

Code of Charity Retailing

# ASSOCIATION OF CHARITY SHOPS

SUPPORTING CHARITY RETAIL

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Association of  
Charity Shops

Supporting Charity Retail  
[www.charityshops.org.uk](http://www.charityshops.org.uk)



## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Company limited by guarantee no. 3709512



## **CHAIR'S FOREWORD 2009**

I have pleasure in presenting the Association's Annual Report for 2008-9.

In February 2009 the Association was 10 years old and we can be proud of what it has achieved for the charity retail sector over this period. Besides a growth in membership and range of activities, the Association is now taking a proactive role in promoting the sector to the public and policy makers and is a visible and respected sector representative body.

The past year has been a busy one focused not only on implementing the priorities of our 2006-9 strategic plan but also on developing the new 3 year plan for 2009-12 which was adopted at our last AGM. Our key priorities remain those of lobbying and representation whilst continuing to provide a range of services supporting the sector through a particularly difficult economic period.

We have continued to provide key information and reports on a range of issues of relevance – not available anywhere else. Our mandatory Code of Charity Retailing provides the self-regulatory framework for the sector and is essential to maintaining standards and public confidence in charity retailing.

We have continued to respond to a wide range of government consultations across the UK and to work in partnership with a range of other organisations, including commercial members, for the benefit of the sector as a whole.

We are grateful for the strong support of our members and the contributions of our dedicated staff team. Despite the challenges of an increasingly difficult economic environment, the Association is well placed to continue to build its vital role supporting, representing and promoting charity retailing.

**Sue Azzopardi**  
**Chair**

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**DIRECTORS' REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009**

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**LEGAL AND ADMINISTRATIVE DETAILS**

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Association of Charity Shops was incorporated as a company limited by guarantee (without share capital) no. 3709512 on February 8, 1999; its governing instrument is its memorandum and articles of association. Every member of the Association undertakes to contribute to its assets in the event of it being wound up while s/he is a member such amount as may be required not exceeding £1.

<b>DIRECTORS</b>	See page 13
<b>SECRETARY</b>	Lekha Klouda
<b>COMPANY NUMBER</b>	3709512
<b>REGISTERED OFFICE</b>	Central House 14 Upper Woburn Place London WC1H OAE
<b>ACCOUNTANTS</b>	Gotham Erskine Chartered Accountants Friendly House 52-58 Tabernacle Street London EC2A 4NJ
<b>BANKERS</b>	Barclays Bank plc 128 Moorgate London EC2M 6SX

**DIRECTORS' REPORT**  
**For the year ended 31 March 2009**

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**The directors present their report and the financial statements for the year ended 31 March 2009.**

**OBJECTS**

The objects of the Association are to assist charities in making better use of their assets and resources by promoting the efficiency and effectiveness of charity shops; and to advance education and training.

The Association of Charity Shops' **vision** is a successful charity retail sector in the UK, actively promoted and supported by the Association. The Association's **mission** is to provide leadership and support for charity retailing in the UK. The Association's **aims** in achieving its mission and vision are to:

1. Monitor policy and legislative changes affecting charity retailing and lobby governments to achieve and maintain a supportive regulatory environment.
2. Promote all aspects of charity retailing to the public and policy makers including its reuse/recycling/sustainability contributions, as well as its vital role in raising funds for charity.
3. Respond to developments in charity retailing and the differing needs of members through provision of appropriate services and activities.
4. Be a major source of expertise and up to date information on issues affecting the sector.
5. Promote good practice, efficiency and self-regulation in charity retailing through sharing of information and standards.
6. Work closely with other relevant organisations to further support the sector.

The Association's values are to be:

- o Independent
- o Enabling
- o Responsive
- o Innovative
- o Fair

**REVIEW OF ACTIVITIES, ACHIEVEMENTS AND FUTURE DEVELOPMENTS**

This review covers the period 1 April 2008 to 31 March 2009, the tenth year of existence of the Association of Charity Shops.

Our broad aims continue to be to represent the interests of the sector to government and policy makers on a range of key issues, to provide information and guidance to members, to promote the development of best practice through our Code of Charity Retailing and to meet the needs of members through a range of other activities and services.

**MEMBERSHIP**

Membership rose substantially to 305 charities by the end of the 2008-9 membership year. This was in part due to the onset of individual RSPCA branch membership rather than under the umbrella of their head office. Members in 2008-9 ran 6780 charity shops operating in the UK, Republic of Ireland, Guernsey, Isle of Man and South Africa (list of members at the end of this report). Our members represented all the national chains of charity shops and, in addition, 128 hospices.

The Association continues to represent a diverse range of charities. The table overleaf illustrates the breakdown of our membership by number of charity members in each size category as well as the breakdown by the number of shops run and the contribution made to subscription income. Although the large majority of our members run fairly small charity shop operations, a relatively small number of large national charities run two thirds of the total number of shops and contribute 60% of our membership subscription income. During the 2008-9 membership year, 12 members ran no shops, up from 8 members in the previous year. We also introduced Provisional Membership for charities not yet ready to sign up to the Code of Charity Retailing, of which there were 4 in 2008-9, all included in the 'less than 5 shops' category.

**DIRECTORS' REPORT**

For the year ended 31 March 2009

	No. of charities	% of total no.	No. of shops	% of total shops	Member-ship fees paid (net) £	% total membership income
Charities with over 100 shops	14	4.6	4382	64.6	152787	59.7
Charities with 21 – 100 shops	20	6.6	903	13.2	33283	13
Charities with 11 – 20 shops	42	13.8	583	8.5	21560	8.4
Charities with 5 – 10 shops	89	29.2	645	9.4	24278	9.5
Charities with less than 5 shops	128	42	267	4	21876	8.6
Charities with no shops	12	3.9	0	0	2013	0.8
<b>TOTALS</b>	<b>305</b>		<b>6780</b>		<b>255797</b>	

Membership fees were reviewed and raised in line with our policy to do so annually, to £38.50 p.a. per permanent shop subject to a minimum of £175 and maximum of 500 shops. (Lower fees apply to temporary, overseas and branch operated shops).

Our Affiliate and Associate membership schemes continued to expand. Affiliate Members increased to 10, up from 8 the previous year, and a further increase in Associate Members to 33, including our various sponsors for the Annual Conference and Awards.

**AGM**

The Association is constituted as a company limited by guarantee. In accordance with its Memorandum and Articles of Association the Directors are elected at the AGM. Existing Board members retire by rotation and may stand for re-election. The Articles of Association state that there should be 10 elected Directors and up to 6 additional co-opted Directors. The Directors are elected by members at the AGM to represent the various sizes of member organisations. The Board is made up of 4 candidates representing organisations with 20 shops or less (Category A); 2 candidates representing organisations with 21-100 shops (Category B) and 4 candidates representing organisations with more than 100 shops (Category C). The current Directors are listed at the end of the Report.

The AGM was held on 5 November 2008 at the NCVO in London and was attended by 25 charity members representing 23 charities (the constitution requires attendance of a minimum of 20 member charities to be quorate). The formal part of the meeting was preceded by a presentation by Gill Cronin, Director of Marketing, Press and Business Information at the British Retail Consortium (BRC), giving an overview of UK Retailing and the role of the BRC.

There were 3 vacancies on the Board of Directors and 3 nominations, therefore there was no need for an election. The existing Board members: Sue Azzopardi (Category C), Dawn Charlesworth (Category A) and Colin Sandford (Category C), had agreed to stand again for re-election and were duly re-elected.

