

AMENDING

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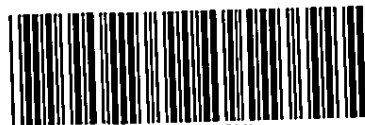
**Report of the Trustees and
Financial Statements
for the year ended 31 December 2012**

for

**Valleys Furniture Recycling Limited
(Limited by Guarantee)**

Trading as "Too Good to Waste"

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AMENDING

**Valleys Furniture Recycling Limited
(Limited by Guarantee)**

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For the year ended 31 December 2012**

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VALLEYS FURNITURE RECYCLING LTD**Report of the Trustees
Year ended 31 December 2012**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2012

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

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

Administrative details

Charity Name	Valleys Furniture Recycling Limited t/a toogoodtowaste	
Registered Numbers	Company Number 3286173	Charity Number 1064588
Registered Office	Unit 1 Standard Ind Estate, Ynyshir, Rhondda Cynon Taf CF39 0RF	
Other Operating Premises	Unit 3 Aberaman Ind Park, Aberaman, Aberdare, Rhondda Cynon Taf CF44 6DA	
Board of Directors and Trustees	Martyn Birch (Chairman) David Lewis (Vice Chairman) Neil Bryan (Treasurer) Lyn Bond Resigned November 2012 Dave Henderson Lynda Corre Co-opted July 2012 Frances Birt Resigned July 2012 Dr Dafydd Davies Henry Enos Malcolm Gay Natasha McCarthy Angela Spiteri Karen Jones Geoff Palmer Co-opted July 2012	
Advisors	Auditors Broomfield & Alexander Limited, Chartered Accountants & Auditors Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff CF23 8AB Bankers Barclays Bank Plc, Pontypridd, Rhondda Cynon Taf CF37 4YA Solicitors Dolmans Solicitors, 17-21 Windsor Place, Cardiff CF20 3DS Geldards Solicitors, 1 Dumfries House, Dumfries Place, Cardiff CF10 3ZF	
Company Secretary and Chief Executive Officer	Lynda Davies	
General Manager	Shaun England	

VALLEYS FURNITURE RECYCLING LTD

**Report of the Trustees
Year ended 31 December 2012**

Structure, Governance & Management

Valleys Furniture Recycling registered as a charity in September 1994 and incorporated on 2nd December 1996. On 19th June 2000 it registered as a company limited by Guarantee and adopted its Memorandum and Articles of Association. This was amended on 25th March 2002 to accept the use of the trading name 'toogoodtowaste'. 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. Full Board meetings are held Bi-monthly and Finance sub committee meetings monthly.

Appointment of Trustees

As set out in the Articles of Association, new trustees are nominated by a FULL member of the Company and proposed to the membership at the next 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. The Trustees have the power to co-opt further members to fill specialist roles. Co-opted members must retire prior to the next AGM but may present themselves for election at the AGM. The Chair of the Trustees is elected by the Board at their first business meeting following the AGM.

Trustee recruitment; induction and training

Potential new trustees are 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 before agreeing to be nominated. Following appointment, there is an induction process to familiarise trustees with key documents and procedures including the Memorandum and Articles of Association, business plan, and financial reports. During the induction new trustees will meet personnel and are encouraged to attend appropriate external training events.

Company members

The Directors may admit 'Full Membership' individuals over the age of 18 years and/or any society, unincorporated association or company who are in agreement with the objects of the Company. The Directors may also accept employees of the Company or their immediate family as an 'Associate Member'. An 'Associate Member' cannot be nominated as a Trustee.

As at 31 December 2012, there were 68 paid up members of the company (62 members in 2011)

- 53 FULL MEMBERS (consisting of 30 individuals and 22 groups)
- 15 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's assets if the company should be dissolved whilst she/he is a member.

VALLEYS FURNITURE RECYCLING LTD
Report of the Trustees
Year ended 31 December 2012

Vision Statement	Maximise potential – minimise waste
Mission Statement	Toogoodtowaste is committed to changing people's lives everyday, through developing and implementing sustainable Social Enterprises that meet the changing needs of the communities we serve
Organisational Structure	<p>The Chief Executive Officer is supported by a General Manager (who is responsible for the day-to-day Management) They both report directly to the Board of Directors Financial recording and reporting is undertaken by a Finance Officer</p> <p>Customer services, volunteer supervision domestic appliance engineer and transportation are provided by 6 paid core staff</p> <p>In 2012, as part of the BIG Lottery / Welsh Government, Community Asset Transfer Grant, revenue funding was received to recruit three new project staff Logistics co-ordinator /Assistant to the General Manager, Finance Assistant and Marketing & communications co-ordinator A further appointment of Lifelong Learning co-ordinator will also be created in 2013, following completion of the building extension works</p> <p>Volunteers throughout the organisation undertake supervisory and operational duties</p>
Related parties	<p>To identify and assist those people in greatest need, the Charity works with other Charities, Housing Associations, Community groups and Local Authority Social Services Departments who register with the organisation as members and refer individuals and families, in need</p> <p>There is a Memorandum of Understanding with the Local Authority (L A) Environmental Services Department and a partnership agreement with the Local Authority Children Services Department</p> <p>There is a legal charge on the property as part of the Big Lottery/WG Community Asset Transfer Grant</p> <p>In 2012 the organisation established a partnership arrangement with the TENOVUS charity, to provide a service, whereby this organisation would collect, sort and supply clothing and accessories to TENOVUS on a contract basis</p>

