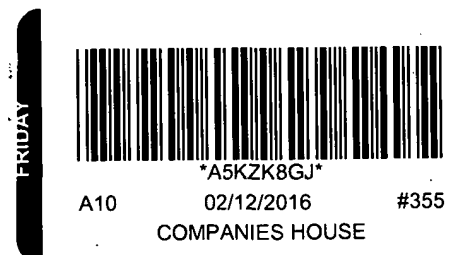


COMPANY REGISTRATION NUMBER 03780618

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
30 SEPTEMBER 2016**

Charity Number 1076996



**Harrisons
Chartered Accountants**

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2016**

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**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2016

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 30 September 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Dorset Reclaim
Charity registration number	1076996
Company registration number	03780618
Registered office	85 Stanley Road Bournemouth Dorset BH1 4SD

THE TRUSTEES

The trustees who served the charity during the period were as follows:

Mr J Coulston - Michaels Limited
Mr M Hartland - Independent
Mr E Taylor - Independent
Mr R Osborough - Independent
Mr A Erwood - Independent

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

Secretary Ray Tovey

Project manager Ray Tovey

Committee members

Ms J Taylor

Mr M Dias - Independent

Mr C Savory - Independent

Mrs J Skinner - Independent

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

HSBC Bank plc
59 Old Christchurch Road
Bournemouth
Dorset
BH1 1EH

Scottish Widows Bank plc
67 Morrison Street
Edinburgh
Scotland
EH3 8YJ

Solicitors

Kerr & Co
5 Milhams Street
Christchurch
Dorset
BH23 1DN

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on the 1st June 1999 and was registered as a charity after that on the 11th August 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

DORSET RECLAIM COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and are also members of the management committee. Under the requirements of the Memorandum and Articles of Association, the trustees serve a period of three years before being required to be re-elected.

Trustees are recruited from across the community in Dorset to give the charity the benefit of experience and knowledge in a wide range of relevant areas. It is essential to the company to have a range of skills available to keep the organisation focused on business operations and opportunities, as well as ensuring our focus on our objectives.

All members of the Management Committee give their time voluntarily and received no benefits from the charity.

The company developed a new recruitment and retention policy in 2009 to assist with work relating to new trustees and committee members. Although most would-be trustees and members of the management committee are already familiar with our work, on appointment an induction programme provides tours of the four sites, together with a detailed briefing by the Chairman and the Project Manager covering all aspects of the charity's work, together with the legal obligations relating to their position. New members are also given a copy of The Charity Commission's publications relating to their role.

Organisational structure

The charity is formally governed by a management committee which is currently made up of 5 trustees and 3 other individuals from very diverse backgrounds representing those with a strong interest in the local community. The management committee meets bi-monthly to discuss the running of the charity, with the Project Manager, Policy & Development Manager and Depot Managers also in attendance to provide a full report of activities undertaken.

In addition, the Finance sub group, set up to deal with the financial control, budgets, proposed developments and fund raising, also meets on a bi-monthly basis.

The Project Manager has delegated responsibility for the day to day running of the company which includes the key issues of organisational matters, staff and finance. A management team meeting takes place on a bi-monthly basis to ensure all depots and aspects of the charity run to the highest standard.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

Wider network

Dorset Reclaim is part of the Furniture Reuse Network, the national parent body for independent furniture reuse organisations, who provide advice and guidance on current issues.

Regionally, we belong to the Dorset Reuse Forum which involves other projects in the county together with local authorities, housing associations and other interested organisations to share good practice and discuss relevant legislation and guidance. In addition, we are represented at other local fora involving partner agencies and other third sector organisations working across Dorset.

Related parties

As well as the trustees listed on page 1, the other members of the committee, listed on page 2, are regarded as being related parties.

Details of transactions with the related parties are in note 20 to the financial statements..

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The management committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The business plan has also focused the management committee and officers on risk management, as well as other essential areas. A new 5 year business plan is in development which will continue with the practice of 6 monthly reviews to ensure the organisation is focused and on track.

