

Children's Scrapstore 2004 – 2005 Trustees Report

The Children's Scrapstore is a registered Charity which collects safe waste and surplus materials from industry & commerce and makes them available, at very little cost, to 1200 + member groups. Groups who work in a creative, play, care, educational or therapeutic setting in the greater Bristol area are eligible to join Children's Scrapstore. These groups work with around 100,000 users, the majority of whom are children and young people. Members join us from throughout Bristol, North Somerset, South Gloucestershire and Bath & N.E. Somerset, as well as some groups from Gloucestershire, Wiltshire, Devon and South Wales. Full member groups include playgroups, nurseries, crèches, parent & toddler groups, Resources & Activities Centres, cubs, scouts, guides, brownies, beavers, woodcraft folk, city farms, adventure playgrounds, hospitals, arts, environmental & theatre groups, and associate member groups are schools and college departments. The focus of Scrapstores work is to provide waste materials as an art & craft resource for creative play and education, other resources to compliment this work and also in the process raise the members' awareness of recycling issues.

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

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

Just over half the staff salary costs are funded by the four local authorities. The remainder of costs are covered by general trading activities, including Scrapstore Enterprises Ltd (Artrageous art & craft shop within Scrapstore), income from membership subscriptions and loan equipment, donations for scrap materials and other fundraising. New income from our owned premises is covering it's own costs and mortgage and therefore does not impact on core costs in delivering the service.

Scrapstore has built up a sound local reputation and is a respected organisation, not only for the services it offers but also because of its consistently enterprising and innovative organisational approach. It is more widely known through its active association with various national & local



networks such as the Play Panel, The Play and Early Years Training Unit, BHP, BAND, WPSD, The Recycling Consortium and The CREATE Centre.

Trustees' Report

We have successfully moved into our new building and traded through the year in a normal capacity. Our members have travelled with us and we have maintained our income levels with a little movement from some who have not yet visited and some who are new and from our new local community.

The scheme from Objective 2 was to provide half price membership for those groups within the objective 2 area of deprivation, which demonstrates our success further in that we still maintained a much needed basic level of income.

For CRED we launched the 'Scrappie' bins to collect domestic waste as a pilot scheme for the first time in our history. This has started later than we anticipated and it initially doing well.

The new Roadshow initiative has been extremely successful and unitary authorities are reporting that they are keen to support another year of the project. This enables us to reach more members and potential new members, serving groups and children that we have previously perhaps not reached. This year the pilot aspect of this project comes to an end and we are happy to announce that delivery is supported into the future by continued funding from the authorities of B&NES, NORTH SOMERSET & SOUTH GLOUCESTERSHIRE as well as Lloyds Trust.

Reserves Policy

The Management Committee have previously established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between 3 and 6 months of the resources expended, which for this year equates to £97,000 to £150,000 in general funds. At this level the Management Committee feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Our reserves at this point are held in the form of the building as an asset and amount to £700,000. Obviously this is held within the building and forms the basis of both our stability and flexibility. It is the intention of the committee not to create any borrowing against this asset in order to preserve strong levels of protection against market value changes and unforeseen events in the future.

This achieves the original aim to support the charity in securing an asset of significant value which, during the coming 20 years will become wholly owned with no debt against it and which has a current value of approx £1.2 million. in today's market.

Risk review

The Management Committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

Our strategic plan concerning the letting of the premises has been progressing well with a little adjustment in timing being made to fulfil our aim of 100% occupancy. Present risks via cost control and unforeseen additions to needs are within the scope of our financial ability.

The management committee have employed consultants and professional support providers to ensure that the budgets and controls necessary are in place and in operation throughout the coming period of development.

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

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

Management Team 2003- 2004

Lyn Caseley (BHP)	Chair
Mark Walton (The Recycling Consortium)	Treasurer
Dee Moxon (Gynormous Raucus)	Secretary
Ruth Worsley	Trustee
Nicola Gill	Trustee
Nikki Tillet	Co-optee
Clare Gundry	Trustee

Observers

Colin Clothier (Bath & N.E. Somerset Council)
Tom Williams (Bristol City Council)
Phil Humphries (North Somerset Council)
Michael Follett (Bath & N.E. Somerset Council)
Pauline Hawker Bond (South Gloucestershire Council)

Bankers

HSBC plc
49 Corn St.
Bristol
BS99 7PP

CafCash Ltd
Kings Hill
West Malling
Kent

Triodos Bank
11 The Promenade
Bristol BS8 3NN

Auditor

Dick Maule
10-12 Picton St.
Montpelier
Bristol

Trustees Responsibilities

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

In preparing those accounts the Trustees are required to:

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

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

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

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

By order of the Trustees

Signed:.....

