

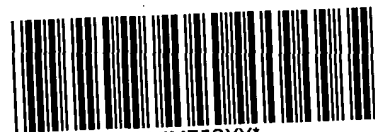
**Company number: 02624238**  
**Charity number: 1008788**

**Children's Scrapstore**

**(A company limited by guarantee)**  
**Annual report and financial statements**

**for the year ended 31 March 2016**

FRIDAY



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## **Children's Scrapstore**

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## **Children's Scrapstore**

### **Contents**

Charity name	Children's Scrapstore
Charity registration number	1008788
Company registration number	02624238
Principal and registered office	Scrapstore House 21 Sevier Street St Werburghs Bristol BS2 9LB
Trustees	P R Simpson, Chair appointed 26/11/15 R M Rich, Vice-chair V Shah-Dayana, Treasurer appointed 26/11/15 C J Casswell, Treasurer resigned 26/11/15 E J Collier, Chair resigned 26/11/15 A Griffin P S Penrose, resigned 21/05/15 C Clark
Chief Executive Officer	J Hill
Solicitor	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
Bankers	HSBC Bank plc 62 George Street Cabot Circus Bristol BS1 3BA  CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ  Triodos Bank Deanery Road Bristol BS1 5AS
Senior Statutory Auditor	Mr D S Jacobs FCA
Auditor	Milsted Langdon LLP One Redcliff Street Bristol BS1 6NP

## **Children's Scrapstore**

### **Report of the Chair**

Following Jeff's energetic return to work, we felt the time was right to hold a whole team Away Day for the first time in many years. As a social enterprise showing growth in service delivery, expansion into new areas, and changes in staff membership, the day focused on ensuring that all the staff of Children's Scrapstore could share and communicate the special qualities of this great organisation.

We were able to use the newly developed "Play Room" bring together staff, volunteers and Management Committee members to share experience and perspective. The focus was on communicating more with each other and the day went very well indeed, with presentations on the aims of each department and contributions by everyone on what could be improved or collaborated on.

The importance of good communication within Children's Scrapstore becomes even more important in the biggest development of the year – the opening of Children's Scrapstore Salford in January 2016.

Manchester Scrapstore "Grumpy" approached us with the news of their closure and this offered us a unique opportunity to establish a northern base. This has been something we have aspired to strategically in recent years as the PlayPods, in particular, have expanded across the country. Obviously this has taken time, energy and resources to get off the ground but early signs are good and we look forward to reporting great success in future years. I would like to thank Jeff and Andy in particular for holding their nerve and working very hard to get it all up and running so quickly.

Closer to home, the ever-changing nature of our market and relationships with our sectors mean changes to the staff team. We were very sad to say goodbye to Sarah Callan, our bubbly PR Manager, as she left for pastures new in the north. Her energy and creativity launched Parents for Play, facilitated groups like the Reuse Network and Making Sundays Matter. We have welcomed Ella White to carry on the awareness raising work of Sarah, & Ella Wiles who works with our industry partners sourcing scrap.

Finally, I would like to pay particular thanks to my fellow Management Committee members this year. In December I decided it was time to step down after four years as Chair, and I am delighted to report that Pete Simpson has been elected in my place. His steady good humour, good sense and conscientiousness mean that Children's Scrapstore is in good hands.



P R Simpson  
Chair and Trustee

## **Children's Scrapstore**

### **Report of the Chief Executive Officer**

This year has seen some step changes in our approach and some interesting developments.

We held our first full staff meeting in a while. Staff meetings are usually in Bristol for the staff that can attend that morning, but with satellites and remote working it was felt that an occasion to bring us together to swap department objectives and simply to mingle would be beneficial and indeed it was.

We celebrated our achievements to date and laid a landmark for the next 10 years ahead.

At the start of the year I employed two new positions to the organisation. CSR Manager and P.R. Officer. Both of these were an attempt to establish new activities in much needed areas. Firstly, to court and expand the number of suppliers in our network and secondly, to give us something we've never had and boost our ability to communicate outside of our own sphere.

I am pleased to say that they have both worked extremely well and are developing those activities to reach new standards.

Following on from that the management team and trustees did some sterling work and we have now a new vision statement, mission and strategic objectives.

Ella and Ella, (how we managed to employ two people with the same name is beyond me), have joined the Operations Team and that team has in itself developed further into a dynamic group.

We also had to replace our boiler. The old one had been refurbished 12 years ago and so had served us well but it was time to get a newer and more environmental version.

Our biggest step forward was however, opening a new Children's Scrapstore in Salford, Greater Manchester.

We had identified for some time the need to provide a service of scrap to our growing network of Scrapstore PlayPod schools across the North of the country. Our Associate Members work hard and have developed a good number of schools in those regions.

Supplying them with scrap from Bristol is neither cost effective nor environmental and so we were seeking a new outlet to support that geographical need.

