

Charity Registration No. 1064588

Company Registration No. 3286173 (England and Wales)

TOOGOODTOWASTE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



TOOGOODTOWASTE LIMITED

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TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 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 2019)".

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, 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.
Providing access to affordable household items	Within all showrooms, donated goods are offered for sale at secondhand market value after they have been quality controlled, sorted, cleaned and safety checked. The company also operates an electrical & gas domestic appliances re-use facility that complies with all WEEE & Gas Safe regulations. The company offers free or discounted furniture packages to individuals referred to them for help and at times of crisis and support.
Providing opportunities to volunteer & train	We aim to increase social skills and employment opportunities by providing volunteers with work-based learning and training. Volunteers assist us with a range of activities throughout the organisation as well as management through our Board of Trustees. Placements opportunities are offered to enhance employability advancement and rehabilitation of ex-offenders via the Probation Service. School placements are also supported for work-based experience 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 showrooms. The company also offers a collection service for re-useable household goods, to commercial organisation (end-of-line or returned goods). The company operates a House Clearance Service to the public, solicitors, landlords and housing associations. This professional, income generating service aims to recycle or re-use the products cleared by working with partner organisations. The organisation holds a waste carriers' licence and is an Approved and Authorised Transfer Facility (AATF) and an Approved Re-use Centre (ARC).

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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. 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. Many of the people referred to this organisation for help are in crisis situations without any financial support. The organisation helps immediately to people affected by domestic violence and other life affecting crisis situations. 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. External grants are sought to provide match funding for our activities.

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE	
Although the Covid-19 pandemic significantly impacted how we operated in 2020, below is some of the great work we have done, the difference made to the local community and some of the achievements of our staff & volunteers.	
Maintaining & increasing quality & quantity of goods available	The partnership working with DHL/Dixon Carphone Group has continued providing access to re-usable domestic appliances WEEE. We received commercial donations from IKEA, John Lewis, Airsprung, David Phillips, Starbucks, Asda and Ecover. Partnership working with Play it Again Sport has enabled the supply of a selection of bargain sports kit which is available to buy in our Ynyshir showroom. We also worked with Parc Prison, Bridgend to deliver flat pack furniture and pick up assembled furniture.
Helping low-income households	We continued to work closely with referral partners to identify individuals and families in need. Over 400 individuals benefitted in 2020, this included over 120 households affected by flooding.
Providing opportunities to volunteer & train	In total, 226 people supported us, and they provided the organisation with over 26,000 hours in an unpaid capacity. 6 people finished their volunteering/work placement with us to start paid employment.
Recycling & waste management	632 Tonnes of waste was diverted from landfill in 2020 which equalled over 70,000 re-usable items. Over 82,000 items were collected from local residents and commercial donators.

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW	
The organisation had a very challenging year in 2020. The coronavirus Covid-19 and consequential restrictions imposed by the government meant that the majority of our income sources ceased on 23rd March 2020 until we safely re-opened in July 2020 and another firebreak lockdown in October 2020. During these lockdowns, all charity showrooms closed to the public and commercial contracts also ceased. We were, however, able to continue some partnership working to provide essential furniture and electrical items, on a referral basis, to help those still in need. All retail and operational staff were placed on furlough and the organisation made use of the Government's Employment retention scheme to cover these salary costs. As well as this, a review of our operational costs was conducted to mitigate the impact on the charity's finances and make savings wherever possible. It has also benefitted from Welsh Government Grants for non-domestic Rates relief on our buildings.	
Income from donations and legacies	Donations were received from Moondance Foundation £25,000, Barclays COVID-19 Community Relief Fund £100,000 and Admiral Group £2,500. Income generated from Gift Aid Retail Scheme was £8,066.
Income from Charitable Activities	The Service level agreement with RCT Environmental services was maintained at £20,000 for the year. Income generated through our charity showrooms from the supply of household items was reduced by 23% to £776,740 (2019: £1,008,120) due to reduced trading days in the year. The value of performance related grants was £482,265 (2019: £133,402). These were to support the organisation through the Covid-19 pandemic. These included funding from Pen y Cymoedd Wind Farm Community Fund £25,000, Community Foundation Wales £15,000, RCT rates relief £162,000, Government Job Retention Scheme £175,564, Lottery People & Places Community Fund £31,000, WEEE Fund £25,000, Lloyds Bank Foundation £25,000, Tesco £500, Co-operative food £500, and Neighbourly £400.
Expenditure for Charitable Activities	The cost of providing Charitable activities decreased in the year to £1,394,838 (£1,418,959 in 2019). The organisation had increased its staff numbers and external storage facilities at the beginning of 2020. With support from the Government's Employment retention scheme, all staff were able to be retained during the year. During the pandemic, new items were purchased in order to supply essential furniture & electrical items to our local council's Housing Advice Centre. Following our re-opening in July 2020, the number of volunteers & placements that we are able to safely accommodate was reduced in order to comply with social distancing regulations. Included in the above costs for Charitable activities are depreciation costs of £96,343 a decrease on the previous year of £194,022 due to the completion of the Treorchy renovations.