Date:9/11/25.....

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

I have audited the financial statements of The Children's Scrapstore for the year ended 31st. March 2005 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the Trustees and auditor

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

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

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

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

Basis of opinion

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

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

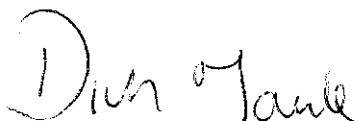
Opinion

In my opinion the financial statements give a true and fair view of the charitable company's and group's affairs at 31st. March 2005, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Dick Maule

Chartered Accountant and Registered Auditor
10 Picton Street
Bristol 6

dated: 10.11.05



(15)

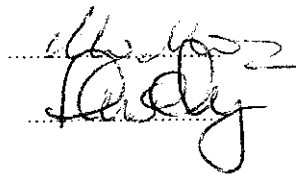
The Children's Scrapstore

Balance sheet as at 31st. March 2005

	Notes	The Group		The Charity	
		2005 £	2004 £	2005 £	2004 £
Fixed assets					
Tangible assets	(4)	1,267,449	1,124,392	1,263,399	1,124,392
Investment in subsidiaries	(7)	-	-	83	83
		<u>1,267,449</u>	<u>1,124,392</u>	<u>1,263,482</u>	<u>1,124,475</u>
Current assets					
Stock	(3)	32,563	34,229	550	550
Inter company debtor		-	-	4,296	9,000
Debtors and prepayments	(8)	86,783	217,923	78,181	210,401
Cash at bank and on hand		156,668	84,376	128,735	62,410
		<u>276,014</u>	<u>336,528</u>	<u>211,762</u>	<u>282,361</u>
Current liabilities					
Creditors: amounts falling due within 12 months	(5)	<u>(99,292)</u>	<u>(177,505)</u>	<u>(81,401)</u>	<u>(181,290)</u>
Net Current assets		176,722	159,024	130,361	101,072
Creditors: amounts falling due after 12 months	(5)	<u>(549,338)</u>	<u>(552,000)</u>	<u>(549,338)</u>	<u>(552,000)</u>
Net assets		<u>894,833</u>	<u>731,416</u>	<u>844,505</u>	<u>673,547</u>
Reserves and funds	(10)				
<i>Unrestricted funds</i>					
General funds		157,559	132,131	107,231	74,262
Designated funds		724,755	590,544	724,755	590,544
Restricted funds		12,519	8,741	12,519	8,741
Total Funds		<u>894,833</u>	<u>731,416</u>	<u>844,505</u>	<u>673,547</u>

These financial statements were approved by the Council of Management on.....7/11/05

On behalf of the Council of Management



dated:-

7/11/05

The Children's Scrapstore

Consolidated Statement of Financial Activities [including Income and Expenditure Account]
for the year ended 31st. March 2005

	Notes	Unrestricted Funds 2005 £	Restricted Funds 2005 £	Total Funds 2005 £	2004 £
Incoming resources					
Grants and donations		36,082	35,450	71,532	124,958
Fund-raising for Building Fund		-	174,013	174,013	450,408
<i>Activities for generating funds</i>					
Donations and equipment loan		76,228	-	76,228	191,768
Membership		47,988	-	47,988	43,529
Miscellaneous earned income		116,141	-	116,141	17,643
Sales of trading company		134,891	-	134,891	135,574
Investment income		2,838	-	2,838	1,431
Total Incoming Resources		<u>414,169</u>	<u>209,463</u>	<u>623,632</u>	<u>965,312</u>
<i>Less cost of generating funds</i>					
Trading Company expenditure	(6)	95,252	-	95,252	88,035
Net incoming resources available for charitable application		<u>318,917</u>	<u>209,463</u>	<u>528,380</u>	<u>877,277</u>
Resources expended					
Fundraising costs		-	-	-	7,301
Cost of activities in furthering charity's objects	(11)	152,837	205,685	358,522	285,552
Management and administration	(11)	<u>6,441</u>	<u>-</u>	<u>6,441</u>	<u>5,851</u>
Total Resources Expended		<u>159,278</u>	<u>205,685</u>	<u>364,963</u>	<u>298,705</u>
Net incoming resources					
- Net income for the year		159,639	3,778	163,417	578,573
Total funds at 1st. April 2004		722,675	8,741	731,416	152,843
Total funds at 31st. March 2005		<u>882,314</u>	<u>12,519</u>	<u>894,833</u>	<u>731,416</u>

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2005

(1) Principal Accounting Policies

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

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

Depreciation

All items over £250 are capitalised.