Grumpy Scrapstore contacted us from Salford to offer us their scrap as they were closing down. We bought the scrap but decided that we would also open in their stead as the region could certainly serve our school needs but just as importantly, imagining a city of that size with all those children and no Scrapstore seemed incongruous and somehow 'wrong'.

So we jumped in and moved quickly and decisively to use the scrap there and take on a premises which would support our needs.

We have been building there since. What is amazing are the people. We have had such a good and warm reception and we are optimistic of a strong future there.

Our performances at home have been strong in all but scrap donations where it seems fewer members visited this year. This is quite common particularly after a record year last year and so we are diligent about our service and our offer and communicate regularly with members to ensure that it is just a little downturn which indeed, it seems to be.

This year our chair, Emma, also decided to step down. Emma has been a fantastic chair who stepped into the breach when I was absent the previous year and held the fort, supporting the other fantastic Kate Fowler who was acting C.E.O.

During Emma's term we have seen much change and she has supported our path through it with great aplomb and dexterity. Our thanks go to her for her dedication and application to the charity.

This coming year we are planning for consolidation to embed our new Scrapstore and to build steadily on our services in both quality and quantity. We have begun networking in more earnest with our partner re-use organisations in

## **Children's Scrapstore**

### **Report of the Chief Executive Officer**

Bristol and also with the Bristol Play Network and are finding a support to help change the fortunes of children in and around the city.

As a charity we are reaching more children and using more scrap helping in the way our objects intended on both counts.

J Hill  
Chief Executive Officer

## **Children's Scrapstore**

### **Report of the Treasurer**

This year has been an eventful one financially.

As we started the year normally and from a basis of having just had a record year for the level of donations, membership and Scrapstore PlayPod sales, we had every reason to feel confident.

During December of 2015 a member and close associate organisation suffered a financial difficulty due to criminal activity from within the organisation and so on reflection the trustees asked the C.E.O. to overhaul the financial rules and processes of Scrapstore to ensure that they were up to date and relevant as both operational and secure procedures.

One of our development aims was to open a satellite Scrapstore in Birmingham as a vital step in providing our growing number of Scrapstore PlayPod schools with supply Nationally. To that end we needed to borrow a small amount of capital, £30,000.

The decision to borrow was based on the continuing sales pattern of successful income generation and the level of reserves, which were considered to be growing well to meet the needs of the charity, being sufficient but not at a point where such a sum would not make a significant cash flow deficit if taken from those sources.

Additionally, the need to replace the boiler at Sevier St premises was paramount as the existing one had perished over the winter becoming unreliable and using unacceptable levels of fuel which was bad financially and environmentally.

A further £30,000 was needed to replace the boiler with a fully efficient and modern boiler system.

We therefore approached the Triodos Bank and were accepted for a loan of that level on good terms. All of the criteria having been met it was accomplished and the boiler installed.

The development in Birmingham did not go ahead however. Instead a call from the Manchester Scrapstore, Grumpy, resulted in our learning that they were to close down and they offered us their stock.

Our C.E.O. travelled to Manchester / Salford and determined that because the Scrapstore had been there a long time, it made sense to move our attentions from Birmingham to Manchester to achieve our aims.

We did not wish to take over the concern, nor trade under its name, as so purchased the stock as offered and rented premises to create a new offer to the children and groups of Manchester and Salford.

At year end that extension of our activities is doing well but has yet to generate a return as it is very early days. Budgets are therefore not being met yet as the period of investment is not complete, being six to twelve months. Our efforts are on close monitoring and reporting on all aspects of trading and operations.

Suffice to say the purchase of stock and investment in larger premises than anticipated in Birmingham has meant that some additional funds have been used from reserves for both support in Manchester and cash flow purposes in Bristol.

In summary the charity is taking on a new development which the charity can encompass and which will provide a return in both our ability to reach our expanding school customer group Nationally, and to support a community in the North who don't deserve to be without a Scrapstore to support the children there.

All decisions which make up this financial picture were taken by trustees and the C.E.O. and all procedures relating to charity requirements and best practise were adhered to.

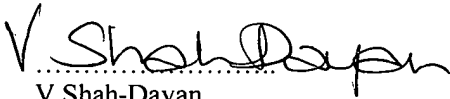
The overall performance of the charity was sound if a little lower than the previous, exceptional year. Inspection of the stats for the last five years demonstrated that the 15/16 performance was an improvement on all years up till the 14/15 year and so there has been good reason for continued confidence.

The charity maintains its record of complying with the recommendations of the auditors with the exception of reporting on depreciation monthly. Trustees have decided for the last several years that monthly reporting which included depreciation would potentially cloud the performance view which remains the key object of the report.

## **Children's Scrapstore**

### **Report of the Treasurer**

Annual reporting of depreciation has been considered sufficient as purchases which impact on depreciation and accounting are rare and so can be monitored over a longer term together with the building status which again, is significant each year when annual accounts are reviewed.

