

COMPANY NUMBER: SC190828
CHARITY NUMBER: SC028660

HOPSCOTCH CHILDREN'S CHARITY
A COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2012

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HOPSCOTCH CHILDREN'S CHARITY

DIRECTORS:

D W Taylor
A Thomson
S MacLeod
G Harkes

SECRETARY:

R M E McKay

COMPANY NUMBER:

SC190828

CHARITY NUMBER:

SC028660

REGISTERED ADDRESS:

42 Silverknowes Road
Edinburgh
EH4 5LF

INDEPENDENT EXAMINER

John McLeod, Partner
RSM Tenon Limited
160 Dundee Street
Edinburgh
EH11 1DQ

BANKERS:

The Royal Bank of Scotland plc
12 North West Circus Place
Edinburgh
EH3 6SX

SOLICITORS:

Lindsays WS
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

HOPSCOTCH CHILDREN'S CHARITY

REPORT OF THE DIRECTORS YEAR ENDED 31 OCTOBER 2012

The directors, who are also trustees for the purpose of charity law, have pleasure in presenting their report and the audited financial statements for the year ended 31 October 2012.

The company is limited by guarantee having no share capital and is governed by a Memorandum and Articles of Association dated 12 February 1999. The company is registered as a charity in Scotland with the charity registration number SC028660.

The directors have elected to dispense with the use of the word 'Limited' from the company name.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Hopscotch Children's Charity provides free breaks for severely disadvantaged children.

Hopscotch is now 15 years old and in the current economic climate the need for our respite breaks is greater than ever. In 2012 we have supported 29 organisations in their work with vulnerable children enabling 286 children to visit Ardvullin in 2012.

In 2011 we commissioned a consultant to undertake a research project into the benefits of respite breaks to children and the findings were published in March 2012. They confirm that Hopscotch breaks play a vital role in supporting children who are young carers, who come from families where there is chronic substance misuse, who have experienced domestic violence, or who live in areas of economic disadvantage.

Hopscotch's 2012 Programme commenced on Monday 2 April ran for 31 weeks until Friday 2 November. Angus MacLellan re-joined us as Project Manager at Ardvullin, our Respite Centre in Ardgour and he enthusiastically co-ordinated and delivered our annual programme. We continually strive to deliver an effective, challenging and enjoyable programme to groups who visit Ardvullin. 2012 activities have included horse riding, canoeing, indoor climbing, Belgian chocolate making and visits to beaches, museums and sea life centres. We were fortunate to receive funding for 16 new bikes in March 2012 and as a result we have added mountain biking to our list of outdoor activities.

Our 2013 Programme will run for 32 weeks from Monday 25 March to Friday 1 November 2013. As well as continuing to support groups in highly deprived inner city areas we also plan to target areas in Scotland where we currently don't have applicants for our respite breaks.

DIRECTORS AND TRUSTEES

The directors of the charitable company are its trustees for the purposes of charity law and throughout this report are collectively referred to as the directors. As set out in the Articles of Association the directors have the power at any time to appoint and remove directors, subject to the number of directors of the company to always be at least two.

The charity is administered by a Management Committee which meets regularly throughout the year.

HOPSCOTCH CHILDREN'S CHARITY

REPORT OF THE DIRECTORS YEAR ENDED 31 OCTOBER 2012

DIRECTORS

The directors who held office during the year were as follows:

Derek William Taylor
Anne Thomson
Sascha MacLeod
Grace Harkes

BENEFICIAL INTEREST

The directors have no beneficial interests in the assets of the charity.

RELATED PARTIES

Derek William Taylor is also a director of The Seedling Foundation, a charitable company incorporated in England and Wales.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOPSCOTCH CHILDREN'S CHARITY

REPORT OF THE DIRECTORS YEAR ENDED 31 OCTOBER 2012

RISK MANAGEMENT

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

RESERVES POLICY

The unrestricted reserve fund represents the unrestricted funds arising from past operating results. It also represents the free reserves of the charity. The directors are satisfied that the unrestricted fund balance of £27,556, which approximates to the equivalent of two months' operating expenditure, is satisfactory given the dependable source of donation and grant income.

SPECIAL EXEMPTIONS

Advantage has been taken in the preparation of the report of the directors of the special exemptions applicable to small companies conferred by Part 15 of the Companies Act 2006.

APPROVAL

The report of the directors was approved by the Board on 1 March 2013 and signed on their behalf by:


Derek William Taylor
Director

HOPSCOTCH CHILDREN'S CHARITY

INDEPENDENT EXAMINER'S REPORT TO THE BOARD OF DIRECTORS OF HOPSCOTCH CHILDREN'S CHARITY YEAR ENDED 31ST OCTOBER 2012

I report on the accounts of the company for the year ended 31 October 2012, which are set out on pages 6 to 13.

Respective responsibilities of directors and examiner

The charity's directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors consider that the audit requirement of the regulation 10 (1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44 (1) © of the Act and to state whether particular matters have come to our attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the company 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 directors 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 audit 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 Regulations

have 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.