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

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

Restricted and designated funds

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

Group financial statements

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

(2) Status

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

(3) Stock

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

(4) Fixed Assets

Tangible Assets	Building	Building improvements	Furniture fittings equipment	Subsidiary equipment	Total
	£	£	£	£	£
Cost:					
balance brought forward	550,000	571,218	21,541	7,858	1,150,617
additions in the year	<u>-</u>	<u>138,063</u>	<u>2,317</u>	<u>5,400</u>	<u>145,780</u>
	<u>550,000</u>	<u>709,281</u>	<u>23,858</u>	<u>13,258</u>	<u>1,296,397</u>
Depreciation					
balance brought forward	-	-	18,367	7,858	26,225
charge for the year	<u>-</u>	<u>-</u>	<u>1,373</u>	<u>1,350</u>	<u>2,723</u>
	<u>-</u>	<u>-</u>	<u>19,740</u>	<u>9,208</u>	<u>28,948</u>
Net book value at 31st. March 2005	<u>550,000</u>	<u>709,281</u>	<u>4,118</u>	<u>4,050</u>	<u>1,267,449</u>
Net book value at 31st. March 2004	<u>550,000</u>	<u>571,218</u>	<u>3,174</u>	<u>-</u>	<u>1,124,392</u>

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2005

(5) Creditors and accruals

charity.....	group.....	
	2005	2004	2005	2004
	£	£	£	£
Within 12 months				
Building project costs	-	141,894	-	141,894
Sundry creditors	<u>81,401</u>	<u>39,396</u>	<u>99,292</u>	<u>35,611</u>
	<u>81,401</u>	<u>181,290</u>	<u>99,292</u>	<u>177,505</u>
After 12 months				
Loans	<u>549,338</u>	<u>552,000</u>	<u>549,338</u>	<u>552,000</u>
The loan is with Triodos Bank with interest linked to base rates [currently 6.5%] for £136,329 and fixed at 5.95% for the balance.				

(6) Group companies

	Scrapstore Enterprises Limited 31 March 2005 £	Scrapstore Enterprises Limited 31 March 2004 £
Turnover	134,639	135,151
Cost of sales	<u>(91,998)</u>	<u>(84,549)</u>
Gross Profit	42,641	50,602
Administrative expenses	(48,821)	(38,527)
Bank charges and interest payable	(541)	(1,459)
Gift Aid	(1,500)	(1,500)
Miscellaneous income	252	423
Interest receivable	<u>428</u>	<u>-</u>
	(50,182)	(41,063)
Net Profit/ (loss) before taxation	<u>(7,542)</u>	<u>9,539</u>
Corporation Tax	<u>-</u>	<u>-</u>
Net profit after taxation	<u>(7,542)</u>	<u>9,539</u>
Retained in subsidiary	<u>(7,542)</u>	<u>9,539</u>
The deficit is stated after charging:		
Auditor's remuneration	<u>640</u>	<u>515</u>

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2005

(7) Fixed Assets : Investments

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

(8) Debtors

charity.....	group.....	
	2005	2004	2005	2004
	£	£	£	£
Building grants receivable	-	129,807	-	129,807
VAT receivable	20,520	70,166	20,520	70,166
Sundry debtors and prepayments	57,662	10,428	66,263	17,950
Inter-company debtors	4,296	9,000	-	-
Inter-company debtor re stock	-	-	-	-
	<u>82,477</u>	<u>219,401</u>	<u>86,783</u>	<u>217,923</u>

(9) Capital commitments and contingent liabilities

There are none this year.

(10) Movements in funds

	Balance 1st. April 2004	Incoming Resources	Outgoing Resources	Balance 31st. March 2005
	£	£	£	£
Unrestricted funds				
Designated funds				
Building Fund	569,218	-	-	709,944
Staff and risk contingency	<u>21,326</u>	-	-	<u>14,811</u>
	590,544	-	-	724,755
General Fund	<u>132,131</u>	<u>414,169</u>	<u>(254,530)</u>	<u>157,560</u>
	<u>722,675</u>	<u>414,169</u>	<u>(254,530)</u>	<u>882,315</u>
Restricted funds				
Building Fund grants	-	174,013	(174,013)	-
South West Foundation	-	1,000	(1,000)	-
Greater Bristol Foundation	-	6,700	(5,000)	1,700
BACEN	-	4,000	-	4,000
Community Action van	-	2,500	-	2,500
HBOS	-	2,000	-	2,000
Wallace & Gromit	-	500	(181)	319
Bristol City Council van	-	2,000	-	2,000
Rural Group Feasibility Study	<u>8,741</u>	<u>16,750</u>	<u>(25,491)</u>	<u>-</u>
	<u>8,741</u>	<u>209,463</u>	<u>(205,685)</u>	<u>12,519</u>

The Building reserve is calculated at the cost of the property less the mortgage owing.

