

# Borders Scrap Store

Annual Report and Financial Statements

for the Year Ended 31 March 2025

## **Borders Scrap Store**

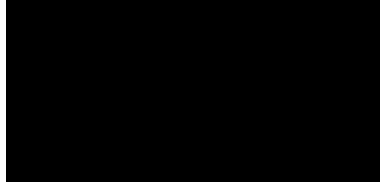
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## **Borders Scrap Store**

### **Reference and Administrative Details**

**Trustees**



**Senior Management / Leadership Team**

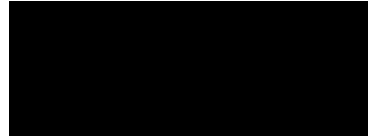
**Charity Registration Number**

SC020023

**Principal Office**

4 Shepherds Mill  
Dunsdale Road  
Selkirk  
TD7 5NY

**Independent Examiner**



**Bankers**

Bank of Scotland  
Tweedside Road  
Newtown St Boswells  
TD6 0PG

# **Borders Scrap Store**

## **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2025.

### **Objectives and activities**

#### ***Objects and aims***

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

#### ***Objectives, strategies and activities***

The principal activity is the preparation and sale of waste and recovered goods. We aim to use waste and other unwanted items from local businesses and individuals to improve the range and quality of creative materials available to children and the wider community. The Scrapstore is headquartered in Selkirk with a base at Musselburgh, altogether covering most of South-East Scotland. Materials processed include textiles, yarns, paper and card, wood, tools, plastic, craft supplies, paint and natural materials. New craft items are also sold to help raise funds.

#### ***Fundraising disclosures***

The principal source of income is funds from the sale of salvaged and new art, craft and educational materials, with contributions from local councils and donations.

#### ***Use of volunteers***

The trustees are grateful to the various volunteers who give their time freely, and without whom we would not be able to deliver the services currently provided.

### **Achievements and performance**

We continue to operate from the 2 sites but operating conditions are proving difficult. The level of donations has reduced, which has limited our offerings to the public. We continue to have our larger sale days in Selkirk to try and move stock whilst promoting the benefits of Scrapstore.

At Borders Scrapstore we have continued to offer our key services, promoting waste reduction and creative re-use from two sites, our Selkirk HQ and the smaller store within The Fisherrow Centre, Musselburgh. Income has remained static as our users continue to struggle financially, while costs have risen for reasons noted below.

While finances are very tight, operationally we have had another good year. There seems to be no end to the amount of surplus materials in attics and cupboards throughout Scotland, and we do our best to process and prepare these items for resale and re-use. We have received large quantities of lower value materials this year, and while it is equally environmentally desirable to re-use rather than dispose of such resources they do not generate as much income as higher value textiles and other items. We donate slow moving lower value items to various educational and third sector organisations at times, which is good for them and the waste system but not for our bottom line.

We sell some new art and craft supplies to complement our salvaged goods and raise funds. Two of our main suppliers have ceased trading this year, others are consolidating, and it is becoming more difficult to source competitively priced supplies.

We have continued to hold open days and sales at Selkirk, and these days are a valuable source of income. The Atrium area at The Fisherrow Centre, where we used to hold open days in Musselburgh, has been converted into a café, which is a good thing, but means we are now restricted to the small Scrapstore room there.

Over the twenty years we have been in Selkirk we have made the Scrapstore into a well known and loved resource for the whole community. The Scrapstore was never designed to make money, in the early years it lived off grants with minimal earned income. We are proud that we have for several years managed to pay our way, but increases in costs and changes in the types of materials we process for re-use mean that we must resort to some modest external funding in the immediate future.

# **Borders Scrap Store**

## **Trustees' Report (continued)**

### **Financial review**

As noted in the operational review, the financial review follows a similar route with 2024/5 being a difficult year in terms of finances. A deficit of £6,281 was incurred for the year. This was as a result of increasing costs and a static income. The main cost increases were staff costs and the rent for Musselburgh.

Costs have continued to rise after the year end with the new minimum wage levels changes having an impact.

Additionally, our long standing SLA with Scottish Borders Council came to an end this year due to council cuts. We remain very grateful to East Lothian Council for their continued financial support.