VALLEYS FURNITURE RECYCLING LTD
Report of the Trustees
Year ended 31 December 2012

Objectives and activities

Objects and Principal Activities of the Charity	<p>The charity exists to assist with the relief of poverty</p> <ul style="list-style-type: none"> • providing access to affordable household items • reducing waste to landfill through the recycling of items that would otherwise be thrown away and by advancing more sustainable waste management practices • through training and work based learning
Develop an Asset base	<p>As part of the Community Asset Transfer (CAT) project, on 9th March 2012, the organisation purchased the land and buildings known as Unit 1 Standard Industrial Estate, Ynysir</p> <p>In March 2012 with funding from Amgen Environmental Body Limited through the Landfill Communities Fund, the footings were excavated to create the foundations for an extension to the building as phase 2 of the CAT project</p> <p>In July 2012, following satisfactory completion of the foundations, the building extension works commenced. The extension will include a canteen, training room, interview room, offices and new customer entrance. Funding will be provided as part of the Capital grant received through the CAT project plus match funding from our reserves of £50,000</p>
Helping people on low incomes	<p>The company runs two charity shops which are open to everyone. Donated goods are offered for sale at second hand market value. In 2012 the organisation introduced a BLUE Cross pricing system where selected stock is offered to customers for donation. The company continues to offer discounted start up packages and children's bedroom packages that are part-funded by the BBC Children in Need grant</p> <p>Working in partnership with other charitable organisations, social services and housing associations, enables the organisation to identify and respond to the needs of low income households</p>
Increase range and quality of furniture available	<p>The organisation provides residents of Rhondda Cynon Taff with a free reliable collection service for the collection of donated items. The organisation has also established partnership working with 4 different commercial organisations to collect their end-of-line or returned stock. These items are usually of a higher quality than donated items from residential properties, as whilst they may require a minor repair or testing prior to re-use, they are generally of a higher quality</p> <p>The organisation continues to purchase graded beds and mattresses for re-sale to match up with pre-owned beds and meet the level of referrals for children's bedroom furniture</p>
Increase quantity of items available for re-use	<p>With the appointment of a Marketing & Communications co-ordinator as part of the CAT project, we have been able to increase awareness of services. Donations of furniture increased by 10% in 2012</p> <p>To ensure a reliable and professional collection service for donated goods, the organisation has replaced two unreliable vans with leased vehicles</p> <p>The Ethical House Clearance service completed 50 clearances in 2012 and this increased the supply of furniture and other items, especially smaller bric a brac and textiles</p>
Development of people	<p>The organisation aims to increase social skills and employment opportunities by providing volunteers with work based learning. In 2012 as part of the CAT project building work has commenced to create a training room, improve the use of ICT and the introduction of commercial business software</p>
Reducing waste to landfill	<p>The organisation has invested in providing two Charity shops within Rhondda Cynon Taff to enable people to select items for re-use and thus reduce waste to landfill. Selected stock is offered as "donation only" where it has no commercial value, as a means of encouraging re-use. Partnership working with other organisations e.g. Tenovus, Tools for Self-reliance, Vision Aid, Specsavers and Schools enables items collected to be re-used through other organisations</p>

Achievements and performance - 2012

The successful grant application to the BIG Lottery Fund & Welsh Government under the Community Asset Transfer grant programme and further funding from AMGEN Environmental Body through the Landfill Communities Fund, has enabled the organisation to purchase its property at Ynyshir and commence a two story extension alongside the existing building

Own income generation	<p>Despite the disruption caused by the building works from March 2012, Staff, Volunteers and Customers have continued to use the services offered</p> <p>As shown in Note 2 of the financial accounts, the total income for the organisation in 2012 was £906,206. This includes restricted funding of £528,562 which is made up of £384,425 for Capital expenditure and £144,137 towards revenue costs</p> <p>Own (unrestricted) income generation for 2012 increased by 14% to £377,644 (£331,349 in 2011) and represents 72% of the total revenue income of £521,781 for the year</p> <p>91% (£342,213) of the income generated by this organisation is through its own social enterprise. Operating two charity shops that are open to everyone, reselling donated goods, selling higher value items through auction or eBay and providing an Ethical House Clearance Service (see Note 2 of the financial accounts). This income then provides the necessary funds for the organisation to invest in its charitable activities</p>
Helping low income households	<p>The organisation invested 16% (£62,095 see note 3 of financial accounts) of its own income of £377,644 into providing services for low income households. This includes providing paid staff to work in partnership with 23 different organisations and directly helping 250 referrals (190 in 2011). The majority of these referrals (124) came from departments within the Local Authority Social Services Department. Forty of the people referred did not have any other means of financial support but the organisation provided free items of essential furniture via its own hardship fund. The value of goods provided to households referred for help, was £34,735</p> <p>Funding from BBC Children in need was matched with the organisations own funds to provide 12 home start up packages for young people aged between 16 – 18 years and 58 children's' bedroom furniture packages. Within the 250 families referred for help, there were 151 children under 15 years. Also referred for help was 14 people over 50 years (4 over 65 years)</p> <p>In 2012 the organisation supported two Social Housing landlords at their Welfare/Benefit advice public open days. It also commissioned a video to raise awareness of its services</p>
Diversion from landfill	<p>The organisation invested 16% of its own income of £377,644 into providing services that divert waste from landfill. This includes providing paid staff to collect, sort, clean and repair items so that they are then selected for reuse. The organisation also incurs the cost of vehicle rental and operating costs to provide a free collection service for donated items, as an alternative to diverting funds from landfill. Since 2005, this organisation has received a fixed payment of £20,000 from the Local Authority Environment Services department as a contribution towards these costs, despite the continued increase in volume and weight diverted from landfill</p> <p>The volume of waste diverted from landfill increased by over 16% from 273 tonnes (2011) to 317.5 tonnes (2012)</p> <p>The number of items selected for re-use rose from 27,796 (2011) to 35,977 (2012), an increase of 29%. (Whilst there has been an overall increase in items selected, the development of partnership working with the TENOVUS charity has significantly increased the volume of textile recycling)</p> <p>WRAP school WEEE reuse initiative – during 2012 the organisation attended 4 schools to collect and sort donated WEEE as a means of raising awareness of re-use and recycling Partnership working. 17 bikes were provided to Pontypridd high school to support their bike recycling project. 120 spectacles were donated to the Specsavers Vision aid charity and 9 sewing machines were donated to the charity Tools for Self Reliance</p>

