

Charity Registration No. 1064588

Company Registration No. 3286173 (England and Wales)

VALLEYS FURNITURE RECYCLING LIMITED

T/A toogoodtowaste

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
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VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

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

OBJECTIVES AND ACTIVITIES	
Objects & principal activities of the charity	The company is registered to assist with the relief of poverty: • 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	Key to long term sustainability of the company has been the acquisition of property from which to provide its services. In April 2015 we secured the adjacent building/warehouse to our Ynyshir showrooms to use as a processing facility for the organisation. Funding from Welsh Government Communities Facilities Programme (CFP) and using our own reserves has enabled the organisation to bring the building back into use with the renovations due to complete in early 2017.
Providing access to affordable household items	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. The company also operates an electrical & gas domestic appliance re-use facility that complies with all WEEE regulations.
Helping low income households	The company offers free or discounted furniture packages to individuals referred to them for help. Events are organised during the year to target low income households. The company sources donations of graded mattresses for re-sale to match up with pre-owned beds to meet the level of demand from referrals. In 2016, as a result of new grant funding and increased turnover, the company has been able to sustain the employment of 21 staff members.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

OBJECTIVES AND ACTIVITIES (continued)	
Providing opportunities to volunteer & train	The organisation aims to increase social skills and employment opportunities by providing volunteers with work based learning throughout its range of activities. The trainer is working towards delivering work based learning that can be assessed and verified. School placements are also supported for work based taster sessions.
Recycling & waste management	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). 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.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

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
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENTS AND PERFORMANCE	
The organisation has seen significant growth in 2016 by retaining key staff, increased opening hours and securing new commercial contracts.	
Sustainability	In 2015 we purchased and partially renovated an 8,000 sq. ft. warehousing unit adjacent to our facility in Ynyshir. In 2016 using capital funding from Communities Facility Programme & our own reserves we were able to continue the refurbishment of the building, with it due to be completed in early 2017.
Providing access to affordable household items	Our Aberdare branch has now extended its opening hours and is now open 6 days per week to increase accessibility to our services. Our Ynyshir branch continues to be open 7 days per week. Over 10,000 customers used the services of toogoodtowaste in 2016. Customers selected over 62,000 re-use items from our charity showrooms in 2016.
Maintaining & increasing quality & quantity of goods available	The electrical department expanded in 2016 to employ a full time electrical cleaning supervisor and continued to employ four full- time engineers. The partnership working with DHL/Dixon Group has continued providing access to returns and re-usable domestic appliances WEEE. We continue to work with Airsprung beds which gives us access to nearly new beds and mattresses that have been returned from retailers. We have also signed agreements with the John Lewis Partnership to receive returned furniture and electrical stock.
Helping low income households	We worked with 13 different referral partners to identify individuals and families in need, 309 requests for help were received. The value of furniture provided to those people referred to us for help for furniture and equipment was over £51,000. Over 100 furniture items were discounted by 50% (£1,577) 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. Our 12 days of Christmas anti-poverty event offered free furniture to 14 families and helped them choose the essential items they needed totaling £1,756. Our team of volunteers and staff, participated in BBC Children in Need appeal raising £146 through a variety of fun events.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENTS AND PERFORMANCE (continued)	
Providing opportunities to volunteer & train	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. 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). In total, 346 people supported us in an unpaid capacity (317 in 2015). This included 248 volunteers and 98 placements. The total hours provided was 60,250 (47,637 in 2015) an increase of 26%. 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. 27 people finished their volunteering/work placement with us to start paid employment.
Special Events and Celebrating volunteering	In 2016 one of our long-serving volunteers was recognised by Wales Council for Voluntary Action, being awarded Volunteer of the Year (Green category). The organisation was also voted Traineeship Employer of the year 2016 by the National Placement provider People Plus (Wales). Our CEO also received an award from the Furniture Re-use Network (FRN) for Individual Achiever of the Year. Recognising and valuing the support of volunteers is at the heart of this organisation. The team celebrated volunteers week with trips out to Oakwood Theme Park, Bristol Zoo and Cheddar Gorge & Caves. We then 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.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENTS AND PERFORMANCE (continued)	
Recycling & waste management	719 tonnes of waste was diverted from landfill in 2016, an increase of 33% (537 tonnes in 2015). The number of items donated for re-use in 2016 was 74,276 an increase of 6% (70,379 in 2015). Partnership working with other organisations continued in 2016 and these provided new and innovative ways of increasing community re-use. For example: Vision Aid (Invalid Aids), Specsavers (Spectacles). In 2016 IKEA donated over 1,200 new mattresses which were destined for landfill which we were then able to re-sell at a much reduced price through the charity showrooms. A large donation of duvets and pillows were donated to us from the Ministry of Defence and we were able to help 24 different animal rescues. 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.
Social Enterprise – Property Clearance Project	Income generated from our Ethical Property Clearance project was £22,804 and 89 clearances were completed, collecting over 11,000 items. We have started to gain referrals through probate solicitors and now work actively with 6 practices on a regular basis.

