

Company registration number: 3286173
Charity registration number: 1064588

VALLEYS FURNITURE RECYCLING LIMITED
(Limited by guarantee)
TRADING AS "toogoodtowaste"

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**



Broomfield & Alexander Ltd
Chartered Accountants and Statutory Auditors
Waters Lane Chambers
1-3 Waters Lane
Newport
NP20 1LA

**VALLEYS FURNITURE RECYCLING LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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LEGAL AND ADMINISTRATIVE DETAILS

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**VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st December 2015.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

We are pleased to report that during the year, the core charity activities were maintained and a number of individually funded projects managed.

STRUCTURE, GOVERNANCE & MANAGEMENT

Valleys Furniture Recycling registered as a charity in September 1994 and incorporated on 2nd December 1996. On 19th June 2000 it registered as a company limited by guarantee and adopted its Memorandum and Articles of Association. The business of the company is managed and administered by a Board of Directors (trustees) who are accountable to the members of the company. The Board of Trustees can have up to 15 members (12 elected at the Annual General Meeting [AGM]) and 3 co-opted members. Full Board Meetings and Finance Sub, Employment & Marketing Committee meetings are held quarterly, on alternate months (where possible).

Appointment of Trustees

As set out in the Articles of Association, new trustees are nominated and seconded by FULL members of the company prior to the Annual General Meeting. Only a FULL member can be proposed for nomination. A third of trustees must retire by rotation (longest in office) at each AGM, but may put themselves forward for re-election provided they are nominated and seconded by FULL members. The trustees have the power to co-opt a further three individuals to fill specialist roles. Co-opted Trustees must retire prior to the next AGM but may present themselves for nomination. The Chair of the Trustees is elected by the Board at the first full board meeting following the AGM.

Trustee recruitment: Induction and training

Potential new trustees are provided with an induction pack and encouraged to attend an informal meeting with representatives from existing Board members to discuss the Values, Aims and Objectives of the company and their obligations under Charity and Company Law, prior to nomination. Official checks are undertaken to ensure applicants meet the legal requirements of acting as a charity trustee. Following appointment, new trustees undergo an induction process which includes familiarisation with key documents including: Memorandum and Articles of Association, Business Plan and Financial Budgets. During the induction process, new trustees are encouraged to spend some time within the organisation, meeting current paid and unpaid personnel, customers and stakeholders. Specific training on governance is also provided.

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Company Members

The directors may admit to 'FULL' membership, individuals over the age of 18 years and/or any society, unincorporated association or company, who are in agreement with the objects of the company. The directors may also accept employees of the company or their immediate family as an 'ASSOCIATE' Member. (An associate member cannot be nominated as a trustee.)

As at December 2015, there were 76 Paid up members of the company (54 in 2014) (35 Full members, 22 Organisations, 19 Associate members)

The liability of the members of the company is limited to £1 each. Every member of the company undertakes to contribute £1 to the company assets, if the company should be dissolved whilst she/he is a member.

Vision Statement	Maximise potential – Minimise waste
Mission Statement	Toogoodtowaste is committed to changing people's lives every day, through developing and implementing sustainable Social Enterprises that meet the changing needs of the communities we serve.
Organisational Structure	<p>The Chief Executive Officer (CEO) is responsible for the strategic growth and vision of the organisation, reporting to the Board of Directors.</p> <p>The General Manager is responsible for the delivery of business plans and the day-to-day management of the organisation, reporting to the CEO and Board of Trustees. The Finance Manager is responsible for the financial accountability and financial analysis, reporting to the CEO and Finance Sub Committee.</p> <p>The newly created position of Operations Manager (created October 2014) has allowed for succession planning and company growth. The introduction of this role, to eventually take over responsibility for the day to day management of the organisation, has enabled the General Manager to focus on Business growth and become more involved in Strategic matters.</p> <p>In March the current CEO Lynda Davies, announced that it was her intention to step down from the role at the end of April 2016. The trustees decided that the General Manager, Shaun England, will be appointed CEO from May 2016, as per the succession plans that have been put in place. However the services of the current CEO, Lynda Davies, would be retained on a consultancy basis</p> <p>Other core staff include: Volunteer co-ordinator, 4 Domestic Appliance Engineers, 3 Van supervisors and 3 customer service supervisors. Ethical property co-ordinator, funding received in 2012 from the Big Lottery/Welsh Government has helped created 4 project posts; Finance Assistant, Logistics co-ordinator, Marketing co-ordinator and Trainer/Life-long learning co-ordinator. This funding continued throughout 2015.</p> <p>In addition to these 20 paid positions, the organisation relies on volunteer support from up to 40 individuals each day.</p>

