

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2000

COMPANY NUMBER 3286173

REGISTERED CHARITY NUMBER 1064588



O'BRIEN & COMPANY
CHARTERED ACCOUNTANTS
Pontypridd

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 2000

CONTENTS

	Page
Charity information	1
Management Committee's Report	2 - 5
Accountants' Report on the Unaudited Financial Statements to the Members of the Management Committee	6
Statement of Financial Activities	7
Balance Sheet	8 - 9
Notes on Financial Statements	10 - 17

The following pages do not form part of the statutory financial statements:

	Appendices
Analysis of Resources Expended	1 - 2

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

COMPANY INFORMATION

31st December 2000

Incorporated in Wales on 2nd December 1996

COMPANY NUMBER 3286173

REGISTERED CHARITY NUMBER 1064588

MANAGEMENT COMMITTEE MEMBERS

Chairman	Ninian Le Blanc Tony Croke Gean Griffiths David Lewis Sheila Rees David Wu
----------	---

COMPANY SECRETARY Lynda Davies

GENERAL MANAGER Lynda Davies

REGISTERED OFFICE Unit 12
Highfield Industrial Estate
Ferndale
Rhondda Cynon Taff
CF43 4SX

BANKERS Barclays Bank plc
P O Box 32
Pontypridd
Rhondda Cynon Taff
CF37 4YA

REPORTING ACCOUNTANTS O'Brien & Company
Chartered Accountants
Highdale House
7 Centre Court
Main Avenue
Treforest Industrial Estate
Pontypridd
Rhondda Cynon Taff
CF37 5YR

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT

31st December 2000

The Management Committee presents its annual report and financial statements for the year ended 31st December 2000.

Valleys Furniture Recycling Limited is a registered charity, number 1064588, limited by guarantee and a registered environmental body number 633432.

Governing document of the company as a charity

The operation of the company is governed by its Memorandum and Articles of Association.

Company members

The liability of the members of the company is limited to £1 each.

There were 29 members of the company at 31st December 2000. Contributions for membership for individuals were set at £5 for waged and £1 for unwaged. Organisations contributed £10 for membership.

Company's aims and objectives

- To assist with the relief of poverty, by helping to meet the furniture and household needs of people on low income by, but not limited to, recycling furniture which would otherwise be thrown away and by advancing more sustainable waste management practices; and
- To advance the development and education of people by providing opportunities to volunteer and to train, so as to develop work skills and social skills, gain work experience and encourage social integration.

How the Company operates

- The company collects unwanted, reusable items of furniture from people living within the County Borough of Rhondda Cynon Taff (CB RCT).
- Items are checked and if necessary taken to the workshop where volunteers carry out basic repairs.
- Items are displayed in the showrooms at Ferndale and Aberdare where people who are in receipt of an income-based benefit, or on a low income who live in the CB RCT area (evidence required) may call and select the items they need.

Beneficiaries of the Company's services

Customers are asked to provide evidence that they are in receipt of an income-based benefit. Customers can also be referred by statutory organisations and other local groups who advise us that this customer is in need of our services. In cases of exceptional need, some customers living outside our area of benefit (CB RCT) have been provided with this service.

Supplying other organisations

Other registered charities or community groups (with limited income) based in CB RCT, whose objectives are in line with our own e.g. assist with the relief of poverty, may access our services to acquire furniture and equipment they need.

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT

31st December 2000 (continued)

Financial results review

The results for the year shown on page 7 show net incoming resources of £11,580, which produce an accumulated unrestricted funds position of £128,871 at the balance sheet date, some of which has been set aside as designated funds (see note 16). Accumulated restricted funds amount to £6,382.

Donations for furniture supplied amounted to £91,655 in the year. Whilst supplies are made on a "not for profit" basis, income is required to sustain the company's activities beyond the expected life of the various grants receivable. A fixed donation is therefore expected for each item of furniture supplied.

Grants receivable in the year totalled £69,894. £62,367 of this was restricted funding received from ERDF Objective II funding, which was calculated as approximately 50% of eligible expenditure.

Donors of furniture are advised that if the item they donate is considered to have significant value as a collector's item or an antique, the company will auction the item to the public to realise its maximum value. The furniture auction income generated in the year of £2,497 helps to subsidise the costs of providing the company's services to people in need.

Intangible income represents the estimated equivalent monetary value of donations "in kind" received from suppliers in support of the company's services in the form of services provided or assets and goods supplied. Details analysing the £2,217 of intangible income are given in note 4 to the financial statements.