VALLEYS FURNITURE RECYCLING LIMITED
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TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL REVIEW	
Income from donations and legacies	Income generated from Gift Aid Retail Scheme was £21,320 .
Income from Charitable Activities	The Service level agreement with RCT Environmental services was maintained at £20,000 for the year. Income generated from the supply of household items increased by 20% to £611,876 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). The value of performance related grants was £186,061. (£26,611 Revenue and £159,450 Capital) £150,000 of grant income was capital funding towards the renovations of the warehouse and processing facility. Revenue funding has reduced in 2016 to £26,611 from £93,550 in 2015.
Expenditure for Charitable Activities	The cost of providing Charitable activities increased in the year to £751,229 (£712,643 in 2015). 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 £488,110 (£459,995 in 2015). Increases were also seen in Premises Costs due to operating in an additional building (£53,510 in 2016, £42,273 in 2015). Where possible, operating costs for telephones and administration were reduced.
Net movement in funds	The increase in own generated income has helped cover the reduced amount of revenue funding received in the year with an overall operating surplus on unrestricted funds of £4,259 for 2016. A surplus of £124,075 in restricted funds is as a result of the capital investment for the renovations to the processing unit, the depreciation charge for this grant will be shown in future years. The £4,259 unrestricted surplus for the year will be retained within the General Fund.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL REVIEW (continued)	
Reserves Policy	The organisation aims to retain adequate reserves to fund both fixed assets and working capital. It is the Trustees' view that working capital reserves amounting to three months' expenditure are adequate. Whilst this remains the organisations objective, recent investment into infrastructure has reduced working capital reserves below three months' expenditure. The free reserves i.e. those not tied up in fixed assets held at 31st December 2016 amounted to £43,047 (2015: £64,268) whereas three months' expenditure (excluding depreciation) is £175,000. While this is significantly below the figure set by the trustees, the intention remains to rebuild reserves to the desired level as soon as feasible. The trustees are aware of the risks of not having sufficient reserves and the reserves policy will be reviewed in 2017 as part of our future strategy planning
Pay Policy for senior staff	The pay of senior staff is reviewed annually by the board of directors. The organisation, guided by the board of directors, have adopted a set of principles when setting charity staff remuneration so as 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.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

RISK MANAGEMENT	
Risk review	The board of directors have a risk management strategy which comprises: • 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. Main Risks identified are: • Compliance with environmental legislation • Change in Government position on volunteering • Lack of Income • Fraud Attention is also focused 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. 34 minor accidents (including near miss incidents) were recorded. No RIDDOR notifications were required.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