**VALLEYS FURNITURE RECYCLING LIMITED
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Related parties	<p>To identify and assist those people in greatest need the organisation works with other Charities, Housing Associations, Community groups and Local Authority Social Services Departments, to accept referrals for free or discounted furniture packages.</p> <p>There is a Memorandum of Understanding with the Local Authority (L.A) Environmental Services Department and a partnership agreement with the Children's Services Department.</p> <p>As part of FRN (Furniture Reuse Network) agreement have been established with DHL/Dixons group and Airsprung beds to collect returns and Re-usable domestic appliances WEEE.</p> <p>There is a legal charge on the property (Unit 1 Standard Industrial Estate) as part of the Big Lottery / WG Community Asset Transfer Grant.</p>
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VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015

OBJECTIVES AND ACTIVITIES

Objects & principal activities of the charity	<p>The company is registered to assist with the relief of poverty:</p> <ul style="list-style-type: none"> • Providing access to affordable household items. • To advance the development and education of people by providing opportunities to volunteer and to train, so as to develop work skills, social skills, gain work experiences and encourage social integration. • Recycling of furniture which would otherwise be thrown away and by advancing more sustainable waste management practices.
Sustainability	<p>Key to long term sustainability of the company has been the acquisition of property from which to provide its services.</p> <p>In order to meet the increased public demand for our services, we secured the adjacent building/warehouse to our Ynyshir showrooms in April 2015. This 8,000 sq. ft. building will be used as a processing facility for the organisation. Essential renovation works were carried out during May & June to bring half the building back into use. Further funding will be sought from the communities facility programme to bring the remaining building back in to use & to create a new and vibrant canteen facility for staff and volunteers.</p>
Providing access to affordable household items	<p>The company operates two charity showrooms. One from its building at Ynyshir and the second from a rented unit in Aberaman (Upper Cynon Community First area). Within the shops, donated goods are offered for sale at second hand market value after they have been sorted, cleaned and safety checked.</p> <p>The company also operates a gas and electrical domestic appliances re-use facility that complies with all WEEE regulations.</p>
Helping low income households	<p>The company offers free or discounted furniture packages to individuals referred to them for help.</p> <p>Events are organised during the year to target low income households.</p> <p>The company collects donations of graded mattresses for re-sale to match up with pre-owned beds to meet the level of demand from referrals.</p> <p>In 2015 as a result of grant funding and increased turnover, the company was able to sustain the employment of 20 staff members.</p>

**VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

OBJECTIVES AND ACTIVITIES CONTINUED

<p>Providing opportunities to volunteer & train</p>	<p>The organisation aims to increase social skills and employment opportunities by providing volunteers with work based learning throughout its range of activities. Following the completion of the new training room and successful appointment of a Training / Learning Co-ordinator, the organisation aims to deliver work based learning that is assessed and verified.</p> <p>School placements are also supported for work based taster sessions.</p>
<p>Recycling & waste management</p>	<p>The company provides residents of Rhondda Cynon Taf with a reliable free collection service for household items that are "toogoodtowaste". People can also drop items off for re-use. Items received are sorted, cleaned and tested before being offered for sale within their charity shops. The company also offers a collection service for re-useable household goods, to commercial organisation (end-of-line or returned goods).</p> <p>The company operates an Ethical Property Clearance Service to the public, solicitors, landlords and housing associations. This professional, income generating service aims to recycle or re-use the products cleared.</p>

VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

ACHIEVEMENTS AND PERFORMANCE

The organisation has seen significant growth in 2015 by retaining key staff, increased opening hours and securing new commercial contracts.

Sustainability	In April, using £147,230 of our own reserves, we purchased and partially renovated an 8,000 sq. ft. adjacent warehousing unit to our facility in Ynyshir. We have applied to the communities facility programme for further capital funding to continue the refurbishment of the building and to build a new canteen facility for staff and volunteers.
Providing access to affordable household items	<p>Opening hours have been extended at our Aberdare branch to increase accessibility to our services.</p> <p>Our Ynyshir branch continues to be open 7 days per week.</p> <p>Over 8,900 people used our charity showrooms in 2015 selecting over 58,000 items for re-use. 78% of customers used the Ynyshir branch and 22% choosing from the Aberdare charity shop.</p>
Maintaining & increasing quality & quantity of goods available	<p>Funding continued into 2015 from South East Wales Community Economic Development [SEWCED] to increase the re-use of small and large domestic gas and electrical appliances. With help from this funding and the partnership working with DHL/ Dixon Group, the electrical department expanded during the year to employ four full- time engineers.</p> <p>We continue to work in partnership with Airsprung beds which give us access to nearly new beds and mattresses that have been returned from retailers, these beds are donated on a free of charge basis.</p>
Helping low income households	<p>We worked with 17 different referral partners to identify individuals and families in need, 294 requests for help were received benefitting over 395 individuals. The value of furniture provided to those people referred to us for help for furniture and equipment was over £52,000.</p> <p>Part funding from the BBC CIN fund supported requests for children's bedroom furniture and also young people aged between 16-18 years who were setting up their first independent home.</p> <p>Over 110 furniture items were discounted by 50% (£2,135) to help low income households as part of our 3 day Christmas hardship event in our Aberdare branch. We also provided free Christmas decorations and pre-owned toys that had been collected throughout the year.</p> <p>Our team of volunteers and staff, participated in BBC Children in Need appeal night raising almost £100 through a variety of fun events.</p>

**VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015**

ACHIEVEMENTS AND PERFORMANCE CONTINUED

<p>Providing opportunities to volunteer & train</p>	<p>Our aim is to facilitate and develop a learning culture within this organisation that nurtures talent every day for everyone. All participants were provided with instruction into their role and health and safety training. Individuals were also able to access specific work based training to improve their skills and qualifications within various roles in the organisation.</p> <p>A competency based training programme has been introduced within different roles in the organisation to enable individuals to gain skills and measure their performance (similar to the NVQ format).</p> <p>In total, 317 people supported us in an unpaid capacity (288 in 2014). This included 221 volunteers and 96 placements. The total hours provided was 47,637 (42,654 in 2014) an increase of 12%.</p> <p>We worked with 29 external organisations that identified potential volunteers and placements that were looking to expand their work experience or learn new skills. These placements included many individuals who were referred for work-taster sessions, who are considered to be furthest away from the labour market and/or difficult to engage.</p> <p>36 people finished their volunteering/work placement with us to start paid employment (25 Full-time and 11 part-time)</p>
<p>Special Events and Celebrating volunteering</p>	<p>Our 20th anniversary fell in 2015 and the organisation celebrated with two special visitors.</p> <p>His Royal Highness, The Prince of Wales, visited our Ynyshir Branch. Presentations of our volunteering opportunities and the successes of current and past volunteers were shown and some volunteers explained how successful their volunteer experience has been with toogoodtowaste for their personal and professional development. We closed our Aberdare branch for the day in order that all the team, Staff & Volunteers, was able to meet His Royal Highness and celebrate the day.</p> <p>Welsh Hollywood actor Mr. Michael Sheen OBE spent the afternoon with us, meeting volunteers, past and present in our Ynyshir branch. The volunteers shared their experiences with him reflecting on their own personal journeys that they had travelled whilst at toogoodtowaste. The event was also visited by ITN news and televised on the evening news, interviewing Michael Sheen, Staff and volunteers. We again closed our Aberdare branch for the day so that the entire organisation was able to meet him.</p> <p>Recognising and valuing the support of volunteers is at the heart of this organisation. The team celebrated the end of the year with a Christmas meal held at our Ynyshir showroom with awards presented to individuals who had made a significant difference to the organisation or others during the year.</p>

**VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015**

ACHIEVEMENTS AND PERFORMANCE CONTINUED

<p>Recycling & waste management</p>	<p>537 tonnes of waste was diverted from landfill in 2015, an increase of 18% (454 tonnes in 2014).</p> <p>The number of items donated for re-use in 2015 was 70,379 an increase of 26% (55,626 in 2014).</p> <p>Partnership working with other organisations continued in 2015 and these provided new and innovative ways of increasing community re-use. For example: Vision Aid (Invalid Aids), Specsavers (Spectacles).</p> <p>A large selection of golf clubs, bags and accessories were donated for re-use to the Valleys Golf Centre in Penrhys for them to use at their flagship academy that delivers golf coaching, education and training.</p> <p>As part of the Furniture Reuse network, partnership working has been established with DHL and Dixon Group for domestic appliance re-use and Airsprung for beds and mattresses.</p>
<p>Social Enterprise – Property Clearance Project</p>	<p>Income generated from our Ethical Property Clearance project was £17,286 and 72 clearances were completed collecting over 10,000 items.</p> <p>We have started to gain referrals through probate solicitors and now work actively with 4 solicitors on a regular basis.</p>

VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

PUBLIC BENEFIT

The trustees have referred to the guidance contained in the Charity Commissions' general guidance on public benefit. The trustees will continue to consider how planned activities will contribute to the aims and objectives they have set.

Significant activities undertaken to further its charitable purposes for public benefit

All services, including buying from the charity showrooms are open to everyone in order to maximise the volume of items re-used and income generated to support the charitable aims and objectives of this organisation.

Low income households are provided with discounted delivery charge and those people who are referred by a partner organisation as being 'in need' or those on an 'income based benefit' are offered discounted essential furniture items, as a means of alleviating the effects of poverty. The organisation has also created its own hardship budget, to cover the costs of stock provided free of charge to individuals who have no other means of financial support to cover the essential items they need.

We work in partnership with other organisations that provide 'emotional or housing support' (e.g. social services departments, Women's Aid, drug & alcohol support services, churches, mental health groups, etc.) The practical help provided by this organisation enhances the work of its partners, therefore increasing the overall impact of the assistance provided. For example, a child receiving help on a bed wetting programme with a partner organisation, can be provided with a replacement bed because the organisations are working together. Or, a homeless person being provided with their first tenancy can be provided with furniture, household items, curtains, cutlery, etc., as a start-up package, thus turning an empty property into a home.

