

**Report of the Trustees and  
Financial Statements  
for the year ended 31<sup>st</sup> December 2009**

**for**

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

**Trading as "Too Good to Waste"**

THURSDAY



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

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For the year ended 31<sup>st</sup> December 2009**

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

**Report of the Trustees**

**Year ended 31<sup>st</sup> December 2009**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31<sup>st</sup> December 2009

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

<b>Administrative details</b>	
<b>Charity Name</b>	Valleys Furniture Recycling Limited t/a toogoodtowaste
<b>Registered Numbers</b>	Company Number 3286173      Charity Number 1064588
<b>Registered Office</b>	Unit 12, Highfield Ind Estate, Ferndale, Rhondda Cynon Taf CF43 4SX
<b>Other Operating Premises</b>	Unit 3 Aberaman Ind Park, Aberaman, Aberdare, Rhondda Cynon Taf CF44 6DA Unit 1 Standard Ind Estate, Ynyshir, Rhondda Cynon Taf CF39 0RF
<b>Board of Directors and Trustees</b>	Martyn Birch (Chairman) David Lewis (Vice Chairman) Alan Thomas (Treasurer) Vic Chambers Shiela Rees Melinda Evans Tony Croke (Resigned 01/10/09) Adrian Thomas (Resigned 01/10/09) Anthony O'Connell (Resigned 01/10/09) Lynda Corre (Appointed 29/09/09) Jennifer Keough (Appointed 29/09/09) Lyn Bond (Appointed 29/09/09) Dave Henderson (Appointed 29/09/09)
<b>Advisors</b>	<b>Auditors</b> Broomfield & Alexander Limited, Chartered Accountants & Auditors Pendragon House, Caxton Place, Pentwyn, Cardiff CF23 8XE  <b>Bankers</b> Barclays Bank Plc, Pontypridd, Rhondda Cynon Taf CF37 4YA  <b>Solicitors</b> Dolmans Solicitors, 17-21 Windsor Place, Cardiff CF20 3DS Geldards Solicitors, 1 Dumfries House, Dumfries Place, Cardiff CF10 3ZF
<b>Company Secretary and Chief Executive Officer</b>	Lynda Davies
<b>General Manager</b>	Shaun England

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

**Structure, Governance & Management**

Valleys Furniture Recycling registered as a charity in September 1994 and incorporated on 2<sup>nd</sup> December 1996. On 19<sup>th</sup> June 2000 it registered as a company limited by Guarantee and adopted its Memorandum and Articles of Association. This was amended on 25<sup>th</sup> 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<sup>st</sup> December 2009, there were 53 paid up members of the company (51 members in 2008)

- 46 FULL MEMBERS (consisting of 31 individuals and 15 groups)
- 7 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.

<b>Vision Statement</b>	Maximise potential – minimise waste
<b>Mission Statement</b>	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
<b>Organisational Structure</b>	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. Customer services, volunteer supervision and transportation are provided by 6 paid staff. A Domestic Appliance Engineer is employed. Volunteers throughout the organisation undertake supervisory and operational duties.
<b>Related parties</b>	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 refer individuals and families. There is a Memorandum of Understanding with the Local Authority (L.A.) to complete the Strategic Recycling Scheme (SRS) project.

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**Objectives and activities**