FUTURE PLANS	
Communities Facilities Project (CFP)	Funding from Welsh government CFP will come to an end in 2017. It has assisted us in renovating the warehouse/processing facility in Ynyshir which will enable the organisation to grow.
Increase accessibility	Our Aberdare branch is now open to the public 6 days per week so consideration will be given to trial an extension in opening hours in the Aberdare branch into 7 day opening.
Increase turnover	• 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). • Increase Gift Aid donations. • Improve stock flow and quality control.
Development	New Treorchy facility: Submit 2nd stage application to Lottery People and Places to develop this facility into another charity showroom. Develop own capacity: Management team to scale up the organisation to meet increased turnover and effectively manage and deliver the growth of services. Management team (with support of staff team) to develop improved processes flows (stock, people, reporting) to effectively manage use of additional premises. Improve evaluation and monitoring.
Volunteering and Work based learning	Improve the recruitment and retention of Volunteers throughout the organisation: • Training staff and key volunteers in supervision and monitoring. • Renewing our Investors in Volunteering Award • 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	Continue to maintain a free collection service for re-useable goods.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

STRUCTURE, GOVERNANCE & MANAGEMENT

Valleys Furniture Recycling registered as a charity in September 1994 and incorporated on 2 December 1996. On 19 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, Employment and Marketing Sub 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.

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 2016, there were 68 Paid up members of the company (76 in 2015) (24 Full members, 22 Organisations, 22 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.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

STRUCTURE, GOVERNANCE & MANAGEMENT (continued)	
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	The current Chief Executive Officer (CEO) was appointed in May 2016 and is responsible for the strategic growth and vision of the organisation, reporting to the Board of Directors. The Finance Manager is responsible for the financial accountability and financial analysis, reporting to the CEO and Finance Sub Committee. The Operations Manager is responsible for the day to day management of the organisation, reporting to the CEO. Other core staff include: Marketing Officer, Logistics co-ordinator, Property Clearance co-ordinator, Trainer, Finance Assistant, Volunteer co-ordinator, 4 Domestic Appliance Engineers, 3 Van supervisors, 3 customer service supervisors, Logistics Clerk and an electrical cleaning supervisor. In addition to these 21 paid positions, the organisation relies on volunteer support from up to 40 individuals each day.
Related parties	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. 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. 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. There is a legal charge on the property (Unit 1 Standard Industrial Estate) as part of the Big Lottery/WG Community Asset Transfer Grant.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

LEGAL AND ADMINISTRATIVE DETAILS		
Charity name	Valleys Furniture Recycling Limited t/a toogoodtowaste	
Registered numbers	Company Number: 3286173 Charity Number: 1064588	
Registered office	Unit 1 Standard Industrial Estate, Ynyshir, Rhondda Cynon Taf. CF39 0RF	
Other operating premises	Unit 3 Aberaman Ind. Park, Aberaman, Aberdare, Rhondda Cynon Taf CF44 6DA Units 1 & 2 Ynyshir Road. Ynyshir Porth, Rhondda Cynon Taf CF39 0AT	
Other Buildings	Former Community Education Centre, Horeb Street, Treorchy, Rhondda Cynon Taf, CF42 6RU	
Board of Directors and Trustees	Martyn Birch David Lewis Neil Bryan Dave Henderson Dr. Dafydd Trystan Davies Malcolm Gay Rhiannon Holtham Michael Bryan Lee Foulkes Miranda Keen Philip Moss Karen Jones	Chairman Vice – Chairman Treasurer (Retired 24 May 2016)
Advisors	Auditors Broomfield & Alexander Limited, Chartered Accountants & Statutory Auditors, Waters Lane Chambers, 1-3 Waters Lane, Newport, NP20 1LA Bankers Barclays Bank Plc, Pontypridd, Rhondda Cynon Taf. CF37 4YA Solicitors Dolman Solicitors, 17-21 Windsor Place, Cardiff. CF20 3DS	
Key Management	Shaun England Rhian Edwards Mike Foligno Louise Dixon	Chief Executive Officer Finance Manager & Company Secretary Operations Manager Finance Manager (Maternity cover)

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Auditors

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

Small company exemptions

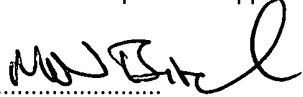
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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.