Achievements and performance (continued)

Development of people	<p>As a consequence of the building work and the additional pressures of undertaking the CAT project, the opportunity to provide training has been restricted</p> <p>Eight paid staff attended 10 different training courses as part of professional development. This included ILM Management Level 3, Sage Accounts, Board Visioning, PAT testing, First Aid and Social media</p> <p>Board Governance and visioning training was attended by eight Trustees (volunteers)</p> <p>81 Volunteers were provided with manual handling skills training</p>
Volunteering and placements	<p>The organisation recognises and values the contribution received from Volunteers and was pleased to be awarded the Investment in Volunteers Award from Wales Council for Voluntary Action. In 2012 the organisation invested 22% (£83,636 -see note 2) of its own income into supporting volunteers by providing paid staff to recruit, supervise and care for them. Volunteers are also reimbursed for out-of-pocket expenses including travel and lunch allowance. Safety equipment and safety training is also provided by the organisation</p> <p>In 2012 the organisation commissioned the production of a video to raise awareness of the impact that volunteering</p> <p>Around 30 people have remained with the organisation for over 2 years. With 53% of all volunteers remaining with the organisation for more than 12 weeks to gain work experience and social skills. 10% of volunteers who left, went on to paid employment and 3 returned to education. 72% of volunteers are Male. 42% are aged between 16 – 24 years, with 19% over 50 years</p> <p>Despite the disruption in working conditions throughout the organisation in 2012 as a consequence of the building work, 188 people supported the organisation in an unpaid capacity in 2012 (159 in 2011), providing almost 35,000 hours. The number of people joining the organisation as volunteers increased from 87 (2011) to 142 (2012)</p>
RCT SWCED Economic Development Fund	<p>Ethical House clearance service: Funding for this relatively new Social Enterprise service, commended at the end of 2011, with £32,121 grant funding received in 2012 to cover the cost of employing a full time member of staff and transport costs</p> <p>In 2012, the organisation successfully undertook 50 house clearances, which generated an income of £13,899 (excluding VAT) but also provided 1850 items for re-use or recycling</p>

Charity - Public Benefit

Commissions guidance on 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 the public benefit	<p>Since 2006, 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.</p> <p>Low income households are provided with discounted delivery charge and those people who are referred by a partner organisation as being 'in need' or those on an 'income based benefit' are offered discounted furniture packages as a means of alleviating the effects of poverty. The organisation has also created its own hardship budget, to cover the costs of stock provided free of charge to individuals who have no other means of financial support to cover the essential items they need.</p> <p>Working in partnership with other organisations that provide 'emotional support services' (e.g. Social Services departments, Women's Aid, Drug & Alcohol support services, Churches, Social landlords, NCH, Barnardos, etc.) The practical help provided by this organisation, enhances the work of its partners, therefore increasing the overall impact of the assistance provided. For example, a child receiving help on a bed wetting programme (from another Charity) can be provided with a replacement bed through our service as part of partnership working. Or, a homeless person being provided with their first tenancy can be provided with furniture, household items, curtains, cutlery etc., as a start up package, thus turning an empty property into a home.</p> <p>Many of the people referred to this organisation for help are in crisis situations without any financial support. The organisation has been described as the "fourth emergency service" and has provided help immediately to people affected by fire, flood and domestic violence. Providing furniture 'start-up' packages to new tenants has lowered 'tenancy voids' and alleviated long-term debt.</p> <p>Services are driven by the need to feel proud of the help provided and for beneficiaries to feel positive about the help received either as a customer or volunteer.</p> <p>With high levels of unemployment in the area and few opportunities for people to gain work experience, funding has been invested in ICT, retailing equipment and training packages to provide volunteers and placements with transferable skills to enhance their employment opportunities.</p> <p>Items are quality control checked, minor repairs and cleaning is provided where necessary before being resold through its Charity Shops (Ynyshir and Aberaman). Using the workshop facility at Ynyshir, the repairs are undertaken by Volunteers of the organisation or by other community groups who use the workshop for training and supporting vulnerable people (for example Gofal Cymru, who work with people with mental health difficulties).</p> <p>External grants are sought to provide free furniture packages to low income households for example BBC CIN and housing associations.</p>

Financial Review

During 2012 the organisation has continued to increase own income generation and where possible, reduced operating costs. The CAT project "Regeneration through waste minimisation is too good to waste", has provided both capital and revenue income to enable the organisation to grow its existing services.