**ACCOMMODATION AND STAFFING**

The Association continued to occupy office space sub-let from the Association of Charitable Foundations at Central House, Upper Woburn Place near Euston station. The accommodation provides us with office space that is affordable, centrally located and well-connected for transport purposes. Our current lease runs until July 2009 and negotiations are currently under way for a new term.

2008-9 was a relative year of stability in staffing for the Association. Matthew Leidecker, part-time office administrator, came to the end of his temporary term in September 2008, as did Julia Hughes, part time temporary support for the Business Development and Marketing Manager, in October 2008. Clare Flannery joined us on a full-time, permanent basis as Office Administrator to cover both of these roles in October 2008. Rebecca Novavi decided not to return to work after the end of her maternity leave and Cristina Osoro Cangas was then confirmed as the permanent Research and Information Officer. We have also been fortunate to have the volunteer support of Christina Longden, self-proclaimed champion of charity shops, during the year.

### DIRECTORS' REPORT

For the year ended 31 March 2009

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#### STRATEGIC PLAN 2006–9 IMPLEMENTATION AND ADOPTION OF NEW PLAN 2009-12

2008-9 represented the final year of our strategic plan for the period 2006-9. The key conclusions which informed the strategic plan for the period 2006–9 are set out below.

- (i) Lobbying is of supreme importance and will become more complex.
- (ii) There is greater strength in being together than being apart.
- (iii) The Association should consider how to redefine its service priorities to take account of larger member needs.
- (iv) The needs of all members should be checked out, irrespective of their size or whether their focus is national or local.
- (v) The Association needs to embrace a diverse range of activities in order to remain relevant to the existing membership's trading interests.
- (vi) The increasing diversity of charity retailing will encourage other charitable traders. The Association should check out potential members as to:
  - o Their worth to the Association
  - o Their needs – and by implication the cost of servicing those needs.
- (vii) The need for public awareness and support still underpins the success of the sector.
- (viii) A proposed name change for the Association may need to be considered, even if only to reflect the diverse activities of current members.

**Years 1 and 2 of the plan:** Our priorities during the first two years of the strategic plan focused on strengthening our lobbying capacity, developing further the information services provided to members in a variety of ways, continuing to develop income streams and developing/maintaining our capacity to respond to significant new developments and diversity in the sector. In addition we explored opportunities for widening the scope of the Association's role. The Board considered the report on potential new markets and the implications of these for the Association's range of activities, services and expertise in May 2008. The main conclusion was that there were no significant new markets or areas of activity for the Association and therefore no major impacts on costs and likely new income – or indeed for the Association's name. The Board and Development and Finance Committee also considered whether or not there was a need for the constitution of the Association to be amended; they concluded that any possible change should await the establishment of the new Charitable Incorporated Organisation format expected in 2010. Finally, our efforts during the first two years of the strategic plan focused on ensuring an appropriate organisation structure is in place that provides for continuity of skills, expertise and knowledge at senior executive level to provide continuity during the changeover at CEO level in 2009-10 and in securing sufficient financial resources to deliver any new developments arising from our strategic plan priorities.

**Year 3 of the plan:** Our focus for the final year of the current strategic plan has been to consolidate the developments put in place in the earlier years to secure the position of the Association as the key provider of representation, support and services to charity retailing. In addition planning for the appointment of a new CEO for the organisation has been a priority. The process of reviewing and preparing a new strategic plan for 2009-12 began at the Strategy Day held in July 2008 and culminated in the presentation and adoption of the new strategic plan at the AGM on 5 November 2008.

#### NEW PERSPECTIVES FOR 2009-12 PLAN

The key conclusions informing the new strategic plan are:

- (i) There is an increasing diversity in members' needs, largely based on their size of retail operation.
- (ii) The Association's future activities, priorities and membership fees should reflect these differing needs, should reduce the disparity of benefit between smaller and larger members and clearly articulate the financial and non-financial benefits to be derived by smaller, larger and medium sized organisations.
- (iii) Lobbying to promote and protect the sector's interests remains the single most important role the Association plays.
- (iv) The Association should work to position the charity retail sector as being in the lead on the environmental and re-use agenda; building public relations and awareness will be an important

### DIRECTORS' REPORT

For the year ended 31 March 2009

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new role for the Association in the new strategic plan period. However, a clear focus on key activities and methods to be used is required in order to ensure we can deliver this new role within the limitations of our existing resources.

- (v) The increasing involvement by members and commercial organisations in stock collection requires a review of the Code of Charity Retailing to clarify and provide more detailed guidance with a view to protecting the long-term interests of the sector.
- (vi) Additional avenues to raise additional funds should be explored recognising that there may be a need to compensate for the loss of income resulting from some members leaving the Association.
- (vii) The unique strengths of the Association should be complemented through collaboration with appropriate other organisations to maximise efficiency and effectiveness.
- (viii) Measurable outcomes should be identified against which the Association's performance is assessed over, and at the end of, the new strategic plan period.

Actions have already been taken to implement a new fee structure recognising the differing needs and benefits of charity members with effect from 1 April 2009 and the Code of Charity Retailing was also amended to provide more detailed guidance on commercial partnership collections. The new plan also sets out short, medium and longer term priorities which will be used to report against in future Annual Reports.

### KEY ACTIVITIES UNDERTAKEN DURING 2008-9

Both the current and new strategic plans emphasise the importance of the Association's lobbying and PR functions, and we worked during the year to deliver on both. Amongst many other issues, the two policy areas which dominated our time during the year were Gift Aid and house to house collections of stock. We also gave a large number of interviews to the various media on a range of issues. All of these were against the backdrop of the deepest recession in living memory. Our lobbying has been backed up by increased efforts to engage the press. To that end, we issued 10 press releases, and have given numerous interviews, including live interviews on BBC Radio 4's *You and Yours*, BBC Radio West Midlands and other regional radio news programmes. We also gave a number of TV interviews, including to *More 4 News*, as well as to regional TV stations. Finally, the Association worked closely with Optomen TV providing briefing and background material for use in the *Mary Queen of Charity Shops* programmes which were screened on BBC2 in June 2009.

#### Gift Aid

The Government did not extend Gift Aid to apply directly to goods donated to charity shops after its consultation on changes to the scheme in 2007-8. However, we have continued to raise awareness amongst policy makers in the Treasury as the Government has indicated it is continuing to consider ways in which the scheme can be improved.

- Speakers from HMRC presented sessions at the 2008 Annual Conference giving an update on the changes made as a result of the consultation and an overview of how the scheme applies in the charity shop context.
- In addition we arranged for the key civil servant in the Treasury to visit a charity shop in London to see how GA works in practice on donated goods and followed this up with a number of meetings. We also gathered more information from members on the costs of implementing GA through their shops in order to have more evidence that the scheme for donated goods was unreasonably costly and bureaucratic and needed simplification.
- In March 2009 we arranged a well-attended workshop run in partnership with Horwath Clark Whitehill covering all aspects of Gift Aid impacting on the sale of donated goods, allowing charities to learn more and to have their questions answered by a panel of tax experts.



Finally, in April 2009 we were invited to submit a further paper to the Treasury Minister outlining our 'wish list' for improvements to the Gift Aid scheme in the charity shop context. Members were consulted and a paper was submitted in June 2009 reiterating the arguments we made in 2007 for Gift Aid to be extended to apply directly to the sale of donated goods in charity shops. It is hoped that the Treasury will make further announcements regarding Gift Aid at the time of the pre-budget report in November 2009.

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**For the year ended 31 March 2009**

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**House to house collections**

During the year, we became increasingly concerned about an evident shortage of quality donated stock. Some members had reported significantly reduced volumes of donated stock and there had been a continuing growth in house to house collections made by commercial organisations, both independently and in partnership with charities. For the first time, there was an increase in approaches being made by companies to charities with shops.