Many of the people referred to this organisation for help are in crisis situations without any financial support. The organisation has been described as the "fourth emergency service" and continues to provide help immediately to people affected by fire, flood and domestic violence.

The organisation values the contribution received from its volunteers and strives to provide services that help customers and beneficiaries feel positive about the help received.

With high levels of unemployment in the area and few opportunities for people to gain work experience, the organisation is committed to developing its ability to deliver work-based learning. The training room and use of ICT equipment and software, gives us the opportunity to provide volunteers and placements with transferable skills to enhance their employment opportunities.

Items are quality control checked. Minor repairs and cleaning is provided where necessary before being resold through our charity shops (Ynyshir and Aberaman). External grants are sought to provide match funding for our activities and in particular to support the provision of free furniture packages to low income households.

VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

FINANCIAL REVIEW

<p>Income from donations and legacies</p>	<p>The value of incoming grants reduced in 2015 to £112,961 this compares to £212,112 in 2014. This reduction reflects the end of funding from South East Wales Community Economic Development (SEWCED) and reduced funding from Wales Council for Voluntary Action (WCVA) and Big Lottery.</p> <p>£30,014 of grant income was capital funding towards the purchase of a new building and a vehicle.</p> <p>The value of donations received increased to £6,889, the increase due to sponsorship received for the 20th anniversary celebrations.</p>
<p>Income from Charitable Activities</p>	<p>The Service level agreement with RCT Environmental services was maintained at £20,000 for the year.</p> <p>Income generated from the supply of household items increased by 24% to £509,134 in the year. The increase has been achieved by maintaining the services, increasing the number of beneficiaries that use our services and the expansion of commercial contracts with Airsprung and DHL/Dixons as part of the Furniture Reuse Network (FRN).</p>
<p>Expenditure for Charitable Activities</p>	<p>The cost of providing Charitable activities increased in the year to £712,643 (£626,220 in 2014).</p> <p>To support the growing needs of the organisation, the staff and volunteer personnel were increased in the year which resulted in an increase in costs to £459,995 (£405,438 in 2014).</p> <p>As commercial contracts to collect returns and Re-usable domestic appliances WEEE and become more established, the cost of goods and transportation to provide this service also increased in the year to £104,526 (£ 66,006 in 2014).</p> <p>Where possible, operating costs for premises, telephones and administration have been reduced.</p>
<p>Net movement in funds</p>	<p>The increase in own generated income resulted in an operating surplus on unrestricted funds of £10,062 for 2015.</p> <p>There continues to be a loss shown against restricted funds, 2015 shows (£40,805), as a result of the depreciation charge against capital grants received in previous years.</p> <p>The £10,062 unrestricted surplus for the year will be retained within the General Fund. As a contingency against organisation closure, the organisation is working in the short term towards a designated fund of £80,000.</p> <p>The current Designated fund stands at £64,000</p>

VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

FINANCIAL REVIEW CONTINUED

Pay Policy for senior staff	The pay of senior staff is reviewed annually by the board of directors but has not been increased since 2013. The organisation guided by the board of directors have adopted a set of principles when setting charity staff remuneration to achieve a balance between fair pay to attract and keep appropriately qualified staff to lead, manage and support or deliver the charity's aims.
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**VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015**

RISK MANAGEMENT

Risk review	<p>The board of directors have a risk management strategy which comprises:</p> <ul style="list-style-type: none"> • An annual review of the principal risks and uncertainties that the charity faces; • the establishment of new policies, systems and procedures to mitigate those risks identified in the annual review; and • The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise. <p>Main risks identified are.</p> <ul style="list-style-type: none"> • Compliance with environmental legislation. • Change in government position on volunteering. • Loss of Key personnel. • Lack of income. • Fraud. <p>Attention is also focussed on non-financial risks by having a proactive approach to Health & Safety, which is managed by a NEBOSH qualified member of the organisation. As part of the induction process all new personnel (paid and unpaid) receive health & safety awareness and manual handling training.</p> <p>51 minor accidents (including near miss incidents) were recorded.</p> <p>No RIDDOR notifications were required.</p>
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**VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015**

FUTURE PLANS	
CAT Project – Big Lottery/Welsh Government	<ul style="list-style-type: none"> Funding from Big Lottery / Welsh government will come to an end in 2016. The funding which has been in place since 2012 assisted the organisation to purchase and extend the building at Ynyshir along with support to 4 new posts. The funding has been extremely beneficial to both the organisation and the community we serve and we plan to retain all 4 posts that were created with the funding.
Increase accessibility	<ul style="list-style-type: none"> Our Ynyshir branch is now open to the public 7 days per week so consideration will be given to trial an extension in opening hours in the Aberdare branch into weekends.
Increase turnover	<ul style="list-style-type: none"> Negotiate more contracts for end-of-use furniture items supplied by commercial organisations. Additional retail outlet (consideration will be given to a pop-up or temporary shop). Target more affluent areas to increase donations of higher-value items. Increase demand for property clearance service (ideally via service level agreements with landlords and/or solicitors). Implementation of Gift Aid. Improved stock flow and quality control.
Development	<p>New Treorchy facility: Work with Architects and Planning department to complete the costings in preparation for funding to develop this facility into another charity showroom.</p> <p>Develop own capacity: Management team to scale up the organisation to meet increased turnover and effectively manage and deliver the growth of services.</p> <p>Management team (with support of staff team) to develop improved processes flows (stock, people, reporting) to effectively manage use of additional premises.</p> <p>Improve evaluation and monitoring within the organisation.</p>

VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31st DECEMBER 2015

FUTURE PLANS CONTINUED

Volunteering and Work based learning	<p>Improve the recruitment and retention of Volunteers throughout the organisation:</p> <ul style="list-style-type: none"> • Training staff and key volunteers in supervision and monitoring. • Targeting a range of volunteers including those who have academic qualifications (e.g. Graduates) that would benefit from the work based learning and training we offer. • Maximise the number of volunteers who sign up and complete our internal training and development programmes. • Aim to get some of our training and development programmes accredited/ approved and/or aligned with recognised standards. • Using the Social Impact Tracker software, evaluate and report on the engagement of volunteers and use of this information to better plan the use of our resources for recruitment and training.
Waste minimisation	<p>Continue to maintain a free collection service for re-useable goods.</p>

**VALLEYS FURNITURE RECYCLING LIMITED
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015**

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Valleys Furniture Recycling Ltd for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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


Auditors

The auditors, Broomfield & Alexander Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Trustees



Martyn Birch (Chairman)



Neil Bryan (Treasurer)

Date 8/7/2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VALLEYS FURNITURE RECYCLING LIMITED

We have audited the financial statements of Valleys Furniture Recycling Limited for the year ended 31 December 2015

This report is made solely to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
VALLEYS FURNITURE RECYCLING LIMITED**

Opinion on financial statements

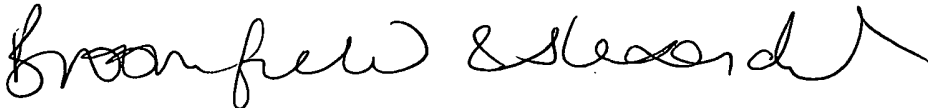
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.



Broomfield & Alexander Limited

Chartered Accountants and Statutory Auditors
Waters Lane Chambers
1-3 Waters Lane
Newport
NP20 1LA

Dated:

8/7/16

Broomfield & Alexander Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

VALLEYS FURNITURE RECYCLING LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
Including the **INCOME & EXPENDITURE ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Income and endowments from:					
Donations and legacies	2	6,889	-	6,889	1,593
Charitable activities	3	559,055	107,601	666,656	666,977
Investments	4	405	-	405	739
Other	5	7,950	-	7,950	250
Total income and endowments		574,299	107,601	681,900	669,559
Expenditure on:					
Charitable activities	6	564,237	148,406	712,643	626,220
Total expenditure		564,237	148,406	712,643	626,220
Net movement in funds	10	10,062	(40,805)	(30,743)	43,339
Reconciliation of Funds					
Total funds brought forward	14	349,947	515,239	865,186	821,847
Total funds carried forward	17,18	360,009	474,434	834,443	865,186

The Statement of Financial Activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activity.

The notes on pages 23 to 36 form part of the financial statements.

VALLEYS FURNITURE RECYCLING LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets:					
Tangible fixed assets	11		769,561		565,738
Current assets:					
Stock		600		600	
Debtors	12	16,472		14,677	
Cash at bank and in hand		93,928		330,518	
		<u>111,000</u>		<u>345,795</u>	
Liabilities:					
Creditors: Amounts falling due within one year	13	(46,118)		(46,347)	
Net current assets			64,882		299,448
Net assets			<u>834,443</u>		<u>865,186</u>
The funds of the charity:					
Restricted income funds	14		474,434		515,239
Unrestricted income funds					
General funds	17		296,009		249,947
Designated funds	16,17		64,000		100,000
Total charity funds	18		<u>834,443</u>		<u>865,186</u>

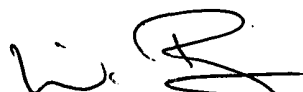
The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 December 2015, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 8-7-16 and signed on its behalf.



Martyn Birch (Chairman)



Neil Bryan (Treasurer)

Company No. 3286173 (England and Wales)

The notes on pages 23 to 36 form part of the financial statements.