### ***Policy on reserves***

The trustees aim to build the reserves, but given the difficult financial situation this will be kept under review. We have approximately 3.5 months worth of expenses in reserves at the year end.

### ***Funds in deficit***

There are no funds in deficit.

### ***Principal funding sources***

The principal sources are grants, donations, memberships and sale of materials.

### ***Going concern***

The trustees consider the charity to be a going concern.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity is governed by a constitution that was updated in 2010. A review of the constitution will be undertaken in 2025.

#### ***Recruitment and appointment of trustees***

Trustees are elected at an annual AGM, under the terms as specified in the constitution.

#### ***Arrangements for setting key management personnel remuneration***

The salary for the manager is set by the trustees and reviewed on an annual basis.

#### ***Organisational structure***

The charity is an unincorporated organisation with trustees responsible for setting the aims and objectives. A manager is employed to deliver the aims and objectives.

### **Funds held as custodian trustee on behalf of others**

No funds are held on behalf of other organisations.

### **Creditor payment policy**

Supplier invoices are paid within normal credit terms.

The annual report was approved by the trustees of the charity on 15 September 2025 and signed on its behalf by:

.....

██████████

Trustee

## **Borders Scrap Store**

### **Statement of Trustees' Responsibilities**

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

The law applicable to charities 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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 business.

The trustees are responsible for keeping proper 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 applicable Charities Accounts (Scotland) Regulations 2006, and the provisions of the constitution. The trustees 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 15 September 2025 and signed on its behalf by:

.....



Trustee

## **Borders Scrap Store**

### **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 2025 which are set out on pages 6 to 13.

#### **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 and the Charities Accounts (Scotland) Regulations 2006. The trustees consider that the audit requirement of Regulation 10(1)(d) of the 2006 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 was carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 audit opinion on the view given by the accounts.

#### **Independent examiner's statement**

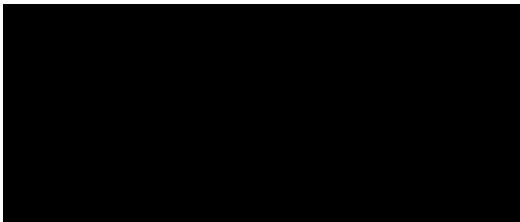
In the course of my examination, no matter has come to my attention:

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

- to keep accounting records in accordance with section Section 44(1)(a) of the 2005 Act; and
- to prepare accounts which accord with the accounting records and comply with Regulation 9 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.



Date:.....

# Borders Scrap Store

## Statement of Financial Activities for the Year Ended 31 March 2025

	Note	Unrestricted funds £	Total 2025 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	3,176	3,176
Other trading activities	3	71,131	71,131
Total income		<u>74,307</u>	<u>74,307</u>
<b>Expenditure on:</b>			
Charitable activities	4	<u>(80,588)</u>	<u>(80,588)</u>
Total expenditure		<u>(80,588)</u>	<u>(80,588)</u>
Net expenditure		<u>(6,281)</u>	<u>(6,281)</u>
Net movement in funds		(6,281)	(6,281)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>22,058</u>	<u>22,058</u>
Total funds carried forward	12	<u>15,777</u>	<u>15,777</u>
	Note	Unrestricted funds £	Total 2024 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	5,286	5,286
Other trading activities	3	69,166	69,166
Total income		<u>74,452</u>	<u>74,452</u>
<b>Expenditure on:</b>			
Charitable activities	4	<u>(77,276)</u>	<u>(77,276)</u>
Total expenditure		<u>(77,276)</u>	<u>(77,276)</u>
Net expenditure		<u>(2,824)</u>	<u>(2,824)</u>
Net movement in funds		(2,824)	(2,824)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>24,882</u>	<u>24,882</u>
Total funds carried forward	12	<u>22,058</u>	<u>22,058</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 12.