We were concerned that the potential damage to the sector included not only reduced stock available for shops, but also a possible long term impact on donor trust if commercial organisations offered only a small part of the real value of the collected stock to the charity, when more could be realised if the charity itself sold the items through their shops.

Special meetings for members and the Board were held in June 2008 to consider our response to this threat. It was agreed that the Association should work to promote public awareness of the benefits of giving directly to charity shops. Also, at this time, the credit crunch was having an impact with reports of increased customer footfall but also concerns about shortages of stock to meet increasing demand. The issue was also discussed at the Recycling Group meeting of 30 September 2008.

Actions taken

*Research*

We carried out qualitative focus group-based research over the summer months of 2008 to gather more information about the public's perceptions and behaviour in relation to house to house collections. In summary this research found:

- Consumers are increasingly aware of fraudulent and 'bogus' collections due to media exposure.
- However, consumers are not generally aware of partnerships between charities/charity shops and commercial collection companies. Respondents showed concern about commercial collections, when made aware of them and prefer their donations to support exclusively charitable causes.
- Consumers were more likely to choose not-for-profit partnerships or charity shop collections if given clear information to make a decision. The information needs to be clear, concise and immediately visible on collection materials. Consumers are not interested in reading the small print.
- Consumers have a hierarchy of motives for choosing to donate goods to door-to-door collections: (1) convenience (2) desire to support a charitable cause (3) environmental/recycling motive.
- Respondents also have clear preferences for choosing a collection sack: (1) brand recognition (2) visual appeal (3) clarity of information (collection day, % of proceeds going to charity).

Quantitative research was carried out in July 2008, which found that a small percentage of people donate to any organisation collecting house to house, as long as the charity is mentioned, without checking the details further.

*Engaging with others*

In addition to consulting members, and on the back of our research findings, we began work with the Charity Commission, The Institute of Fundraising, the Fundraising Standards Board and Government bodies to promote transparency in house to house collections. In particular, we have been working on ways to encourage others to adopt the house to house aspects of the Code of Charity Retailing, so that everyone acts to a single set of standards. This work is ongoing.

*Revisions to the Code of Charity Retailing and Code of Commercial Conduct*

The Code of Charity Retailing was amended in the light of all the research findings and member feedback. From 1 April 2009 charity members would have clearer, more detailed guidance particularly covering house to house collections carried out in partnership with commercial companies. The Code now contains new obligations on members who are involved in such activity and new guidance on clear and transparent statements to be made on collection materials, promoting best practice and helping to maintain public trust and confidence in charity retailing.

We also amended our Commercial Code of Conduct which sets out the terms for commercial membership of the Association. In future, companies that engage in activities which impact directly on, or which may undermine or restrict unduly, charity members' core operations, will not be eligible to be members of the Association. Such commercial activities include house to house collections of textiles and other goods.



### DIRECTORS' REPORT

For the year ended 31 March 2009

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In addition, in December 2008 we updated our members' guidance note, *Solicitation and transparency statements for house to house collection materials and collection banks*. It now emphasises clear, simple, positive messages for collection materials to maximise transparency.

#### *Press releases and press coverage*

In October 2008 we issued a press release promoting donations directly to charity shops. We also had considerable positive and supportive press coverage during January and February of 2009, with extensive quotes from the Association and from members. The Association and members were interviewed for major articles in the Guardian, the Telegraph, and for various BBC programmes. There were also positive articles in the sector press, trade press, including Materials Recycling Week, and a number of regional reports. We are continuing to publicise these issues, through press releases, interviews and letters to editors, as well as briefing key players, including Ministers.

#### Other Lobbying activities

##### Charities Act for England and Wales

- Chapter 2 of Part 3 of the Charities Act 2006 came into force in April 2008. This Chapter requires charity employees, professional fundraisers and commercial participators to make statements about their remuneration when they are soliciting for funds. The intention of this is to improve the transparency and accountability of fundraising collections. "Solicitation" in this regard might include requests for donated goods via house to house collections.
- Unfortunately, this part of the Act was drafted without house to house collections of goods in mind, and it was clear to us that it would be incredibly difficult and expensive for charities undertaking such collections to comply with these new requirements. We lobbied the Office of the Third Sector (OTS) very hard to either exclude stock collections from these requirements, or to accept an alternative method we proposed to ensure this transparency. Although negotiations were inconclusive, OTS guidance on remuneration statements is not as onerous as it might be.
- We issued extensive guidance on this in the Members' Handbook at the end of 2008.

##### Charities Bill for Northern Ireland

- We made a number of representations to the Department for Social Development in Belfast on the Charities Bill in Northern Ireland over the spring and summer, as well as lobbying the Social Development Committee and all MLAs. We had concerns about the proposed treatment of public charitable collections (PCCs) in respect of house to house collections of goods, and about the requirements for remuneration statements. For PCCs, charities wishing to carry out house to house collections of goods will need to apply for and receive a permit to collect in addition to having a collections certificate (unlike in England and Wales where a certificate only will be needed, and Scotland where collections of goods aren't regulated).
- The Bill was enacted in September 2008. Although we were unsuccessful in persuading the NI Government to amend the Bill, the Minister made it clear to the Assembly, following our intense lobbying, that the arrangements for public charitable collections of goods need not be as onerous as we first thought.
- Permits for public charitable collections will be the responsibility of the Charity Commission for Northern Ireland. Once it is established, we will lobby again.

##### Music in charity shops

- During the summer, we negotiated a deal with the Performing Rights Society (PRS) for members seeking music licences for the first time. PRS acts for music writers, composers and lyricists. Under this agreement, shops registering with PRS for the first time will not have to pay a first year premium (saving about £40). We also agreed an average measure of numbers of employees PRS would use to estimate numbers of shop volunteers and paid staff. This should mean that – for most shops – a standard tariff only will be sufficient to meet PRS licensing requirements. Otherwise, shops might have been liable to an additional tariff for playing music in staff areas (e.g. in back rooms).
- Elsewhere, we spent a considerable amount of time in discussion with the Intellectual Property Office and Phonographic Performance Ltd (PPL) on proposals to remove charity exemptions from PPL licensing. PPL acts for music producers and performers. Removal of the current exemption for charity shops could cost hundreds of thousands of pounds each year, and we vigorously opposed any moves in that direction. At the time of writing, this issue is still live.

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For the year ended 31 March 2009

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#### Reuse and waste issues

##### Waste charges campaign

- We spent a considerable part of the year gaining a range of legal advice to help us tackle the remaining local authorities which overcharge for collecting charity shop waste. Towards the end of the year, though, the Department for Environment, Food and Rural Affairs (DEFRA) announced a review of Schedules 1 & 2 to the Controlled Waste Regulations in England, with a view to amending the Regulations in 2010 (Schedules 1 & 2 class charity shop waste as household waste, and limit charges to collection only). Given this, and the likelihood that local authorities would refuse to change their policies before the review is completed, we took the view that further active lobbying of individual authorities would not be productive.
- Rather, at DEFRA's request, we contributed to a research project they had commissioned on all aspects of Schedules 1 & 2, and prepared – using the legal advice we have – to lobby for beneficial changes to the Regulations. Although the DEFRA review was not specifically about waste from charity shops, we are keen to use this opportunity to clarify the Regulations. The review is ongoing and a report is expected in autumn 2009.
- In Scotland, we wrote to all local authorities, in conjunction with the Scottish Council for Voluntary Organisations, to determine the extent of overcharging in Scotland. Whilst a handful of authorities still overcharge, the problem in Scotland is relatively small.

