

Borders Scrap Store

Annual Report and Financial Statements

for the Year Ended 31 March 2013

Borders Scrap Store

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The following page does not form part of the statutory financial statements:

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Borders Scrap Store

Reference and Administrative Details

Charity name	Borders Scrap Store
Charity registration number	SC020023
Principal office	4 Shepherds Mill Dunsdale Road Selkirk TD7 5EA
Registered office	4 Shepherds Mill Dunsdale Road Selkirk TD7 5EA
Trustees	Mr David Campbell Mrs Janine Gordon Mrs Gina Tebbutt Mr Barry Tebbutt Mrs Patricia Miller Mrs Lena Hutton Mrs Maureen Black Mrs Liz Neilson Mrs Denise Hanks
Bankers	Bank of Scotland Tweedside Road Newtown St Boswells TD6 0PG
Accountant	Deans Accountants and Business Advisors 1 Melgund Place Hawick TD9 9HY

Borders Scrap Store

Trustees' Report

The Trustees present their annual report together with the financial statements of Borders Scrap Store (the charity) for the year ended 31 March 2013. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The principal objects of the charity are to : advance the education of understanding and participation in recycling; advancement of citizenship or community development; advancement of environmental protection or improvement.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and coopted under the terms of the Constitution.

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

(a) the MEMBERS who have the right to attend the annual general meeting (and any special general meeting) and have important powers under the constitution; in particular, the members elect people to serve on the management committee and take decisions in relation to changes to the constitution itself (b) the MANAGEMENT COMMITTEE who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the association; in particular, the management committee is responsible for monitoring the financial position of the association.

d. RELATED PARTY RELATIONSHIPS

Lena Hutton is an employee of East Lothian Council. Barry Tebbutt is an employee of Scottish Borders Council. All parties are not involved in the grant making decisions of their employers.

e. RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

a. POLICIES AND OBJECTIVES

We aim to advance the understanding and participation in recycling, advance community development and advance environmental protection or improvement.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

To use waste materials from local business and industry to improve the range and quality of creative and educational play materials for children and young people. The Scrap Store also has a travelling van and a base at Musselburgh. Materials are collected, stored at the central bases and made available to members. Help is available to make most effective use of the materials. These include: paper, cloth, card, yarn, plastic, wood, buttons, bobbins, paint, natural materials. Training can be provided.

c. VOLUNTEERS

The charity is grateful for the unstinting efforts of its volunteers who are involved in all aspects of our work.

Achievements and performance

a. REVIEW OF ACTIVITIES

Financially, it has been a difficult year, with a deficit of £6,341 being incurred. This deficit is as a result of reduced grant income and SLA income from local authorities. Self generated income continues to grow and this trend has continued after the year end. However, financial pressure on local authority funding has resulted in reduced income for this year and next year so further funding is to be sought to cover the deficit. From an operations point of view, we have added additional opening times in Musselburgh and we have scheduled additional van runs during the year. This expansion should help increase our own generated income in the coming year. We have attended various scrap swaps throughout the country, sourcing good materials and we also have a number of new scrap suppliers who we are extremely grateful to for their support.

Financial review

a. RESERVES POLICY

Borders Scrap Store

Trustees' Report

The committee are presently reviewing the financial situation of the charity. It is intended to set aside a fund to cover redundancy when funds allow. Decisions will also be required on future grant applications to cover vehicle replacements. It is intended to build up reserves so that 6 months expenditure is held within reserves.

b. PRINCIPAL FUNDING

The principal funding is received from Scottish Borders Council and East Lothian Council in the form of grants and Service Level Agreements.

Plans for the future

We are currently reviewing the funding options of a van replacement and applications have been submitted to various funders for this purpose. With the reduction in council funding, the Trustee's are reviewing current operations with a view to reducing costs.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland 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 charity and of the incoming resources and application of resources of the charity 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 judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 28 May 2013 and signed on their behalf by:

.....

Mr David Campbell
Trustee

Independent Examiner's Report to the Trustees of Borders Scrap Store

I report on the accounts of the Charity for the year ended 31 March 2013, which are set out on pages 5 to 10.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts, in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (the Accounts Regulations). The trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements as required under section 44(1)(c) of the 2005 Act and Regulation 4 of the Accounts Regulations;
- and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an opinion on the view given by the Accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Neil Garden FCCA
Deans Accountants and Business Advisors
Chartered Accountants and Business Advisors

28 May 2013

1 Melgund Place
Hawick
TD9 9HY

Borders Scrap Store

Statement of Financial Activities for the Year Ended 31 March 2013

		Unrestricted Funds	Total Funds 2013	Total Funds 2012
	Note	£	£	£
Incoming resources				
Incoming resources from generated funds				
Voluntary income	2	18,815	18,815	27,592
Activities for generating funds	4	37,578	37,578	32,571
Investment income	5	-	-	5
Total incoming resources		<u>56,393</u>	<u>56,393</u>	<u>60,168</u>
Resources expended				
Charitable activities	6	62,374	62,374	65,731
Governance costs	6	360	360	360
Total resources expended		<u>62,734</u>	<u>62,734</u>	<u>66,091</u>
Net movements in funds		(6,341)	(6,341)	(5,923)
Reconciliation of funds				
Total funds brought forward		<u>11,195</u>	<u>11,195</u>	<u>17,118</u>
Total funds carried forward		<u>4,854</u>	<u>4,854</u>	<u>11,195</u>

All incoming resources and resources expended derive from continuing activities.