  
V Shah-Dayan  
Treasurer



## **Children's Scrapstore**

### **Trustees' report**

The trustees are pleased to present their annual Trustees' report together with the consolidated financial statements of the charity and subsidiary for the year ended 31 March 2016 which are also prepared to meet the requirements for a Trustees' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance of the Financial Reporting Standard for Smaller Entities.

#### **Structure, Governance and Management**

##### **Governing document, and constitution**

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

The trustees are responsible for strategy, policy and financial oversight of the company. Implementation of this is delegated to the Chief Executive Officer, who is supported by the Senior Management Team;

- A Bell, Artrageous Creative Limited Manager
- K Wilson, Play Team Manager
- E Wiles, CSR Manager
- E White, P.R. Officer

##### **Pay policy for senior staff**

Currently senior staff are included in the policy and procedure for pay review which applies to all staff. Plans are in place to form a review sub-committee by trustees during the coming year specifically to look into remuneration at senior level.

The directors consider the board of directors, who are the Trust's trustees, perform the strategic lead for the charity together with being responsible for the overview of all operational items which would potentially impact on the charity's ability to meet its objects, maintain financial stability and affect the ethos of the charity. All directors give of their time freely and no director received remuneration in the year. No directors claimed expenses during this year.

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

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

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 has produced a trustees' handbook for each new trustee and a session on the operation and financial procedures of the charity with the current CEO 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 CEO and passed on for their attention.

##### **Organisational structure and management of the charity by the board of trustees**

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. 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 to the senior management team.

The trustees who served during the year are listed on page 1.

##### **Major risk management**

The trustees have a major risk management strategy which comprises:

- An annual review of the major risks and uncertainties that the charity and its subsidiary may face;
- The establishment of policies, systems and procedures to mitigate those risks identified in the plan; and

# **Children's Scrapstore**

## **Trustees' report**

- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

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 well-being; to promote the use of waste materials as playthings.

#### **How our activities deliver public benefit**

Children's Scrapstore's overarching aim is to promote the wellbeing of children and young people through the provision of materials and facilities for creative and imaginative play. We do this through:

1. Waste collection and recycling
2. Provision of materials and facilities for play
3. Promotion of good play

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit.

Children's Scrapstore's objective therefore is to allow children and young people to play, experiment, and stimulate their imaginations with a variety of familiar and unusual, inexpensive materials through the re-use of safe and appropriate scrap - a chance they might not otherwise have. Children's Scrapstore collects waste and surplus materials from industry and commerce and makes them available, at very little cost, to 1500+ member groups. The focus of Children's Scrapstore's work is to provide art and craft resources for creative play and education, provide other resources to complement this work, and to raise awareness of good play and recycling issues.

#### Membership

Children's Scrapstore membership is open to voluntary and community groups who work with children and young people in a creative, play, care, educational, or therapeutic setting in the greater Bristol area.

Full membership eligibility includes 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.

Many of our members are small volunteer-led groups which have limited budgets and rely heavily on Children's Scrapstore 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.

#### Future developments and sustainability

All of our charitable activities focus on the encouragement of play and are undertaken to further our charitable objects for the public benefit. 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 known more widely through its association with various national and local networks such as the Bristol Play Strategy Development Group, The Play and Early Years Training Unit and Bristol Association of Neighbourhood Daycare.

# **Children's Scrapstore**

## **Trustees' report**

As the organisation seeks to expand its services to children and to member groups we have seen a number of strategic changes as necessary due in part to the fallout from the economic crisis which is still creating further cuts and reductions in children's services, and in part due to our own growth.

### **Objectives and activities (continued)**

On the one hand we have supported the development of the Bristol Reuse Network, and the Bristol Play Network being a founding member of both. We have also added to our satellite operations with a very ambitious project in Salford, Greater Manchester.

This year we decided that we needed to consolidate and establish running procedures, effective collective management from the managers team and to streamline our messages.

To that end we held an Operations team training day, operations planning day and full staff team training day where we shared information about our respective departments and engaged each other in input and outcome design for everything we do.

We created from this our new mission and vision and nine strategic aims, (the aims have been abbreviated into three statements for ease of communication and are listed below).

#### Mission Statement

To reach as many children as we can, positively influencing the quality of their life experience and supporting their successful journey from child into adult-hood as happy, self-confident and useful members of society.

Our mission to children is: We will help make good spaces for you to play in.

#### Our Vision

To extend the provision of quality waste resources and opportunities for play to every child....

#### Strategic aim statements

1. Our members, and therefore children, are at the centre of our operations and aspirations.
2. A creative scrapstore is the result of happy and engaged staff members
3. Development in all areas is the key to social and environmental progression and well-being for all.