<p><b>Objects and Principal Activities of the Charity</b></p>	<p>The charity exists to assist with the relief of poverty</p> <ul style="list-style-type: none"> <li>• providing access to affordable household items</li> <li>• reducing waste to landfill through the recycling of items that would otherwise be thrown away and by advancing more sustainable waste management practices</li> <li>• through training and work based learning</li> </ul>
<p><b>Develop an Asset base</b></p>	<p>From 2006 to 2008 an industrial unit in Ynysir was successfully redesigned and renovated with funding under the Strategic Recycling Scheme (SRS) and in partnership with the Rhondda Cynon Taf Local Authority. Since its opening in April 2008, this community re-use facility has grown in popularity with residents of Rhondda Cynon Taf. The unit provides a warehouse, workshops, offices and Charity Shop in a central location, enabling the community to both donate and purchase items for re-use.</p> <p>The organisation has negotiated a 21yr lease with an initial rent free period until 2012 and aims to purchase this unit as a community owned asset within the next two years, to avoid ongoing rent costs and secure the future of the organisation.</p>
<p><b>Helping people on low incomes</b></p>	<p>The company continues to offer discounted 'start-up packages' (Suite, bed, table &amp; chairs, wardrobe, units, crockery &amp; cutlery etc) and discounted delivery charge to low income households. Working in partnerships with Social Services, Housing associations and other Charities (Women's Aid, NCH, YMCA and Traith) enables the organisation to provide practical support where it is needed most.</p>
<p><b>Increase range and quality of furniture available</b></p>	<p><b>Domestic Electrical appliances -</b> Despite the drop in grant funding, to ensure the quality of domestic electrical appliances offered for re-use, the employment of an Electrical engineer and the associated operating costs for a workshop has been sustained.</p> <p><b>Mattresses –</b> Graded mattresses were purchased for re-sale to match up with pre-owned bed bases, therefore improving the quality of stock available to beneficiaries.</p>
<p><b>Increase quantity of items available for re-use</b></p>	<p><b>Ynysir unit</b> As public awareness of this new facility has increased, and regular Saturday opening, there has been an increase in the number of people bringing items to the organisation for re-use.</p> <p><b>Credit Crunch impact –</b> The volume of donations being offered to the Charity in 2009 initially decreased at the same time as customer demand increased. The new House Clearance project enabled the Charity to reverse the general downturn in collections and resulted in an increase in both the volume and range of items available for re-use.</p> <p><b>Domestic Electrical appliances -</b> The National retail 'take-back' scheme for domestic electrical appliances, which is part of the WEEE regulations, continued to restrict the amount of items that were available for re-use throughout the country. There was insufficient stock to meet the needs of customers and the potential to increase own-income generation was significantly reduced. As part of the Furniture Reuse Network (FRN) and Cylch, the organisation continues to develop working partnerships, to increase the volume of appliances available for re-use.</p>
<p><b>Development of people</b></p>	<p>The provision of accredited training was significantly reduced in 2009 following the end of European grant funding. However the company continued to provide work-based learning and training as part of its general aim of promoting Social Enterprise and Community Regeneration, with a number of people achieving NVQ's, Basic Skills and ILM training.</p>
<p><b>Reducing waste to landfill</b></p>	<p>The location of the new facility at Ynysir has promoted and enabled more residents to bring and select items for re-use. Partnerships have been developed with other organisations to supply them with items for re-use, thus increasing the volume of waste diverted from landfill.</p>

**Valleys Furniture Recycling Limited  
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**Achievements and performance**

The appointment of the new General Manager in August 2008 (funded by the Tudor Trust), working alongside the CEO, has enabled the organisation to pilot three new Social enterprises in 2009 and in so doing create two new paid employment opportunities

<p><b>Own income generation</b></p>	<p>In 2007 over 75% of income came from grant funders. Most of this was European Funding which ended in 2008. It has been essential for the ongoing survival of the organisation to increase own income generation to replace this major grant funder. In 2008, with the opening of the larger premises in Ynyshir, own income generation increased to 40% and grant funding dropped to 54%. In 2009, own income generation increased to 65% an increase of £72,686 over 2008.</p> <p>This increase was due to the three new pilot projects (Carpet Tile Recycling, Ethical House Clearances, and E-commerce selling) that were trialled in 2009 and through an increase in the quantity of items sold through the Charity shops – an increase of 27% = £221,010 compared with £173,885 in 2008.</p> <p>Income from the supply of Domestic Electrical items increased by 14% during the year, (£32,435 in 2009 compared with £28,553 in 2008) however this could have been much greater if more stock had been made available to the organisation for re-use.</p> <p>There was a significant increase in the income generated from bric a brac items £14,900 in 2009 compared with £5,314 in 2008. This increase resulted from improved racking and displays within the Charity shops and an increase in the quantity and type of items donated through the House Clearance project.</p> <p>Despite all efforts to improve the Charity shop appearance and customer levels at the Ferndale branch, sales income from this branch continued to decline throughout the year, with customers choosing to visit the larger and more accessible facility at Ynyshir. To minimise further financial loss and reduce operating costs this unit will be closed from January 2010 and used for additional warehousing until the end of lease in July 2010.</p>
<p><b>Helping low income households</b></p>	<p>In 2009 14 different organisations purchased discounted furniture packages for the benefit of 71 families in need. The value of goods provided was £11,463 however discount of £1,370 was provided by the organisation to help these low income households. Two crisis packs were also provided free of charge, to families who were in urgent need and without any financial support. The cost to the organisation in lost income was £600.</p> <p>A further 26 referrals were received for help under the BBC CIN grant fund. This funding enabled the organisation to supply 3 different types of furniture packages. 14 Home Start Up packages were provided to young people aged 16 – 18 years (12 of whom had been homeless) plus 11 children's bedroom packages (this included babies where no items of furniture was available and teenagers living with extended family members). One young person was also provided with Domestic Electrical items.</p> <p>In June 2009 when residents on the Glyn Taf Housing Estate had their homes flooded, the organisation responded quickly, and worked with the Tenants &amp; Residents Association and Local Housing Association to provide essential household items including bedding, furniture and electrical items.</p>
<p><b>Diversion from landfill</b></p>	<p>Increased public awareness, improved management and the new Ethical House Clearance pilot project enabled the organisation to significantly increase the volume of goods collected, sorted and re-used. Tonnage of materials re-used increased from 164,567 (2008) to 216,310 (2009) an increase of 31%.</p> <p>Number of items selected for re-use rose from 6,846 (2008) to 16,872 in 2009.</p>