Internal risks are minimised by the implementation of set procedures for authorisation of all transactions and projects to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

OBJECTIVES AND ACTIVITIES

Objectives and activities

The charity runs a furniture and appliance reuse business operating across Dorset and south west Hampshire with depots in Bournemouth, Poole and Dorchester together with an engineering branch for refurbishing large electrical goods in Christchurch. Its principal aims are to:

- provide good quality furniture, electrical goods and household items to families and individuals on low incomes;
- provide enjoyable volunteering and training opportunities to help people develop their work and social skills;
- encourage reuse in the community and prevent items going to landfill.

How our activities deliver public benefit

The trustees believe that the charity meets the public benefit requirements and have complied with the duty in section 4 of the Charities Act 2011.

Our main activities and who we try to help are described below - all our activities focus on the re-use and recycling of household items and the related social benefits that follow from that initial activity.

Volunteers

One of the organisation's principal aims is to encourage and provide opportunities for volunteering in a range of activities. When considering the year's activities, it is impossible not to consider the value to the project of the volunteers.

On average there will be between 20 - 35 volunteers working each day over the four sites for Dorset Reclaim in a range of jobs, to the extent that most people who come into contact with us on a daily basis, either in person or by telephone, will be assisted by volunteers rather than paid staff. Volunteers fill roles in driving our vans, the collection and delivery teams, warehouse work, administration and reception, as well as specialist practical areas such as woodworking and electrical engineering.

Volunteers are actively recruited from a very wide variety of backgrounds including those currently not in work or education, recovering from addiction, experiencing or recovering from a period of ill health or those simply with time on their hands. The current age range is from 18 - 89 years. This diverse mix of ages and backgrounds provides a rich resource for the project. Training is given in various fields and individuals are encouraged to gain additional skills where appropriate.

DORSET RECLAIM COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

On average over 900 hours of time are donated by volunteers each week, compared to an average of 615 hours of staff time, which allows the charity to operate at its current level. Although it would be difficult to quantify their contribution in financial terms, without the volunteers, Dorset Reclaim would cease to be viable and unable to provide its services to the local community.

The Mayor of Bournemouth recognised this astounding donation of time by awarding the charity the Volunteer Group of the Year award 2015-16.

In return, Dorset Reclaim provides a stepping-stone for their future. Since conception, out of nearly 6,000 volunteers who have been with the project, approximately 31% are known to have moved on to paid employment and 18% have moved onto further training or education, as appropriate to their individual circumstances.

Work programmes

We have been involved with provision of work placements through the regional agencies chosen by government to deliver training and prepare people for work. This means individuals undertake sessions with us in a variety of roles, in different locations and for varying lengths of time ranging from 4 weeks to 6 months. This enables the individuals to learn new skills and gain qualifications and a reference for the future, as well as helping the charity deliver its services to the local community. This programme has drawn to an end for the time being but is likely to restart at a lesser level in the coming year.

We also have volunteers working with us who may be placed by Dorset Probation Services and other statutory agencies where the benefits of regular work activity are good for the charity, the community as well as the individual.

Provision of household goods to clients

From our depots in Bournemouth, Poole and Dorchester, we are able to offer good quality second hand items of furniture, household goods and electrical items, to local people who are on a low income. Whether working part time because of family commitments, in a full time but relatively low paid job, retired on a state pension, or in receipt of a means tested benefit, we aim to assist anyone who is in need of help to furnish their home. We have helped nearly 50,000 local people and families since we we started in November 1998, distributing over 290,000 household items.

Our aim is to ensure that those who need us have access to quality, tested items from a reliable source, who can also provide a delivery and installation service at low cost where needed. The charity is self funding, so charges a low amount for items provided as they are our primary source of income. We work closely with local statutory agencies, such as local councils, as well as housing associations and other local charities that refer many of their clients to us.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

We developed partnerships with three local authorities as a result of the welfare changes in April 2013. We help deliver welfare assistance in terms of essential household items, such as cookers and beds - these are paid for by the local authority replacing the awards of cash previously made by the DWP.

Changes to central government funding as expected mean that only one scheme continues at previous levels obviously impacting on the volume of work we do. We have taken the precaution of reducing slightly this source of income in our budget forecast from April 2017.