### **Main objectives for the year and strategies for achieving those objectives**

The board of trustees takes very seriously its roles and responsibilities and seeks to ensure that it undertakes them properly. In 2015/16 we continued the work of the previous year and undertook a review of the financial procedures in order to ensure that the charity has safe and secure handling of money which is accurately recorded and accounted for.

The aim to reach as many children as possible will be facilitated by our expansion and development as we seek to both underpin our sector and build on opportunities with partners and via our own endeavours.

The aims from the previous year are still relevant to that process and are listed here:

1. Ensuring that the budget agreed is reported on and measured at each monthly (10 meetings per year) meeting in order to safeguard the financial integrity of the charity. The board agenda ensures this review takes place. The Treasurer's reports and Finance & Funding Sub-committee meetings ensure that continuity and risk are constantly evaluated. 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 CEO and reported on in monthly written reports.

## **Children's Scrapstore**

### **Trustees' report**

2. Confirming that all legal and reporting requirements are met particularly with the Charity Commission and Companies House as priorities. The CEO is responsible for carrying out these reporting functions and must confirm these with the Chair of the organisation. The management committee sets the date for the AGM and recruits replacement or additional committee members for the following term.

#### **Objectives and activities (continued)**

3. Managing the CEO and ensuring awareness of any issues which may threaten the security and safety of the organisation via the written reports, staff presentations and verbal questioning of the CEO at meetings. The primary relationship of the CEO is with the Chair. The CEO 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.

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

5. Reviewing the charity's assets in order to maximise the wellbeing and available strength to the charity in support of our constitutional aims.

6. Overseeing the development of new and improved service delivery in order to increase value for children via our members in keeping with our objects. The operational business plan, drawn up by the CEO in association with the Senior Management Team, for the 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.

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

# **Children's Scrapstore**

## **Trustees' report**

### **Achievements and performance of the charity**

#### **A review of activities**

The attached financial report demonstrates that this was a good, steady, year. All departments demonstrated solid performances beating many previous records prior to last year which has proved to be an exception to all trends. The main effect of this is that more resources have reached children and with our satellites doing well that also means reaching more children and groups.

These last two years have reinforced our financial independence from funding and enabled us to fulfil the aim of the trustees who ordered the purchase of this building with the express intention of creating that stability.

As we have expanded into new areas we are now at full stretch and it must be mentioned that our most recent development in Salford, Greater Manchester, was taken in response to the growth of our Scrapstore PlayPod programme which at the end of the financial year had just over 280 primary schools as customers.

The need to be able to supply scrap to other areas of the country has fuelled this expansion together with the opportunistic event of the closure of the existing scrapstore in that area.

Having now taken on a new CSR Manager and P.R. Officer to facilitate networking, growth in supply and the promotion of our aims, we are very happy to commit these accounts as a true representation of our efforts and achievements.

#### **Fundraising activities**

Funding is via membership fees and donations for scrap and equipment loans. Local authority funding was lost in 2013 from South Gloucestershire and from Bristol City Council. The management committee have raised charges and requested a small increase in donation levels from the membership in those areas in order to compensate for those losses.

#### **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 14 to 27. 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 2015) and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The Statement of Financial Activities (SOFA) shows net (expenditure)/income 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) sets out the funds being operated and their respective applications.

The **Designated fund** is 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.

The **General fund** accumulated surplus is intended to be raised to a level equal to between 3 and 6 months of the

## **Children's Scrapstore**

### **Trustees' report**

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.

However, the General fund stood at £125,214 at 31 March 2016, which represented £189,202 less than the level of 3 months of core opening expenses it is the trustees' policy to retain. The trustees' long term plan is to restore them to this level. The trustees recognise this shortfall and are satisfied that the policy of no further 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.

**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.

#### **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.

#### **Changes in fixed assets**

Changes in fixed assets are shown in detail in note 11 to the accounts. There has been no major capital expenditure of £32,347 this year, and the assets continue to be repaired and maintained as and when necessary.

#### **Plans for the coming year**

At the beginning of this year we find ourselves in some interesting places. The key characteristics and risks are:

**Satellites:** While developing Salford satellite the time and management support offered to Taunton and Weston have been minimal. They are both working hard and doing well enough for us to be confident of further growth. We will be dedicating more management time there now that Salford has settled.

**PlayPods:** - While the number of enquiries and sales meetings remain higher than normal, the decision to buy is being slightly delayed by a number of schools. The assumption is that schools are measuring the impact of the loss of national insurance benefits which will impose increases on salaries from April of this year. Budgets are also being cut behind the scenes and Academies have moved their financial end of year to September from March.

Under these pressures it possible to understand why they may be delaying decision making on major purchases. Sales are being made but they are slow to come in and the question remains, should alternative actions to support us gaining income from other sources, such as the successful training income which supported our end of year outcome in 15 / 16? Prudence would say yes.

Those activities cannot replace our aim of supplying all primary schools with a Scrapstore PlayPod but could be essential in helping us overcome this small dip in sales logistics.