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<b>Development of people</b>	<p>Compared to previous years, the range and quantity of accredited training provided by the organisation in 2009 was limited due to lack of funding and staffing levels</p> <p>12 people received accredited training including ILM Line Management, NVQ Level 2 – Customer Service, NVQ Level 1 – Warehouse and Customer Service, Fire Warden &amp; Manual handling, Basic Skills &amp; Adult literacy, and Basic First Aid</p> <p>Work based learning continued throughout the organisation providing practical skills, confidence building and team work training</p>
<b>Volunteering and placements</b>	<p>142 people supported the organisation in an unpaid capacity during 2009 providing over 38,000 unpaid working hours (Value of £223,510) This included 7 school placements, 56 Volunteers and 79 work experience placements (an increase of 39%) During 2009, the numbers of volunteering hours offered were reduced because of insufficient funding to cover volunteer expenses The restriction in volunteer hours resulted in the increase in work-based training placements which were mostly taken up by young people aged under 24 years, for a limited period of around 6 weeks</p>

**New income streams – Social Enterprise projects**

<b>RCT Economic Development Fund</b>	<p><b>E-commerce website – toogoodtowaste online pilot project</b></p> <p>This pilot project started in November 2008, to set up an e-commerce website where customers can view and purchase, re-use items 'on-line', it was originally funded until March 2009 It created a new paid employment opportunity, a new website <a href="http://www.toogoodtowaste.co.uk">www.toogoodtowaste.co.uk</a> and provided an 'on-line- shop window where the public could view and assess the services provided by the organisation The grant was extended to September 2009 when it was re-assessed for ongoing funding During the year, the number of people accessing the site had grown to 3,800 from 35 different countries However the income generated (£2,928) did not demonstrate economic sustainability within the near future and therefore ongoing funding was not approved Without funding for this project it is necessary to end the employee contract from January 2010 Use of the website will be continued, providing an online 'shop window' for the organisation</p>
<b>RCT Economic Development Fund</b>	<p><b>Ethical House clearance pilot project (Nov 08– March 2009)</b></p> <p>This pilot project also started in November 2008 and continued throughout 2009 The pilot was to investigate the impact and benefits of providing an ethical house clearance service It has resulted in increased partnership working with four other groups benefitting from items collected - The Arts Factory (Amazon book resale) Valleys Kids (bicycle renovation project), Tools for Self Reliance and Vision Products (invalid aids) The initial grant was extended to September 2009 when it was re-assessed for ongoing funding During the year, 60 house clearances were undertaken, this provided an increase in stock available for re-use and an additional employment opportunity Ongoing funding was approved from September to March 2010, as the pilot had demonstrated income generation of £8,730 which would increase with further development</p>
<b>Cleanstream Carpets</b>	<p><b>Cleanstream Carpets</b></p> <p>Throughout 2009, income was generated (£13,900) from a partnership agreement with Cleanstream Carpets CIC This new project provides the Carpet tile industry with an alternative to wasting pre-owned or end of line tiles Re-usable tiles are delivered to toogoodtowaste Ferndale unit, where the items are sorted and stored prior to re-distribution The income from this partnership was offset against the overhead costs of keeping the Ferndale unit open to customers</p>

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**Charity - Public Benefit**

<p><b>Commissions guidance on public benefit</b></p>	<p>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</p>
<p><b>Significant activities undertaken to further its charitable purposes for the public benefit</b></p>	<p>Initially, access to furniture was restricted to 'low income households', however this limited turnover gave the wrong message – 'only poor people choose to reuse' and only poor people should become actively involved in recycling'. As the County Borough of Rhondda Cynon Taf is an area of high deprivation (<i>with 17 of the 53 electoral wards ranked in the top 100 of the Wales index of multiple deprivation (2001)</i>), after much consultation with members, referral organisations etc, in 2006, the services were made available to all residents</p> <p>People who are referred by a partner organisation as being 'in need' or those on an 'income based benefit' are offered discounted furniture packages and reduced delivery charge as a means of alleviating the affects of poverty</p> <p>Working in partnership with other organisations that provide 'emotional support services' (e.g. Social Services departments, Women's Aid, Drug &amp; Alcohol support services, Churches, Social Services, NCH, Barnardos, British Legion 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, European grant funding has been invested in ICT, retailing equipment and training packages to provide volunteers and placements with transferable skills to enhance their employment opportunities. 42% of volunteers have left to gain employment or return to education. Many of the volunteers were introduced as beneficiaries of the service</p> <p>Items are quality control checked, minor repairs and cleaning is provided where necessary before being made available with the Charity Shops (Ynyshtir, Ferndale and Aberaman). Using the new workshop facility at Ynyshtir, 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>Working as part of the Furniture Re-use network and Cylch, the organisation has supported the development of other waste minimisation services</p> <p>External grants are sought to provide free furniture packages to low income households for example BBC CIN and housing associations</p>



