

COMPANY REGISTRATION NUMBER: 03780618

CHARITY REGISTRATION NUMBER: 1076996

**Dorset Reclaim  
Company Limited by Guarantee  
Financial Statements  
30 September 2018**

THURSDAY



A21 \*A7K9476B\* #291  
06/12/2018  
COMPANIES HOUSE

**HARRISONS**  
Chartered Accountants and Independent Examiner  
4 Brackley Close  
Bournemouth International Airport  
Christchurch  
Dorset  
BH23 6SE

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 30 September 2018**

	<b>Pages</b>
Trustees' annual report (incorporating the director's report)	<b>1 to 10</b>
Independent examiner's report to the trustees	<b>11 to 12</b>
Statement of financial activities (including income and expenditure account)	<b>13</b>
Balance sheet	<b>14</b>
Statement of cash flows	<b>15</b>
Notes to the financial statements	<b>16 to 25</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed statement of financial activities	<b>27 to 28</b>
Notes to the detailed statement of financial activities	<b>29 to 31</b>

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Trustees' Annual Report (Incorporating the Director's Report)**  
**Year ended 30 September 2018**

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2018.

**Reference and administrative details**

<b>Registered charity name</b>	Dorset Reclaim
<b>Charity registration number</b>	1076996
<b>Company registration number</b>	03780618
<b>Principal office and registered office</b>	85 Stanley Road Bournemouth Dorset BH1 4SD

**The trustees**

Mr M Hartland - Independent  
Mr E Taylor - Independent  
Mr R Osborough - Independent  
Mr A Erwood - Independent

**Company secretary**

Joanna Taylor

**Independent examiner**

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

## **Dorset Reclaim**

**Company Limited by Guarantee**

**Trustees' Annual Report (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

### **Committee members**

Ms J Taylor  
Mr M Dias - 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

# **Dorset Reclaim**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

#### **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.

##### **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 which is still fit for purpose. 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 4 trustees and 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 CEO and Depot Managers also in attendance to provide a full report of activities undertaken.

# **Dorset Reclaim**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

#### **Structure, governance and management (*continued*)**

In addition, the Finance sub group, set up to deal with the financial control, budgets, proposed developments and fund raising, also meets three times each year.

The CEO 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.

#### **Wider network**

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

Regionally, we did belong to the Dorset Reuse Forum which involves other projects in the county together with local authorities and other interested organisations to share good practice and discuss relevant legislation and guidance. This group is currently under review as the other charities who operated in the area have closed. 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 26 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 has been adopted 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 (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

#### **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 - 30 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 17 - 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 (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

#### **Objectives and activities (*continued*)**

On average over 800 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 for 2015 - 2016.

In return, Dorset Reclaim provides a stepping-stone for their future. Since conception, out of nearly 6,600 volunteers who have been with the project, approximately 31% are known to have moved on to paid employment and 17% have moved onto further training or education, as appropriate to their individual circumstances.

#### **Work programmes and placements**

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 continues at a lower level than in previous years, but is still useful.

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 satisfy our original aim of offering 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.

In April 2017 the charity introduced a fundamental change by opening its doors to the general public for the first time. This was done to help reuse more items that we are being offered, increase the awareness of the charity and gently increase sales. By doing so, we have fallen into line with most other reuse charities and run a two tier pricing system whereby our original target group of low income families still benefit from low prices.

In the last financial year, we have distributed over 15,500 items to local customers who benefitted from this approach.



## **Dorset Reclaim**

### **Company Limited by Guarantee**

#### **Trustees' Annual Report (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

#### **Objectives and activities (*continued*)**

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.

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 built in predicted changes to our budget forecasts for next year to accommodate the changes.

#### **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 last year is just over 516 tonnes - a worthy achievement.

#### **Education and promotion regarding reuse**

As an integral part of our work, we run a small programme throughout the summer months promoting the reuse of household & other goods. Attendance at local 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 together with other groups.