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW (continued)	
Net movement in funds	With Grant and donation support received during the year enabled the organisation to show an overall operating surplus on unrestricted funds of £101,309. A surplus of £16,421 in restricted funds this year is after depreciation has been deducted of £83,581. A £100,000 donation from Barclays Bank has been retained at the year-end to support the organisation during 2021 as another lockdown was planned. The unrestricted surplus for the year has enabled the organisation to increase its Designated fund by £80,000. The remainder will be retained within the General Fund. We are very grateful to the Trusts & Organisations who have donated grants to us during the year, this shows how much the work of toogoodtowaste is valued.
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, £300,000 (excluding depreciation). The organisation also aims to retain an adequate designated reserve to cover the closure costs arising from a significant reduction in income amounting to £100,000. This designated reserve has now been met. The free reserves i.e., those not tied up in fixed assets and designated funds held on 31st December 2020 amounted to £42,742. While this is significantly below the £300,000 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 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.

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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. 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.

FUTURE PLANS – POST BALANCE SHEET EVENTS
COVID – 19 The trustees recognise that 2021 may prove to be another challenging year for the organisation due to the impact of Covid-19 and the ongoing government-imposed restrictions. The risk register has been updated to include Covid-19 as a high-rated risk incorporating potential reduction in income sources and how our volunteers/staff and general public react to life during and after the current crisis. Budgets and plans for 2021 have been regularly reviewed by the senior management team and the board of trustees. At the time of approving these accounts, the organisation is thriving following the safe re-opening of its three showrooms in April 2021. Our priority remains the safety of our staff, volunteers and customers. Taking this into account, we are satisfied that with the funding support received in 2020 and the stores re-opening are sufficient to ensure that the financial statements for 31st December 2020 can be prepared on a 'going concern' basis.

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE & MANAGEMENT

The organisation by special resolution on 30th May 2017 changed its name to toogoodtowaste Limited. (Previous name Valleys Furniture Recycling Limited).

The organisation 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, 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 of December 2020, there were 70 paid up members of the company (70 in 2019) (25 Full members, 25 Organisations, 20 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.

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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 Chief Executive Officer (CEO) 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. Other core staff include Retail Manager, Operations Manager, Marketing Officer, Trainer/Volunteer Co-Ordinator, Workshop Supervisor, Finance Assistant, 4 Domestic Appliance Engineers, 7 Van Supervisors, 8 Customer Service Supervisors, Warehouse Supervisor, Logistics Clerk, 2 Bric a Brac supervisors, Electrical Cleaning Supervisor, Call Centre Supervisor and a Cleaner. In addition to these 34 paid positions, the organisation relies on volunteer support from around 30 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 Environmental Services Department and a partnership agreement with the Children's Services Department. As part of Reuse Network, agreements have been established via commercial contracts with DHL and Dixon Group, Airsprung, IKEA and John Lewis. There is a legal charge on the property (Ynyshir Road, Ynyshir CF39 0AT) as part of the Big Lottery/WG Community Asset Transfer Grant. There is a legal charge on the property (Horeb Street, Treorchy, CF42 6RU) as part of the Big Lottery People & Places Grant.