John McLeod - Partner

Relevant Professional Body: Institute of Chartered Accountants of Scotland
RSM Tenon Limited
160 Dundee Street
EDINBURGH
EH11 1DQ

Date: 11/3/2013

HOPSCOTCH CHILDREN'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 OCTOBER 2012

	Note	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
<i>Incoming resources:</i>					
Donations, legacies and similar incoming resources	2	128,227	-	128,227	136,077
Investment income	3	5,355	-	5,355	8,580
Total incoming resources		133,582	-	133,582	144,657
Costs of generating funds	4	10,431	-	10,431	8,787
<i>Charitable expenditure:</i>					
Costs of activities in furtherance of the charity's objects	5	74,023	23,118	97,141	116,740
Support costs	6	36,797	-	36,797	37,027
Governance costs	7	4,283	-	4,283	2,737
Total charitable expenditure		115,104	23,118	138,222	156,503
Total resources expended		125,535	23,118	148,653	165,290
Net incoming/(outgoing) resources before transfers		8,047	(23,118)		(20,634)
Net movements in the funds		8,047	(23,118)	(15,071)	(20,634)
Total funds brought forward		19,509	421,645	441,154	461,788
Total funds carried forward		27,556	398,527	426,083	441,154

The statement of financial activities includes all gains or losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

HOPSCOTCH CHILDREN'S CHARITY

BALANCE SHEET AS AT 31 OCTOBER 2012

	Notes	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		418,149		438,866
CURRENT ASSETS					
Debtors	11	4,780		3,850	
Cash at bank and in hand		4,644		3,792	
		<u>9,424</u>		<u>7,642</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12		<u>1,490</u>		<u>5,354</u>
NET CURRENT ASSETS			<u>7,934</u>		<u>2,288</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>426,083</u>		<u>441,154</u>
FUNDS					
Unrestricted funds			27,556		19,509
Restricted funds					
Property	15		365,268		365,268
Building improvements	15		11,409		22,820
Equipment	15		4,800		4,800
Playground	15		10,245		11,745
Minibus	15		6,805		17,012
			<u>426,083</u>		<u>441,154</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 477(1), and that no member or members have requested an audit pursuant to section 476 (1) to (3) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with sections 386 and 387 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 396, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

Advantage has been taken in the preparation of the financial statements of the special exemptions conferred by Part 15 of the Companies Act 2006 on the grounds that the company qualifies as a small company.

These financial statements were approved by the directors and authorised for issue on 1 MARCH 2013, and are signed on their behalf by:


Derek William Taylor
Director

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2012

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and Statement of Recommended Practice – Accounting and Reporting by Charities, as revised by Update Bulletin 1 (January 2005). They are drawn up in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 2006.

Exemption from Cash Flow

The company has taken advantage of the exemptions in FRS 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

Grants and donations

Grants and donations are credited to the income and expenditure account when they become due and there is a reasonable expectation of receipt, except as follows:

- When donors specify that donations and grants given to the charity must be used in future periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions for entitlement, this income is included in incoming resources when receivable.

Investment income and rental income

Income from investments and from rental income is included in the Statement of Financial Activities in the year in which it is receivable.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities with the exception of salary costs which are allocated between charitable, fundraising and administration costs on the basis of time spent by each employee in each cost category.

The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2012

NOTES TO THE FINANCIAL STATEMENTS

Tangible Fixed Assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, net of anticipated disposal proceeds, over its expected useful life as follows:

Heritable Property	Nil
Furniture and Fittings, Equipment, and Building Improvements	33% straight line
Motor Vehicles	25% straight line
Adventure Playground etc	10% straight line

No depreciation is provided on the company's heritable property. It is the directors' belief that the residual value of the property is at least equal to the book value. Having regard to this, it is considered that the depreciation of any such property as required by the Companies Act 1985 and standard accounting practice would not be material either in the current year or in aggregate.

Heritable property is reviewed for impairment at the end of each year in accordance with the requirements of FRS 11. An impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount, being the higher of net realisable value and value in use. An asset is impaired to the extent that the carrying value exceeds the recoverable amount.

Any impairment loss required to be identified is recognised in the statement of financial activities.

Fund Accounting

Unrestricted general funds can be used by the charity in accordance with the charitable objects at the discretion of the directors.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanations of the nature and purpose of each fund is included in the notes to the financial statements.

2	Grants and donations receivable	2012	2011
		£	£
	Unrestricted funds:		
	Donations	<u>128,227</u>	<u>121,077</u>

Donations of £5,000 or more in the year were received from Lloyds TSB Foundation for Scotland, St James Place Foundation, The Barbara Ward Foundation, The Robertson Trust and The Triangle Trust 1949 Fund.

