

THE CHILDREN'S WOOD SC045378

Trustees Financial Report

1 November 2014 - 31 October 2015

1. SUMMARY

This report presents a summary of the accounts for The Children's Wood from November 2014 through to October 2015, representing the third full financial year (FY3). The accounts are arranged as an ongoing concern basis as non-accrued receipts and payments. In line with OSCR requirements the accounts have been independently examined.

During this period, from January 6th 2015, the organisation formalised into a registered charity as a Scottish Charitable Incorporated Organisation (SCIO). As such these accounts represent the first to be formally submitted to the charity regulator OSCR.

With grant support totalling 13.5 kGBP, the charity has been able to fully achieve its goal of financial stabilisation over this financial year, accumulating a small surplus of 1,600 GBP at year end, despite a large growth in services provided and resultant committed and forecast costs. In particular this year, work has been undertaken to allow tracking of restricted funds from grants, and more accurate forecasting of upcoming costs. The next step in the coming year will be to ensure ongoing sustainability and scalability such that the group is able to respond effectively to new opportunities and demand for our important work. Recommendations are therefore made this year to ensure best practice is maintained, and the charity is able to efficiently meet its reporting obligations.

The total revenue over FY3 was 18.9 kGBP up nearly 100% from the previous year, with costs 13.3 kGBP, and carrying a further net commitment of 5.1 kGBP forecast into FY4. 4.0 kGBP of the revenue comes from the continuing generosity of local supporters (just over 20%) showing the strong standing within our community, with the remainder from corporate donations and grants. The year closes with a bank balance of 5.9 kGBP.

Prepared by the Secretary on behalf of the trustees.

2. BALANCE SHEET

The Children's Wood

BALANCE SHEET FY14-15

	INCOME & EXPENDITURE			ACCURALS	Notes
	FY12-13	FY13-14	FY14-15	FY14-15	
CURRENT ASSETS					
Outstanding payments	-	-	-	2,005	Goethe Institute
Prepayments	197	-	-	-	none
Cash at bank	565	324	5,898	5,898	Bank less prepayment
Cash in hand	-	-	-	463	Halloween revenue, burgh halls, first aid training
	<u>762</u>	<u>324</u>	<u>5,898</u>	<u>8,366</u>	
CURRENT LIABILITIES					
Outstanding cheques	-	-	-	2,314	Halloween costs, inequality event
Due within 1 year	-	-	-	4,470	Forest schools & first aid training
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,784</u>	
OPERATING BALANCE					
	<u>762</u>	<u>324</u>	<u>5,898</u>	<u>1,582</u>	
Long term loan	2,500	1,250	1,250	1,250	Cutts Family
NET	<u>(1,738)</u>	<u>(926)</u>	<u>4,648</u>	<u>332</u>	

3. STATEMENT OF FINANCIAL ACTIVITIES

The Children's Wood

STATEMENT OF FINANCIAL ACTIVITIES FY14-15

COSTCODE	FY13-14	FY14-15	EXAMPLES
REVENUE	9,092	18,841	
51 Cash Donations	3,200	2,955	On day, non-specific
52 Corporate Donations	0	250	Hilton, Tesco, etc
53 Ticket Sales	1,678	127	Advance or on-gate tickets
54 General Sales	164	0	Books, windowboxes, tshirts, bags
55 Catering Sales	1,045	150	Cups, ingredients, drinks
56 Pop-up Shops	170	0	Isty stalls, Charlie BBQ
57 Grant	450	14,625	Red Nose, Live Literature, Forestry
58 Sponsorship	1,055	714	Fun run, cycling
59 Training Donation	380	20	Volunteer donations for training
60 Waived Fees	950	0	Waived full or part fees from costs
61 Misc Revenue	0	0	Miscellaneous revenue
COSTS	(8,295)	(13,267)	
01 Consumables	(491)	(450)	Clay, ropes, facepaints, stationary
02 General Materials	(50)	(80)	Books, windowboxes, tshirts, bags
03 Catering Materials	(178)	(82)	Cups, ingredients, drinks
04 Facilities Hire	(834)	(606)	Scout hall, other venues
05 Marquee Hire	(767)	0	Marquees and associated costs
06 Costume Hire	0	0	Costumes for storytelling
07 Equipment Hire	(33)	(535)	Lights, catering
08 Contracted Service	(4,350)	(5,532)	Animal Magic, Mike, TCV
09 Discretionary Service	(85)	0	Tam, Willie, Teenagers
10 Marketing	0	(780)	Flyers and posters
11 Insurance & Fees	(235)	(695)	SSPA, TCV, event insurance
12 Capital Equipment	(50)	(1,903)	Tarpaulins, gazebos, lights, toys
13 Volunteer Training	(1,000)	(2,480)	Forest schools, first aid
14 Expenses	0	0	Out of pocket expenses
15 Misc Cost	(223)	(125)	Miscellaneous costs
LOANS & ADJUSTMENTS	(1,235)	0	
97 Loan Payment	0	0	Payment of loan
98 Loan Repayment	(1,250)	0	Repayment of loan
99 Adjustment	15	0	Adjustment
NET MOVEMENT	(438)	5,574	