VALLEYS FURNITURE RECYCLING LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Net cash provided by/(used in) operating activities	<u>7,213</u>	<u>94,260</u>
<i>Cash flows from investing activities:</i>		
Proceeds from the sale of property, plant and equipment	7,950	-
Purchase of property plant and equipment	<u>(251,753)</u>	<u>(88,611)</u>
Net cash provided by (used in) investing activities	<u>(243,803)</u>	<u>(88,611)</u>
 Change in cash and cash equivalents in the reporting period	 <u>(236,590)</u>	 <u>5,649</u>
 Cash and cash equivalents at the beginning of the reporting period	 330,518	 324,869
 Cash and cash equivalents at the end of the reporting period	 <u>93,928</u>	 <u>330,518</u>
 <u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>		
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(30,743)	43,339
<i>Adjustments for:</i>		
Depreciation charges	47,930	42,889
Loss/(profit) on the sale of fixed assets	(7,950)	-
(Increase)/decrease in stocks	-	300
(Increase)/decrease in debtors	(1,795)	5,530
Increase/(decrease) in creditors	<u>(229)</u>	<u>2,202</u>
Net cash provided by/(used in) operating activities	<u>7,213</u>	<u>94,260</u>
 <u>Analysis of Cash and Cash Equivalents</u>		
Cash in hand	93,928	330,518
Total Cash and Cash Equivalents	<u>93,928</u>	<u>330,518</u>

The notes on pages 23 to 36 form part of the financial statements.

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

I. PRINCIPAL ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Valleys Furniture Recycling Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

Presentation of the accounts on a going concern basis

The charity reported a net outflow of £30,743 for the year. The charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income consists of the invoiced value (excluding VAT) of goods sold/supplied to third parties and members.

No amounts are included in the financial statement for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

I. PRINCIPAL ACCOUNTING POLICIES (continued)

Membership and Subscriptions income is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Sponsorship income is credited to the Statement of Financial Activities in the year in which they are due.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Capital grants are released to the SOFA in the year of receipt. Fixed assets relating to capital grants are capitalised, and depreciation charged is offset against the grant income, in a restricted fund.

Income from furniture supplied

A minimum fixed price is required for each item of furniture supplied and is accounted for on a receipts basis.

Furniture auction income and other donations

These sources of income are accounted for on a receipts basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.
- by helping to meet the furniture and household items needs of people on a low income, by, but not limited to, recycling household items which would otherwise be thrown away and by advancing more sustainable waste management practices.
- By advancing the education and development of people, through providing opportunities to volunteer, train, develop work and social skills, gain work experience and encourage social integration.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of costs

Expenditure by the charity, in the year, has been split between unrestricted and restricted funds and analysed between charitable activities, governance costs and the cost of generating funds. Expenditure was allocated on the basis of staff time spent on the various activities.

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

I. PRINCIPAL ACCOUNTING POLICIES (continued)

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Board in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose the aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Liabilities Policy

Liabilities are recognised in the Statement of Financial Activities as they become payable.

Fixed assets, depreciation and amortisation

Fixed assets purchased are included at cost. Assets donated to the company are included at market value. 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:

Fixed assets:

Motor vehicles	-	25% per annum
Office equipment	-	25% on cost
Tools and equipment	-	33.3% per annum
Leasehold property improvements	-	20% on cost
Computer equipment	-	25% per annum
Freehold property	-	5 – 20% per annum

Community asset transfer:

Land	-	not depreciated
CAT construction costs	-	5% on cost
Entrust	-	20% on cost
Rank	-	20% on cost
Welsh Church Act	-	20% on cost
Professional/other fees	-	100% on cost

Any tools or equipment costing less than £500 are immediately written off against revenue.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

I. PRINCIPAL ACCOUNTING POLICIES (continued)

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Taxation

As a registered charity, Valleys Furniture Recycling Ltd is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Donations				
Members contributions	721	-	721	476
Sponsorship	4,464	-	4,464	-
Donations	1,704	-	1,704	1,117
	<u>6,889</u>	<u>-</u>	<u>6,889</u>	<u>1,593</u>
 Total donations and legacies income	 <u>6,889</u>	 <u>-</u>	 <u>6,889</u>	 <u>1,593</u>

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Grants				
BBC Children in Need	-	-	-	9,950
WCVA	-	5,949	5,949	20,830
Wales Co-op	-	-	-	705
WRAP	-	9,161	9,161	-
Welsh Church Act	-	10,000	10,000	-
Miscellaneous	250	-	250	298
Big Lottery	-	67,165	67,165	103,006
SEWCED House Clearance	-	-	-	12,492
SEWCED Electrics	-	20,436	20,436	64,831
	<u>250</u>	<u>112,711</u>	<u>112,961</u>	<u>212,112</u>
Service Level Agreement				
Rhondda Cynon Taf	20,000	-	20,000	20,000
	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Household items supplied				
Furniture sales	240,963	-	240,963	249,492
Electrical sales	219,490	-	219,490	119,853
BBC Children in Need	-	(5,110)	(5,110)	(4,340)
Delivery charges	23,120	-	23,120	20,414
Bric a Brac sales	51,685	-	51,685	40,934
Discounts given	(21,014)	-	(21,014)	(16,661)
	<u>514,244</u>	<u>(5,110)</u>	<u>509,134</u>	<u>409,692</u>
Social Enterprise projects				
Recycling and auction income	6,051	-	6,051	6,718
Property clearance	17,286	-	17,286	17,618
Online	1,224	-	1,224	837
	<u>24,561</u>	<u>-</u>	<u>24,561</u>	<u>25,173</u>
Total charitable activities income	<u>559,055</u>	<u>107,601</u>	<u>666,656</u>	<u>666,977</u>

4. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Bank interest received	405	-	405	739
	<u>405</u>	<u>-</u>	<u>405</u>	<u>739</u>

5. INCOME FROM OTHER

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Sale of assets	<u>7,950</u>	<u>-</u>	<u>7,950</u>	<u>250</u>

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Personnel costs	320,142	97,945	418,087	367,793
Volunteer costs	33,887	8,021	41,908	37,645
Transport costs	50,549	-	50,549	40,277
Cost of goods	50,455	3,522	53,977	25,729
Advertising and meetings	12,085	3,482	15,567	11,343
Premises costs	42,173	100	42,273	34,364
Telephone and administration	38,963	-	38,963	41,007
Legal and professional fees	7,380	-	7,380	12,460
Insurances	7,102	-	7,102	5,747
Bank charges	1,952	-	1,952	1,856
Depreciation	12,594	35,336	47,930	42,899
Release of provision	(15,000)	-	(15,000)	-
Prior year adjustment	(3,145)	-	(3,145)	-
Auditors remuneration	5,100	-	5,100	5,100
	<u>564,237</u>	<u>148,406</u>	<u>712,643</u>	<u>626,220</u>

7. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2015 £	2014 £
Staff salaries, social security and pension costs	409,127	357,869
Staff training and expenses	2,503	5,196
Volunteer training and expenses	42,478	38,725
	<u>454,108</u>	<u>401,790</u>

No employee earned £60,000 per annum or more during the current or previous year.

None of the members of the Management Committee received any remuneration or reimbursement of expenses for their involvement with the company in both 2015 and 2014.

The key management personnel of the charity comprise of the Chief Executive Officer, General Manager and Finance Manager. The total employee benefits of the key management personnel of the charity were £89,123 (2014: £94,767).

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

8. STAFF NUMBERS

The average number of employees, analysed by function was:

	2015	2014
	No	No
Charitable activities	18	16
Governance	2	2
	<u>20</u>	<u>18</u>
Volunteers & placements	317	270
- number of unpaid hours	<u>47,637</u>	<u>42,654</u>

9. TAXATION

As a registered charity, Valleys Furniture Recycling Ltd is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2015	2014
	£	£
Operating leases – equipment	36,604	30,347
Depreciation	47,930	42,899
Auditors remuneration:		
Audit fees	3,275	3,275
Non audit services	<u>1,825</u>	<u>938</u>

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

II. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property improve- ments £	Motor vehicles £	Tools and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2015	597,357	7,960	54,128	12,148	46,329	717,922
Additions	228,510	-	23,243	-	-	251,753
Disposals	-	-	(33,853)	-	(2,831)	(36,684)
At 31 December 2015	<u>825,867</u>	<u>7,960</u>	<u>43,518</u>	<u>12,148</u>	<u>43,498</u>	<u>932,991</u>
Depreciation						
At 1 January 2015	80,341	1,592	38,476	8,976	22,799	152,184
Charge for year	26,110	1,592	9,873	2,409	7,946	47,930
Disposals	-	-	(33,853)	-	(2,831)	(36,684)
At 31 December 2015	<u>106,451</u>	<u>3,184</u>	<u>14,496</u>	<u>11,385</u>	<u>27,914</u>	<u>163,430</u>
Net book value						
At 31 December 2015	<u>719,416</u>	<u>4776</u>	<u>29,022</u>	<u>763</u>	<u>15,584</u>	<u>769,561</u>
At 31 December 2014	<u>517,016</u>	<u>6,368</u>	<u>15,652</u>	<u>3,172</u>	<u>23,530</u>	<u>565,738</u>

All of the fixed assets are used in direct furtherance of the charity's objects.

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

12. DEBTORS

	2015 £	2014 £
Trade debtors	5,475	1,635
Prepayments and accrued income	6,476	8,945
Other debtors	4,521	4,097
	<u>16,472</u>	<u>14,677</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	13,173	9,335
Accruals & deferred income	32,512	37,012
Social security and other taxes	433	-
	<u>46,118</u>	<u>46,347</u>

14. RESTRICTED FUNDS

	At 1 January 2015 £	Incoming resources £	Resources expended £	Transfer £	At 31 December 2015 £
Capital funds					
Welsh Church Act	6,229	10,000	(2,229)	-	14,000
Miscellaneous	600	-	(200)	-	400
Big Lottery	421,061	-	(14,797)	-	406,264
Entrust	24,938	-	(8,312)	-	16,626
Wales Co-operative	7,978	-	(2,127)	-	5,851
SEWCED Electrical	18,699	10,853	(5,953)	-	23,599
WRAP	-	9,161	(1,718)	-	7,443
Other funds					
BBC Children in Need	5,110	(5,110)	-	-	-
BIG Lottery	26,686	67,165	(93,600)	-	251
SEWCED Electrical	1,896	9,583	(11,479)	-	-
WCVA	2,042	5,949	(7,991)	-	-
Total	<u>515,239</u>	<u>107,601</u>	<u>(148,406)</u>	<u>-</u>	<u>474,434</u>