Risk Management	<p>As part of the BIG Lottery Fund & Welsh Government, CAT project, regular risk assessments have been undertaken.</p> <p>Governance risks. Trustees participated in Board Governance & Visioning day, facilitated by the Wales Co-operative.</p> <p>Revenue funding secured as part of the CAT project has provided for 3 new staff members in 2012. (Life long learning/ Trainer to be appointed in 2013)</p> <p>Operational risks – To mitigate the risks associated with vehicles breakdown, during 2012 the organisation commenced lease contracts for two vans, to replace owned vehicles which had reached their end of life.</p> <p>Throughout 2012 the General Manager (Shaun England) has personally ensured that any disruption in services and operations arising from the building works, have been kept at a minimum. He has liaised effectively with contractors, staff and customers to ensure that high levels of health and safety and operational efficiency, were maintained throughout 2012.</p> <p>ICT risks – The building works did impact on the reliability of the ICT network and telephone service, during the year. Whilst some new ICT equipment was purchased as part of the CAT project, improvements to the ICT infrastructure will be implemented in 2013. However, in 2012, with the support of Wales Co-operative Digital 2 programme an independent audit of ICT systems and hardware was commissioned. The findings from this report will form the basis of improving the infrastructure of the ICT throughout the organisation in 2013.</p> <p>Financial risks – Despite the ground investigation work that was undertaken as part of the development stage of the CAT capital project, in 2011. Excavation of the land identified colliery spoil, disused mineshaft and root damage to drainage systems. Additional funding was secured through the ENTRUST organisation to mitigate the risk to the organisation, if the CAT capital project to extend the building could not have continued.</p> <p>External risks – Consultations with referral partners has confirmed the fear within the sector that the proposed UK Government changes to the welfare benefits system will significantly impact on low income households. The Trustees have included within their budget planning for 2013 a hardship fund to help those in greatest need access essential furniture items.</p> <p>Compliance with law & regulation – The organisation has been awarded the Investors in Volunteer Award and Green Dragon Environmental Award. Consultation has commenced with Pension providers to prepare the organisation for the impact of changes to employer pension regulations.</p>
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Financial Review (Continued)	
Incoming Resources – from charitable activities	<p>See note 2 Financial Accounts – INCOME</p> <p>Anti poverty – Restricted grant income received via BBC Children in Need, this funding is used to offset some of the costs associated with providing free bedroom furniture packages to children and start up packages for young people aged 16 – 18 years. Unrestricted income is generated through delivery charges. The value of discount provided to low income households (through reduced delivery charges and free stock was £8,707)</p> <p>Volunteers & placements – Restricted grant income of £19,464 was received as part of the Engagement Gateway contract</p> <p>Reduce waste to landfill – Unrestricted income of £31,095 (this includes £20,000 from the Local Authority environment services) and 50% of the income generated through delivery charges to customers</p>
Incoming Resources – generated funds	<p>Social Enterprise The organisation received funds to support its Social Enterprise project, an Ethical House Clearance Service (£32,121). Own income is generated through its Charity Shops and online & high value retailing £342,213</p> <p>Support & Development - In 2012 restricted grant funding was received of £464,446 received this, relating to the purchase and extension of the premises at Ynyshir</p>
Resources expended Note 3 financial statements	<p>Anti-poverty – Expenditure £74,626 Volunteers & placements Expenditure £112,097 Waste minimisation Expenditure £60,892 Social Enterprise Expenditure £97,812 Support costs Expenditure £366,386</p> <p>Total expenditure for 2012 was £711,813 (compares with £343,808 in 2011)</p>
Net incoming/ outgoing resources	<p>Anti-poverty – loss (£60,217) covered by own income generation Volunteers – loss (£92,633) covered by own income generation Waste minimisation – loss (£29,797) covered by own income generation Social Enterprise – profit £276,522 own income generation Support & development – profit (£100,518) represents grant income received in advance of capital spending</p> <p>Unrestricted net income for 2012 was £39,166 plus restricted net income of £155,227 = Total £194,393 (compared with £107,787 in 2011)</p>

Future plans - Sustainability

The Trustees recognise the need to increase own income generation to replace grant funding, to ensure financial stability

The funding received as part of the CAT project will be used to build the infrastructure of the organisation with a view to developing additional outlets for the resale of donated products and to increase the value (both to individuals and the organisation) of work based learning and training opportunities

Ethical House clearance	The organisation needs to build relationship with commercial organisations (e.g. housing associations and solicitors) to increase the sustainability of this service beyond the life of grant funding
E-commerce website	Updating required to improve links with social networking sites and videos
Operating costs reduction	<p>Premises costs Research alternative premises for the Aberaman branch to increase footfall and accessibility. Consideration also to be given to increased partnership working with another organisation that may increase footfall into the Aberaman branch</p> <p>Energy costs Research use of generating own energy through Solar or PV panels</p>
Monitoring & Evaluation	<p>The organisation needs to improve its ability to collect and manipulate data so that it can better target beneficiaries and to measure what impact its services are having on geographic areas that have been classed as "areas of deprivation" by the Welsh Government</p> <p>More effective evaluation and monitoring systems are also required to meet the requirements of current and future funders, as well as to report back to the various stakeholders</p>
Fundraising	<p>Capital expenditure – CAT project, completion of the building extension. To provide canteen facilities, training & meeting rooms, additional office and sort areas</p> <p>Capital – Additional racking and improvements to Wet testing workshop</p> <p>Volunteering & Work based training & learning – Wales council for Voluntary Action – improve monitoring and evaluation of volunteers</p> <p>Staffing Creation of additional engineer to increase reuse and recycling of Gas and Electrical appliances and also create first apprentice opportunity within the organisation</p>