The charity has no recognised gains or losses for the year other than the results above.

Borders Scrap Store

Balance Sheet as at 31 March 2013

	2013		2012	
	£	£	£	£
Current assets				
Cash at bank and in hand		<u>4,854</u>		<u>11,195</u>
Net assets		<u><u>4,854</u></u>		<u><u>11,195</u></u>
The funds of the charity:				
Unrestricted funds				
Unrestricted income funds		<u>4,854</u>		<u>11,195</u>
Total charity funds		<u><u>4,854</u></u>		<u><u>11,195</u></u>

Approved by the Board on 28 May 2013 and signed on its behalf by:

.....

Mr David Campbell
Trustee

Borders Scrap Store

Notes to the Financial Statements for the Year Ended 31 March 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, applicable accounting standards and the Charities Act 2011.

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.

Further details of each fund are disclosed in note 11.

Incoming resources

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

Income derived from events is recognised as earned (that is, as the related goods or services are provided).

Investment income is recognised on a receivable basis.

Resources expended

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.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Borders Scrap Store

Notes to the Financial Statements for the Year Ended 31 March 2013

2 Voluntary income

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Donations and legacies			
Donations	210	210	400
Grants			
Local Authority grants & SLA's	18,605	18,605	27,192
	<u>18,815</u>	<u>18,815</u>	<u>27,592</u>

3 Grants receivable

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Local Authority grants & SLA's	18,605	18,605	27,192

4 Activities for generating funds

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Scrap Store			
Membership	4,169	4,169	3,457
Raffle	460	460	-
Primary purpose trading	32,949	32,949	29,114
	<u>37,578</u>	<u>37,578</u>	<u>32,571</u>

5 Investment income

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Interest on cash deposits	-	-	5

Borders Scrap Store

Notes to the Financial Statements for the Year Ended 31 March 2013

6 Total resources expended

	Scrap Store	Governance	Total
	£	£	£
Direct costs			
Fundraising costs	152	-	152
Purchases	6,524	-	6,524
Wages and salaries	34,073	-	34,073
	<u>40,749</u>	<u>-</u>	<u>40,749</u>
Support costs			
Volunteer expenses	70	-	70
Rent	13,017	-	13,017
Water & drainage	484	-	484
Light, heat and power	1,223	-	1,223
Insurance	926	-	926
Equipment repairs and renewals	221	-	221
Telephone and fax	938	-	938
Printing, postage and stationery	699	-	699
Trade subscriptions	35	-	35
Room hire	21	-	21
Sundry expenses	121	-	121
Motor expenses	3,821	-	3,821
Accountancy fees	-	360	360
Conference costs	49	-	49
	<u>21,625</u>	<u>360</u>	<u>21,985</u>
	<u>62,374</u>	<u>360</u>	<u>62,734</u>

7 Trustees' remuneration and expenses

The treasurer is a director and shareholder in Deans Accountants and Business Advisors Ltd, who were paid fees of £360 for the provision of payroll services during the year. No trustees received any remuneration in the year.

8 Net outgoing resources

Net outgoing resources is stated after charging:

	2013	2012
	£	£
Hire of other assets - operating leases	<u>13,038</u>	<u>13,741</u>

Borders Scrap Store

Notes to the Financial Statements for the Year Ended 31 March 2013

9 Employees' remuneration

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

	2013 No.	2012 No.
Charitable activities	<u>4</u>	<u>4</u>

The aggregate payroll costs of these persons were as follows:

	2013 £	2012 £
Wages and salaries	<u>34,073</u>	<u>34,781</u>

No employee received emoluments of more than £60,000 during the year (2012 - No. 0).

10 Related parties

Controlling entity

The charity is controlled by the trustees.

11 Analysis of funds

	At 1 April 2012	Incoming resources	Resources expended	At 31 March 2013
	£	£	£	£
General Funds				
Unrestricted income fund	<u>11,195</u>	<u>56,393</u>	<u>(62,734)</u>	<u>4,854</u>

12 Net assets by fund

	Unrestricted Funds	Total Funds 2013	Total Funds 2012
	£	£	£
Current assets	<u>4,854</u>	<u>4,854</u>	<u>11,195</u>
Net assets	<u>4,854</u>	<u>4,854</u>	<u>11,195</u>

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Statement of financial activities by fund Year Ended 31 March 2013

	Unrestricted income fund 2013	Unrestricted income fund 2012
	£	£
Incoming resources		
Incoming resources from generated funds		
Voluntary income	18,815	27,592
Activities for generating funds	37,578	32,571
Investment income	-	5
Total incoming resources	<u>56,393</u>	<u>60,168</u>
Resources expended		
Charitable activities	62,374	65,731
Governance costs	360	360
Total resources expended	<u>62,734</u>	<u>66,091</u>
Net movements in funds	(6,341)	(5,923)
Reconciliation of funds		
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