The trustees report was approved by the Board of Trustees.


.....
Martyn Birch (Chairman)


.....
David Lewis (Vice Chairman)

Dated:



VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
INDEPENDENT AUDITOR'S 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 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and its 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 statement of trustees responsibilities, the trustees, who are also the directors of Valleys Furniture Recycling Limited for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors 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 accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited accounts 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.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF VALLEYS FURNITURE RECYCLING LIMITED

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 Trustees Report is inconsistent in any material respect with the accounts; or
- the accounts 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.



Sarah Case FCA DChA (Senior Statutory Auditor)
for and on behalf of Broomfield & Alexander Limited

31/5/17

Chartered Accountants
Statutory Auditor

Waters Lane Chambers
Waters Lane
NEWPORT
NP20 1LA
UK

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

VALLEYS FURNITURE RECYCLING LIMITED
T/A TOOGOODTOWASTE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<u>Income and endowments from:</u>					
Donations and legacies	3	26,077	-	26,077	6,889
Charitable activities	4	667,336	186,061	853,397	666,656
Investments	5	49	-	49	405
Sale of assets	6	40	-	40	7,950
Total income and endowments		693,502	186,061	879,563	681,900
<u>Expenditure on:</u>					
Charitable activities	7	689,243	61,986	751,229	712,643
Net income/(expenditure) for the year/ Net movement in funds		4,259	124,075	128,334	(30,743)
Fund balances at 1 January 2016		360,009	474,434	834,443	865,186
Fund balances at 31 December 2016		364,268	598,509	962,777	834,443

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
BALANCE SHEET
AS AT 31 DECEMBER 2016

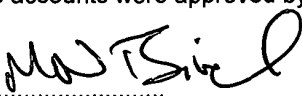
	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	14		919,730		769,561
Current assets					
Stocks	13	600		600	
Debtors	15	38,893		16,472	
Cash at bank and in hand		68,306		93,928	
		<u>107,799</u>		<u>111,000</u>	
Creditors: amounts falling due within one year	16	<u>(64,752)</u>		<u>(46,118)</u>	
Net current assets			43,047		64,882
Total assets less current liabilities			<u>962,777</u>		<u>834,443</u>
Income funds					
Restricted funds	19		598,509		474,434
<u>Unrestricted funds</u>					
Designated funds	21	20,000		64,000	
General unrestricted funds		<u>344,268</u>		<u>296,009</u>	
			364,268		360,009
			<u>962,777</u>		<u>834,443</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2016, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

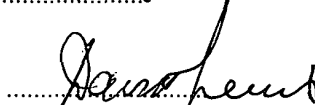
The trustees responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 31st May 2017



Martyn Birch (Chairman)



David Lewis (Vice Chairman)

Company Registration No. 3286173

VALLEYS FURNITURE RECYCLING LIMITED
T/A TOOGOODTOWASTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	26		171,103		14,758
Investing activities					
Purchase of tangible fixed assets		(196,774)		(251,753)	
Interest received		49		405	
Net cash used in investing activities			(196,725)		(251,348)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(25,622)		(236,590)
Cash and cash equivalents at beginning of year			93,928		330,518
Cash and cash equivalents at end of year			68,306		93,928

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity reported a net inflow of £128,334 for the year. The charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that 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.

1.3 Charitable funds

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.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

1.4 Incoming resources

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.

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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

1.5 Resources expended

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.

Liabilities Policy

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

1.6 Tangible fixed assets

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:

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

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

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.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

1.10 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.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 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.

1.14 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.