VALLEYS FURNITURE RECYCLING LTD
Report of the Trustees
Year ended 31 December 2012

Trustees responsibilities in relation to the financial statements

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

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

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

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

In so far as the trustees are aware

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

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

Auditors

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

Small company exemptions

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

By order of the Trustees



Martyn Birch (Chairman)

Date 3rd July 2013



Neil Bryan (Treasurer)

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

We have audited the financial statements of Valleys Furniture Recycling Ltd for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

AMENDING

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

Matters on which we are required to report by exception

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

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



Broomfield & Alexander Limited
Chartered Accountants and Statutory Auditors
Waters Lane Chambers
Waters Lane
Newport
Gwent
NP20 1LA

Dated 3-7-13

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

VALLEY'S FURNITURE RECYCLING LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
including the
INCOME & EXPENDITURE ACCOUNT
FOR THE
YEAR ENDED 31 DECEMBER 2012

	Note	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income					
Grants	2	400	-	400	-
Donations	2	1,302	-	1,302	1,262
Incoming resources from charitable activities					
Grants	2	-	528,562	528,562	119,525
Service level agreement	2	20,000	-	20,000	20,000
Household items supplied	2	333,782	-	333,782	295,376
Social enterprise projects	2	21,004	-	21,004	14,137
Other	2	1,156	-	1,156	574
Total Incoming Resources		377,644	528,562	906,206	450,874
RESOURCES EXPENDED					
Charitable activities	3	334,175	373,335	707,510	337,807
Governance costs	3	4,303	-	4,303	6,000
Total Resources Expended		338,478	373,335	711,813	343,807
Net income/(expenditure)	4	39,166	155,227	194,393	107,067
Total funds brought forward from previous year	11	199,482	279,251	478,733	371,666
Total funds carried forward	15	238,648	434,478	673,126	478,733

The statement of financial activities includes all gains and losses in the year
All incoming resources and resources expended derive from continuing activity

The notes of pages 16 to 27 form part of the financial statements

VALLEY'S FURNITURE RECYCLING LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Tangible Fixed Assets	8	396,645	281,703
CURRENT ASSETS			
Stock		408	412
Debtors	9	64,818	22,486
Cash at Bank and in Hand		<u>246,666</u>	<u>205,224</u>
		311,892	228,122
CREDITORS Amounts falling due within one year	10	<u>(35,411)</u>	<u>(31,092)</u>
Net Current Assets		<u>276,481</u>	<u>197,030</u>
Total Assets Less Current Liabilities		<u>673,126</u>	<u>478,733</u>
FUNDS			
Restricted Funds	11	434,478	279,251
<i>Unrestricted Funds.</i>			
Designated Funds	13/14	95,000	95,000
General Funds	14	<u>143,648</u>	<u>104,482</u>
Total Funds	15	<u>673,126</u>	<u>478,733</u>

For the year in question, the charitable company is entitled to exemption from an audit under section 477 of the Companies Act 2006

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act

The trustees/directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts


These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Board of Trustees on 3-7-13

Signed on behalf of the Trustees



Martyn Birch (Chairman)



Neil Bryan (Treasurer)

The notes of pages 16 to 27 form part of the financial statements

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention modified to include the Management Committee's estimated valuation of the original cost of certain fixed assets donated to the company, in accordance with the Financial Reporting Standard of Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in 'Accounting and Reporting by Charities Statement of Recommended Practice' issued in October 2005

Cash flow statement

The company qualifies as a small company under the Companies Act 2006. The trustees have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement

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

Charitable Activities

This includes all expenditure directly related to the aims of the charity as follows

- 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

Governance Costs

These costs include the costs of governance arrangements, which relate to the general running of Valleys Furniture Recycling as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements

Income from furniture supplied

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

Grants receivable

All revenue grants are recognised in the SOFA when the charity is legally entitled to the income

Grants for the purchase of fixed assets are recognised in full in the Statement of Financial Activities in the year in which they are receivable. The amount of the grant relating to the net book value of the asset is carried forward in restricted reserves. This grant is transferred to unrestricted reserves over the useful economic lives of the related assets

Deferred income

Grants received in advance, where the conditions for receipt have not yet been met, are deferred in the balance sheet and released to the statement of financial activities as the conditions for receipt are met

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Furniture auction income and other donations

These sources of income are accounted for on a receipts basis

Resources expended

Expenditure is accounted for on an accruals basis and has been allocated between costs in furtherance of the charity's objects, fund raising and publicity costs, and management and administration costs. Staff costs have been apportioned between the expenditure categories in accordance with activity levels. Expenditure excludes recoverable VAT.

Fixed assets, depreciation and amortisation

Fixed assets purchased are included at cost. Assets donated to the company are included at market value. All fixed assets are held for the company's own use.

Depreciation or amortisation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives on an annual basis as follows:

Motor vehicles	-	25% per annum
Tools and equipment	-	33.3% per annum
Computer equipment	-	25- 50% per annum
Leasehold property improvements	-	over remaining period of lease
Freehold property	-	5% straight line basis

Any tools or equipment costing less than £100 are immediately written off against revenue.

Restricted and unrestricted funds

The surpluses or deficits in the statement of financial activities for the period for restricted and unrestricted funds are transferred to their respective funds. Where such funds have been set aside for specific purposes, or to meet future commitments, these are classified as designated funds. Where restricted funds received remain partly unspent, they are carried forward to the following period. Where restricted funds received have been expended on fixed assets the equivalent net book values of those assets are carried forward to the following period.