Collection services

We offer a free collection service to residents across a wide geographical area covering the whole of Dorset and the western edge of Hampshire, from Bridport in the west to the towns and villages of the New Forest in the east who are able to offer good quality donations of household items. Each of the 3 depots collects from over 3,500 households in the course of a year. Although the items themselves are "too good" to be dumped, very often the necessity of a quick removal, friends or family unable to help, or a lack of space, forces the hand of the householder - this is where our free collection service can make the difference. The total weight of goods prevented from going to local landfill sites in the same period is just over 17,500 tonnes - a remarkable achievement.

Education and promotion regarding reuse

As an integral part of our work, we run a programme throughout the summer months promoting the reuse of household & other goods. Attendance at both local and county shows and events highlights the issues around reuse & recycling and promotes our services locally to those who may need them. This part of our work is often carried out in partnership with the local authorities in Dorset and the local volunteer bureaux.

We also give a range of presentations to other re-use groups, charities who are interested in the role we play and organisations, such as the MoD and local businesses, local church and community groups, all of which raises both the profile of the charity and the benefits of reuse.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

ACHIEVEMENTS AND PERFORMANCE

Principal funding sources

Dorset Reclaim's principal funding source is the sale of donated items to families and individuals on low incomes. The prices asked for individual items are very low in response to our knowledge of our clients' limited means and in furtherance of our charitable objectives - as a result we owe our financial existence to the sheer volume of goods coming through our hands in any one year.

The company has achieved overall sales of furniture and electrical goods of £806,614 (2015: £807,246). The Christchurch depot has tried to keep up with the demand from our clients for good quality, guaranteed appliances, but has struggled with sourcing supplies of second hand goods as donations from households fall due to take back schemes. For the third year, our electrical sales of £191,098 include sales of new items sourced from the manufacturer to help us keep up with demand.

Out of all the electrical/white goods that are donated from the public, the department is managing to refurbish and reuse over 84% either as complete machines or for parts.

The trustees are very pleased with these achievements and at the charity's associated role in the reduction of hardship in the area, especially in light of the general economic climate. With everyone watching their budget, we have been concerned regarding the potential inability of those in the community to spend their limited funds on anything other than essentials, but we are very pleased our income from the depots in these difficult times is holding steady and beginning to increase.

Other Sources of Income

For over 10 years the charity has had a contract with one local council for the collection of bulky household goods from members of the general public. There is a small charge for this service, and a specific van was allocated for this. This arrangement is working very well.

On the back of this experience, we successfully bid for the Bulky Waste Reuse and Recycling Collection Service from the Dorset Waste Partnership, representing five Dorset local authorities. This work has continued very successfully and we have been told that a further period will be negotiated in April 2017 under the terms of the original contract. This will represent a cornerstone of our future work.

In both contracts where goods are able to be reused, they are brought into general stock for redistribution, with the remainder being separated and recycled.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

Some local authority partners offer recycling credits based on the tonnage of furniture we have been able to reuse; although a comparatively small sum, it represents recognition that the work we do, contributes to the overall reduction in waste in the county with the monies used for the training of volunteers.

The charity introduced Gift Aid across all depots part way through 2008/09 and we continue to use this source of income and we are very grateful to those individuals that help us in this way. In the last few years we have seen our income from this source drastically decrease. We believe we will be able to increase our income from this area of work in the forthcoming year.

In addition, we also receive a small amount in placement fees from agencies offering us volunteers; this usually covers our costs in providing safety clothing and equipment for each individual.

FINANCIAL REVIEW

Reserves policy

The Trustees have a policy to set aside 3 months running costs, which equates to £210,000, to safeguard the charity's position. This is less than the 6 months recommended by the charity commission, but has still not been attained in the current year, partly due to expenditure post the fire in 2010.

The Trustees believe that the cash reserves should be at least at this level to ensure that the charity can run efficiently and safely to meet the needs of its beneficiaries. A careful watch and regular reviews take place.

The level of reserves is monitored and reviewed by the trustees every six months.

Financial position

Full utilisation of the charity's funds is set out in the accounts, most particularly in the Statement of Financial Activities on page 14. The level of reserves has also been realistically set as discussed above.