1.15 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.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

3 Donations and legacies

	2016	2015
	£	£
Donations and gifts	24,812	1,704
Members contributions	565	721
Sponsorship	700	4,464
	<u> </u>	<u> </u>

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

4 Charitable activities

	2016 £	2015 £
Service level agreement	20,000	20,000
Performance related grants	186,061	112,961
Household items supplied	611,876	509,134
Social enterprise projects	35,460	24,561
	<u>853,397</u>	<u>666,656</u>
Analysis by fund		
Unrestricted funds	667,336	
Restricted funds	186,061	
	<u>853,397</u>	
For the year ended 31 December 2015		
Unrestricted funds		559,055
Restricted funds		107,601
		<u>666,656</u>
Performance related grants		
WCVA	2,975	5,949
WRAP	-	9,161
Welsh Church Act	-	10,000
Big Lottery	9,055	-
SEWCED Electrics	-	67,165
Welsh Government CFP	150,000	20,436
Lloyds Bank Foundation	14,581	-
RCT Together	9,450	-
Other	-	250
	<u>186,061</u>	<u>112,961</u>

5 Investments

	2016 £	2015 £
Interest receivable	49	405

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

6 Sale of assets

	2016	2015
	£	£
Other income	40	7,950

7 Charitable activities

	2016	2015
	£	£
Staff costs	398,841	409,127
Personnel costs	23,888	8,960
Volunteer costs	65,381	41,908
Transport costs	45,142	50,549
Cost of goods	56,721	53,977
Release of provision	-	(15,000)
Prior year adjustment	-	(3,145)
	589,973	546,376
Share of support costs (see note 12)	156,256	161,167
Share of governance costs (see note 12)	5,000	5,100
	751,229	712,643
Analysis by fund		
Unrestricted funds	689,243	
Restricted funds	61,986	
	751,229	
For the year ended 31 December 2015		
Unrestricted funds		564,237
Restricted funds		148,406
		712,643

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

9 Employees

Number of employees

The average number of employees, analysed by function was:

	2016 Number	2015 Number
Charitable activities	19	18
Governance	2	2
	<u>21</u>	<u>20</u>

Employment costs

	2016 £	2015 £
Wages and salaries	368,150	381,697
Social security costs	28,652	26,405
Other pension costs	2,039	1,025
	<u>398,841</u>	<u>409,127</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Related party transactions

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

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>109,352</u>	<u>89,123</u>

The key management personnel of the charity comprise of the Chief Executive Officer, General Manager, Operations Manager and Finance Manager. (2015: Chief Executive Office, General Manager, Operations Manager and Finance Manager).

11 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
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

12 Support costs

	Support costs	Governance costs	2016	2015	Basis of allocation
	£	£	£	£	
Depreciation	46,606	-	46,606	47,930	
Advertising and meetings	9,094	-	9,094	15,567	
Premises costs	53,510	-	53,510	42,273	
Telephone and administration	29,789	-	29,789	38,963	
Legal and professional fees	5,015	-	5,015	7,380	
Insurances	8,847	-	8,847	7,102	
Bank charges	3,395	-	3,395	1,952	
Audit fees	-	5,000	5,000	5,100	Governance
	<u>156,256</u>	<u>5,000</u>	<u>161,256</u>	<u>166,267</u>	
Analysed between Charitable activities	<u>156,256</u>	<u>5,000</u>	<u>161,256</u>	<u>166,267</u>	

Governance costs includes payments to the auditors of £5,000 for audit fees.