Details of resources expended totalling £161,970 for the year are given in notes 5 to 7 to the financial statements.

Investment policy

Short-term, low-risk investments will be made on a daily basis from current to investment bank accounts to maximise interest receivable.

Financial reserves policy

At 31st December 2000, the company held unrestricted non-designated reserves of £25,790 and designated reserves of £103,081.

The Management Committee has prepared a three year Strategic Business Plan and Operation Plan, with the following Strategic Goals:-

- Recycle furniture and household items to people in need throughout Rhondda Cynon Taff.
- Provide education, training and work experiences.
- Further develop environmental and waste management practices.
- Achieve self sufficiency.

To deliver our existing services over the next twelve months, to meet the targets set within our Business Plan, the Management Committee have set a designated reserve of £16,000.

Having assessed the company's future financial needs in respect of (i) planned growth and relocation of its main operations to larger premises, and to create a community-owned income generating asset within CB RCT; (ii) its known future sources of grant income and the risk of being unsuccessful in renewing or replacing its existing grant funding; and (iii) the risk of having to be financially self-funding from its charitable activities. The management committee have set aside a designated reserve of £33,839 to be used as match funding against future developments.

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT

31st December 2000 (continued)

Financial reserves policy (continued)

The Management Committee recognises the risk that projected generated funds would be adversely affected in the event of disruption to services through planned relocation, unfavourable weather, damage to vehicles resulting in their being off the road and unavailable for collections and deliveries of furniture and any changes in legislation affecting the availability of donated goods.

As a result of this assessment, the Management Committee has set an unrestricted reserves policy target of £160,000, the estimated level of funds required to maintain the company for a period of approximately twelve months.

The Management Committee has allocated £25,790 towards this target and will endeavour to attract additional sources of funding. The reserves policy will be monitored and reviewed by the Management Committee on a regular basis throughout each successive financial period.

Future plans and development opportunities

The company has the following future plans and development opportunities:-

- Design and develop a community owned income generating asset.
- Develop plans, partnerships and existing networks to create and manage a long-term sustainable recycling source within Rhondda Cynon Taff.
- To research new and additional recycling services to promote long term sustainability.
- To increase markets for recycled furniture and raise the profile of Valleys Furniture Recycling.
- To identify and secure funding to support development plans.
- Identify alternative premises within the County Borough of Rhondda Cynon Taff to establish a community owned income generating asset, which will facilitate the development of additional economical and environmental sustainable recycling.

Management Committee members

The members of the Management Committee hold the powers of directors of the company for the purposes of the Companies Act 1985. Those who held office during the year are:-

Ian Berry	(resigned 4 th January 2000)
Tony Croke	
Barbara Evans	(unavailable for re-election at AGM on 19 th June 2000)
Gean Griffiths	
Ninian Le Blanc	(Chairman)
David Lewis	
Virginia O'Reilly	(resigned 4 th January 2000)
Sharon Page	(unavailable for re-election at AGM on 19 th June 2000)
Alun Perry	(unavailable for re-election at AGM on 19 th June 2000)
Sheila Rees	
David Thomas	(unavailable for re-election at AGM on 19 th June 2000)
David Wu	

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

MANAGEMENT COMMITTEE'S REPORT

31st December 2000 (continued)

Management Committee members (continued)

In accordance with the Articles of Association, Mr Ninian Le Blanc and Mr David Lewis of the elected members of the Management Committee who are subject to retirement by rotation shall retire, but shall be eligible to be re-appointed or re-elected.

All Management Committee members are required to be members of the company. The liability of each member is limited to £1.

All Management Committee members were recorded as members of the company in the register of directors' interests.

No members of the Management Committee were in receipt of remuneration during the period covered by these financial statements.

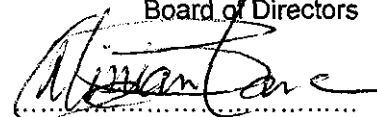
Tax status

As the company is a registered charity, no provision has been made for taxation.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

Signed on behalf the
Board of Directors



Ninian Le Blanc
Chairman

Unit 12
Highfield Industrial Estate
Ferndale
Rhondda Cynon Taff
CF43 4SX

.....23rd April.....2001

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

**Accountants' report to the members on the
unaudited financial statements of Valleys Furniture Recycling Limited**

We report on the financial statements for the year ended 31st December 2000 set out on pages 7 to 17.