The growth in sales income is very welcome in these difficult times, and proves we are still able to provide our services to those who need us across the county. The Trustees are well aware that external changes in the forthcoming years may well impact on our income and a careful watch is maintained on expenditure, as well as developing new sources of income. The Trustees will also be considering whether to expand the charity's services to the general public whilst maintaining its core objective of assisting local people on below average incomes in the forthcoming year as a way of guaranteeing financial viability in the future.

The management committee is very pleased at the general performance when taking into account all the year's events.

DORSET RECLAIM COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

PLANS FOR FUTURE PERIODS

The company has achieved its original ambition of providing a service to local people across the areas of Dorset and south west Hampshire, but the intention is to continue to strive to improve the level of services offered.

The Trustees envisaged this year as a further one of consolidation. We are pleased that the year has produced increased sales, due to the exceptional dedication and hard work of our staff and volunteers, along with the development of new partnerships as well as the continuation of old. We hope to improve the administration of gift aid, which will generate additional income for future years and consolidate this income stream.

The management committee gave approval in 2015 for a new pilot project based at our Christchurch depot for the sale of spare parts harvested from appliances that we are unable to repair within the financial levels we set ourselves. These parts are made available on line to anyone needing to repair an item, from individuals to traders, and we have developed a steady income from this source. This project ran initially for 6 months as a pilot and has been continued as it meets our key objective of reuse and provides a small but growing source of income. There has been a small but sustained growth in income from this source which we hope will continue.

The Trustees are also looking to continue with recruitment that will lead to a more robust structure for the future, and hopefully address the issue of succession planning within the organisation, a key issue for many small charities.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of Dorset Reclaim for the purposes of company law) are responsible for preparing the Trustees Annual 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 judgements 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;

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

RESPONSIBILITIES OF THE TRUSTEES *(continued)*

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper 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 Charities Act 2011. The trustees 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.

INDEPENDENT EXAMINER

The independent examiners, Harrisons Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:
85 Stanley Road
Bournemouth
Dorset
BH1 4SD

Signed by order of the trustees



Ray Tovey
Charity Secretary

28 November 2016

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF
DORSET RECLAIM**

YEAR ENDED 30 SEPTEMBER 2016

I report on the accounts of the charity for the year ended 30 September 2016 which are set out on pages 14 to 24. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND EXAMINER

The directors (who are also the directors of Dorset Reclaim for the purposes of company law) are responsible for the preparation of the accounts. The directors consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF
DORSET RECLAIM *(continued)***

YEAR ENDED 30 SEPTEMBER 2016

INDEPENDENT EXAMINER'S STATEMENT


In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Harrisons Chartered Accountants
Independent examiner
4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

28 November 2016

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 30 SEPTEMBER 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME AND ENDOWMENTS					
Donations and legacies	2	43,127	—	43,127	32,293
Income from charitable activities	3	806,614	—	806,614	807,246
Investment income	4	424	—	424	427
TOTAL INCOME		<u>850,165</u>	<u>—</u>	<u>850,165</u>	<u>839,966</u>
EXPENDITURE					
Expenditure on raising funds:					
Costs of other trading activities	5	(843)	—	(843)	(225)
Expenditure on charitable activities	6/7	(814,805)	(1,092)	(815,897)	(801,655)
Other expenditure	8	—	—	—	(1,344)
TOTAL EXPENDITURE		<u>(815,648)</u>	<u>(1,092)</u>	<u>(816,740)</u>	<u>(803,224)</u>
NET INCOME AND NET MOVEMENT IN FUNDS FOR THE YEAR					
	9	34,517	(1,092)	33,425	36,742
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>276,692</u>	<u>5,462</u>	<u>282,154</u>	<u>245,412</u>
TOTAL FUNDS CARRIED FORWARD		<u>311,209</u>	<u>4,370</u>	<u>315,579</u>	<u>282,154</u>

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

All of the above amounts relate to continuing activities.

The notes on pages 17 to 24 form part of these financial statements.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

30 SEPTEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	12	52,938	63,410
CURRENT ASSETS			
Stocks	13	2,510	874
Debtors	14	100,221	69,191
Cash at bank and in hand		<u>178,085</u>	<u>166,686</u>
		280,816	236,751
CREDITORS: Amounts falling due within one year	15	<u>(18,175)</u>	<u>(18,007)</u>
NET CURRENT ASSETS		262,641	218,744
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>315,579</u>	<u>282,154</u>
FUNDS OF THE CHARITY			
Restricted income funds	17	4,370	5,462
Unrestricted income funds	18	<u>311,209</u>	<u>276,692</u>
TOTAL CHARITY FUNDS		<u>315,579</u>	<u>282,154</u>

For the year ended 30 September 2016 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The Balance sheet continues on the following page.
The notes on pages 17 to 24 form part of these financial statements.

