

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 2013

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2013

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HOPSCOTCH CHILDREN'S CHARITY

DIRECTORS:

Derek William Taylor
Anne Thomson
Sascha MacLeod
Grace Emerton

SECRETARY:

R M E McKay

COMPANY NUMBER:

SC190828

CHARITY NUMBER:

SC028660

REGISTERED ADDRESS:

42 Silverknowes Road
Edinburgh
EH4 5LF

INDEPENDENT EXAMINER:

John McLeod, Partner
Mazars LLP
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

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 2013

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 2013.

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's extended 2013 programme started on Monday 25th March and ran for 32 weeks until Friday 1st November. We welcomed 29 groups of children from all over Scotland including Perth and Kinross Voluntary Group, St Albert's School in Glasgow, Café K in Edinburgh, Tykes Young Carers from Sutherland, Fersands and Fountain Community Group from Aberdeen and Glenboig Neighbourhood Centre from Lanarkshire.

Our 2014 annual programme will commence on Monday 24th March and will run for 32 weeks until Friday 31st October and experiences and the chance to develop their full potential in a safe and happy environment. The total cost of providing our 2014 respite programme will be £131,500.

We have secured the funding for our replacement porch and the building work will get underway in spring 2014. This will enable us to provide a warm and weather-tight place for the children to store their outdoor clothes and shoes as they come and go during their stay at Ardvullin.

We will continue to fundraise for essential roof repairs to replace fascias et. At a total cost of £27,979.

We would like to thank all the funders who have supported us so generously in 2013 and enabled our work to continue. Thanks to our very supportive Management Committee and all our volunteers who continue to guide and support us. Our funding increased in 2013 which given the economic climate is a testament to all our supporters and thanks to those fundraisers who have climbed, completed sponsored runs, donated wedding money and ran exercise classes all in aid of HopScotch.

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 2013

DIRECTORS

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

Derek William Taylor

Anne Thomson

Sascha MacLeod

Grace Emerton

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 company 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.

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.

HOPSCOTCH CHILDREN'S CHARITY

REPORT OF THE DIRECTORS YEAR ENDED 31 OCTOBER 2013

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 £51,992, which approximates to the equivalent of five 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 ...25/03/2014..... and signed on their behalf by:



Derek William Taylor
Director

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF HOPSCOTCH CHILDREN'S CHARITY

I report on the accounts of the company for the year ended 31 October 2013, which are set out on pages 6 to 13.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND INDEPENDENT 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) (c) of the Act and to state whether particular matters have come to my 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.

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

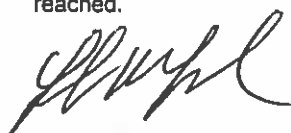
1) which gives me reasonable cause to believe that in any material respect the requirements:

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
Mazars LLP
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

HOPSCOTCH CHILDREN'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	Unrestricted Funds £	Restricted Funds £	2013 £	2012 £
Incoming resources:					
Donations, legacies and similar incoming resources	2	161,673	-	161,673	128,227
Investment income	3	8,835	-	8,835	5,355
Total incoming resources		170,508	-	170,508	133,582
Costs of generating funds	4	12,286	-	12,286	10,431
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects	5	92,594	14,036	106,630	97,142
Support costs	6	37,404	-	37,404	36,797
	7	3,788	-	3,788	4,283
Total charitable expenditure		133,786	14,036	147,822	138,222
Total resources expended		146,072	14,036	160,108	148,653
Net movement in funds		24,436	(14,036)	10,400	(15,071)
Total funds brought forward		27,556	398,527	426,083	441,154
Total funds carried forward		51,992	384,491	436,483	426,083

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 2013

	Notes	2013		2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		400,702		418,149
CURRENT ASSETS					
Debtors	11	5,138		4,780	
Cash at bank and in hand		32,553		4,644	
		<u>37,691</u>		<u>9,424</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>1,910</u>		<u>1,490</u>	
NET CURRENT ASSETS			<u>35,781</u>		<u>7,934</u>
TOTAL ASSETS LESS CURRENT			<u>436,483</u>		<u>426,083</u>
FUNDS					
Unrestricted funds			51,992		27,556
Restricted funds					
Property	15		365,268		365,268
Building improvements	15		5,483		11,409
Equipment	15		4,800		4,800
Playground	15		8,940		10,245
Minibus	15		-		6,805
			<u>436,483</u>		<u>426,083</u>

The directors are satisfied that their 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 and 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.

The financial statements were approved by the directors on 25/03/2014 and signed on their behalf by:

Derek William Taylor
Director



HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2013

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 1992.

Exemption from Cash Flow

The company has taken advantage of the exemptions in FRS 1 from the requirement to produce a cash flow 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 2013

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	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 2006 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	2013	2012
		£	£
	Donations	<u>161,673</u>	<u>128,227</u>

The following funders donated £5,000 or over during 2013:

The Crerar Hotels Trust, R S MacDonald Trust, Hymans Robertson, The Barbara Ward Foundation , The Robertson Trust and The Wood Family Trust . It should be noted that the Wood Family Trust donation was through the Youth Philanthropy Initiative and that the following Schools were responsible for securing this donation for HopScotch Children's Charity: Fettes College, James Gillespie's School, Royal High and Mary Erskine's School.