##### Definition of waste in Scotland

- Following continued and lengthy exchanges with the Scottish Environment Protection Agency (SEPA) we finally reached agreement in the early summer of 2008 on a SEPA statement on how donations to charity shops would be treated in Scotland. Whilst donations to charity shops are classed as waste in Scotland, this statement minimises any threat to charity shops of action against them under waste handling legislation.

##### Sustainable clothing roadmap

- As part of the Waste Strategy for England, DEFRA started working with stakeholders (including the Association) to develop a "roadmap" for the sustainable use of used clothing now and in the future. Given that charity shops are by far the largest reusers of textiles in the UK, we played a full part in developing the roadmap.
- In February 2009, DEFRA launched its Sustainable Clothing Action Plan, in which we are partners, and in which we have made commitments to promote reuse of clothing via donations. Disappointingly, local reuse of clothes does not have as large a priority in the action plan as we would like, and we will continue to press for the recognition of such reuse through charity shops as the best outcome for good quality used clothing.

#### Other issues

- During the year, we also responded to formal consultations on:
  - proposed waste incentive schemes in England,
  - waste handling controls in England,
  - town centre planning in England,
  - proposals for "zero waste" legislation in Scotland,
  - managing climate risk in Scotland,
  - a Scottish Committee inquiry into climate change, and
- In November, we also made a submission to the OTS on proposed Government measures to support the charity sector during and after the current recession
- At our Scottish Conference in February this year, we were invited to join the Scottish Retail Consortium Board of Directors, which is a huge opportunity for us to lobby and influence the Scottish Executive more effectively. We have also attended meetings of the All Party Retail Group at Parliament, as BRC guests, and are building good relationships with the key politicians on that group
- We have continued to engage with key officials in OTS, Treasury and DEFRA, as well as keeping key Ministers and opposition spokespeople informed on the major issues
- We have also continued to engage with colleagues and peers on all the issues through, for example, the Charity Tax Group and through regular meetings with the Furniture Reuse Network and others.

#### Research commissioned from nfpSynergy

- As part of our commitment to providing more information to support the sector, we have continued our regular series of research reports commissioned from nfpSynergy through 2008-9.

### DIRECTORS' REPORT

For the year ended 31 March 2009

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- Research topics covered during the year include: purchasing of Christmas cards, environmental issues and charity shop support, house to house collections, awareness of Gift Aid, buying new items from charity shops and methods of disposing of unwanted items. These reports add to members' knowledge. We are always happy to have new suggestions for future research topics.
- In addition we commissioned special focus group research on attitudes and views on house to house collections of donated goods and this is reported on in the section on house to house collections above.

#### Market analysis reports

- Our quarterly and monthly market analysis reports have continued to provide key market data to members not available anywhere else. We are grateful to all those members who contribute their information to these reports which allow us to publish valuable aggregated data to benefit the sector as a whole. In addition to the normal sales analysis, our QMA reports covered rag prices, sources of stock including commercial house to house collections, trading on eBay, sector salaries, security, selling online and sales of bought in goods including Christmas cards.
- During the year we surveyed members to find out how we could improve on the content and presentation of the reports and implemented changes from the first quarter in 2009 to make the reports more relevant, useful and user-friendly to members.

#### Training

- During the year we held our regular Health & Safety, Security and eBay trading workshops in York, Manchester and London. We also held a workshop on selling Furniture and Electrical Goods in Birmingham. In addition, we introduced a highly popular half day workshop in London on Gift Aid with the support of Horwath Clark Whitehill.
- Attendance at our regular Health & Safety and Security workshops has been low, despite excellent evaluations from attendees. Our 3 year partnership with eBay for Charity providing free training workshops also came to an end during 2008-9. We therefore carried out a review of how best to focus our training activities in the future and carried out a survey of members' interests and needs.
- The Board discussed the results of the members' survey and reviewed existing training resources in the voluntary sector as part of its discussion of the Association's future training activity. It agreed that the Association should move towards developing more online training resources for its members during 2009 – in particular relating to the existing H&S and Security materials. In addition the Association should promote the sharing of training materials offered by members, publicise the availability of existing training resources to members via the website and continue to seek additional partnership arrangements similar to that used for the Gift Aid workshop. These moves are intended to meet members' needs by providing online resources that can be used locally or at shop level as well as ensuring new topics can be covered using external expertise whilst ensuring the Association's training efforts are cost-effective.

#### Code of Charity Retailing and Members' Handbook

- The Code of Charity Retailing became mandatory for all existing members of the Association running shops in the UK from 1 April 2008. It promotes good practice, offers a self-regulatory framework for the sector and therefore encourages public support. Charities newly opening shops or wishing to join as new members are able to join as Provisional Members who must adopt the Code within a year.
- Following the significant growth in house to house collections undertaken by/in partnership with commercial organisations, and the concerns this development has given rise to amongst members, the Code was further amended to provide clear guidance to members and charities wishing to undertake such collections. These amendments were accompanied by new guidance setting out requirements for solicitation and transparency statements.
- Our Members' Handbook continues to provide support and guidance to members to enable them to ensure they meet the Code's requirements and have ready access to key information and best practice guidelines. During the year we issued new guidance on playing music in shops, sustainability best practice and new transparency requirements for house to house collection materials. In addition a large number of existing guidance notes were updated and issued to members. All our guidance is available in the members' area of the website in addition to being available in hard copy if required.

### DIRECTORS' REPORT

For the year ended 31 March 2009

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#### Annual Conference 2008, Scottish Conference and other meetings



- The 2008 Annual Conference and Exhibition were well received and well attended. In our sixth year at Keele University, the theme of the Conference was 'Focused on the Future' with a number of sessions addressing key issues and developments for the sector including Gift Aid, location planning, selling furniture and electrical goods and much more.
- During the year the 2009 Conference was also planned against the backdrop of the impending recession with the aim of providing key learning to support profitable trading in a challenging economic environment.
- The Association's second Scottish Conference was held in Glasgow in February 2009 and focused on improving sales and reducing costs in a difficult trading environment. Over 75 delegates and speakers attended the event at which there were a range of break-out sessions as well plenary sessions on key challenges and opportunities in Scottish retailing and on communication techniques to maximize sales success.
- Members' meetings were held in Birmingham, Edinburgh and Belfast allowing members the opportunity to network with their colleagues, hear guest presentations and receive updates on the Association's activities.
- Our 4 Interest Groups continued to meet and to provide an opportunity for members to share information, network with colleagues and update their knowledge in their specialised areas of Property, People Management, Health & Safety and the Environment. Full details of members of the groups are given later in this report. We are very grateful to the individuals who take on the additional responsibility of chairing the Interest Groups and thank Chris Besant (British Heart Foundation, Chair of the Property Group), John Ellis (Barnardo's, Chair of the Environment (formerly Recycling) Group), Anne Webb (Oxfam, Chair of the People Management (formerly HR) Group) and Stephen Yorke (Chair of the H&S Group).



#### Commercial activities

- For a number of years our strategic plan has emphasised the importance of growing new income streams. New potential income generating activities are regularly considered and reviewed by the Development and Finance Committee and we are always open to consider new possibilities. However, no significant new income generating projects were identified in the year although we increased the numbers of our Affiliate and Associate Members and the size of the Exhibition at the Annual Conference. These remain the major contributors to our commercial income.
- In addition, sponsorship of our Annual and regional Conferences contributes a key part of the commercial income of the Association. We also increased the opportunities available to commercial members to advertise and market their products and services through our newsletters and conference materials.
- Our Directory of Suppliers has also expanded and continues to be published in hard copy as well as being available on our website.
- Following the sector-wide concern about the increase in house to house collections carried out by commercial organisations, we amended our Commercial Code of Conduct so that companies carrying out activities deemed to undermine the charity retail sector, were not eligible for membership of the Association from 2009.
- Our publications including John Tough's book on setting up and running charity shops and our volunteer booklets continue to sell steadily – the former primarily to non-members and the latter to members.