Pensions

The company makes contributions to certain employee's personal defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the schemes.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

2. INCOME

Income is received of generated from different sources Most of the grant funding received is 'Restricted', this means it can only be spent on agreed expenditure This table also shows different income against different activities																	
R = Restricted U/R = Unrestricted (expenditure can be used for any business activity)																	
	Anti Poverty			Volunteers & Development			Reduce Waste			Social Enterprise			Support			Total	Total
	U/R	R	£	U/R	R	£	U/R	R	£	U/R	R	£	U/R	R	£		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		
Voluntary Income																	
Grants	-	-	-	-	-	-	400	-	-	-	-	-	-	-	-	400	-
																400	-
																	-
Donations																	
Members Contributions	-	-	-	-	-	-	-	-	-	-	-	-	331	-	-	331	390
Donations	-	-	-	-	-	-	-	-	-	-	-	-	971	-	-	971	872
																1,302	1,262
Incoming Resources from Charitable Activities																	
Grants																	
BBC Children in Need	-	12,531	-	-	-	-	-	-	-	-	-	-	-	-	-	12,531	12,285
Future Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,304
Engagement Gateway CS	-	-	-	-	9,256	-	-	-	-	-	-	-	-	-	-	9,256	41,893
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000	146
Charity Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,990
Welsh Church Act	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,500
Domestic Violence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,427
BIG & WG (Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,273
BIG & WG, (Revenue)	-	-	-	-	-	-	-	-	-	-	-	-	341,863	-	-	341,863	-
SEWCED House Clearance	-	-	-	-	-	-	-	-	-	-	-	-	55,021	-	-	55,021	-
Amgen EB	-	-	-	-	-	-	-	-	-	-	-	-	32,121	-	-	32,121	7,707
Tudor Trust	-	-	-	-	-	-	-	-	-	-	-	-	41,562	-	-	41,562	-
Engagement Gateway WH	-	-	-	-	-	-	-	-	-	-	-	-	25,000	-	-	25,000	-
	-	-	-	-	10,208	-	-	-	-	-	-	-	-	-	-	10,208	-
																528,562	119,525

Income is received of generated from different sources Most of the grant funding received is 'Restricted', this means it can only be spent on agreed expenditure This table also shows different income against different activities													
R = Restricted U/R = Unrestricted (expenditure can be used for any business activity)													
	Anti Poverty			Volunteers & Development		Reduce Waste		Social Enterprise		Support		Total	
	U/R	R	£	U/R	R	£	U/R	R	£	U/R	R	£	£
	£	£	£	£	£	£	£	£	£	£	£	£	£
Service Level Agreement													
Rhondda Cynon Taf	-	-	-	-	-	20,000	-	-	-	-	-	20,000	20,000
												20,000	
Household Items													
Supplied	-	-	-	-	-	-	-	214,664	-	-	-	214,664	196,286
Showroom Sales	-	-	-	-	-	-	-	76,943	-	-	-	76,943	69,032
Electrical Sales	-	-	-	-	-	-	-	-	-	-	-	21,170	15,972
Delivery Charges	10,585	-	-	-	-	10,585	-	-	-	-	-	29,712	18,490
Bric a Brac Sales	-	-	-	-	-	-	-	29,712	-	-	-	(8,707)	(4,404)
Discounts Given	(8,707)	-	-	-	-	-	-	-	-	-	-	333,782	295,376
Social Enterprise													
Projects	-	-	-	-	-	-	-	5,124	-	-	-	5,124	3,659
Recycling & Auction Income	-	-	-	-	-	-	-	13,899	-	-	-	13,899	8,856
House Clearance	-	-	-	-	-	-	-	1,981	-	-	-	1,981	1,622
Online & high value												21,004	14,137
Other Income:													
Investment Income	-	-	-	-	-	-	-	-	-	1,156	-	1,156	374
Insurance Money Received	-	-	-	-	-	-	-	-	-	-	-	-	200
												1,156	574
	1,878	12,531		-	-	30,985	-	342,323	32,121	2,458	464,446	906,206	450,874

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

3. EXPENDITURE

	Anti Poverty			Volunteers & Development			Reduce Waste			Social Enterprise			Support			Total	
	U/R	R	£	U/R	R	£	U/R	R	£	U/R	R	£	U/R	R	£	2012	2011
	£			£			£			£			£			£	£
Charitable Activities																	
Personnel Costs	33,726	-	-	49,881	19,354	-	40,078	-	-	37,813	18,978	-	27,528	32,145	-	259,503	201,577
Volunteer Costs	-	2,254	-	24,805	5,104	-	-	-	-	-	2,663	-	-	-	-	34,826	42,180
Transport Costs	8,489	5,610	-	-	-	-	8,489	-	-	1,989	10,244	-	771	-	-	35,592	21,401
Cost of Goods	10,930	2,605	-	-	-	-	-	-	-	-	-	-	-	-	-	13,535	10,672
Advertising & Meetings	726	1,526	-	726	1,938	-	726	-	-	726	2,831	-	-	-	-	9,199	6,266
Rent & Rates	3,053	-	-	3,053	2,065	-	6,107	-	-	15,267	2,130	-	3,053	2,841	-	37,569	39,021
Skips & Tools	-	-	-	-	-	-	321	-	-	-	-	-	-	-	-	321	1,248
Telephone & Admin	5,171	536	-	5,171	-	-	5,171	-	-	5,171	-	-	5,171	-	-	26,391	24,364
Accounts & Audit	-	-	-	-	-	-	-	-	-	-	-	-	4,303	-	-	4,303	6,000
Professional Costs & Insurance	-	-	-	-	-	-	-	-	-	-	-	-	20,772	-	-	20,772	5,964
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	1,560	-	-	1,560	1,310
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	6,495	260,511	-	267,006	34,073
Loss on Disposal of Asset	-	-	-	-	-	-	-	-	-	-	-	-	1,236	-	-	1,236	(610)
Rent Release	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(76,076)
CAT Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,417
	<u>62,095</u>	<u>12,531</u>		<u>83,636</u>	<u>28,461</u>	<u>-</u>	<u>60,892</u>	<u>-</u>	<u>-</u>	<u>60,966</u>	<u>36,846</u>	<u>-</u>	<u>70,889</u>	<u>295,497</u>	<u>-</u>	<u>711,813</u>	<u>343,807</u>