**Membership:** Membership is strong against previous years but still needs to be reformed to move into new growth.

We are therefore resourcing membership as it has become clear that it is underinvested and yet it is the core of our service.

**Scrap:** Donations are of course a part of membership although they are placed within a different department. As membership has not shown additional growth this year so donations for scrap either stand still or drop. To date we are running low here, descending to the levels four years ago.

## **Children's Scrapstore**

### **Trustees' report**

While it is difficult to ascertain why this is when we are still getting Facebook hits and the same enthusiasm from surveyed members, it may be that looking at the funding cuts will provide a possible answer. Where the initial cuts were overcome with replacement funds from other sources, those funds themselves are no longer available creating a two year drag effect. This may suggest a decline in spending as well as member numbers not increasing.

It is also possible to imagine that while last year we sold so much scrap as to create an all-time record; those members are making it last as times get tighter.

We will investigate further the access, quality and type of scrap we offer to members and ascertain whether there is any issue with our service. We have calculated that approx. 50 members have dropped from enrolment, something that while not large is not a trend we wish to see continue.

**Artrageous:** Artrageous is performing extremely well. The number of general public visitors has risen and the average spend is high. Having just missed a 5% target in budget this year which is against the trend elsewhere, it is proving to be a sound retail operation with increasing appeal. Just what we need.

Each area or department has its own business plan and we are confident and optimistic going forwards. Although we have concerns our growth each year is something which could be envied by many and we must always be both diligent and grateful for our opportunities and position.

**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.

#### **Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **Children's Scrapstore**

### **Trustees' report**

#### **Auditors**

A resolution to reappoint Milsted Langdon LLP as auditors will be put to the members at the Annual General Meeting.

#### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the board on 21/12/16 and signed on its behalf by:



.....  
P R Simpson  
Chair and Trustee



## **Children's Scrapstore**

### **Trustees' responsibilities in relation to the financial statements**

The trustees (who are also directors of Children's Scrapstore for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

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

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

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

We have audited the financial statements of Children's Scrapstore for the year ended 31 March 2016, which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the charitable company's members 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chief Executive Officer's, Treasurer's and the Trustees' reports to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

..... continued

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statement; or
- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; 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 in accordance with the small companies regime.

*Milsted Langdon W*

Mr D S Jacobs (Senior Statutory Auditor)  
Milsted Langdon LLP  
Chartered Accountants and Statutory Auditors  
One Redcliff Street  
Bristol  
BS1 6NP

Date *23/12/16*

Milsted Langdon LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## Children's Scrapstore

### Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>Income</b>					
Donations and legacies	3	259,482	-	259,482	228,334
Income from other trading activities	4	946,542	-	946,542	952,007
Income from investments	6	148	-	148	121
Income from charitable activities	7	-	-	-	2,094
		-----	-----	-----	-----
Total income		1,206,172	-	1,206,172	1,182,556
		-----	-----	-----	-----
<b>Expenditure</b>					
Expenditure of raising funds	8	182,792	1,394	184,186	137,652
Expenditure on charitable activities	8	1,073,476	-	1,073,476	942,669
Governance costs	8	-	-	-	38,262
		-----	-----	-----	-----
Total expenditure		1,256,268	1,394	1,257,662	1,118,583
		-----	-----	-----	-----
Net (expenditure)/income and net movements in funds		(50,096)	(1,394)	(51,490)	63,973
<b>Reconciliation of funds</b>					
Total funds brought forward	21	974,648	1,594	976,242	912,269
		-----	-----	-----	-----
Total funds carried forward	21	924,552	200	924,752	976,242
		-----	-----	-----	-----

The consolidated statement of financial activities includes all gains and losses recognised in the year. All income expenditure derive from continuing activities.

The notes on pages 19 to 30 form an integral part of these financial statements


# Children's Scrapstore

## Consolidated and charity balance sheets as at 31 March 2016

	Notes	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
<b>Fixed assets</b>					
Tangible assets	13	1,196,733	1,184,897	1,196,733	1,184,897
Investments	14	-	-	100	100
		-----	-----	-----	-----
		1,196,733	1,184,897	1,196,833	1,184,997
<b>Current assets</b>					
Stocks and work in progress	15	72,921	63,975	-	-
Debtors	16	211,460	260,036	252,021	289,753
Cash at bank and in hand		78,172	100,308	78,172	100,308
		-----	-----	-----	-----
		362,553	424,319	330,193	390,061
<b>Creditors: amounts falling due within one year</b>	17	(307,452)	(327,700)	(275,192)	(293,542)
		-----	-----	-----	-----
<b>Net current assets</b>		55,101	96,619	55,001	96,519
		-----	-----	-----	-----
<b>Total assets less current liabilities</b>		1,251,834	1,281,516	1,251,834	1,281,516
		-----	-----	-----	-----
<b>Creditors: amounts falling due in more than one year</b>	18	(327,082)	(305,274)	(327,082)	(305,274)
		-----	-----	-----	-----
<b>Net assets</b>		924,752	976,242	924,752	976,242
		-----	-----	-----	-----
<b>The funds of the charity:</b>					
Restricted funds	22	200	1,594	200	1,594
Unrestricted funds	22	924,552	974,648	924,552	974,648
		-----	-----	-----	-----
<b>Total charity funds</b>		924,752	976,242	924,752	976,242
		-----	-----	-----	-----

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the board on 21/12/16 and signed on its behalf by:

  
 .....  
 P R Simpon  
 Trustee

The notes on pages 19 to 30 form an integral part of these financial statements.