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 (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

#### **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 £819,719, an increase of nearly £17,000 from the previous year. 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 second year, our electrical sales of £153,646 include sales of some new items sourced from the manufacturer to help us keep up with demand, but this element of our work has decreased due to the difficulty in obtaining raw stock as stated.

Out of all the electrical/white goods that are donated from the public, the department is managing to refurbish and reuse over 66% 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**

The charity successfully bid for the bulky household collection service tendered by the Dorset Waste Partnership in 2014. This work has continued very successfully and we have been awarded a further period until April 2020 under the terms of the original contract. This will represent a cornerstone of our future work.

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

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 fall drastically and it is still a work in progress to try and increase income from this source.

# **Dorset Reclaim**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

#### **Financial review**

##### **Reserves policy**

The Trustees have a policy to set aside 3 months running costs to safeguard the charity's position. This is a reduction on previous years, and is as a direct result of the impact of the fire in 2010, but has still not been attained in the current year.

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 13. 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 management committee is very pleased at the general performance when taking into account all the years events.

##### **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 in difficult times. 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.

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 has continued on after its initial 6 month pilot and is beginning to show a better return although more work will still need to be done to fulfil its potential.

## **Dorset Reclaim**

### **Company Limited by Guarantee**

#### **Trustees' Annual Report (Incorporating the Director's Report) (*continued*)**

**Year ended 30 September 2018**

##### **Plans for future periods (*continued*)**

We are also looking to develop on line sales generally to develop an income stream from the general public interested in sourcing second hand and vintage items. This is something that the trustees are keen to develop so any proceeds can be reinvested in the main work of the charity.

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. With the departure of Ray Tovey, the original Project Manager, earlier in the year, it has meant a substantial change for all. In addition to appointing a CEO from a long standing member of staff, two additional managers have been recruited to vacant posts to assist the management team generally and bring in skills with a view to help the charity into the future.

##### **Small company provisions**

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

The trustees' annual report was approved on 3 December 2018 and signed on behalf of the board of trustees by:

Joanna Taylor  
Charity Secretary

A handwritten signature in black ink, appearing to be 'Joanna Taylor', written in a cursive style.

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Independent Examiner's Report to the Trustees of Dorset Reclaim**  
**Year ended 30 September 2018**

I report to the trustees on my examination of the financial statements of Dorset Reclaim ('the charity') for the year ended 30 September 2018.

**Responsibilities and basis of report**

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

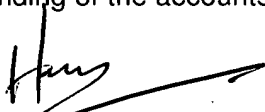
## **Dorset Reclaim**

**Company Limited by Guarantee**

### **Independent Examiner's Report to the Trustees of Dorset Reclaim (*continued*)**

**Year ended 30 September 2018**

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report 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

3 December 2018

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Statement of Financial Activities**  
**(including income and expenditure account)**  
**Year ended 30 September 2018**

		Unrestricted funds	2018 Restricted funds	Total funds	2017 Total funds
	Note	£	£	£	£
<b>Income and endowments</b>					
Donations and legacies	5	18,915	—	<b>18,915</b>	12,350
Charitable activities	6	819,719	—	<b>819,719</b>	802,783
Investment income	7	54	—	<b>54</b>	152
Other income	8	250	—	<b>250</b>	1,792
<b>Total income</b>		<u>838,938</u>	<u>—</u>	<u><b>838,938</b></u>	<u>817,077</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of other trading activities	9	440	—	<b>440</b>	515
Expenditure on charitable activities	10,11	906,196	699	<b>906,895</b>	827,683
<b>Total expenditure</b>		<u>906,636</u>	<u>699</u>	<u><b>907,335</b></u>	<u>828,198</u>
<b>Net expenditure and net movement in funds</b>		<u>(67,698)</u>	<u>(699)</u>	<u><b>(68,397)</b></u>	<u>(11,121)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		300,962	3,496	<b>304,458</b>	315,579
<b>Total funds carried forward</b>		<u>233,264</u>	<u>2,797</u>	<u><b>236,061</b></u>	<u>304,458</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 16 to 25 form part of these financial statements.

