375)	(375)
At 31 March 2010	<u>4,800</u>	<u>56,663</u>	<u>58,672</u>	<u>583</u>	<u>6,937</u>	<u>127,655</u>
NET BOOK VALUE						
At 31 March 2010	<u>545,200</u>	<u>660,469</u>	<u>7,937</u>	<u>1,417</u>	<u>22,476</u>	<u>1,237,499</u>
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>

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 (2009 £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

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	Net Book value £	2010 Depreciation charge £	Net book value £	2009 Depreciation charge £
Motor vehicles	<u>20,287</u>	<u>6,763</u>	-	-

12. DEBTORS

	2010 £	2009 £
Trade debtors	58,512	69,778
Other debtors	463	313
Prepayments	<u>7,744</u>	<u>3,565</u>
	<u>66,719</u>	<u>73,656</u>

Children's Scrapstore

Notes to the Financial Statements
for the Year Ended 31 March 2010

13 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Bank loans	23,221	43,483
Net obligations under finance leases and hire purchase contracts	3,410	-
Trade creditors	31,149	37,614
Taxation and social security	22,422	20,795
Deferred income	10,558	25,497
Accruals	<u>20,087</u>	<u>13,722</u>
	<u>110,847</u>	<u>141,111</u>

The bank loans are secured on the charity's freehold property

14 DEFERRED INCOME

Deferred income comprises funding received in advance

15 LONG TERM LIABILITIES

	2010	2009
	£	£
Bank loans	458,545	460,102
Net obligations under finance leases and hire purchase contracts	<u>10,683</u>	-
	<u>469,228</u>	<u>460,102</u>

The bank loans are secured on the charity's freehold property

Loan maturity analysis

Repayable in one year or less, or on demand (Note 13)	23,221	43,483
Repayable between one and two years	24,639	39,497
Repayable between two and five years	115,804	39,498
Repayable in five years or more	<u>318,102</u>	<u>381,107</u>
	<u>481,766</u>	<u>503,585</u>

Net obligations under finance leases

and hire purchase contracts maturity analysis

Repayable in one year or less, or on demand (Note 13)	3,410	-
Repayable between one and two years	3,410	-
Repayable between two and five years	7,273	-
Repayable in five years or more	<u>-</u>	<u>-</u>
	<u>14,093</u>	<u>-</u>

Children's Scrapstore

Notes to the Financial Statements for the Year Ended 31 March 2010

16 MOVEMENT IN FUNDS

UNRESTRICTED FUNDS	At 1 April 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2010 £
Designated funds					
Building fund	717,627	-	(15,543)	21,819	723,903
General	<u>114,272</u>	<u>768,331</u>	<u>(717,582)</u>	<u>(36,086)</u>	<u>128,935</u>
	<u>831,899</u>	<u>768,331</u>	<u>(733,125)</u>	<u>(14,267)</u>	<u>852,838</u>
RESTRICTED FUNDS					
Roadshow	5,995	17,279	(8,261)	-	15,013
Lottery play pod	(3,085)	868	-	2,217	-
Pod pathfinder	-	5,000	-	-	5,000
Motor vehicle	-	<u>15,000</u>	<u>(6,763)</u>	<u>12,050</u>	<u>20,287</u>
	<u>2,910</u>	<u>38,147</u>	<u>(15,024)</u>	<u>14,267</u>	<u>40,300</u>

£12,050 was transferred from the general fund to the motor vehicle fund as the purchase price of the motor vehicle was greater than the grant

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. At 31 March 2010 £21,819 (2009 £26,141) was transferred from the general fund to the building fund to ensure that the building reserve balance was in line with Trustee's policy.

The objects of each of the restricted funds are as follows

ROADSHOW FUNDS These are specific grants made to fund the charity's road shows in the surrounding areas, thus making the scrap available to a much wider audience.

LOTTERY PLAY POD FUND These funds were made available to fund the development of play pods concept and to enable a proof of concept. The funding has now ceased.

POD PATHFINDER FUNDS These funds were made available to continue the development of the play pods project.