# **Children's Scrapstore**

## **Notes to the financial statements for the year ended 31 March 2016**

### **1 Accounting Policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary Artrageous Creative Limited on a line by line basis. A separate Statement of Financial Activities and income and expenditure account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

#### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Designated funds are unrestricted funds earmarked by the trustees for particular purpose. Further details of each fund are disclosed in note 21.

#### **Income recognition**

Donations and legacies income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. 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 other trading activities is recognised as earned as the related goods and services are provided.

Income from investments 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 it 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.

## **Children's Scrapstore**

### **Notes to the financial statements for the year ended 31 March 2016**

#### **Expenditure and irrecoverable VAT**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All 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. The charity is partially exempt for VAT and the proportion of non-attributable input VAT which is not recoverable under HMRC's partial exemption rules is expensed.

Costs of raising 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 by the charity 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.

Postage and stationery costs are split between operating activities and support costs. The proportion relating to Play Pods activities are recorded within operating activities with the remainder being shown as a support cost.

Governance costs include those costs 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 the statutory audit together with an apportionment of support costs. These costs are included under expenditure on charitable activities.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with their use of resources.

#### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

#### **Allocation and apportionment costs**

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

#### **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 2016**

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold land & property	2% straight line on buildings. No depreciation on land.
Improvements to property	2% straight line.
Fixtures and fittings	25% straight line
Website development	25% straight line
Motor vehicles	25% straight line

As permitted by the Statement of Recommended Practice, no provision for depreciation has been made for freehold property as it is the view of the trustees that all estimated residual value of the property is not materially different from the carrying value.

#### **Investments**

Investments are recorded at cost less any provision for impairment.

#### **Impairment of fixed assets**

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is an indication that the assets may be impaired. The difference between the carrying amount and their recoverable amount is recognised as an impairment loss and charged as an expense.

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

#### **Pensions**

The charity operates a defined contribution scheme for employees and the costs charged in the financial statements represent the contributions payable by the charity during the year.

#### **Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.



## Children's Scrapstore

### Notes to the financial statements for the year ended 31 March 2016

#### 2 Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary.

The summary financial performance of the charity alone is:

	2016 £	2015 £
Income	1,076,763	1,046,161
Expenditure	(1,128,253)	(982,188)
<b>Net (expenditure)/income</b>	<b>(51,490)</b>	<b>63,973</b>
Total funds brought forward	976,242	912,269
<b>Total funds carried forward</b>	<b>924,752</b>	<b>976,242</b>
Represented by:		
Restricted income funds	200	1,594
Unrestricted income funds	924,552	974,648
	<b>924,752</b>	<b>976,242</b>

#### 3 Income from donations

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Donations and legacies</b>			
Donations	1,577	1,577	1,079
Membership	101,048	101,048	93,983
Donations from scrap & equipment loan	156,857	156,857	133,272
	<b>259,482</b>	<b>259,482</b>	<b>228,334</b>

#### 4 Income from other trading activities

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Operating activity</b>			
Rental income	179,111	179,111	209,063
PlayPod income	565,097	565,097	544,352
Shop sales	202,334	202,334	198,592
	<b>946,542</b>	<b>946,542</b>	<b>952,007</b>

# Children's Scrapstore

## Notes to the financial statements for the year ended 31 March 2016

### 5 Income earned from other activities

The wholly owned trading subsidiary Artrageous Creative Limited is incorporated in the United Kingdom (company number 08677366). Artrageous Creative Limited operates the commercial trading operations carried on at the Children's Scrapstore premises. The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2016 £	2015 £
Turnover	202,330	200,370
Cost of sales and administration costs	(202,330)	(200,370)
<b>Net profit</b>	-	-
The assets and liabilities of the subsidiary were:		
Current assets	72,921	63,975
Current liabilities	(72,821)	(63,875)
	100	100
<b>Aggregate share capital and reserves</b>	100	100

### 6 Income from investments

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Interest on cash deposits	148	148	121

### 7 Income from charitable activities

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Charitable activities</b>			
Grants receivable	-	-	2,094
	-	-	2,094

In 2015, £2,094 of the total funds related to restricted funds.