**Respective responsibilities of members of the management committee
and reporting accountants**

As described on page 9 the company's members of the management committee are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act, as modified by section 249(5), and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

O'Brien & Company

**O'Brien & Company
Reporting Accountants**

Pontypridd

..... *23rd April* 2001

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2000

2000				1999		
Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income and expenditure						
Incoming resources						
Furniture supplied	91,655	-	91,655	84,748	-	84,748
Grants receivable	2 7,527	62,367	69,894	54,870	26,505	81,375
Donations receivable	3 2,108	-	2,108	1,026	-	1,026
Furniture auction	2,497	-	2,497	2,454	-	2,454
Intangible income	4 <u>2,217</u>	<u>-</u>	<u>2,217</u>	<u>2,520</u>	<u>-</u>	<u>2,520</u>
Total incoming resources	<u>106,004</u>	<u>62,367</u>	<u>168,371</u>	<u>145,618</u>	<u>26,505</u>	<u>172,123</u>
Resources expended						
Direct charitable expenditure	5 73,650	27,245	100,895	97,043	30,671	127,714
Fundraising and publicity	6 666	14,165	14,831	5,681	1,782	7,463
Management and administration of the charity	7 <u>641</u>	<u>45,603</u>	<u>46,244</u>	<u>28,636</u>	<u>4,305</u>	<u>32,941</u>
Total resources expended	<u>74,957</u>	<u>87,013</u>	<u>161,970</u>	<u>131,360</u>	<u>36,758</u>	<u>168,118</u>
Other incoming resources						
Investment income	<u>5,179</u>	<u>-</u>	<u>5,179</u>	<u>4,561</u>	<u>-</u>	<u>4,561</u>
Net incoming / (outgoing) resources	36,226	(24,646)	11,580	18,819	(10,253)	8,566
Fund transfers	(23,407)	23,407	-	-	-	-
Balances brought forward at 1 st January 2000	<u>116,052</u>	<u>7,621</u>	<u>123,673</u>	<u>97,233</u>	<u>17,874</u>	<u>115,107</u>
Balances carried forward at 31st December 2000	<u>128,871</u>	<u>6,382</u>	<u>135,253</u>	<u>116,052</u>	<u>7,621</u>	<u>123,673</u>

None of the company's activities were acquired or discontinued during the above two financial years.

Movements in funds are shown in notes 14 and 17.

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

BALANCE SHEET

at 31st December 2000

		2000		1999	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	11		14,096		11,613
Current assets					
Debtors	12	18,986		15,753	
Cash at bank and in hand		<u>113,546</u>		<u>107,923</u>	
		132,532		123,676	
Creditors : amounts falling due within one year	13	<u>(11,375)</u>		<u>(11,616)</u>	
Net current assets			<u>121,157</u>		<u>112,060</u>
Net assets			<u>135,253</u>		<u>123,673</u>
Funds					
Restricted	14		6,382		7,621
Unrestricted					
Designated	16	103,081		116,004	
Other	17	<u>25,790</u>		<u>48</u>	
			<u>128,871</u>		<u>116,052</u>
Total funds			<u>135,253</u>		<u>123,673</u>

Continued....

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

BALANCE SHEET

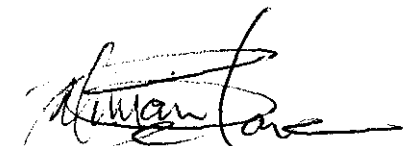
at 31st December 2000 (continued)

The members of the Management Committee consider that for the year ended 31st December 2000 the company was entitled to exemption from audit under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial period under subsection 2 of section 249B of the Act.

The members of the Management Committee acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its surplus or deficit for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements on pages 7 to 17 were approved by the Management Committee on23rd April.....2001.



Ninian Le Blanc
Management Committee Chairman

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

NOTES ON FINANCIAL STATEMENTS

31st December 2000

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention modified to include the Management Committee's estimated valuation of the original cost of certain fixed assets donated to the company; and comply with the requirements of the Statement of Recommended Practice "Accounting by Charities".

Income from furniture supplied

A minimum fixed donation is required for each item of furniture supplied and is accounted for on an accruals basis.

Grants receivable

Both restricted and unrestricted revenue grants are accounted for on an accruals basis, with the exception of restricted lottery grants which are accounted for on a cash received basis. This latter policy is in accordance with the requirements of the National Lotteries Charities Board.