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2005

(11) Resources expended

	Costs in furtherance of objects of charity £	Management and Administration £	Total 2005 £	Total 2004 £
Wages and pensions	190,927	4,500	195,427	166,803
Print, post and stationery	2,231	-	2,231	1,408
Photocopy	469	-	469	464
Bank charges	1,299	-	1,299	576
Committee expenses	-	322	322	462
Rent and rates	1,635	-	1,635	8,197
Mortgage interest	34,123	-	34,123	16,343
Heat and light	53,182	-	53,182	2,638
Telephone	4,166	-	4,166	1,867
Workshop and training	1,046	-	1,046	1,309
Insurance and alarm	17,661	-	17,661	16,715
Subscriptions and affiliations	272	-	272	108
Newsletter	1,056	-	1,056	1,521
A.G.M.	-	169	169	225
Volunteer and staff expenses	2,107	-	2,107	1,049
Auditor's fees for accountancy	-	350	350	365
Audit	-	600	600	485
Sundry expenses	3,661	-	3,661	1,158
Recruitment and advertising	1,732	-	1,732	508
Cleaning	3,684	-	3,684	848
Legal and professional	9,096	500	9,596	90
Building fund professional fees	-	-	-	18,259
Rural Groups Feasibility Study	12,352	-	12,352	16,440
Depreciation	1,373	-	1,373	1,058
Motor vehicle and travel	2,533	-	2,533	6,224
Repairs, renewals and building maintenance	12,421	-	12,421	3,001
Landfill expenses	-	-	-	22,852
Loan equipment	1,495	-	1,495	433
	<u>358,522</u>	<u>6,441</u>	<u>364,963</u>	<u>291,403</u>

(12) Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	8,167	1,259,281	-	1,267,449
Current assets	248,684	14,811	12,519	276,014
Current liabilities	(99,292)	-	-	(99,292)
Liabilities over 12 months	-	(549,338)	-	(549,338)
Net assets at 31st March 2005	<u>157,559</u>	<u>724,755</u>	<u>12,519</u>	<u>894,833</u>

The Children's Scrapstore

Notes to the accounts for the year ended 31st. March 2005

(13) Staff

There were 8 full and part time staff employed [2002/03 : 8]
No employee received emoluments of more than £50,000.

	2005	2004
	£	£
Salaries and wages	173,041	150,770
Pension costs	6,310	4,943
Social security costs	<u>16,076</u>	<u>11,090</u>
	<u>195,427</u>	<u>166,803</u>

(14) Trustees

	2005	2004
	£	£
Committee expenses	<u>322</u>	<u>462</u>

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

SEL Directors report

2004/05 year.

During this year SEL has had a lot to accomplish to make the new home presentable and competitive.

The business has had to provide a continuing growth in the number of relevant stock items, increasing stock spend while creating sales and ending with a (slightly reduced), consistent closing figure.

As always our members are most important in that providing relevant items at the discounted price is our main function. However, this year we have grown in the number of general public sales, probably coming from our immediate new location. Being in the community has possibly made us accessible to more families.

As well as the range of products increasing, our costs have also increased and we have had to bear that for this first year. Our accounts therefore show a loss for the first time and although this is not predicted to be repeated during the following year it demonstrates how moving has changed things.

We are in need of board members however and feel that the balance of directors needs to be added to for our own benefit as well as meeting recommended standards for the charities commission.

If anyone would like to consider board membership we can highly recommend it as these are exciting and dynamic times where being involved brings a strong sense of reward.

Our accounts are attached to the main report and the directors recommend these as accurate and final.