## Children's Scrapstore

### Notes to the financial statements for the year ended 31 March 2016

#### 8 Total expenditure

	Operating activities £	Charitable activities £	Total £
<b>Direct costs</b>			
Volunteer and staff expenses	751	-	751
Publicity advertising	1,090	-	1,090
Loan equipment	1,975	-	1,975
Cost of trading expenditure	174,296	-	174,296
PlayPod project expenses	-	327,106	327,106
Wages and pensions	-	464,798	464,798
Staff training	-	315	315
Rent and rates	-	10,414	10,414
Building service costs	-	63,767	63,767
Repairs and renewals and building maintenance	-	10,286	10,286
Cleaning	-	21,916	21,916
Accountancy fees	-	20,532	20,532
Auditors' remuneration	-	5,000	5,000
<b>Support costs</b>			
Staff and refreshment costs	-	3,740	3,740
Insurance and alarm	-	16,287	16,287
Warehouse renewal and repairs	-	10,897	10,897
Small computer software	-	11,154	11,154
Telephone and fax	-	7,550	7,550
Printing, postage and stationery	6,074	8,039	14,113
Subscriptions and affiliations	-	259	259
Sundry and other costs	-	4,311	4,311
Motor and travel	-	23,443	23,443
Road shows	-	30	30
Legal and professional fees	-	10,354	10,354
Bad debt expense	-	3,065	3,065
Bank charges	-	5,968	5,968
Mortgage interest	-	10,561	10,561
Irrecoverable VAT	-	12,931	12,931
Depreciation	-	20,753	20,753
	-----	-----	-----
	184,186	1,073,476	1,257,662
	-----	-----	-----

Of the £1,257,662 (2015 – £1,118,583) total expenditure incurred in the year, £1,394 (2015 - £1,000) related to restricted funds.

Mortgage interest relates to three Triodos commercial loans taken out by the charity to finance the purchase of the charity's premises at Scrapstore House. In November 2012, the interest rates for two of the three Triodos loans were renegotiated meaning that interest rates fell to an average of 3.80%. The interest rates are next due for renegotiation in November 2017. The loan term is expected to end in 2024.

# Children's Scrapstore

## Notes to the financial statements for the year ended 31 March 2016

### 9 Trustees' remuneration and expenses

No trustee received any remuneration during the year (2015 - £nil).

No trustee received any reimbursed expenses during the year (2015 - £nil).

No trustees or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2015 - £nil).

### 10 Net (resources expended)/incoming resources

Net (resources expended)/incoming resources is stated after charging:

	2016	2015
	£	£
Auditors' remuneration – audit services	5,000	5,000
Depreciation of tangible fixed assets	20,753	20,045
	-----	-----

### 11 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year was as follows:

	2016	2015
	No.	No.
Charitable activities	30	27
	-----	-----

The aggregate payroll costs of these persons were as follows:

	2016	2015
	£	£
Wages and salaries	422,616	374,045
Social security	26,257	22,784
Pension costs	15,925	14,111
	-----	-----
	464,798	410,940
	-----	-----

During the year, defined contribution pension contributions on behalf of the staff amounted to £15,925 (2015 - £14,111).

During the year, the number of staff who were accruing benefits under pension schemes was as follows:

	2016	2015
	No.	No.
Money purchase	18	14
	-----	-----

No employee's remuneration for the year was in excess of £60,000.

## Children's Scrapstore

### Notes to the financial statements for the year ended 31 March 2016

#### 12 Taxation

As a charity, Children's Scrapstore is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to it charitable objects. No tax charges have arisen in the charity. The trading income of its subsidiary is subject to corporation tax, however the surplus for the year is covenanted to the charity and so no taxation liability arises.

#### 13 Tangible fixed assets

##### Group and Charity

	Freehold property £	Improvements to property £	Motor vehicles £	Fixtures, fittings and equipment £	Website development £	Total £
<b>Cost</b>						
As at 1 April 2015	550,000	769,641	50,722	72,608	2,000	1,444,971
Additions	-	32,347	-	242	-	32,589
As at 31 March 2016	550,000	801,988	50,722	72,850	2,000	1,477,560
<b>Depreciation</b>						
As at April 2015	10,800	133,628	41,325	72,321	2,000	260,074
Charge for the year	1,200	16,040	3,340	173	-	20,753
As at 31 March 2016	12,000	149,668	44,665	72,494	2,000	280,827
<b>Net book value</b>						
As at 31 March 2016	538,000	652,320	6,057	356	-	1,196,733
As at 31 March 2015	539,200	636,013	9,397	287	-	1,184,897

##### Freehold land and buildings

The gross book value of freehold land and buildings includes £60,000 (2015 - £60,000) of depreciable assets.

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

# **Children's Scrapstore**

## **Notes to the financial statements for the year ended 31 March 2016**

### **14 Investments**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Charity 2016</b>	<b>Charity 2015</b>
	£	£	£	£
Investment in subsidiary	-	-	100	100
	-----	-----	-----	-----
	-	-	100	100
	-----	-----	-----	-----

The charity owns 100% of the share capital of Artrageous Creative Limited. The company does not currently have a separate bank account and these amounts are held by the charity and separately identified as amounts owed to the subsidiary in the charity's own accounts.