Furniture auction income and other donations

These sources of income are accounted for on an accruals basis.

Intangible income

Intangible income represents the valuation of donations in kind received from suppliers in respect of services, goods or assets, in support of the company's activities.

Resources expended

Expenditure is accounted for on an accruals basis and has been allocated between direct charitable expenditure, fund raising and publicity and charity management and administration costs. Staff costs have been apportioned between the expenditure categories in accordance with activity levels.

Fixed assets, depreciation and amortisation

Fixed assets purchased are included at cost. Assets donated to the company are included at a value equal to the donor's original cost. All fixed assets are held for the company's own use.

Depreciation or amortisation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives on an annual basis as follows:

Motor vehicles	-	25% per annum
Tools and equipment	-	33.3 % per annum
Computer equipment	-	25% per annum
Leasehold property improvements	-	over remaining period of lease

Any tools or equipment costing less than £100 are immediately written off against revenue.

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

NOTES ON FINANCIAL STATEMENTS

31st December 2000 (continued)

1. Principal accounting policies (continued)

Restricted and unrestricted funds

The surpluses or deficits on the statement of financial activities for the period for restricted and unrestricted funds are transferred to their respective funds. Where such funds have been set aside for specific purposes, or to meet future commitments, these are classified as designated funds. Where restricted funds received remain partly unspent, they are carried forward to the following period. Where restricted funds received have been expended on fixed assets the equivalent net book values of those assets are carried forward to the following period.

Deferred income

Non-capital grants and donations are taken to the statement of financial activities when the related expenditure has been incurred.

Pensions

The company makes contributions to certain employees' personal defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the schemes.

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31st December 2000 (continued)

2. Grants receivable

	2000			1999		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Community & Voluntary Action Fund	-	13,500	13,500	-	-	-
CB RCT SDS funding	-	-	-	4,336	-	4,336
National Lotteries Charities Board	-	-	-	-	26,505	26,505
European RECHAR funding	-	-	-	34,517	-	34,517
Nat West Community Enterprise	-	2,412	2,412	-	-	-
Community Enterprise Fund	-	-	-	6,058	-	6,058
New Deal	7,527	-	7,527	9,959	-	9,959
ERDF Objective 2	-	46,455	46,455	-	-	-
	<u>7,527</u>	<u>62,367</u>	<u>69,894</u>	<u>54,870</u>	<u>26,505</u>	<u>81,375</u>

3. Donations receivable

Members' contributions	74	-	74	48	-	48
Whitbread Wales	200	-	200	200	-	200
Heritage Park	80	-	80	-	-	-
Pontypridd Housing Association	1,000	-	1,000	-	-	-
Prince's Trust	-	-	-	385	-	385
BBC	-	-	-	100	-	100
Age Resource	-	-	-	100	-	100
Interlink	-	-	-	90	-	90
Bosch	-	-	-	80	-	80
Other	754	-	754	23	-	23
	<u>2,108</u>	<u>-</u>	<u>2,108</u>	<u>1,026</u>	<u>-</u>	<u>1,026</u>

4. Intangible income

O'Brien & Company	2,097	-	2,097	2,506	-	2,506
Other income	120	-	120	14	-	14
	<u>2,217</u>	<u>-</u>	<u>2,217</u>	<u>2,520</u>	<u>-</u>	<u>2,520</u>

5. Direct charitable expenditure

Staff costs	29,061	7,797	36,858	55,223	21,353	76,576
Hand tools	553	101	654	410	98	508
Volunteers' costs	10,045	1,728	11,773	11,912	3,299	15,211
Vehicle costs	10,739	2,500	13,239	8,741	8,916	17,657
Head office costs	23,252	15,119	38,371	20,714	(2,995)	17,719
Bad debts	-	-	-	43	-	43
	<u>73,650</u>	<u>27,245</u>	<u>100,895</u>	<u>97,043</u>	<u>30,671</u>	<u>127,714</u>

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31st December 2000 (continued)