#### Website development

- The website's re-launch in April 2008 was a great success, mostly seen in the members' area. Public area hits rose by, on average, 1000 per month to 14250. Members' area hits averaged at 700 per month, which cannot really compare with the previous year's performance as access was made easier by a monthly email Bulletin link taking members direct to the members' area. However, this has effectively doubled members' area activity in the space of a year. Coupled with a further reduction in the number of members receiving paper communications, this shows great steps forward in electronic, and therefore efficient, dissemination of the Association's wealth of online information.

DIRECTORS' REPORT

For the year ended 31 March 2009

- Additional website features introduced in 2008-9 included the Volunteer Transfer Scheme in June 2008, aimed at keeping volunteers in the sector upon closure of shops; Google Maps were introduced to the Find a Charity Shop page in January 2009; and information frequently requested from members, such as sample job descriptions, sample agreements and training providers were added to our growing Resources page.



- In March 2009 we re-launched what was the Discussion Forum, and what is now the Virtual Meeting Space, where members get their charity retail queries answered by sector colleagues and notify members of issues, either as part of spaces affiliated to the 4 interest groups, or as general discussion. It soon became the most popular page in the members' area, after the home page, and will be reported on in next year's Annual Report.
- Future developments under consideration are online payments, e-learning and video hosting.

Co-ordination/contacts with other bodies

- The Association continues to be a member of British Retail Consortium giving access to their information and expertise on the retail sector. In addition we maintain our membership of a number of charity umbrella organisations such as the National Council for Voluntary Organisations, the Scottish Council for Voluntary Organisations and the Charity Tax Group as a means of networking with the wider voluntary sector and ensuring we coordinate our views with theirs on relevant policy issues. During the year we have also worked with the Institute of Fundraising and the Fundraising Standards Board on relevant issues such as house to house collections of goods by charities without shops working with commercial organisations.
- We also maintain ongoing contacts with UK community sector organisations in the reuse and recycling field such as the Furniture Reuse Network and the London Community Resource Network as well as the European reuse and recycling network for voluntary organisations in Europe (RREUSE), through which we are kept in touch with and lobby on developments in Europe on waste and recycling.

Board and Finance Committee (membership details given at the end of this report)

- The Board of Directors met 6 times during the year including one Strategy Day meeting in Oxford which was also attended by members of the Development and Finance Committee, and a special meeting called to discuss the issue of house to house collections. The Development and Finance Committee met 3 additional times in June, November and February to consider budgets, forward projections and possible income generating projects. Together members of the Board and Finance Committee contributed well over 260 hours of their time to the Association on a voluntary basis attending meetings as well as additional time considering papers and emails between meetings. The Association is extremely grateful to them for their input, expertise and support.

RESERVES POLICY

In line with good practice in the charity and voluntary sector, the Development and Finance Committee and Board review the Association's financial reserves policy on an annual basis. The current reserves policy is that the Association aims to build up its reserves to be sufficient to cover 6 months' total operational costs, to include provision for dilapidations arising from our current lease. However, a lower level covering 6 months' of our core expenditure has been used in drawing up our budget and expenditure plans for the coming year against this aspiration with the aim of building up the reserves in future. In arriving at this policy, the Board and Committee took into account the growth in the size and range of activities of the Association as well as the organisation's legal, contractual and financial obligations.

THANKS

Our thanks go to all members who have contributed their time and expertise in supporting the Association including all those who contribute their input, advice time and expertise to our interest groups and Development and Finance Committee.

**DIRECTORS' REPORT**

For the year ended 31 March 2009

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**Development and Finance Committee members 2008-9**

Jeffrey Pinnick, All Aboard Shops  
Paul Tate, The Children's Society (from  
November 2008)  
David Tidd, The Children's Trust

Nick Mason, Shaw Trust (Chair)  
Alan Hodges, Sue Ryder Care  
Lin Underwood, Hospice of St Francis

**Property Group members 2008-9**

Paul Claydon, Age Concern England  
Damien Bufton, Barnardo's  
Neil Batchelor, British Heart Foundation  
Chris Besant, British Heart Foundation (Chair)  
Mark Jeffers, British Red Cross  
Simon Ledsham, Cancer Research UK  
Robert Marston, Cancer Research UK  
David Tidd, The Children's Trust  
Claire Jordan, Demelza Trading Ltd  
Yvonne Colclough, Douglas Macmillan  
Hospice  
Alison Whittingham, Extracare Charitable  
Trust  
Nigel Frost, Extracare Charitable Trust  
Jonathan Stokes, Farleigh Hospice  
Guy Taylor, Help the Aged  
Lynn Perry, Kidney Research UK  
Dorothy Hardie, Kidney Research UK  
Chris Dutnall, Marie Curie Cancer Care  
Sandy Paskins, Minds Matter  
Stuart Smith, Oxfam GB  
Robert Beck, PDSA  
Martin Cowell, PDSA

Emily Morris, PDSA  
Angela Gray, The Prince of Wales Hospice  
David Prest, Princess Alice Hospice  
Sue Lloyd, Rowcroft Hospice  
Julia Brown, RSPCA  
Kevin Lowe, Salvation Army Trading Company  
Philip Wragg, Salvation Army Trading Company  
Bob Davis, Save the Children UK  
Peter Benfield, SCOPE  
Giovanni Rossato, SCOPE  
Marc Kimpton, SENSE Trading  
Steve Furneau, SENSE Trading  
Matt Campbell, St Vincent de Paul Society  
(England & Wales)  
Tony Nolan, St Vincent de Paul Society (England  
& Wales)  
Elizabeth Jarmin, Sue Ryder Care  
Richard Nicholls, Tenovus, The Cancer Charity  
Sara McLuckie, Treetops Hospice  
Garth Caswell, Ty Hafan Children's Hospice  
Paul Sargison, YMCA England  
Peter Batchelor, YMCA England

We should also like to thank Neil Hanney of CADE Consultants Ltd and Katie Beckett of JJCL, who spoke at the Property Group meetings in 2008.

**Environment (formerly Recycling) Group members 2008-9**

Sandra Hinde, Age Concern England  
Tina Wilmshurst, Age Concern England  
Graham Richardson, Ashgate Hospice  
John Ellis, Barnardo's (Chair)  
Colin Sandford, British Heart Foundation  
Julian Temblett, British Heart Foundation  
Mandi Simms, British Heart Foundation  
Andrew Freeman, British Red Cross  
Tessa Beeney, Burrswood  
Lucy Baldwin, Cancer Research UK  
Paul Tate, The Children's Society  
Joe Feeley, Cotswold Care Hospice  
Jonathan Stokes, Farleigh Hospice  
Hugh Forde, Help the Aged  
Peter Ansell, Help the Aged  
Terry Mutton, Help the Aged  
Sarah Knight, Help the Aged  
Tony Clark, Oxfam GB

Carrie Field, Oxfam GB  
Peter Tomlinson, Oxfam Ireland  
Eric Russell, PDSA  
David Prest, Princess Alice Hospice  
Sue Lloyd, Rowcroft Hospice  
Diane Eyre, Save the Children UK  
Andrew Welch, SCOPE  
Nick Wilks, SCOPE  
Carol Kerrey, SENSE Trading  
Lynda Howe, Shaw Trust Retail  
David Brodala, South Bucks Hospice  
Karen Britton, St Luke's Hospice Shops  
Siobhan Robinson, St Wilfrid's Hospice  
Alan Hodges, Sue Ryder Care  
Kay Barnes, Sue Ryder Care  
Enedina Columbano, Traid  
Mark McCrorie, Trinity Homeless Projects

We should also like to thank Patrick Brennan and Jennifer Shea of nfpSynergy, who spoke at the Recycling Group meeting in September 2008.