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

4 NET INCOME/(EXPENDITURE)

	Anti Poverty			Volunteers & Development			Reduce Waste			Social Enterprise			Support			Total	
	U/R	R	£	U/R	R	£	U/R	R	£	U/R	R	£	U/R	R	£	2012	2011
	£			£			£			£			£			£	£
INCOME																	
Own income generation	1,878	-		-	-		10,695	-		337,021	-		2,458	-		352,052	313,117
Misc income	-	-		-	-		-	-		5,192	-		-	-		5,192	3,658
Grant income	-	12,531		-	19,464		20,400	-		-	32,121		-	464,446		548,962	134,099
Total Income	1,878	12,531		-	19,464		31,095	-		342,213	32,121		2,458	464,446		906,206	450,874
EXPENDITURE																	
Total Expenditure	62,095	12,531		83,636	28,461		60,892	-		60,966	36,846		70,889	295,497		711,813	343,807
	62,095	12,531		83,636	28,461		60,892	-		60,966	36,846		70,889	295,497		711,813	343,807
PROFIT / (LOSS)	(60,217)	-		(83,636)	(8,997)		(29,797)	-		281,247	(4,725)		(68,431)	168,949		194,393	107,067

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

5. STAFF COSTS

	2012 £	2011 £
Staff salaries and social security costs	257,268	199,650
Staff training and expenses	2,235	1,927
Volunteer training and expenses	34,826	42,180
	<u>294,329</u>	<u>243,757</u>

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

None of the members of the Management Committee received any remuneration or reimbursement of expenses for their involvement with the company in both 2012 and 2011

The average number of employees, analysed by function was

	2012 No	2011 No
Charitable Activities	13	10
Governance	<u>1</u>	<u>1</u>
	14	11
Volunteers & Placements	190	175
- No of unpaid hours	<u>35,231</u>	<u>38,077</u>

6. TAXATION

The charity is exempt from Corporation Tax as all its income is charitable and is applied for charitable purposes

7. NET OUTGOING RESOURCES FOR THE FINANCIAL YEAR

The operating deficit for the year is stated after charging -

	2012 £	2011 £
Operating leases		
- Rental of properties	15,000	14,916
Depreciation of tangible fixed assets.		
- Owned assets	267,006	34,073
Auditors' remuneration – audit work	3,275	4,500
– non audit work	<u>1,500</u>	<u>1,500</u>

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property Improvements £	Motor Vehicles £	Tools and Equipme nt £	Computer Equipment £	Total £
Cost or valuation						
At 1 January 2012	-	340,243	59,013	10,801	62,683	472,740
Additions	379,821	-	-	462	4,403	384,686
Disposals	-	-	(5,250)	-	-	(5,250)
At 31 December 2012	<u>379,821</u>	<u>340,243</u>	<u>53,763</u>	<u>11,263</u>	<u>67,086</u>	<u>852,176</u>
Depreciation						
At 1 January 2012	-	86,782	36,421	10,751	57,083	191,037
Charge for year	-	253,461	9,527	189	3,831	267,008
Elimination on Disposals	-	-	(2,514)	-	-	(2,514)
At 31 December 2012	<u>-</u>	<u>340,243</u>	<u>43,434</u>	<u>10,940</u>	<u>60,914</u>	<u>455,531</u>
Net Book Value at						
At 31 December 2012	<u>379,821</u>	<u>-</u>	<u>10,329</u>	<u>323</u>	<u>6,172</u>	<u>396,645</u>
At 31 December 2011	-	253,461	22,592	50	5,600	281,703

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

9. DEBTORS

	2012 £	2011 £
Trade debtors	16,789	14,896
Prepayments and accrued income	27,473	5,628
VAT	20,556	1,962
	<u>64,818</u>	<u>22,486</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	2,388	6,892
Accruals & deferred income	27,530	16,000
Other creditors	5,493	8,200
	<u>35,411</u>	<u>31,092</u>