		2000			1999				
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £		
6.	Fundraising and publicity								
	Advertising	-	906	906	316	-	316		
	Publicity	<u>666</u>	<u>13,259</u>	<u>13,925</u>	<u>5,365</u>	<u>1,782</u>	<u>7,147</u>		
		<u>666</u>	<u>14,165</u>	<u>14,831</u>	<u>5,681</u>	<u>1,782</u>	<u>7,463</u>		
7.	Management and administration of the charity								
	Volunteers	-	791	791	1,174	-	1,174		
	Committee costs	-	266	266	235	-	235		
	Salaries and office costs	-	30,007	30,007	14,879	3,661	18,540		
	Accountancy fees	-	5,467	5,467	4,542	-	4,542		
	Fixed overheads costs	<u>641</u>	<u>9,072</u>	<u>9,713</u>	<u>7,806</u>	<u>644</u>	<u>8,450</u>		
		<u>641</u>	<u>45,603</u>	<u>46,244</u>	<u>28,636</u>	<u>4,305</u>	<u>32,941</u>		
8.	Total resources expended								
		2000			1999				
		Staff Costs £	Deprec'n £	Other Costs £	Total £	Staff Costs £	Deprec'n £	Other Costs £	Total £
	Direct charitable expenditure	36,858	18,972	45,065	100,895	76,576	9,495	41,643	127,714
	Fundraising and publicity	13,925	-	906	14,831	7,147	-	316	7,463
	Management and administration of the charity	<u>30,007</u>	<u>2,913</u>	<u>13,324</u>	<u>46,244</u>	<u>18,540</u>	<u>2,012</u>	<u>12,389</u>	<u>32,941</u>
		<u>80,790</u>	<u>21,885</u>	<u>59,295</u>	<u>161,970</u>	<u>102,263</u>	<u>11,507</u>	<u>54,348</u>	<u>168,118</u>
	Staff costs				2000 £				1999 £
	Staff salaries and social security costs				75,417				96,157
	Pension scheme costs				2,917				3,927
	Staff training and expenses				<u>2,456</u>				<u>2,179</u>
					<u>80,790</u>				<u>102,263</u>
	Other costs								
	Vehicle expenses				9,526				9,473
	Premises				22,968				12,649
	Miscellaneous				<u>26,801</u>				<u>32,226</u>
					<u>59,295</u>				<u>54,348</u>

No employee earned £40,000 per annum or more during the year (1999 – none).

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31st December 2000 (continued)

8. Total resources expended (continued)

None of the members of the Management Committee received any remuneration or reimbursement of expenses for their involvement with the company during the year (1999 – none).

The average number of employees, analysed by function was:

	2000	1999
Direct activities	3	4
Management and administration of the company	<u>3</u>	<u>3</u>
	<u>6</u>	<u>7</u>

9. Taxation

As a registered charity, the company is exempt from corporation tax.

10. Surplus for the financial year

	2000 £	1999 £
Surplus for the year is stated after charging:-		
Operating leases		
Rental of properties	20,250	11,500
Depreciation and amortisation of tangible fixed assets	<u>21,885</u>	<u>11,507</u>

11. Tangible fixed assets (for charitable purposes)

	Leasehold property improvements £	Motor Vehicles £	Tools and equipment £	Computer equipment £	Total £
Cost or valuation					
1st January 2000	-	32,736	3,866	8,047	44,649
Additions	14,544	-	-	11,772	26,316
Disposals	<u>-</u>	<u>(4,250)</u>	<u>-</u>	<u>-</u>	<u>(4,250)</u>
31st December 2000	<u>14,544</u>	<u>28,486</u>	<u>3,866</u>	<u>19,819</u>	<u>66,715</u>
Depreciation and amortisation					
1st January 2000	-	24,575	3,085	5,376	33,036
Charge for year	14,544	3,713	715	2,913	21,885
Disposals	<u>-</u>	<u>(2,302)</u>	<u>-</u>	<u>-</u>	<u>(2,302)</u>
31st December 2000	<u>14,544</u>	<u>25,986</u>	<u>3,800</u>	<u>8,289</u>	<u>52,619</u>
Net book amount					
31st December 2000	<u>-</u>	<u>2,500</u>	<u>66</u>	<u>11,530</u>	<u>14,096</u>
31st December 1999	<u>-</u>	<u>8,161</u>	<u>781</u>	<u>2,671</u>	<u>11,613</u>

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31st December 2000 (continued)

12. Debtors

	2000	1999
	£	£
Amounts falling due within one year		
Customer debts	350	324
Prepayments	1,732	1,903
Other debtors	2,831	2,538
Accrued income	<u>14,073</u>	<u>10,988</u>
	<u>18,986</u>	<u>15,753</u>