### **15 Stock**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Charity 2016</b>	<b>Charity 2015</b>
	£	£	£	£
Goods held for resale	72,921	63,975	-	-
	-----	-----	-----	-----
	72,921	63,975	-	-
	-----	-----	-----	-----

### **16 Debtors**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Charity 2016</b>	<b>Charity 2015</b>
	£	£	£	£
Trade debtors	189,110	253,743	189,110	253,743
Other debtors	11,607	910	11,607	30,627
Prepayments and accrued income	10,743	5,383	10,743	5,383
Amount due from subsidiary	-	-	40,561	-
	-----	-----	-----	-----
	211,460	260,036	252,021	289,753
	-----	-----	-----	-----

## Children's Scrapstore

### Notes to the financial statements for the year ended 31 March 2016

#### 17 Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Bank loans and overdrafts	36,900	35,232	36,900	35,232
Trade creditors	134,818	131,791	107,409	101,532
Taxation and social security	40,533	46,388	37,632	44,339
Other creditors	2,511	2,892	2,511	2,892
Accruals and deferred income	92,690	111,397	90,740	109,547
	----- 307,452 -----	----- 327,700 -----	----- 275,192 -----	----- 293,542 -----

Creditors falling due within one year include the following liabilities on which security has been given by the charity:

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Bank loans	36,900	35,232	36,900	35,232
	----- 36,900 -----	----- 35,232 -----	----- 36,900 -----	----- 35,232 -----

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

Creditors falling due within one year includes deferred income as shown below:

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Balance as at 1 April 2015	100,684	100,801	100,684	100,801
Amount released to income earned from charitable activities	(100,684)	(100,801)	(100,684)	(100,801)
Amount deferred in year	83,484	100,684	83,484	100,684
	----- 83,484 -----	----- 100,684 -----	----- 83,484 -----	----- 100,684 -----
Balance as at 31 March 2016	83,484	100,684	83,484	100,684

Deferred income comprises income from PlayPods where either one or more of the following services have not been completed:

- The PlayPod has not been delivered;
- The associated training has not been provided; and
- The PlayPod has not been opened for use.

## Children's Scrapstore

### Notes to the financial statements for the year ended 31 March 2016

#### 18 Creditors: amounts falling due after more than one year

	Group 2016	Group 2015	Charity 2016	Charity 2015
		£	£	£
Bank loans and overdrafts	327,082	305,274	327,082	305,274
	-----	-----	-----	-----
	327,082	305,274	327,082	305,274
	-----	-----	-----	-----

Creditors falling due after more than one year include the following liabilities on which security has been given by the charity.

	Group 2016	Group 2015	Charity 2016	Charity 2015
		£	£	£
Bank loans	327,082	305,274	327,082	305,274
	-----	-----	-----	-----
	327,082	305,274	327,082	305,274
	-----	-----	-----	-----

Included within creditors are the following amounts due after more than 5 years:

	Group 2016	Group 2015	Charity 2016	Charity 2015
		£	£	£
After more than five years by instalments	156,574	111,609	156,574	111,609
	-----	-----	-----	-----
	156,574	111,609	156,574	111,609
	-----	-----	-----	-----

Security is held on assets with a NBV of £1,190,320 (2015 - £1,175,213).

#### 19 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

#### 20 Pension scheme

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £15,925 (2015 - £14,111).

During the year contributions were over/(under) paid totalling £1,811 (2015 - (£493)). The balance has been included in other creditors.



# Children's Scrapstore

## Notes to the financial statements for the year ended 31 March 2016

### 21 Analysis of funds

Group	At 1 April 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
<b>Designated Funds</b>					
Building fund	834,707	-	(20,753)	(14,616)	799,338
<b>General Funds</b>					
Unrestricted income fund	139,941	1,206,172	(1,235,515)	14,616	125,214
<b>Restricted funds</b>					
Capital grant	500	-	(417)	-	83
Development grant	1,094	-	(977)	-	117
	-----	-----	-----	-----	-----
	976,242	1,206,172	(1,257,662)	-	924,752
	-----	-----	-----	-----	-----

The charity's deficit for the year amounted to £51,490. The assets are represented by net assets as disclosed in note 22.

### 22 Net assets by fund

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Tangible assets	1,196,533	200	1,196,733	1,184,897
Current assets	362,553	-	362,553	424,319
Creditors: amounts falling due within one year	(307,452)	-	(307,452)	(327,700)
Creditors: amounts falling due after more than one year	(327,082)	-	(327,082)	(305,274)
	-----	-----	-----	-----
Net assets	924,552	200	924,752	976,242
	-----	-----	-----	-----