**DIRECTORS' REPORT**  
For the year ended 31 March 2009

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**People Management (formerly HR) Group members 2008-9**

Kate Turner, Acorns Children's Hospice  
Janice McPherson, Acorns Children's Hospice  
Denise Clark, Barnardo's  
Dawn Charlesworth, Barnsley Hospice  
Gill Staunton, British Heart Foundation  
Miranda Bradley, British Red Cross  
Anna Thornley, British Red Cross  
Carolyn Clethro, Cancer Research UK  
Louise Westphalen, DebRA  
Yvonne Colclough, Douglas Macmillan Hospice  
Rebecca Cooper, Douglas Macmillan Hospice  
Jonathan Stokes, Farleigh Hospice  
Elaine Hart, Help the Aged  
Joanne Sleet, Help the Aged  
Helen Craven, Home Farm Trust  
Rozina Ahmad, Iain Rennie Hospice at Home  
Zaynul Haque Peerbhai, Islamic Relief  
Libby Dale, Katharine House Hospice, Stafford  
Frank Hawkins, Minds Matter  
Anne Webb, Oxfam GB  
Anne Gate-Eastley, Oxfam GB  
Tracy Gadbury, Oxfam GB

Donna Perkins, Oxfam Ireland  
Philip Kojcinovic, Pasque Hospice  
David Prest, Princess Alice Hospice  
Lynn Barker, Salvation Army Trading Company  
Mikala Ayres, SCOPE  
Sharon Campbell, Scottish International Relief  
Susan Taylor, SENSE Trading  
Sian Bailey, Severn Hospice  
Rita Hardin, Severn Hospice  
Adrienne Rostron, The Shakespeare Hospice  
Sue Goodchild, St Elizabeth Hospice  
Lynwen Truesdale, St Giles Hospice Shops  
Hilary Berry, St Luke's Hospice (Harrow & Brent)  
Maureen Farrar, St Luke's Hospice (Harrow & Brent)  
Karen Britton, St Luke's Hospice Shops  
Siobhan Robinson, St Wilfrid's Hospice  
Alison Cadman, Sue Ryder Care  
Sara McLuckie, Treetops Hospice  
Julie Potter, Walsall Hospice

We should also like to thank Marcus Difelice of Brabners Chaffe Street LLP who spoke at the People Management Group meeting in April 2008.

**Health & Safety Group Members 2008-9**

Andrew Hart, Barnardo's  
Karen Ward, British Heart Foundation  
Sarah Marshall, British Heart Foundation  
Sue Azzopardi, British Red Cross  
David Rees, British Red Cross  
George Peacock, British Red Cross  
Mark Jeffers, British Red Cross  
Stephen Learmouth, Cancer Research UK  
Paul Tate, The Children's Society  
Louise Westphalen, DebRA  
Jonathan Stokes, Farleigh Hospice  
Julia Pitts, Force Cancer Charity  
Linda Gowling, Help the Aged  
Lesley Blencowe, Iain Rennie Hospice at Home  
Dorothy Hardie, Kidney Research UK  
Chris Dutnall, Marie Curie Cancer Care  
Mairi Kelly, Marie Curie Cancer Care  
Stuart Roberts, Minds Matter  
Jo Duffy, Multiple Sclerosis Society

Anne Webb, Oxfam GB  
Bryony Giugno, Oxfam GB  
Karen Hailes, PDSA  
Katharine Smith, PDSA  
David Prest, Princess Alice Hospice  
Kevin Lowe, Salvation Army Trading Company  
Bob Davis, Save the Children UK  
Michael Diamond, Save the Children UK  
Jennifer Kelly, Save the Children UK  
Marc Kimpton, SENSE Trading  
Tessa Lancaster, Shaw Trust Retail  
Paul Basset, Shelter Trading Ltd  
Maureen Farrar, St Luke's Hospice (Harrow & Brent)  
Calum Porter, St Oswald's Hospice  
Andrew Hufford, St Peter's Hospice  
Siobhan Robinson, St Wilfrid's Hospice  
John Eley, Sue Ryder Care  
Stephen Yorke (Chair)

We would also like to thank Ron Griffiths from the HSE and Gareth Broughton from the Local Authority Unit of the HSE, who spoke at H&S Group meetings during the year.

John Canessa of Marie Curie Cancer Care retired from the Board, and therefore his position as Chair in December 2008. Bob McDonald of DebRA retired from the Board in March 2009. Stephen Yorke, the Association's H&S and Security Project Manager, and Chair of the H&S Group, retired in March 2009. We are very grateful to them for their help and support.

The Association is also grateful to Oxfam for its continuing support for the Health & Safety and Security projects. Thanks are also due to our accountants Gotham Erskine.

**DIRECTORS' REPORT**  
For the year ended 31 March 2009

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**DIRECTORS**

**Category A organisations (less than 20 shops):**

Karen Britton  
Retail Manager  
Treetops Hospice  
(from Nov 2007; appointed to 2009)

Dawn Charlesworth  
Retail Services Manager  
Barnsley Hospice  
(appointed to 2011)

Vicki Burnett  
Senior Fundraiser  
St Gemma's Hospice  
(From Nov 2007; appointed to 2010)

David Cryer  
Retail Manager  
Helen and Douglas House  
(from Nov 2007; appointed to 2010)

**Category B organisations (21-100 shops):**

Ken Dunning  
Head of Retail  
Arthritis Research Campaign  
(from Nov 2007; appointed to 2010)

Nick Mason  
Retail Director  
Shaw Trust Retail  
(appointed to 2009)

**Category C organisations (over 100 shops):**

Sue Azzopardi (Vice-Chair until December 2008, then Chair from December 2008)  
Head of Trading  
British Red Cross  
(appointed to 2011)

Simon Ledsham  
Retail Director  
Cancer Research UK  
(appointed to 2010)

John Canessa (Chair from July 2007, retired from Board December 2008)  
Head of Shops and Trading  
Marie Curie Cancer Care

Colin Sandford  
Executive Consultant  
British Heart Foundation Shops Division  
(appointed to 2011)

**Co-opted Directors:**

Dr Richard Cuthbertson, Senior Research Fellow, Oxford Institute of Retail Management (appointed from December 2008)  
Barney Tallack, Deputy Trading Director, Oxfam GB (appointed to 2009)  
Bob McDonald, Director of Retail, DebRA (co-opted from Jan 2008, retired March 2009)

The Association has no issued share capital or debentures, hence there are no directors' interests requiring disclosure.

**PREPARATION OF THE REPORT**

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 30 September 2009 and signed on its behalf.

Lekha Klouda  
**Secretary**

**ACCOUNTANTS' REPORT TO THE DIRECTORS OF ASSOCIATION OF CHARITY SHOPS  
ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2009**

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In accordance with the engagement letter dated 14 August 2007, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the Association which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes, from the accounting records and information and explanations you have given to us.