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

14. RESTRICTED FUNDS (continued)

The following funds represent **capital items** purchased that are being depreciated over their useful lives:

Welsh Church Act – Grant towards the purchase of Ynyshir Warehousing building. Grant to complete the preliminary groundworks at Ynyshir site before the extension.

Miscellaneous Grants - A grant from the RANK Foundation towards the Ynyshir extension works.

Big Lottery – Community Asset Transfer for the Ynyshir building and extension to include a training room, additional offices and canteen.

Entrust – Grant to complete the preliminary ground works at the Ynyshir site.

Wales Co-operative – Grant towards new ICT equipment and EPOS system.

SEWCED Electrical – Grant towards the purchase of Ynyshir Warehousing building. Grant to purchase a new vehicle and equipment for electrics department.

WRAP – Vehicle purchase in January 2015. Grant towards new canteen in Ynyshir.

Other funds:

BBC Children In Need - This funding represents monies received to provide free home 'Start up Packages' to young people referred for assistance.

Big Lottery – This funding was towards the new creation of four new job roles over a four year period and associated costs.

South East Wales Community Economic Development (SEWCED) Electrical – This funding was towards the salary of an electrician, apprentices and driver over a two year period.

WCVA – Funding from Volunteering in Wales fund towards the associated costs of volunteers within the organisation.

15. MEMBERS' CONTRIBUTIONS

Contributions for membership for individuals were set at £5 for waged and £1 for unwaged. Organisations contributed £25 for membership. Each member's liability is limited to £1. At 31 December 2015, there were 77 members of the company (2014: 50).

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

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 Board of Directors for specific purposes.

	Balances 1 January 2015 £	Transfers £	Balances 31 December 2015 £
Project closure costs	65,000	(1,000)	64,000
Organisational investment	35,000	(35,000)	-
	<u>100,000</u>	<u>(36,000)</u>	<u>64,000</u>

Project closure - The board recognise the need to maintain a reserve to cover the closure costs arising from the termination of significant sources of income at the end of project lives. This figure has been increased to £80,000.

17. MOVEMENTS IN UNRESTRICTED FUNDS

	Designated funds £	General funds £	Total funds £
At 1 January 2015	100,000	249,947	349,947
Net incoming resources for year	-	10,062	10,062
Transfers	(36,000)	36,000	-
At 31 December 2015	<u>64,000</u>	<u>296,009</u>	<u>360,009</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total 2015 £
Tangible fixed assets	295,741	473,820	769,561
Net current assets	64,268	614	64,882
Total net assets	<u>360,009</u>	<u>474,434</u>	<u>834,443</u>

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

19. FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2015:-

	2015		2014	
	Land & buildings £	Other £	Land & buildings £	Other £
Operating leases expiring:-				
Within one year	15,000	2,976	15,000	12,185
In two to five years	-	21,849	-	3,162
	<u>15,000</u>	<u>24,825</u>	<u>15,000</u>	<u>15,347</u>

20. INDEMNITY INSURANCE

The charity has purchased insurance to protect it from loss arising from the neglect or defaults of its trustees and employees, and to indemnify the trustees against the consequences of any neglect or default on their part. The cost of this insurance is included within the overall cost of a specialist charity policy which includes property insurance and employer's liability insurance and cannot therefore be separately identified.

21. COMPANY STATUS

Valleys Furniture Recycling Limited is a company limited by guarantee. The guarantors are the trustees as set out on page 2. The liability is limited to an amount of £1 per member in accordance with the company's Memorandum of Association.

22. RELATED PARTY TRANSACTIONS

No related party transactions occurred during the current or previous year which are required to be disclosed under FRS 102.

23. CAPITAL COMMITMENTS

As at the 31 December 2015 the charity had no commitment to capital expenditure.

VALLEYS FURNITURE RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2014 £
Income and endowments from:			
Donations and legacies	1,593	-	1,593
Charitable activities	459,503	207,474	666,977
Investments	739	-	739
Other	250	-	250
Total income and endowments	<u>462,085</u>	<u>207,474</u>	<u>669,559</u>
Expenditure on:			
Charitable activities	400,765	225,455	626,220
Total expenditure	<u>400,765</u>	<u>225,455</u>	<u>626,220</u>
Net movement in funds	61,320	(17,981)	43,339
Reconciliation of Funds			
Total funds brought forward	288,627	533,220	821,847
Total funds carried forward	<u>349,947</u>	<u>515,239</u>	<u>865,186</u>