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2020

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TOOGOODTOWASTE LIMITED

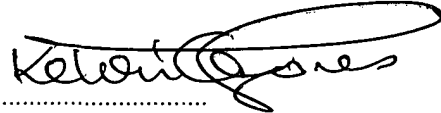
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees report was approved by the Board of Trustees.



Dave Henderson
(Chairman)

Dated: 10/8/21



Kelvin Jones
(Treasurer)

Dated: 23/8/2021

TOOGOODTOWASTE LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees (who are also directors of toogoodtowaste Limited 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, Azets Audit Services, 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.

TOOGOODTOWASTE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF TOOGOODTOWASTE LIMITED

Opinion

We have audited the financial statements of toogoodtowaste Limited (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

TOOGOODTOWASTE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TOOGOODTOWASTE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

TOOGOODTOWASTE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TOOGOODTOWASTE LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Case FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

24-8-2021

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

TOOGOODTOWASTE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TOOGOODTOWASTE LIMITED

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

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TOOGOODTOWASTE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income and endowments from:							
Donations and legacies	3	18,580	125,000	143,580	11,376	-	11,376
Charitable activities	4	877,004	480,265	1,357,269	1,134,053	133,402	1,267,455
Other trading activities	5	1,479	-	1,479	3,870	-	3,870
Sale of assets	6	10,240	-	10,240	-	-	-
Total income		907,303	605,265	1,512,568	1,149,299	133,402	1,282,701
Expenditure on:							
Charitable activities	7	805,994	588,844	1,394,838	1,145,895	273,064	1,418,959
Net income/(expenditure) for the year/ Net movement in funds		101,309	16,421	117,730	3,404	(139,662)	(136,258)
Fund balances at 1 January 2020		371,515	860,594	1,232,109	368,111	1,000,256	1,368,367
Fund balances at 31 December 2020		472,824	877,015	1,349,839	371,515	860,594	1,232,109

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.

TOOGOODTOWASTE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

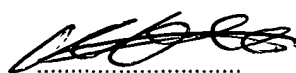
	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		1,107,097		1,202,194
Current assets					
Stocks	12	18,032		8,629	
Debtors	13	44,658		58,221	
Cash at bank and in hand		340,270		32,989	
		402,960		99,839	
Creditors: amounts falling due within one year	14	(160,218)		(69,924)	
Net current assets			242,742		29,915
Total assets less current liabilities			1,349,839		1,232,109
Income funds					
Restricted funds	17		877,015		860,594
<u>Unrestricted funds</u>					
Designated funds	18	100,000		20,000	
General unrestricted funds		372,824		351,515	
			472,824		371,515
			1,349,839		1,232,109

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 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

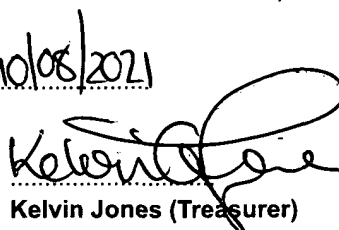
The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its 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 financial statements, so far as applicable to the company.

These financial statements 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 10/08/2021



Dave Henderson (Chairman)



Kelvin Jones (Treasurer)

Company Registration No. 3286173

TOOGOODTOWASTE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	25		248,288		57,588
Investing activities					
Purchase of tangible fixed assets		(1,247)		(79,997)	
Proceeds on disposal of tangible fixed assets		10,240		-	
Net cash generated from/(used in) investing activities			8,993		(79,997)
Financing activities					
Bank financing		50,000		-	
Net cash generated from/(used in) financing activities			50,000		-
Net increase/(decrease) in cash and cash equivalents			307,281		(22,409)
Cash and cash equivalents at beginning of year			32,989		55,398
Cash and cash equivalents at end of year			340,270		32,989

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements 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

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

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.

1.4 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.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 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.

Income from donated goods is recognised when the donated goods are sold.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable.

1.5 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.

Liabilities Policy

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

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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

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 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).

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.

Unsold donated items are not included in closing stock since their cost is nil and their value is uncertain until sold.