4. EVENT REVENUE & COSTS

The Children's Wood

EVENT REVENUE & COST FY14-15

ACTIVITY	TYPE	WHEN	NET	COST	REVENUE
Christmas Craft Fayre (Nov 14)	Fundraiser	Nov-14	490	105	595
Freecycle (Nov 14)	Meadow Event	Nov-14	64	90	154
General Operations (14-15)	General Operations	Nov-14 to Oct 15	6,388	7,772	14,160
Santander Corporate Days (14-15)	General Operations	Nov-15, Jul-15	446	54	500
Christmas Carols (Dec 14)	Meadow Event	Dec-14	(106)	106	0
West End Festival (Jun 15)	Childrens Event	Jun-15	(604)	1,311	707
Inequality Event (Jun 15)	Meadow Event	Jun-15	(1,673)	1,823	150
Communities & Families (Jun 15)	General Operations	Jun-15	0	0	0
Butterfly Ball (Jun 15)	Childrens Event	Jun-15	52	150	202
Food Gala (Jun 15)	Meadow Event	Jun-15	0	0	0
Spring Planting (Mar 15)	Meadow Event	Mar-15	62	118	180
Easter Event (Mar 15)	Childrens Event	Mar-15	(186)	258	72
From Scotland with Love (Feb 15)	Meadow Event	Feb-15	127	0	127
Legacy 2014 Education Pack (Jan 15)	School Engagement	Jan-15	300	0	300
Cycling (Mar 15)	Fundraiser	Mar-15	664	50	714
Knit Wild (Apr 15)	Meadow Event	Apr-15	(49)	49	0
Conservation Volunteers (15)	General Operations	Mar 15 to Oct 15	(63)	63	0
Freecycle (Sep 15)	Meadow Event	Sep-15	102	63	165
Harvest Festival (Aug 15)	Childrens Event	Aug-15	(427)	863	437
Halloween (Oct 15)	Childrens Event	Oct-15	(150)	350	200

5. RECOMMENDATIONS & NOTES

Based on the accounts presented herein, the following recommendations are made for consideration and action by the committee,

- Marketing costs, and specifically those for the creation of flyers, have been increasing over the financial years (this is the first year tracked separately at 780 GBP) and now constitutes the single largest supplier (BC Printing). Some investment in a suitable printer to bring a significant part of these costs in house may be appropriate.
- Development and use of a standard forms for and to allow more accurate recording of costs in particular expenses claims and on an activity by activity basis is recommended, with greater effort made to understand revenue and costs streams from events, and to therefore to improve forecasting.
- It is understood that the charity may move towards payment for some roles in the organisation. This may be vital to ensure we are suitably supporting some of our most dedicated volunteers. Where persons are delivering services at an hourly or daily rate to the charity to aid in events or activities it is important that overhead costs are included in proposals or in consideration of an agreed rate. This covers typical marketing, facilities, insurance and fees, consumables and depreciation of equipment. The rate calculated based on previous financial year is 34 GBP per hour. Whilst flexible, a typical suggested hourly rate paid by the charity is 16-22 GBP, making a total cost of 50-56 per hour.
- The accounts continue to recognise a loan of 1,250 GBP from a trustee from the initial period of setting up the group; given the positive bank balance and on provision that the upcoming Christmas events run at surplus, repayment of some 750 GBP is recommended for confirmation by the committee, reducing the total loan to 500 GBP. The remaining balance after this transaction and all other forecast costs will be over 700 GBP.
- Total cash donations and catering sales have decreased over this year (noting the decrease in events providing these capabilities). In line with the policy to keep events free to the public no events were ticketed and so no associated sales recorded.
- In order to avoid splitting the revenue and costs recognised from the Halloween event (typically around 31st October, i.e. end of financial year), all monies will be deferred until the next financial year in future, and included in committed for the current year.

6. ACCOUNTABILITY GUIDELINES

It is vital that to ensure transparency and accountability moving into charitable status and in line with the constitution, the following mechanisms will apply to the coming financial year,

- The Children's Wood finances will all be held in The Children's Wood bank account and our finances will be independently examined each year.
- For any event or activity a budget must be agreed in advance by committee and adhered to by the organiser(s).
- It is the organiser(s) responsibility to ensure costs do not exceed this limit and for reporting all costs and revenue, supported by the committee.
- For grant funding, where specific costs and deliverables are agreed in contract (i.e. restricted funds), budget codes will be used to track expenditure.
- Where funding is received for specific event(s), the revenue will be split appropriately and recognised within that event.
- Any discretionary payments to an individual above 20 GBP must be preapproved by the committee, and recorded.
- As far as is practicable the use of cash or credit should be minimised in preference for bank transactions using The Children's Wood account.
- For cheques over 500 GBP two signatories are required. At least three signatories shall be identified at any time (suggested: treasurer, secretary, chair, events).
- The Children's Wood should get a debit card to ease transactions, however this must only be used within agreed budgets by authorised persons.
- Should short-term credit be required, the money should first be transferred to The Children's Wood account to allow traceability.
- Where out-of-pocket expenses, or on the day cash payments are needed, these should be recorded using a standard form to record with all receipts.
- Forecast cash bank balance should not be below 500 GBP, with a slow movement building towards a 3 month cash reserve for future operations (3,500 GBP).
- A separate finance meeting be held once a month, reporting to the committee for ensuring accounts remain up to date and budgets are maintained.

7. APPROVAL

These accounts were approved by the Children's Wood committee were discussed and approved by those trustees present and signed off on behalf of the Children's Wood at the November committee meeting held on 17th November 2015.

In attendance were:

Not in attendance but provided a copy of the finances:

No additional comments were recorded.