MOTOR VEHICLES FUNDS This is a specific grant which was made to fund the charity's acquisition of a new van.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds			Total
	General £	Designated £	Restricted £	£
Fixed assets	11,543	1,205,669	20,287	1,237,499
Bank and cash	147,559	-	-	147,559
Other current assets	68,142	-	20,013	88,155
Less: current liabilities	(87,626)	(23,221)	-	(110,847)
Bank loans payable after one year	-	(458,545)	-	(458,545)
Net obligations under finance leases and hire purchase contracts payable after one year	<u>(10,683)</u>	<u>-</u>	<u>-</u>	<u>(10,683)</u>
	<u>128,935</u>	<u>723,903</u>	<u>40,300</u>	<u>893,138</u>

Children's Scrapstore

Detailed Statement of Financial Activities **for the Year Ended 31 March 2010**

	2010 £	2009 £
INCOMING RESOURCES		
Voluntary income		
Donations	9,789	1,268
Membership	55,487	54,575
Donations from scrap & equipment loan	<u>71,061</u>	<u>59,554</u>
	<u>136,337</u>	<u>115,397</u>
Activities for generating funds		
Rental income	216,222	216,596
Road show income	23,579	14,367
Play Pod income	137,154	87,953
Shop sales	191,021	153,043
Miscellaneous income	<u>660</u>	<u>1,920</u>
	<u>568,636</u>	<u>473,879</u>
From charitable activities		
Grants	<u>101,255</u>	<u>145,387</u>
Investment income		
Interest receivable	<u>250</u>	<u>1,141</u>
Total incoming resources	<u>806,478</u>	<u>735,804</u>
RESOURCES EXPENDED		
Costs of generating voluntary income		
Costs of trading	117,019	114,182
Newsletter costs	379	910
Loan equipment	1,285	1,217
Publicity advertising	1,577	926
Printing	3,034	2,807
Volunteers and staff expenses	<u>1,837</u>	<u>1,200</u>
	<u>125,131</u>	<u>121,242</u>
Charitable activities		
Gross wages	266,659	234,827
Casual labour	2,795	2,293
Employers NI	23,106	21,186
Employers Pension	11,025	11,495
Staff recruitment	158	779
Road shows	3,148	5,634
Rates	(1,550)	(89)
Insurance and alarm	-	178
Building depreciation	15,543	15,458
Building service costs	63,346	76,179
Repairs, renewals & building maintenance	8,223	7,092
Cleaning	17,036	15,845
Big lottery pods project expenses	<u>76,537</u>	<u>78,534</u>
	<u>486,026</u>	<u>469,411</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 2010

	2010 £	2009 £
Governance costs		
Motor and travel	7,703	10,526
Business insurance	9,000	15,017
Legal fees	7,403	2,055
Professional fees	4,874	1,796
Office stationery	2,485	2,000
Books & resources	5	-
Small computer software/hardware	48	3,446
Office machines/maintenance	1,833	358
Postage	3,117	3,231
Telephone & fax	5,785	5,074
Internet	437	169
Photocopying	69	1,702
Audit and accountancy	26,794	20,270
AGM expenses	280	-
Staff & refreshment costs	2,839	2,590
Staff training	937	1,109
Warehouse renewals & repairs	1,957	3,274
Trolley costs	59	970
Bank charges	494	427
PDQ machine charges	2,550	1,667
Triodos mortgage interest	30,951	32,480
Hire purchase interest	602	-
Bad debt	3,275	542
Subscriptions and affiliations	579	291
Sundry expenses	464	319
Super Saturday expenses	1,000	16
Fixtures and fittings	13,653	2,640
Motor vehicles depreciation	6,937	125
Website development depreciation	500	83
Loss on disposal of tangible asset	125	-
Irrecoverable VAT	237	-
	<u>136,992</u>	<u>112,177</u>
Total resources expended	<u>748,149</u>	<u>702,830</u>
Net incoming resources	<u>58,329</u>	<u>32,974</u>

This page does not form part of the financial statements