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Balance Sheet**  
**30 September 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	17	49,189	49,681
<b>Current assets</b>			
Stock	18	2,344	2,425
Debtors	19	103,607	125,679
Cash at bank and in hand		103,939	138,161
		<u>209,890</u>	<u>266,265</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>23,018</u>	<u>11,488</u>
<b>Net current assets</b>		<u>186,872</u>	<u>254,777</u>
<b>Total assets less current liabilities</b>		<u>236,061</u>	<u>304,458</u>
<b>Net assets</b>		<u>236,061</u>	<u>304,458</u>
<b>Funds of the charity</b>			
Restricted funds		2,797	3,496
Unrestricted funds		233,264	300,962
<b>Total charity funds</b>	22	<u>236,061</u>	<u>304,458</u>

For the year ending 30 September 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

These financial statements were approved by the board of trustees and authorised for issue on 3 December 2018, and are signed on behalf of the board by:

Mr M Hartland - Independent  
Trustee

Mr R Osborough - Independent  
Trustee

03/12/18

The notes on pages 16 to 25 form part of these financial statements.



**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Statement of Cash Flows**  
**Year ended 30 September 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Net expenditure	(68,397)	(11,121)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	25,892	24,257
Other interest receivable and similar income	(54)	(152)
Gains on disposal of tangible fixed assets	(250)	(1,792)
Accrued expenses/(income)	11,149	(5,949)
<i>Changes in:</i>		
Stock	81	85
Trade and other debtors	22,072	(25,458)
Trade and other creditors	381	(738)
Cash generated from operations	(9,126)	(20,868)
Interest received	54	152
Net cash used in operating activities	<u>(9,072)</u>	<u>(20,716)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(25,400)	(21,000)
Proceeds from sale of tangible assets	250	1,792
Net cash used in investing activities	<u>(25,150)</u>	<u>(19,208)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(34,222)</b>	<b>(39,924)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>138,161</u></b>	<b><u>178,085</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>103,939</u></b>	<b><u>138,161</u></b>

The notes on pages 16 to 25 form part of these financial statements.

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 30 September 2018**

**1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 85 Stanley Road, Bournemouth, Dorset, BH1 4SD.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going concern**

There are no material uncertainties about the charity's ability to continue.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Taxation**

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

**Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# **Dorset Reclaim**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements (*continued*)**

**Year ended 30 September 2018**

#### **3. Accounting policies (*continued*)**

##### **Incoming resources**

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from donated goods for resale is measured at the fair value of the goods unless this is impractical, in which case the value to the charity of the donated goods is recognised as income when sold.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events and non-charitable trading activities.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements (*continued*)**  
**Year ended 30 September 2018**

**3. Accounting policies (*continued*)**

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

**Depreciation**

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

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

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

**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. Estimating the fair value of these items is impractical because of the volume of low-value items received. In accordance with the Charities SORP (FRS 102), the value of these donated items is recognised as income when sold.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

# Dorset Reclaim

## Company Limited by Guarantee

### Notes to the Financial Statements (*continued*)

Year ended 30 September 2018

#### 3. Accounting policies (*continued*)

##### Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in profit and loss account when due.

#### 4. 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.

#### 5. Donations and legacies

	Unrestricted Funds £	<b>Total Funds 2018 £</b>	Unrestricted Funds £	Total Funds 2017 £
<b>Donations</b>				
Donations	2,033	<b>2,033</b>	248	248
<b>Grants</b>				
Other grants receivable	5,056	<b>5,056</b>	950	950
<b>Other donations and legacies</b>				
Gift Aid income	11,826	<b>11,826</b>	11,152	11,152
	<u>18,915</u>	<u><b>18,915</b></u>	<u>12,350</u>	<u>12,350</u>

The charity benefits from the involvement of its many volunteers, details of which are given in the trustees report. In accordance with the Charities SORP (FRS 102), the economic contribution of volunteers is not measured in the accounts.