13. Creditors : amounts falling due within one year

	2000	1999
	£	£
Trade creditors	195	758
Accruals	9,721	9,399
Deferred income	<u>1,459</u>	<u>1,459</u>
	<u>11,375</u>	<u>11,616</u>

14. Restricted funds

	ERDF Objective 2 £	Community & Voluntary Action Fund £	Nat West Community Enterprise £	National Lottery Charities Board £	Total £
At 1st January 2000	-	-	-	7,621	7,621
Movement in resources:					
Incoming	46,455	13,500	2,412	-	62,367
Outgoing	(69,862)	(13,500)	-	(3,651)	(87,013)
Transfer unrestricted funds (note 17)	<u>23,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,407</u>
At 31st December 2000	<u>-</u>	<u>-</u>	<u>2,412</u>	<u>3,970</u>	<u>6,382</u>

The National Lotteries Charities Board grant of £116,476 over two years from 1997 ended in September 1999. This funding was successfully used to establish a furniture recycling showroom within the Cynon Valley and increase recycling in the Taff Ely area from our Ferndale branch.

The National Lotteries Charities Board restricted fund balance of £3,970 at 31st December 2000 represents the net book value of fixed assets purchased with part of the grant referred to above.

ERDF Objective 2 funding is to support the creation of a community-owned income generating asset.

The Community & Voluntary Action Fund was granted to improve the furniture recycling facilities at Ferndale.

The Nat West Community Enterprise grant is to fund the personal development of the General Manager.

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31st December 2000 (continued)

15. Members' contributions

Contributions for membership for individuals were set at £5 for waged and £1 for unwaged. Organisations contributed £10 for membership. Each member's liability is limited to £1. At 31st December 2000, there were 29 paid up members of the company.

16. Designated funds

The income funds of the company include the following designated funds which have been set aside out of unrestricted funds by the members of the Management Committee for specific purposes.

	Balances 1st January 2000 £	Movements in year £	New designations £	Balances 31st December 2000 £
Strategic Business Plan (see page 3)	-	-	16,000	16,000
Relocation costs of head office	33,839	-	-	33,839
Replacement of tangible fixed assets	11,613	-	2,483	14,096
ERDF Objective 2 revenue bid matchfunding	56,702	(17,356)	-	39,146
ERDF Objective 2 capital bid matchfunding	<u>13,850</u>	<u>(13,850)</u>	<u>-</u>	<u>-</u>
	<u>116,004</u>	<u>(31,406)</u>	<u>18,483</u>	<u>103,081</u>

Industrial South Wales Objective 2 European Regional Development Funding has been secured for the period to 31st December 2001.

- To support the design and development of a community owned income-generating asset.
- To develop plans, partnerships and existing networks to create and manage a long term sustainable recycling source within CB RCT.
- To research new and additional recycling services to promote long term sustainability.

17. Movements in unrestricted funds

	Designated funds £	Other funds £	Total funds £
At 1 st January 2000	116,004	48	116,052
Net incoming/(outgoing) resources for year	(12,923)	49,149	36,226
Transfer to restricted funds (note 14)	<u>-</u>	<u>(23,407)</u>	<u>(23,407)</u>
At 31st December 2000	<u>103,081</u>	<u>25,790</u>	<u>128,871</u>

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31st December 2000 (continued)

18. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	3,970	2,412	6,382
Unrestricted funds	<u>10,126</u>	<u>118,745</u>	<u>128,871</u>
	<u>14,096</u>	<u>121,157</u>	<u>135,253</u>

19. Pensions

The company contributes to separate individual defined contribution schemes for some employees. The assets of all schemes are held separately from those of the company in independently administered funds. The pension costs charge represents contributions payable by the company to the funds and amounted to £2,917 in the year (1999 - £3,927). There were no outstanding contributions payable to the funds at 31st December 2000.

20. Capital and financial commitments

	2000 £	1999 £
Capital expenditure contracted for but not provided for in the financial statements	<u>-</u>	<u>-</u>
Capital expenditure committed but not contracted for	<u>-</u>	<u>27,500</u>

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31st December 2001:-

	2000 £	1999 £
Operating leases expiring:-		
Within one year	8,000	8,000
After five years	<u>12,750</u>	<u>12,750</u>
	<u>20,750</u>	<u>20,750</u>

21. Statement of financial activities

The statement of financial activities is presented in a format different from that prescribed in the fourth schedule of the Companies Act 1985 in order to ensure that a true and fair view of the results for the year is given.