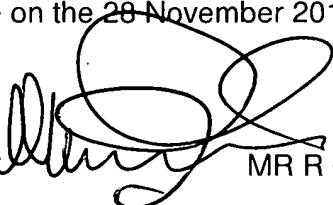
**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET *(continued)*

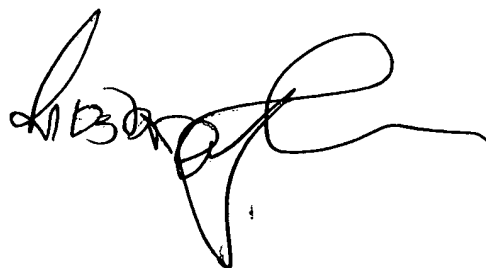
30 SEPTEMBER 2016

These financial statements were approved by the members of the committee and authorised for issue on the 28 November 2016 and are signed on their behalf by:

MR M HARTLAND



MR R OSBOROUGH



Company Registration Number: 03780618

The notes on pages 17 to 24 form part of these financial statements.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Incoming resources

All incoming resources are included on the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Financial donations and legacies are recognised when received, except for those received with restrictions for their use, where any unallocated balance is carried forward within the relevant 'fund' until it can be used for the specific purpose.

Donations of goods are recognised on their subsequent sale by the company or on the company taking the goods into own usage.

Where grants are received as a contribution towards specific expenditure, they are credited directly against the relevant expense.

Turnover is the total amount receivable by the company in the ordinary course of business in respect of the sale of furniture and other household items.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

A proportion of the general running costs of the charity have been included within governance costs to reflect their administrative element.

The remaining costs have been allocated to either direct charitable costs or support costs as appropriate.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2016**

1. ACCOUNTING POLICIES *(continued)*

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	- over period of the lease
Computer equipment	- 3 years straight line
Fixtures and fittings	- 20% reducing balance
Motor vehicles	- 25% straight line

Stocks

Stock is included at the lower of cost and net realisable value. It only includes items purchased for re-sale by the charity. No value is attributed to the majority of stock held due to the fact that the items have been donated from members of the public.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Donations				
Donations	267	267	73	73
Grants receivable				
Other grants receivable	26,011	26,011	19,829	19,829
Other income				
Gift Aid income	16,849	16,849	12,391	12,391
	<u>43,127</u>	<u>43,127</u>	<u>32,293</u>	<u>32,293</u>

The charity benefits from the involvement of its many volunteers, details of which are given in the trustees report. In accordance with accounting standards, the economic contribution of volunteers is not measured in the accounts.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Sales of furniture and other	615,516	615,516	574,114	574,114
Sales of electrical goods	191,098	191,098	233,132	233,132
	<u>806,614</u>	<u>806,614</u>	<u>807,246</u>	<u>807,246</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Bank interest receivable	424	424	427	427

5. PROMOTIONAL COSTS

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Advertising	843	843	225

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Costs of furniture collection and delivery	500,914	–	500,914
Support costs	313,891	1,092	314,983
	<u>814,805</u>	<u>1,092</u>	<u>815,897</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Costs of furniture collection and delivery	494,086	–	494,086
Support costs	306,204	1,365	307,569
	<u>800,290</u>	<u>1,365</u>	<u>801,655</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total Funds 2016 £	Total Funds 2015 £
Costs of furniture collection and delivery	500,914	212,507	713,421	716,045
Project costs	–	61,015	61,015	47,329
Governance costs	–	41,461	41,461	38,281
	<u>500,914</u>	<u>314,983</u>	<u>815,897</u>	<u>801,655</u>

8. OTHER EXPENDITURE

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Losses on disposal of tangible fixed assets for charity's own use	–	–	1,344	1,344