Signed M. Muller Date 8/11/05

Signed [Signature] Date 8/11/05

Independent Auditor's Report to the members of Scrapstore Enterprise Limited

I have audited the financial statements of Scrapstore Enterprise Limited for the year ended 31st March 2005 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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

I read the Directors' Report and consider the implications for our report if I become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

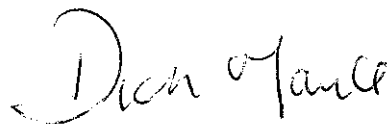
I conducted our audit in accordance with United Kingdom Auditing Standards issued by the Audit Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

I planned and performed our audit so as to obtain all the information and explanations which I 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 I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2005 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Dick Maule
Registered auditor
10-12 Picton Street
Bristol BS6 5QA



Date 10.11.05

Scrapstore Enterprises Limited

Balance Sheet as at 31st. March 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	(3)	4,050	-
Current assets			
Stock	(2)	32,013	33,679
Debtors and prepayments	(6)	8,601	7,522
Cash at bank and in hand		27,932	21,966
		<u>68,547</u>	<u>63,166</u>
Current liabilities			
Creditors: amounts falling due within 12 months	(7)	<u>(22,187)</u>	<u>(5,215)</u>
Net Current assets		46,360	57,952
		<u>50,410</u>	<u>57,952</u>
Shares	(8)	83	83
Revenue reserves		50,327	57,869
		<u>50,410</u>	<u>57,952</u>

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the Directors on 9/11/05

On behalf of the Directors

M7 Miller
Dudley

dated:- 10.11.05

Scrapstore Enterprises Limited

Income and expenditure account for the year ended 31st. March 2005

	Notes	£	2005 £	2004 £
Turnover	(1)		<u>134,639</u>	<u>135,151</u>
Cost of sales:				
Opening stock			33,679	42,300
Purchases			90,332	75,928
Closing stock			(32,013)	(33,679)
			<u>91,998</u>	<u>84,549</u>
Gross profit			42,641	50,602
Miscellaneous income			252	423
Interest receivable			428	-
			<u>43,320</u>	<u>51,024</u>
Expenditure				
Wages		25,500		31,000
Travel		-		-
Management fee		20,608		5,500
Repairs and renewals		180		29
Volunteers' expenses		-		70
Sundry office expenses		261		407
Advertising and publicity		283		1,005
Bank charges		541		1,459
Audit		640		515
Donations through covenants and gift aid		1,500		1,500
Depreciation		1,350		-
			<u>50,862</u>	<u>41,486</u>
(Deficit)/Surplus for the year			(7,542)	9,539
Corporation tax			-	-
Surplus for the year after taxation			(7,542)	9,539
Balance brought forward			57,869	48,330
			<u>50,327</u>	<u>57,869</u>

Scrapstore Enterprises Limited

Notes to the accounts for the year ended 31st. March 2005

(1) Principal Accounting Policies

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

Basis of accounting

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards.

Depreciation

Tangible fixed assets are being written off over the expected useful life of the asset, using the straight line basis, after crediting capital grants as follows:
motor vehicles, equipment, fixtures and fittings 25 % per annum.

Value Added Tax

Turnover is expressed exclusive of V.A.T..

(2) Stock

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

(3) Fixed Assets

Tangible Assets	Furniture fittings equipment £	Motor Vehicles £	Total £
Cost:			
balance brought forward	4,858	3,000	7,858
additions in the year	5,400	-	5,400
	<u>10,258</u>	<u>3,000</u>	<u>13,258</u>
Depreciation			
balance brought forward	4,858	3,000	7,858
charge for the year	1,350	-	1,350
	<u>6,208</u>	<u>3,000</u>	<u>9,208</u>
Net book value at 31st. March 2005	<u>4,050</u>	-	<u>4,050</u>
Net book value at 31st. March 2004	<u>-</u>	-	<u>-</u>

(4) Deferred Taxation

No provision required.

(5) Capital commitments and contingent liabilities

There are none this year.

Scrapstore Enterprises Limited

Notes to the accounts for the year ended 31st. March 2005

(6) Debtors and prepayments

	2005	2004
	£	£
Sundry debtors and prepayments	8,601	7,522
	<u> </u>	<u> </u>

(7) Creditors: amounts falling due within 12 months

Covenant/ Gift Aid donation	1,500	1,500
Inter company	4,296	-
Inter company short term loan	-	-
Other creditors and accruals	16,391	3,715
	<u>22,187</u>	<u>5,215</u>

(8) Share Capital

Authorised:		
ordinary shares of £1 each	100	100
Issued:		
ordinary shares of £1 each	83	83

(9) Holding company

Scrapstore Enterprises Limited is a wholly owned subsidiary of The Childrens' Scrapstore.