The charity also benefits from the receipt of a large number of donated goods for resale. Due to the volume of low-value items received, in accordance with the Charities SORP (FRS 102) the value of these donated goods is recognised as income when sold.

#### 6. Charitable activities

	Unrestricted Funds £	<b>Total Funds 2018 £</b>	Unrestricted Funds £	Total Funds 2017 £
Sales of furniture and other	666,073	<b>666,073</b>	617,531	617,531
Sales of electrical goods	153,646	<b>153,646</b>	185,252	185,252
	<u>819,719</u>	<u><b>819,719</b></u>	<u>802,783</u>	<u>802,783</u>

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements (continued)**  
**Year ended 30 September 2018**

**7. Investment income**

	Unrestricted Funds £	<b>Total Funds 2018 £</b>	Unrestricted Funds £	Total Funds 2017 £
Bank interest receivable	<u>54</u>	<u>54</u>	<u>152</u>	<u>152</u>

**8. Other income**

	Unrestricted Funds £	<b>Total Funds 2018 £</b>	Unrestricted Funds £	Total Funds 2017 £
Gain on disposal of tangible fixed assets held for charity's own use	<u>250</u>	<u>250</u>	<u>1,792</u>	<u>1,792</u>

**9. Costs of other trading activities**

	Unrestricted Funds £	<b>Total Funds 2018 £</b>	Unrestricted Funds £	Total Funds 2017 £
Advertising	<u>440</u>	<u>440</u>	<u>515</u>	<u>515</u>

**10. Expenditure on charitable activities by fund type**

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2018 £</b>
Costs of furniture collection and delivery	583,279	–	<b>583,279</b>
Support costs	<u>322,917</u>	<u>699</u>	<b><u>323,616</u></b>
	<u>906,196</u>	<u>699</u>	<b><u>906,895</u></b>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Costs of furniture collection and delivery	522,184	–	522,184
Support costs	<u>304,625</u>	<u>874</u>	<u>305,499</u>
	<u>826,809</u>	<u>874</u>	<u>827,683</u>

# Dorset Reclaim

## Company Limited by Guarantee

### Notes to the Financial Statements (continued)

Year ended 30 September 2018

#### 11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Costs of furniture collection and delivery	583,279	220,678	803,957	731,483
Project costs	—	57,750	57,750	61,275
Governance costs	—	45,188	45,188	34,925
	<u>583,279</u>	<u>323,616</u>	<u>906,895</u>	<u>827,683</u>

#### 12. Analysis of support costs

	Governance function £	Furniture collection and delivery £	General project costs £	Total 2018 £	Total 2017 £
Staff costs	41,918	14,980	31,601	88,499	73,271
Premises	—	196,591	5,088	201,679	192,642
Communications and IT	—	5,227	1,743	6,970	7,716
General office	—	—	11,206	11,206	15,447
Finance costs	—	—	4,278	4,278	4,865
Legal and professional costs	3,270	3,880	—	7,150	6,939
Depreciation	—	—	3,834	3,834	4,619
	<u>45,188</u>	<u>220,678</u>	<u>57,750</u>	<u>323,616</u>	<u>305,499</u>

#### 13. Net expenditure

Net expenditure is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	25,892	24,257
Gains on disposal of tangible fixed assets	<u>(250)</u>	<u>(1,792)</u>

#### 14. Independent examination fees

	2018 £	2017 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,270</u>	<u>3,225</u>

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements (*continued*)**  
**Year ended 30 September 2018**

**15. Staff costs**

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	450,045	416,376
Social security costs	25,372	23,276
Employer contributions to pension plans	6,020	4,029
	<u>481,437</u>	<u>443,681</u>

During the year the Trustees agreed to make an ex-gratia payment of £7,861 (2017: £nil) to a retired employee.