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

9. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2016	2015
	£	£
Staff pension contributions	6,287	2,084
Amortisation of intangible assets	1,786	3,395
Depreciation	<u>20,100</u>	<u>17,559</u>

Independent Examiner's fees

The fees charged by the independent examiner can be further analysed under the following headings for services rendered:

	2016	2015
	£	£
Accountancy	<u>3,180</u>	<u>2,775</u>

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	399,357	377,611
Social security costs	22,398	18,877
Other pension costs	<u>6,287</u>	<u>2,084</u>
	<u>428,042</u>	<u>398,572</u>

Other pension costs above represents the total operating charge included in expenditure in the Statement of financial activities and does not include amounts included in other finance costs.

Particulars of employees:

The average number of employees during the year, was as follows:

	2016	2015
	No.	No.
Number of distribution staff	25	29
Number of administrative staff	<u>3</u>	<u>3</u>
	<u>28</u>	<u>32</u>

No employee received remuneration of more than £60,000 during the year (2015 - Nil).

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

11. TRUSTEES' REMUNERATION

None of the trustees received any remuneration for their services or reimbursement of expenses during either the current or previous year.

12. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Leasehold Property £	Total £
COST				
At 1 October 2015	82,822	148,500	28,503	259,825
Additions	914	10,500	–	11,414
At 30 September 2016	<u>83,736</u>	<u>159,000</u>	<u>28,503</u>	<u>271,239</u>
DEPRECIATION				
At 1 October 2015	70,873	111,707	13,835	196,415
Charge for the year	3,028	17,072	1,786	21,886
At 30 September 2016	<u>73,901</u>	<u>128,779</u>	<u>15,621</u>	<u>218,301</u>
NET BOOK VALUE				
At 30 September 2016	<u>9,835</u>	<u>30,221</u>	<u>12,882</u>	<u>52,938</u>
At 30 September 2015	<u>11,949</u>	<u>36,793</u>	<u>14,668</u>	<u>63,410</u>

13. STOCKS

	2016 £	2015 £
Stock	<u>2,510</u>	<u>874</u>

14. DEBTORS

	2016 £	2015 £
Trade debtors	67,536	33,565
Other debtors	2,301	9,450
Prepayments and accrued income	<u>30,384</u>	<u>26,176</u>
	<u>100,221</u>	<u>69,191</u>

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

15. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
PAYE and social security	6,688	6,134
Other creditors	<u>11,487</u>	<u>11,873</u>
	<u>18,175</u>	<u>18,007</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2016 the charity had annual commitments under non-cancellable operating leases as set out below.

Land and buildings

	2016	2015
	£	£
Operating leases which expire:		
Within 1 year	-	12,000
Within 2 to 5 years	52,160	22,160
After more than 5 years	<u>73,750</u>	<u>67,000</u>
	<u>125,910</u>	<u>101,160</u>

17. RESTRICTED INCOME FUNDS

	Balance at 1 Oct 2015	Expenditure	Balance at 30 Sep 2016
	£	£	£
Restricted Funds	<u>5,462</u>	<u>(1,092)</u>	<u>4,370</u>

Restricted Funds are made up of the following:-

The Portfield Workshop Fund. At the year end this fund had a balance of £2,496 (2015: £3,120).

The JP Morgan Portacabin Fund. At the year end this fund had a balance of £655 (2015: £819).

The Clinks Fund. At the year end this fund had a balance of £1,219 (2015: £1,523).

**DORSET RECLAIM
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

18. UNRESTRICTED INCOME FUNDS

	Balance at 1 Oct 2015	Income	Expenditure	Balance at 30 Sep 2016
	£	£	£	£
General Funds	<u>276,692</u>	<u>850,165</u>	<u>(815,648)</u>	<u>311,209</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted Income Funds:			
Restricted Funds	4,370	–	4,370
Unrestricted Income Funds	<u>48,568</u>	<u>262,641</u>	<u>311,209</u>
Total Funds	<u>52,938</u>	<u>262,641</u>	<u>315,579</u>

20. RELATED PARTY TRANSACTIONS

There were no related party transactions, as required to be disclosed under the Charities SORP 2015, in the current or previous year.

21. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have share capital. The liability of each member in the event of the company being wound up is £10.