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2013

NOTES TO THE FINANCIAL STATEMENTS

3	Investment income	2013	2012
		£	£
	Ardvullin rental income	8,813	5,347
	Bank interest received	22	8
		8,835	5,355
4	Fundraising expenditure	2013	2012
		£	£
	Wages	9,537	8,075
	Advertising and publicity	2,749	2,356
		12,286	10,431
5	Direct charitable expenditure - provision of holidays	2013	2012
		£	£
	<u>Unrestricted</u>		
	Travel and minibus hire	9,963	10,766
	Wages	35,707	30,404
	Heat, light, and telephone	7,608	9,117
	Property rates	2,883	2,649
	Property repairs	4,120	3,470
	Cleaning and laundry	5,889	3,295
	Depreciation	3,638	2,396
	Sundry equipment	9,191	153
	Other holiday costs	13,595	11,773
		92,594	74,023
	<u>Restricted</u>		
	Depreciation	14,306	23,118
6	Support costs	2013	2012
		£	£
	Office rent	6,600	6,600
	Office salaries	7,802	7,192
	Office expenses	3,836	3,409
	Office equipment rental	4,935	3,434
	Printing, stationery and advertising	2,778	2,818
	Insurances	5,315	4,664
	Research project	794	3,340
	General expenses	1,006	134
	Health and safety	4,338	4,935
	Training	-	271
		37,404	36,797

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2013

NOTES TO THE FINANCIAL STATEMENTS

7	Governance costs	2013	2012
		£	£
	Legal and professional fees	2,228	2,793
	Accountancy fees	1,560	1,490
		<u>3,788</u>	<u>4,283</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 four employees (2012: four employees) during the year. Gross emoluments paid to employees during the year were £53,047 (2012: £45,671).

No employee received remuneration of more than £50,000 (2012: none).

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 01.11.12	365,268	69,828	24,243	5,009	58,480	53,023	575,852
Additions	-	-	821	-	-	-	821
At 31.10.13	<u>365,268</u>	<u>69,828</u>	<u>25,064</u>	<u>5,009</u>	<u>58,480</u>	<u>53,023</u>	<u>576,673</u>
DEPRECIATION							
As at 01.11.12	-	63,023	21,212	3,809	31,049	38,609	157,702
Charge for year	-	6,805	2,698	594	5,926	2,245	18,268
At 31.10.13	<u>-</u>	<u>69,828</u>	<u>23,910</u>	<u>4,403</u>	<u>36,975</u>	<u>40,854</u>	<u>175,970</u>
NBV at 31.10.13	<u>365,268</u>	<u>-</u>	<u>1,153</u>	<u>606</u>	<u>21,506</u>	<u>12,169</u>	<u>400,702</u>
NBV at 01.11.12	<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>418,150</u>

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 2013

NOTES TO THE FINANCIAL STATEMENTS

11 Debtors	2013	2012
	£	£
Sundry debtors and prepayments	<u>5,138</u>	<u>4,780</u>

12 Creditors: Amounts falling due within one year	2013	2012
	£	£
Accruals and deferred income	<u>1,910</u>	<u>1,490</u>

13 Financial Commitments

At 31 October 2013 the company was committed to making the following payments under non-cancellable operating leases:

	Other	
	2013	2012
	£	£
Operating leases which expire:		
Within one year	3,216	0
Within two to five years	<u>0</u>	<u>3,059</u>
	<u>3,216</u>	<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 (2012: 4 members) of the company during the year.

15 Restricted funds	Opening	Incoming	Outgoing	Transfers	Closing
	balance	resources	resources		balance
	£	£	£	£	£
Property fund	365,268	-	-	-	365,268
Building improvements fund	11,409	-	5,926	-	5,483
Equipment fund	4,800	-	-	-	4,800
Playground fund	10,245	-	1,305	-	8,940
Minibus fund	6,805	-	6,805	-	-
	<u>398,527</u>	<u>-</u>	<u>14,036</u>	<u>-</u>	<u>384,491</u>

16 Related parties

There were no related party transactions in the year (2012: nil)

HOPSCOTCH CHILDREN'S CHARITY

YEAR ENDED 31 OCTOBER 2013

NOTES TO THE FINANCIAL STATEMENTS

Analysis of restricted funds by net assets at 31 October 2013

Fixed Assets	- Ardvullin	365,268
	- Building Improvements	5,483
	- Playground	8,940
Current Assets	- Equipment	<u>4,800</u>
		<u><u>384,491</u></u>

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

The Refurbishment fund comprises donations received in 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.

16 Related Parties

There were no related party transactions in the year (2012:nil)