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.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 Taxation

As a registered charity, toogoodtowaste 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.

1.12 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.

1.13 Retirement benefits

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

1.14 Debtors

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.15 Creditors and provisions

Basic financial liabilities

Basic financial liabilities, including creditors and are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.16 Taxation

As a registered charity, toogoodtowaste Limited 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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	18,580	125,000	143,580	10,800
Members contributions	-	-	-	526
Other	-	-	-	50
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	2020 £	2019 £
Service level agreement	20,000	20,000
Performance related grants	480,265	133,402
Household items supplied	776,740	1,008,120
Social enterprise projects	80,264	105,933
	<u>1,357,269</u>	<u>1,267,455</u>
Analysis by fund		
Unrestricted funds	877,004	
Restricted funds	480,265	
	<u>1,357,269</u>	
For the year ended 31 December 2019		
Unrestricted funds		1,134,053
Restricted funds		133,402
		<u>1,267,455</u>
Performance related grants		
Big Lottery - Revenue Grant	31,051	92,270
Job Retention Scheme	175,564	-
Lloyds Bank Foundation	25,000	25,000
Blaenau Gwent	20,000	-
RN WEEE Fund	25,000	-
RCT Rates Grants	162,000	-
Miscellaneous Grants	1,650	800
Community Foundation Wales	15,000	-
Co-op Community Fund	-	1,576
Pen Y Cymoedd Wind Farm	25,000	13,756
	<u>480,265</u>	<u>133,402</u>

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Sundry income	581	-
Rental income	898	3,870
Other trading activities	1,479	3,870

6 Sale of assets

	Unrestricted funds	Total
	2020 £	2019 £
Net gain on disposal of tangible fixed assets	10,240	-

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	2020 £	2019 £
Staff costs	790,299	698,859
Volunteer costs	37,345	82,993
Transport costs	133,210	140,332
Cost of goods	138,360	114,652
	<u>1,099,214</u>	<u>1,036,836</u>
Share of support costs (see note 8)	290,311	376,623
Share of governance costs (see note 8)	5,313	5,500
	<u>1,394,838</u>	<u>1,418,959</u>
Analysis by fund		
Unrestricted funds	805,994	1,145,895
Restricted funds	588,844	273,064
	<u>1,394,838</u>	<u>1,418,959</u>
For the year ended 31 December 2019		
Unrestricted funds	1,145,895	
Restricted funds	273,064	
	<u>1,418,959</u>	

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Depreciation	96,343	-	96,343	194,022	Staff costs
Advertising and meetings	5,377	-	5,377	9,704	Staff costs
Premises costs	124,356	-	124,356	106,416	Staff costs
Telephone and administration	43,625	-	43,625	45,250	Staff costs
Legal and professional fees	4,183	-	4,183	4,398	Staff costs
Insurances	10,424	-	10,424	10,655	Staff costs
Bank charges	6,003	-	6,003	6,178	Staff costs
Audit fees	-	5,313	5,313	5,500	Governance
	<u>290,311</u>	<u>5,313</u>	<u>295,624</u>	<u>382,123</u>	
Analysed between					
Charitable activities	<u>290,311</u>	<u>5,313</u>	<u>295,624</u>	<u>382,123</u>	

Governance costs includes payments to the auditors of £5,313 (2019: £5,500) for audit fees.

9 Trustees

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

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

The average number of employees, analysed by function was:

	2020 Number	2019 Number
Charitable activities	32	29
Governance	2	2
	<u>34</u>	<u>31</u>

Employment costs

	2020 £	2019 £
Wages and salaries	728,257	640,221
Social security costs	46,208	43,862
Other pension costs	11,315	10,024
Staff training and expenses	4,519	4,752
	<u>790,299</u>	<u>698,859</u>