This report is made to the Association's Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Association's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's Board of Directors, as a body, for our work, or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 March 2009 your duty to ensure that the Association has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the Association is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

**Gotham Erskine LLP**  
Chartered Accountants  
Friendly House  
52 - 58 Tabernacle Street  
London EC2A 4NJ

Date:

## ASSOCIATION OF CHARITY SHOPS

### INCOME AND EXPENDITURE ACCOUNT For the year ending 31 March 2009

	2009	2008
	£	£
<b>INCOME</b>		
Membership subscriptions	302,695	281,254
Conferences, seminars and meetings	150,757	121,427
Health & Safety, security & other workshops	9,009	13,198
Environmental Action Fund grant income	-	34,600
Other grant income	310	-
Other commercial income	16,747	21,698
<b>TOTAL INCOME</b>	<b>479,518</b>	<b>472,177</b>
<b>EXPENDITURE</b>		
<b>Staff costs (see Note 2)</b>	<b>221,427</b>	<b>214,491</b>
<b>Other operating charges:</b>		
Conferences, seminars and meetings	86,291	72,776
Publications and subscriptions	17,483	17,578
Marketing materials	365	8,350
Direct project costs:		
Health & Safety, security & other workshops	9,346	5,480
Environmental Action Fund grant spending	527	31,008
Other commercial costs	2,504	2,150
Rent, rates and utilities	24,586	25,159
Lobbying	12,000	12,000
Research	23,240	9,515
Website development and computer costs	5,729	6,433
Code of Charity Retailing	992	720
Printing and stationery	2,053	2,580
Accountancy fees	8,400	7,300
Other legal and professional fees	10,411	10,475
Telephone and postage	5,466	5,034
Depreciation	2,003	1,883
Travel	1,873	3,007
Insurance	955	2,535
Repairs and maintenance	48	-
Sundry expenses	1,042	310
	<b>215,314</b>	<b>224,293</b>
<b>TOTAL EXPENDITURE</b>	<b>436,741</b>	<b>438,784</b>
<b>OPERATING SURPLUS</b>	<b>42,777</b>	<b>33,393</b>
Bank interest receivable	17,289	18,555
<b>SURPLUS BEFORE TAXATION</b>	<b>60,066</b>	<b>51,948</b>
<b>TAXATION (see Note 3)</b>	<b>(3,631)</b>	<b>(3,711)</b>
<b>RETAINED SURPLUS FOR THE YEAR (see Note 2)</b>	<b>56,435</b>	<b>48,237</b>
<b>ACCUMULATED SURPLUS B/F</b>	<b>261,276</b>	<b>213,039</b>
<b>ACCUMULATED SURPLUS C/F</b>	<b>£ 317,711</b>	<b>£ 261,276</b>

The annexed notes form part of these financial statements

## ASSOCIATION OF CHARITY SHOPS (Limited by guarantee)

### BALANCE SHEET As at 31 March 2009

	Notes	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
Tangible assets	4		3,724		4,850
<b>CURRENT ASSETS</b>					
Stocks		2,670		2,720	
Debtors	5	16,638		16,908	
Cash at bank and in hand		478,899		373,422	
		<u>498,207</u>		<u>393,050</u>	
<b>CREDITORS:</b> amounts falling due within one year					
	6	(184,220)		(136,624)	
<b>NET CURRENT ASSETS</b>					
			<u>313,987</u>		<u>256,426</u>
<b>NET ASSETS/TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>£ 317,711</u>		<u>£ 261,276</u>
<b>CAPITAL AND RESERVES</b>					
Reserve for dilapidations	8		12,500		10,000
Accumulated surplus	8		305,211		251,276
			<u>£ 317,711</u>		<u>£ 261,276</u>

The directors are satisfied that the Association is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Association keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Association as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the Association.

The financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2007). They were approved, and authorised for issue, by the Board on 30 September 2009 and signed on its behalf by:-

**SUE AZZOPARDI**  
Director

The annexed notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2009

1 ACCOUNTING POLICIES

**Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and include the results of the Association's operations which are described in the Directors' report.

**Income**

Income from membership subscriptions are accounted for, net of VAT, over the subscription year which runs to 31 March each year. Subscriptions received before each year-end for the following year are carried forward as deferred subscription income.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives of 5 years.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Pensions**

The Association pays 10% of the salary of participating employees into their personal pension schemes annually in arrears. At the end of the year there were outstanding contributions amounting to £16,221 (2008 - £14,170).

2 STAFF COSTS AND DIRECTORS

	2009 £	2008 £
Salaries	180,738	173,902
National insurance	17,319	18,863
Recruitment	5,620	4,417
Training	290	433
Pension contributions	17,460	16,876
	<u>£ 221,427</u>	<u>£ 214,491</u>

During the year, no director received any emoluments (2008 - £Nil).

3 TAXATION

	2009 £	2008 £
UK corporation tax	<u>£ 3,631</u>	<u>£ 3,711</u>

Corporation tax was payable on investment income for the year at 21% (2008 - 20%).

## ASSOCIATION OF CHARITY SHOPS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2009

#### 4 TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 April 2008	15,228
Additions	877
At 31 March 2009	<u>16,105</u>
<b>Depreciation</b>	
At 1 April 2008	10,378
Charge for the year	2,003
At 31 March 2009	<u>12,381</u>
<b>Net book value</b>	
At 31 March 2009	<u>£ 3,724</u>
At 31 March 2008	<u>£ 4,850</u>

#### 5 DEBTORS

	2009 £	2008 £
Trade debtors	-	2,650
Interest receivable	2,960	-
Prepayments	13,678	14,258
	<u>£ 16,638</u>	<u>£ 16,908</u>

#### 6 CREDITORS

	2009 £	2008 £
<b>Amounts falling due within one year</b>		
Trade creditors	10,966	8,043
VAT	17,398	12,957
Social security and other payroll taxes	5,037	4,175
Accruals	18,621	24,873
Deferred subscription income	108,622	58,727
Other deferred income	19,945	24,138
Corporation tax	3,631	3,711
	<u>£ 184,220</u>	<u>£ 136,624</u>

#### 7 LEASE COMMITMENTS

The Association's office lease expires in July 2009. The annual rent under the lease is £10,920 plus service charges based on a share of the relevant costs.

## ASSOCIATION OF CHARITY SHOPS

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### NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2009

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#### 8 MOVEMENTS IN FUNDS

	<b>Brought forward</b>	<b>Surplus</b>	<b>Transfers</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accumulated surplus (see below)	251,276	56,435	(2,500)	305,211
Reserve for dilapidations	10,000	-	2,500	12,500
	<u>£ 261,276</u>	<u>£ 56,435</u>	<u>£ Nil</u>	<u>£ 317,711</u>

The Association has established the Reserve for dilapidations in anticipation of costs likely to be incurred at the end of the current lease.