## Borders Scrap Store

(Registration number: SC020023)

### Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
<b>Current assets</b>			
Cash at bank and in hand	11	<u>15,777</u>	<u>22,058</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>15,777</u>	<u>22,058</u>
<b>Total funds</b>	12	<u>15,777</u>	<u>22,058</u>

The financial statements on pages 6 to 13 were approved by the trustees, and authorised for issue on 15 September 2025 and signed on their behalf by:

.....  
[Redacted]  
Trustee

# **Borders Scrap Store**

## **Notes to the Financial Statements for the Year Ended 31 March 2025**

### **1 Accounting policies**

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Accounts (Scotland) Regulations 2006.

#### **Basis of preparation**

Borders Scrap Store meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements are presented in Sterling (£) and rounded to the nearest £0.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. Income generation post year end has been good, with a reduction in costs being achieved. For these reasons, the trustees consider it appropriate that the accounts are prepared on a going concern basis.

#### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

#### ***Donations and legacies***

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Other trading activities***

Shop sales are recognised when goods are paid in full.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the basis of direct attribution.

#### ***Charitable activities***

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.

## **Borders Scrap Store**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)**

#### **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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised based on the cash basis and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Asset purchases are expended to the income statement as incurred.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

#### **Pensions and other post retirement obligations**

Pension contributions payable under a defined contribution scheme are charged to the income statement as they are paid.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

## Borders Scrap Store

### Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

#### *Recognition and measurement*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **2 Income from donations and legacies**

	<b>Unrestricted funds General £</b>	<b>Total 2025 £</b>	<b>Total 2024 £</b>
Donations and legacies;			
Donations from individuals	276	276	1,286
Grants, including capital grants;			
Government grants	2,900	2,900	4,000
	3,176	3,176	5,286

#### **3 Income from other trading activities**

	<b>Unrestricted funds General £</b>	<b>Total funds £</b>	<b>Total 2024 £</b>
Trading income;			
Shop income from sale of goods and services	70,331	70,331	68,239
Membership subscriptions	800	800	927
	71,131	71,131	69,166

# Borders Scrap Store

## Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

### 4 Expenditure on charitable activities

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Shop purchases	8,308	8,308	7,314
Wages and salaries	46,854	46,854	46,238
Rent & rates	16,461	16,461	15,358
Heat & light	2,110	2,110	1,841
Insurance	851	851	826
Telephone	946	946	944
Motor upkeep	1,872	1,872	1,774
Repairs	274	274	343
Other costs	883	883	990
Hire of machine terminal	588	588	576
Credit card charges	1,029	1,029	618
	<u>80,176</u>	<u>80,176</u>	<u>76,822</u>

### 5 Analysis of governance and support costs

#### Governance costs

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Independent examiner fees			
Examination of the financial statements	412	412	454
	<u>412</u>	<u>412</u>	<u>454</u>

### 6 Government grants

East Lothian Council and Scottish Borders Council provide grants tied to service level agreements.

The amount of grants recognised in the financial statements was £2,900 (2024 - £4,000).

## Borders Scrap Store

### Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

#### 7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 8 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
<b>Staff costs during the year were:</b>		
Wages and salaries	45,597	44,452
Pension costs	1,257	1,786
	<u>46,854</u>	<u>46,238</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2025 No	2024 No
Direct	<u>2</u>	<u>2</u>

1 (2024 - 1) of the above employees participated in the Defined Contribution Pension Schemes.

No employee received emoluments of more than £60,000 during the year

#### 9 Independent examiner's remuneration

	2025 £	2024 £
Examination of the financial statements	<u>412</u>	<u>454</u>

# Borders Scrap Store

## Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

### 10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 11 Cash and cash equivalents

	2025 £	2024 £
Cash on hand	60	28
Cash at bank	15,717	22,030
	<u>15,777</u>	<u>22,058</u>

### 12 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
<b>Unrestricted funds</b>				
General	<u>22,058</u>	<u>74,307</u>	<u>(80,588)</u>	<u>15,777</u>

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>				
General	<u>24,882</u>	<u>74,452</u>	<u>(77,276)</u>	<u>22,058</u>

### 13 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2025 £
Current assets	<u>15,777</u>	<u>15,777</u>
	Unrestricted funds General £	Total funds at 31 March 2024 £
Current assets	<u>22,058</u>	<u>22,058</u>