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

11 Tangible fixed assets

	Freehold property £	Leasehold improvements £	Office equipment £	Tools and Motor vehicles equipment £	Total £
Cost					
At 1 January 2020	1,660,777	7,960	11,805	7,207	1,731,267
Additions	1,247	-	-	-	1,247
Disposals	-	-	-	-	(43,518)
	<u>1,662,024</u>	<u>7,960</u>	<u>11,805</u>	<u>7,207</u>	<u>- 1,688,996</u>
At 31 December 2020					
Depreciation and impairment					
At 1 January 2020	466,144	7,960	8,627	2,825	529,074
Depreciation charged in the year	93,542	-	1,604	1,197	96,343
Eliminated in respect of disposals	-	-	-	-	(43,518)
	<u>559,686</u>	<u>7,960</u>	<u>10,231</u>	<u>4,022</u>	<u>- 581,899</u>
At 31 December 2020					
Carrying amount					
At 31 December 2020	1,102,338	-	1,574	3,185	- 1,107,097
At 31 December 2019	1,194,631	-	3,181	4,382	- 1,202,194

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

(Continued)

The Big Lottery Fund has a legal charge dated 1 February 2018 over the charity's property previously known as Treorchy Youth Centre, Horeb Street, Treorchy.

12 Stocks

	2020 £	2019 £
Finished goods and goods for resale	18,032	8,629

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	12,383	14,068
Other debtors	5,554	8,762
Prepayments and accrued income	26,721	35,391
	44,658	58,221

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	15	50,000	-
Deferred income		16,715	11,227
Trade creditors		27,268	37,438
Other creditors		19,455	15,879
Accruals		46,780	5,380
		160,218	69,924

15 Loans and overdrafts

	2020 £	2019 £
Bank loans	50,000	-
Payable within one year	50,000	-

16 Deferred income

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

2020 2019

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Deferred income

(Continued)

	£	£
Balance brought forward	11,227	38,756
Income received in the year	16,715	38,756
Released to income	(11,227)	(66,285)
Balance carried forward	16,715	11,227

17 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:

	Movement in funds			Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£	£
Welsh Church Act - Capital	6,000	-	(2,000)	4,000	-	(2,000)	2,000
Big Lottery - Community Asset Transfer - Capital	361,872	-	(14,797)	347,075	-	(14,797)	332,278
SEWCED Electrical - Capital	7,881	-	(2,626)	5,255	-	(2,626)	2,629
WRAP - Capital	573	-	(573)	-	-	-	-
RCT Together - Capital	9,450	-	(9,450)	-	-	-	-
Welsh Government CFAP - Capital	121,045	-	(40,348)	80,697	-	(40,348)	40,349
Big Lottery - People & Places - Capital	368,038	31,775	(99,088)	300,725	-	(17,159)	283,566
Miscellaneous - Capital	476	-	(462)	14	-	(14)	-
Pen y Cymoedd Wind Farm - Capital	123,921	13,756	(14,849)	122,828	-	(6,635)	116,193
Groundwork UK (Tesco)	1,000	-	(1,000)	-	500	(500)	-
Lloyds Bank Foundation	-	25,000	(25,000)	-	25,000	(25,000)	-

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Restricted funds

(Continued)

Moondance Foundation	-	-	-	-	25,000	(25,000)	-
Miscellaneous	-	2,376	(2,376)	-	1,150	(1,150)	-
Big Lottery - People & Places	-	60,494	(60,494)	-	31,051	(31,051)	-
Welsh Government	-	-	-	-	182,000	(182,000)	-
Job Retention Scheme	-	-	-	-	175,564	(175,564)	-
Barclays Bank	-	-	-	-	100,000	-	100,000
Pen y Cymoedd Wind Farm	-	-	-	-	25,000	(25,000)	-
Reuse Network	-	-	-	-	25,000	(25,000)	-
Community Foundation Wales	-	-	-	-	15,000	(15,000)	-
	<u>1,000,256</u>	<u>133,401</u>	<u>(273,063)</u>	<u>860,594</u>	<u>605,265</u>	<u>(588,844)</u>	<u>877,015</u>

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.

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

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.

Welsh Government CFAP - Grant to complete the refurbishment works at the Treorchy site.

Big Lottery - People & Places - Grant towards the renovations of former Treorchy Youth Centre.