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

11 RESTRICTED FUNDS

	At 1 January 2012 £	Incoming £	Outgoing £	Transfer £	At 31 December 2012 £
Capital Funds					
Awards for all – Capital	1,060	-	(794)	-	266
SRS – Capital - Spent	227,969	-	(227,969)	-	-
Better Life	8,177	-	(7,593)	-	584
Coalfields	4,458	-	(4,458)	-	-
Heads of the Valley	4,824	-	(4,824)	-	-
Charity Bank	9,740	-	(9,740)	-	-
Welsh Church Act	4,354	-	(1,375)	-	2,979
Miscellaneous	3,480	1,000	(3,158)	-	1,322
Big Lottery/ WG – Capital	-	341,863	(601)	-	341,262
Amgen EB	-	41,562	-	-	41,562
Other Funds					
BBC Children in Need	-	12,531	(12,531)	-	-
Tudor Trust	-	25,000	-	-	25,000
Vision Products	485	-	(96)	-	389
Engagement Gateway C/Service	5,644	9,256	(14,900)	-	-
Engagement Gateway Warehouse	3,353	10,208	(13,561)	-	-
SEW House Clearance	5,707	32,121	(36,845)	-	983
Big Lottery/ WG – Revenue	-	55,021	(34,890)	-	20,131
Total	<u>279,251</u>	<u>528,562</u>	<u>(373,335)</u>	<u>-</u>	<u>434,478</u>

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

Awards for all – Network printer & PC's for Ynyshir call centre & administration

SRS – Capital – Refurbishment of Industrial Unit Ynyshir

Better life and GAP funding – ICT equipment in Ynyshir

Coalfields – CCTV system and security fencing at Ynyshir, Heating system at Aberaman Branch

Heads of the Valley – Vehicle purchase in December 2008

Charity Bank – Mezzanine floor in Ynyshir

Welsh Church Act – Vehicle purchase in May 2011

Within Miscellaneous Grants is funding from Interlink Capital Fund to buy partitioning to create an internal interview room, funding from WCVA Environment Wales to purchase TV screens for each showroom, to display marketing messages and raise awareness of climate change, a grant from Environment Wales to help send a volunteer on a PAT testing course, and income from the Rank Foundation as a grant towards a new kitchen as part of the extension works have been complete

Big Lottery Capital – Development/ Stage 1 application to the Big Lottery Fund under a community Asset Transfer bid to purchase and extend the building in Ynyshir

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

11. RESTRICTED FUNDS (continued)

Amgen Environmental Body – Grant to complete the preliminary ground works at the Ynyshir site

Other Funds:

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

Tudor Trust - This funding is to part-fund the cost of a General Manager over a 2 year period

Vision Products – Funding provided on Workstep programme towards managerial staff development.

Engagement Gateway – Customer Services - Tender to provide work based learning & training to people furthest from the employment market (Completed 2012)

Engagement Gateway Warehouse – Tender to provide work based learning and training to people furthest from the employment market (Completed 2012)

South East Wales Community Economic Development (SEWCED) House Clearance – This funding was towards the salary of House Clearance Coordinator and the costs associated with running the service

Big Lottery Capital – Community asset transfer and then to extend the building to include a training room additional office and a canteen

12 MEMBERS' CONTRIBUTIONS

Contributions for membership for individuals were set at £5 for waged and £1 for unwaged Organisations contributed £10 for membership Each member's liability is limited to £1 At 31 December 2012, there were 68 members of the company (2011 62)

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

13 DESIGNATED FUNDS

The income funds of the company include the following designated funds which have been set aside out of unrestricted funds by the Board of Directors for specific purposes

	Balances 1 January 2012 £	Transfers £	Balances 31 December 2012 £
Match funding (CAT project)	50,000	-	50,000
Project closure costs	45,000	-	45,000
	<u>95,000</u>	<u>-</u>	<u>95,000</u>

Premises Acquisition - The board has made a decision to designate £50,000 in respect of providing match funding to the funding received from BIG Lottery regarding the purchase and extension of the Ynyshir Building

Project closure - The Board recognise the need to maintain a reserve to cover the closure costs arising from the termination of significant sources of income at the end of project lives This figure has been set at £45,000

14. MOVEMENTS IN UNRESTRICTED FUND

	Designated funds £	General Funds £	Total Funds £
At 1 January 2012	95,000	104,482	199,482
Net incoming resources for year	-	39,166	39,166
Transfers	-	-	-
At 31 December 2012	<u>95,000</u>	<u>143,648</u>	<u>238,648</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Fund balances at 31 December 2012			
Tangible fixed assets	8,670	389,975	398,645
Net current assets	229,978	44,503	274,481
Total net assets	<u>238,648</u>	<u>434,478</u>	<u>673,126</u>

VALLEY'S FURNITURE RECYCLING LIMITED
Notes to the Financial Statements

Year ended 31 December 2012

16 PENSIONS

The company contributes to separate individual defined contribution schemes for some employees. The assets of all schemes are held separately from those of the company in independently administered funds. The pension costs charge represents contributions payable by the company to the funds and amounted to Nil in the year (2011 Nil). There were no outstanding or prepaid contributions at 31 December 2012.

17. FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2012 -

	2012 £	2011 £
Operating leases expiring:-		
Within one year	10,000	15,000
In two to five years	-	-
After five years	-	-
	<u>10,000</u>	<u>15,000</u>

18. 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.

19. COMPANY STATUS

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

20. RELATED PARTY TRANSACTIONS

No related party transactions occurred during the current or previous year which are required to be disclosed under Financial Reporting Standard for Smaller Entities (2008).

21. CAPITAL COMMITMENTS

As at the 31 December 2012 the Charity was committed to £179,197 of costs in relation to the renovation of Unit 1 Standard Industrial Estate. The total project is estimated to be worth £536,110, this is being funded via grant monies applied for and agreed.

During the rent free period (2008-2011), as per recommended standards of accounting, the charity has made a charge within the 2011 accounts for the accrual of rent, (averaged over the term of the lease). However, with following the successful application to the BIG Lottery, this accrued sum was released to our general reserve in 2011 (as seen in note 3).