LIST OF MEMBERS

For the year ended 31 March 2009

4SIGHT	Chest, Heart and Stroke Scotland	Helen and Douglas House
Acorns Children's Hospice Trading	Children in Distress	Help the Aged
Action Cancer	Children on the Edge	Highland Hospice
Age Concern Bradford & District	Children's Hospice Association Scotland	Highway Hospice
Age Concern England	Children's Hospice South West	Home Farm Trust
Age Concern Lancashire	The Children's Society	Home-Start Teesside
Age Concern Lindsey	The Children's Trust	Homeaid Caithness
Age Concern Northampton & County	Church from Scratch	Hope House Trading
Age Concern Northwest Cumbria	Claire House Shops	The Hornsey Trust for Children with Cerebral Palsy
Age Concern South Lakeland	CLAN (Cancer Link Aberdeen and North)	Hospice in the Weald
Age Concern Suffolk	CLIC Sargent	Hospice of St Francis Trading
Age Concern Trafford	Community of Reconciliation and Fellowship	Hospices of Hope
Age Concern Worcester & District	Compass Advocacy Network	Hospiscare Shops
All Aboard Shops Ltd	Compton Hospice Trading	Iain Rennie Hospice at Home
Alzheimer Scotland	Cosgrove Care	Islamic Relief
Animals in Distress	Cotswold Care Hospice	Julia's House, Dorset Children's Hospice
Antur Waunfawr - Warws Werdd Furniture Project	Crossroads Caring for Carers (Isle of Man)	Julian House
Arthritis Research Campaign	Dabar Enterprises	Katharine House Hospice, Banbury
Arthur Rank Hospice Charity	Daniel Cleverley Trust	Katharine House Hospice, Stafford
ASBAH	DebRA	Kemp House Trust
Ashgate Hospice	Demelza Trading	Kibble Education & Care Centre
The Ashley Foundation	Derian House Children's Hospice	Kidney Research UK
Autism Plus	Devon Air Ambulance Trust	Kirkwood Hospice
Baby Lifeline	Diabetes UK	Lauren's Link
Barnardo's	Diamond Life	Les Bourgs Hospice Store
Barnsley Hospice	Dogs Trust	Liberty Foundation
Basingstoke and Alton Cardiac Rehab Charity Ltd	Douglas Macmillan Hospice	Limavady Community Development Initiative
Beacon Centre for the Blind	Earl Mountbatten Hospice	Lindsey Lodge Hospice
Beechwood Cancer Care Centre	East Anglia's Children's Hospices	Link Romania
Bethany Christian Trust	East Belfast Mission	Local Aid
The Big C	East Lancashire Hospice	Manchester Jewish Federation
Birmingham Settlement	EMWWOUL	Mare & Fowl Sanctuary
Birmingham St Mary's Hospice (Trading)	Enable Ireland Disability Services	Marie Curie Cancer Care
Blackpool Samaritans	Essex Air Ambulance	The Martlets Trading Company
Bluebell Wood Children's Hospice	Exeter Leukaemia Fund	Mary Ann Evans Hospice
The Blue Cross	Extracare Charitable Trust	Mercy in Action
Blythe House Hospice	FARA Enterprises	Mercy Ships UK
Bolton Hospice	Farleigh Hospice	Minds Matter
Bordon Care Shop Ltd	Fen Bank Greyhound Sanctuary	Moray Recycling Action Group
Brainwave	Florence Nightingale Hospice Shops	Mrs Quin's Charity Shops
Branching Out	Force Cancer Charity	Mull and Iona Community Trust
BREAK	Friends of Ravenshead Day Centre	Multiple Sclerosis Society
Brent Samaritans	Garden House Hospice Trading	The Myton Hospices
The Bridge	GIFTS Hospice	National Association of Cancer Patients and Carers
British Heart Foundation	give2give	NCH
British Red Cross	Greenwich & Bexley Cottage Hospice	Nightingale House Hospice
Burrswood	Guideposts Trust	NOAH Enterprise
Bury Hospice	Guild Care	The Norfolk Hospice Tapping House
Butterwick Hospice Retail	Gwynedd Hospice at Home	Norman Laud Association
Cancer Research UK	Hamelin Trust	North Devon Hospice
Cancer Research Wales	Hartlepool & District Hospice	North London Hospice
Capability Scotland	Headway - The Brain Injury Association	North West Air Ambulance
CARE	Heart of Kent Hospice Trading	Nottinghamshire Hospice Shops
Castaways		
Cats Protection		

### LIST OF MEMBERS

For the year ended 31 March 2009

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Nugent Care	The Shakespeare Hospice	St Rocco's Hospice
Oakhaven Hospice Trust	Share the Care/Hospice Shops	St Teresa's Hospice
Octavia Housing and Care	Shaw Trust Retail	St Vincent de Paul Society (England & Wales)
One Community	Sheffield Samaritans	St Wilfrid's Hospice
Overgate Hospice	Shelter Trading	St Wilfrid's Hospice Shops, Eastbourne
Oxfam GB	Shooting Star	Stand Up For Africa
Oxfam Ireland	Simon Community Northern Ireland	Strut in the Community (Strut Shops Ltd)
Pasque Charity	Skipton & Craven Action for Disability	Sue Ryder Care
The Passage	Sobell House Hospice Charity	Swansea Samaritans
Paul Sartori Foundation	South Bucks Hospice	Swindon & District Samaritans
PDSA	Southern Area Hospice Services	Teesside Hospice Trading
Peace Hospice Shops	Spitalfields Crypt Trust	Tenovus, The Cancer Charity
Pilgrims Hospices in East Kent	Springhill Hospice	Traid
Pramacare	St Andrews Hospice (Trading)	Treetops Hospice
Primrose Hospice	St Ann's Hospice	Trinity Homeless Projects
The Prince of Wales Hospice	St Anne's Hospice	Trinity Hospice Shops
Princess Alice Hospice	St Barnabas Hospice Shops	Trinity - The Hospice in the Fylde
Prospect Hospice	St Barnabas Hospices (Sussex)	The Trussell Trust
Quaker Care	St Catherine's Hospice, Preston	Ty Hafan Children's Hospice
Queenscourt Hospice	St Catherine's Hospice, Scarborough	Victim Support Leicestershire & Rutland
REBUILD (Bury)	St Catherine's Hospice, West Sussex	Vitalise Enterprises
Refurbs Flintshire	St Clare Hospice Trading Company	Wakefield Hospice
Richard House Trading Company	St Columba's Hospice	Walsall Hospice
The Rowans Hospice Trading Company	St Cuthbert's Hospice	Walsingham Care
Rowcroft Hospice	St Elizabeth Hospice	Wandsworth Oasis Trading Company Ltd
Roy Castle Retail	St Elizabeth's Centre	Watford & District Mencap Society
RSPCA Basingstoke & Andover	St Gemma's Hospice	Wayside Community Centre
RSPCA Birmingham	St Giles Hospice Shops	Wellingborough & District Mind
RSPCA Bradford & District	St John's Hospice	Wessex Cancer Trust
RSPCA Bridlington & District	St John's Hospice & CancerCare Shops	Wessex Children's Hospice Trust
RSPCA Bristol & District	St John's Hospice in Wirral	West Cumbria Hospice at Home
RSPCA Durham & District	St Joseph's Hospice	West of England School and College
RSPCA Essex South & Southend	St Kentigern Hospice	West Yorkshire Forget Me Not Trust
RSPCA Hampshire & Surrey Border	St Leonard's Hospice	Weston Hospicecare
RSPCA Huddersfield & District	St Luke's (Cheshire) Hospice	Wigan and Leigh Hospice
RSPCA Kent North West	St Luke's Hospice (Basildon)	Willen Hospice
RSPCA Middlesex North West	St Luke's Hospice (Harrow & Brent) Charity Shops	Willowood Hospice
RSPCA Norwich & Mid-Norfolk	St Luke's Hospice Shops	Wizo.uk
RSPCA Nottinghamshire West	St Margaret of Scotland Hospice	Woking Hospice
RSPCA Staffordshire North	St Michaels Hospice, East Sussex	Wood Green Animal Shelters
RSPCA Suffolk East Coast	St Michael's Hospice, Harrogate	Woodlands Hospice
RSPCA Suffolk East & Ipswich	St Michael's Hospice, Hereford	Woodlands MS Resource and Respite Care Centre
Rural Community Partnership Trust	St Michael's Hospice (North Hampshire) Retail	YMCA England
Salvation Army Trading Company Ltd	St Nicholas Hospice	Your Choice Plus (Wessex Independent Self Help)
Salvation Army - Yorkshire Care & Share Shops	St Oswald's Hospice	
Samaritans Carlisle	St Peter's Hospice	
Save the Children UK	St Raphael's Hospice	
SCOPE	St Richard's Hospice	
Scottish International Relief		
Sense Scotland		
SENSE Trading		
Severn Hospice		