Pen y Cymoedd Wind Farm - This funding was received for the roof renovations of the former Treorchy Youth Centre.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Restricted funds

(Continued)

Other funds:

Big Lottery People & Places - Funding towards support during COVID-19 pandemic.

Lloyds Bank Foundation - Funding towards the salary costs during COVID-19 pandemic.

Job Retention Scheme - Funding towards the salary costs during COVID-19 pandemic.

Community Foundation Wales - Funding towards support during COVID-19 pandemic.

Barclays Bank - Funding towards support during COVID-19 pandemic.

Moondance Foundation - Funding towards support during COVID-19 pandemic.

Pen Y Cymoedd - Funding towards support during COVID-19 pandemic.

Welsh Government - Funding towards support during COVID-19 pandemic.

Reuse Network - Funding towards support during COVID-19 pandemic.

Co-op - Funding towards support during COVID-19 pandemic.

Groundworks UK (Tesco) - Funding towards support during COVID-19 pandemic.

Miscellaneous funds in the prior year related to Charities Aid- Co-op £1,575 and Constructing Excellence in Wales £800 towards specific projects. In the current year the funding was from Wales Co-op £500, Network Interlink £400 and Neighbourly £400 for support during the COVID 19 pandemic.

18 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:

	Balance at 1 January 2019	Transfers	Balance at 1 January 2020	Movement in funds Incoming resources	Balance at 31 December 2020
	£	£	£	£	£
Project closure costs	30,000	(10,000)	20,000	80,000	100,000
	<u>30,000</u>	<u>(10,000)</u>	<u>20,000</u>	<u>80,000</u>	<u>100,000</u>

Project closure - The board recognise the need to maintain a reserve to cover the closure costs arising from a significant reduction in income. The amount was reduced in 2019 by £10,000 to allow for the investment into Tredegar. The amount was then increased by £80,000 in 2020 as a result of the increased level of funding received in the year.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	330,082	777,015	1,107,097	341,600	860,594	1,202,194
Current assets/ (liabilities)	142,742	100,000	242,742	29,915	-	29,915
	<u>472,824</u>	<u>877,015</u>	<u>1,349,839</u>	<u>371,515</u>	<u>860,594</u>	<u>1,232,109</u>

20 Members' Contributions

Contributions for membership for individuals were set at £5 for waged and £1 for unwaged. Organisations contributed £25 for membership.

However, during 2020 no income was received from members as the premises was closed during the year due to the lockdown restrictions meaning that the members would not be able to use the membership benefits.

Each member's liability is limited to £1. At 31 December 2020, there were 68 members of the company (2019: 70).

21 Capital commitments

As at 31 December 2020, the charity did not have any capital commitments (2019: £nil).

22 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.

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>131,879</u>	<u>128,238</u>

The key management personnel of the charity comprise of the Chief Executive Officer, Retail Manager, Operations Manager and Finance Manager.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Related party transactions

(Continued)

During the current year the charity received grant funding from Pen Y Cymoedd Wind Farm Community Interest Company to the value of £25,000 (2019: £13,756).

Mr D J Henderson, trustee is also a Director of Pen Y Cymoedd Wind Farm Community Interest Company.

24 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:

	2020 £	2019 £
Within one year	98,768	115,654
Between two and five years	117,112	162,446
	<u>215,880</u>	<u>278,100</u>

25 Cash generated from operations

	2020 £	2019 £
Surplus/(deficit) for the year	117,730	(136,258)
Adjustments for:		
Gain on disposal of tangible fixed assets	(10,240)	-
Depreciation and impairment of tangible fixed assets	96,343	194,022
Movements in working capital:		
(Increase) in stocks	(9,402)	(7,629)
Decrease in debtors	13,563	32,226
Increase in creditors	34,806	2,756
Increase/(decrease) in deferred income	5,488	(27,529)
Cash generated from operations	<u>248,288</u>	<u>57,588</u>

26 Analysis of changes in net funds

	At 1 January 2020 £	Cash flows	At 31 December 2020 £
Cash at bank and in hand	32,989	307,281	340,270
Loans falling due within one year	-	(50,000)	(50,000)
	<u>32,989</u>	<u>257,281</u>	<u>290,270</u>