13 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	<u>600</u>	<u>600</u>

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

14 Tangible fixed assets

	Freehold property £	Leasehold improvements £	Office equipment £	Tools and equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2016	825,867	7,960	12,148	43,498	43,518	932,991
Additions	196,774	-	-	-	-	196,774
At 31 December 2016	1,022,641	7,960	12,148	43,498	43,518	1,129,765
Depreciation and impairment						
At 1 January 2016	106,451	3,184	11,385	27,914	14,496	163,430
Depreciation charged in the year	26,110	1,592	762	7,261	10,880	46,605
At 31 December 2016	132,561	4,776	12,147	35,175	25,376	210,035
Carrying amount						
At 31 December 2016	890,080	3,184	1	8,323	18,142	919,730
At 31 December 2015	719,416	4,776	763	15,584	29,022	769,561

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

15 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	12,833	5,475
Other debtors	12,260	4,521
Prepayments and accrued income	13,800	6,476
	<u>38,893</u>	<u>16,472</u>

16 Creditors: amounts falling due within one year

	2016	2015
	£	£
Other creditors	36,264	13,606
Accruals and deferred income	28,488	32,512
	<u>64,752</u>	<u>46,118</u>

17 Deferred income

Deferred income relates to performance related grant funding received in advance and which relates to future financial periods.

	2016	2015
	£	£
Balance brought forward	9,055	-
Income received in the year	30,000	76,220
Released to income	(23,636)	(67,165)
	<u>15,419</u>	<u>9,055</u>

18 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	25,093	9,996
	<u>25,093</u>	<u>9,996</u>
Carrying amount of financial liabilities		
Measured at amortised cost	64,752	46,118
	<u>64,752</u>	<u>46,118</u>

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2016 £	Movement in funds		Balance at 31 December 2016 £
		Incoming resources £	Resources expended £	
Welsh Church Act	14,000	-	(2,000)	12,000
Miscellaneous	400	-	(200)	200
Big Lottery	406,263	-	(14,797)	391,466
Entrust	16,626	-	(8,312)	8,314
Wales Co-operative	5,851	-	(2,127)	3,724
SEWCED Electrical	23,600	-	(5,398)	18,202
WRAP	7,443	-	(2,290)	5,153
Big Lottery	251	9,055	(9,306)	-
RCT Together	-	9,450	-	9,450
Welsh Government CFAP	-	150,000	-	150,000
WCVA	-	2,975	(2,975)	-
Lloyds Bank Foundation	-	14,581	(14,581)	-
	<u>474,434</u>	<u>186,061</u>	<u>(61,986)</u>	<u>598,509</u>

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

19 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 – Grant to complete the preliminary groundworks at the Ynyshir site before the extension.

RCT Together - Grant to complete the refurbishment works at the Treorchy site.

CFAP - Grant to complete the refurbishment works at the Ynyshir site.

Other funds:

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.

Lloyds Bank Foundation - This funding was towards the creation of two new job roles over a two year period and associated costs.

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

20 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 2016, there were 77 members of the company (2015: 50).

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 December 2016
	Balance at 1 January 2016	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Project closure costs	64,000	-	-	(44,000)	20,000
	<u>64,000</u>	<u>-</u>	<u>-</u>	<u>(44,000)</u>	<u>20,000</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. Due to substantial investment in infrastructure in 2016 this figure has been reduced to £20,000 for this year but will be increased to £80,000 in future years.

22 Analysis of net assets between funds

	£	£	Total £
Fund balances at 31 December 2016 are represented by:			
Tangible assets	321,221	598,509	919,730
Current assets/(liabilities)	43,047	-	43,047
	<u>364,268</u>	<u>598,509</u>	<u>962,777</u>

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	44,885	17,976
Between two and five years	40,090	21,849
	<u>84,975</u>	<u>39,825</u>

VALLEYS FURNITURE RECYCLING LIMITED
T/A toogoodtowaste
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

24 Capital commitments

As at 31 December 2016, the charity had no commitment to capital expenditure.

25 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.

26 Cash generated from operations	2016	2015
	£	£
Surplus/(deficit) for the year	128,333	(30,743)
Adjustments for:		
Investment income recognised in profit or loss	(49)	(405)
Depreciation and impairment of tangible fixed assets	46,606	47,930
Movements in working capital:		
(Increase) in debtors	(22,421)	(1,795)
Increase/(decrease) in creditors	18,634	(229)
Cash generated from operations	171,103	14,758