The average head count of employees during the year was 28 (2017: 29).

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

**Key Management Personnel**

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total employee remuneration of the key management personnel of the Charity was £82,454 (2017: £57,022).

**16. Trustee remuneration and expenses**

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



# Dorset Reclaim

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

#### 17. Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 October 2017	28,503	83,736	125,600	<b>237,839</b>
Additions	—	—	25,400	<b>25,400</b>
Disposals	—	—	(12,500)	<b>(12,500)</b>
<b>At 30 September 2018</b>	<b>28,503</b>	<b>83,736</b>	<b>138,500</b>	<b>250,739</b>
<b>Depreciation</b>				
At 1 October 2017	17,852	76,289	94,017	<b>188,158</b>
Charge for the year	2,231	1,603	22,058	<b>25,892</b>
Disposals	—	—	(12,500)	<b>(12,500)</b>
<b>At 30 September 2018</b>	<b>20,083</b>	<b>77,892</b>	<b>103,575</b>	<b>201,550</b>
<b>Carrying amount</b>				
<b>At 30 September 2018</b>	<b>8,420</b>	<b>5,844</b>	<b>34,925</b>	<b>49,189</b>
At 30 September 2017	10,651	7,447	31,583	49,681

#### 18. Stock

	2018 £	2017 £
Stock	<b>2,344</b>	<b>2,425</b>

#### 19. Debtors

	2018 £	2017 £
Trade debtors	<b>71,890</b>	71,643
Prepayments and accrued income	<b>24,177</b>	34,861
Other debtors	<b>7,540</b>	19,175
	<b>103,607</b>	<b>125,679</b>

#### 20. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	<b>16,049</b>	4,900
Social security and other taxes	<b>5,617</b>	5,986
Pension liability	<b>1,352</b>	602
	<b>23,018</b>	<b>11,488</b>

# Dorset Reclaim

## Company Limited by Guarantee

### Notes to the Financial Statements (*continued*)

Year ended 30 September 2018

#### 21. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £6,020 (2017: £4,029).

#### 22. Analysis of charitable funds

##### Unrestricted funds

	At 1 October 2017 £	Income £	Expenditure £	At 30 September 2018 £
General funds	<u>300,962</u>	<u>838,938</u>	<u>(906,636)</u>	<u>233,264</u>

##### Restricted funds

	At 1 October 2017 £	Income £	Expenditure £	At 30 September 2018 £
Restricted Funds	<u>3,496</u>	<u>—</u>	<u>(699)</u>	<u>2,797</u>

Restricted Funds are made up of the following:-

The Portfield Workshop Fund. At the year end this fund had a balance of £1,595 (2017: £1,995).

The JP Morgan Portacabin Fund. At the year end this fund had a balance of £419 (2017: £524).

The Clinks Fund. At the year end this fund had a balance of £783 (2017: £977).

#### 23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	46,392	2,797	<b>49,189</b>	49,681
Current assets	209,890	—	<b>209,890</b>	266,265
Creditors less than 1 year	<u>(23,018)</u>	<u>—</u>	<u><b>(23,018)</b></u>	<u>(11,488)</u>
<b>Net assets</b>	<u>233,264</u>	<u>2,797</u>	<u><b>236,061</b></u>	<u>304,458</u>

**Dorset Reclaim**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements (*continued*)**  
**Year ended 30 September 2018**

**24. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

	2018	2017
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	71,890	71,643
Bank and cash	<u>103,939</u>	<u>138,161</u>
	<u><b>175,829</b></u>	<u><b>209,804</b></u>

**25. Operating lease commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	133,660	124,910
Later than 1 year and not later than 5 years	351,156	412,312
Later than 5 years	—	42,917
	<u><b>484,816</b></u>	<u><b>580,139</b></u>

**26. Related parties**

There were no related party transactions, as required to be disclosed under the Charities SORP (FRS 102), in the current or previous year.