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2012

NOTES TO THE FINANCIAL STATEMENTS

3	Investment income	2012	2011
		£	£
	Ardvullin rental income	5,347	8,561
	Bank interest received	8	19
		<u>5,355</u>	<u>8,580</u>
4	Fundraising expenditure	2012	2011
		£	£
	Wages	8,075	7,902
	Advertising and publicity	2,356	885
		<u>10,431</u>	<u>8,787</u>
5	Direct charitable expenditure - provision of holidays	2012	2011
		£	£
	Travel and minibus hire	10,766	9,982
	Wages	30,404	36,315
	Heat, light, and telephone	9,117	10,592
	Property rates	2,649	1,473
	Property repairs	3,470	1,934
	Cleaning and laundry	3,295	2,567
	Depreciation	2,396	6,892
	Sundry equipment	153	3,114
	Other holiday costs	11,773	15,947
		<u>74,023</u>	<u>88,817</u>
6	Support costs	2012	2011
		£	£
	Office rent	6,600	6,600
	Office salaries	7,192	6,444
	Office expenses	3,409	2,800
	Office equipment rental	3,434	4,258
	Printing, stationery and advertising	2,818	1,532
	Insurances	4,664	4,045
	Research project	3,340	1,750
	General expenses	134	72
	Health and safety	4,935	4,370
	Training	271	155
		<u>36,797</u>	<u>32,027</u>

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2012

NOTES TO THE FINANCIAL STATEMENTS

7 Governance costs	2012	2011
	£	£
Legal and professional fees	2,793	1,296
Accountancy fees	1,490	1,441
	<u>4,283</u>	<u>2,737</u>

8 Taxation

No provision for corporation tax has been made due to the charitable status of the company.

9 Employees and employee costs

The company had an average of 4 employees (2011: 3) during the year. Gross emoluments paid to employees during the year were £45,670.99 (2011: £50,660). No employee received remuneration of more than £50,000 in the year or previous year.

Lloyds TSB made a donation of £nil (2011:£4,500) towards employee costs.

None of the directors received any remuneration during the year for serving as directors of the company nor were they reimbursed for any expenses incurred.

10 Tangible Fixed assets

	Heritable Property £	Motor Vehicles £	Furniture and Fittings £	Equipment £	Building Improvements £	Adventure Playground £	Total £
COST							
As at 01.11.11	365,268	69,828	24,243	3,209	58,480	50,027	571,055
Additions	-	-	-	1,800	-	2,996	4,796
At 31.10.12	<u>365,268</u>	<u>69,828</u>	<u>24,243</u>	<u>5,009</u>	<u>58,480</u>	<u>53,023</u>	<u>575,851</u>
DEPRECIATION							
As at 01.11.11	-	52,816	18,785	3,209	21,015	36,364	132,189
Charge for year	-	10,207	2,427	600	10,034	2,245	25,513
At 31.10.12	<u>-</u>	<u>63,023</u>	<u>21,212</u>	<u>3,809</u>	<u>31,049</u>	<u>38,609</u>	<u>157,702</u>
NBV at 31.10.12	<u>365,268</u>	<u>6,805</u>	<u>3,031</u>	<u>1,200</u>	<u>27,431</u>	<u>14,414</u>	<u>418,149</u>
NBV at 01.11.11	<u>365,268</u>	<u>17,012</u>	<u>5,458</u>	<u>-</u>	<u>37,465</u>	<u>13,663</u>	<u>438,866</u>

Office equipment is used in an administrative and fundraising capacity. All other fixed assets are used in direct charitable activities.

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2012

NOTES TO THE FINANCIAL STATEMENTS

11 Debtors	2012	2011
	£	£
Sundry debtors and prepayments	<u>4,780</u>	<u>3,850</u>

12 Creditors: Amounts falling due within one year	2012	2011
	£	£
Accruals and deferred income	<u>1,490</u>	<u>5,354</u>

13 Financial Commitments

At 31 October 2012 the company was committed to making the following payments under non-cancellable operating leases:

	2012	2011
	£	£
Operating leases which expire: Within two to five years	<u>3,059</u>	

14 Members

The charity is a company limited by guarantee and has no share capital. All members, including directors, are liable to pay £1 each towards liabilities, in the event of winding up.

There were 4 members (2011: 4 members) of the company during the year.

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2012

NOTES TO THE FINANCIAL STATEMENTS

15 Restricted funds	Opening balance £	Incoming resources £	Outgoing resources £	Closing balance £
Property fund	365,268	-	-	365,268
Building improvements fund	22,820	-	(11,411)	11,409
Equipment fund	4,800	-	-	4,800
Playground fund	11,745	-	(1,500)	10,245
Minibus fund	17,012	-	(10,207)	6,805
	<u>421,645</u>	<u>-</u>	<u>(23,118)</u>	<u>398,527</u>

Analysis of restricted funds by net assets at 31 October 2012

Fixed Assets	- Ardvullin Centre	365,268
	- Building Improvements	11,409
	- Playground	10,245
	- Minibus	6,805
Current Assets;	- Equipment	4,800
		<u>398,527</u>

The Property fund relates to the transfer of Ardvullin to the charity with the condition that the property is to be used solely for the purposes of the charity.

The Buildings Improvement fund comprises donations received in this and previous years specifically in respect of the future refurbishment of Ardvullin.

The Equipment fund relates to income received specifically for the purchase of small pieces of equipment for the charity. Any restriction imposed by the donor is lifted on purchase of the equipment by the charity.

The Playground and Minibus funds relate to income received in the year ended 31 October 2009 in respect of capital expenditure.

16 Related Parties

There were no related party transactions in the year (2011:nil)