**Valleys Furniture Recycling Limited  
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**Financial Review**

During 2009 the organisation has significantly increased own income generation, developed three new income streams and reduced operating costs by 5%. However the continued decrease in grant funding resulted in an operating loss in unrestricted funds of £6,195 (compared with the loss of £88,032 in 2008). The loss of £29,148 shown against restricted funds, is the depreciation of capital grants received in previous years and not an operating deficit.

The operating loss that occurred in 2008 and 2009, has reduced unrestricted reserve to £2649 plus £30,000 that has been designated in the event of organisation closure. It will be necessary for the organisation to develop a surplus in the next few years to provide financial security.

<b>Risk Management</b>	<p>The Trustees have considered risks as part of their strategic planning process, in 2009 the following actions were taken to mitigate identified risks</p> <ol style="list-style-type: none"> <li>1 Operating costs – review of service contracts resulted in costs savings</li> <li>2 ICT equipment &amp; operating systems – were updated and replaced where necessary with funding from Awards4all</li> <li>3 New funding was secured from Lloyds TSB to part fund the post of Volunteer co-ordinator in 2010/11</li> <li>4 Developed additional income generating streams to provide sufficient revenue funding to maintain existing services and replace grant funding</li> <li>5 Reduced rent cost – notice to terminate Ferndale unit in July 2010</li> </ol>
<b>Incoming Resources – generated funds</b>	<p>The value of incoming grants reduced in 2009 to £112,460, this compares to £233,107 in 2008, and £484,948 in 2007. This reduction reflects the end of European Funding.</p> <p>In 2009, Four new grant funds were approved (Lloyds TSB, Awards4all, Shaw trust and work step). Three existing grant funders continued their funding (Tudor Trust, RCT Economic Development and BBC CIN).</p> <p>Donations increased in 2009 from £659 (2008) to £1,859 in 2009, following a donation of £600 from Puma towards a Volunteer &amp; team event and G E Healthcare providing sponsorship for a recycle plant pot competition of £200.</p> <p>Bank Interest reduced inline with the reduction in cash reserves and drop in interest rates.</p>
<b>Incoming Resources – from charitable activities</b>	<p>The Service level agreement with RCT Environmental services was maintained at £20,000 for the year.</p> <p>Income generated from the supply of household items increased by 27% to £221,010 and reflected the strategic aims of the company</p> <ul style="list-style-type: none"> <li>- Increase volume of goods supplied</li> <li>- Increase range of goods (domestic electrical appliances)</li> <li>- Increase income streams (delivery charge)</li> </ul> <p>Income from bric a brac items increased from £5,314 (2008) to £14,921 (2009). This was due to increased volume of goods from house clearances and new textile recycling service.</p>
<b>Resources expended</b>	<p>Strict budgeting control, reduced spending on training and re-negotiated service contracts, resulted in a decrease in expenditure of 5% (saving of £19,911 on 2008). The costs of Premises, includes a charge of £18,300 p a for the future rent, payable on the Ynyshir building, following the end of the rent-free period in 2012.</p>
<b>Net incoming/ outgoing resources</b>	<p>Despite the drop in grant funding of £120,647, the organisation was able to increase own income generation by 27% (£47,125), trial 3 new Social enterprise projects bringing in additional income of £25,561 and reduce expenditure overall by 5%. There was an operating loss of £6,195 against unrestricted funds plus a loss of £29,148 shown against restricted funds (depreciation of capital funds). Total loss £35,343.</p>

**Valleys Furniture Recycling Limited  
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**Future plans - Sustainability**

In 2009, the organisation has increased own income generation by 27%, developed three new income streams and reduced operating costs by 5%. Further reductions in operating costs are necessary to prevent any further operating loss. In 2010, the organisation will cease trading from the Ferndale Unit, thus reducing overhead costs further. Existing services will be maintained and further funding sought to maintain and develop these services.

Plans to open an additional Charity shop in another location within the area of benefit will be delayed until the organisation has sufficient resources to consider such an expansion.

<b>Ethical House clearance</b>	This new project is not yet economically self-sustainable. However, it is projected to be sustainable within the next 2 years. It also provides additional stock into the charity shops, reduces waste to landfill and supports a number of new partnerships. Further funding will be sought to help develop this project over the next two years.
<b>E-commerce website</b>	The website will continue to be used and updated. Additional funding will be sought to provide the resources necessary to maintain and develop the site.
<b>Future Fund</b>	The organisation has successfully secured funding for four supported employment opportunities for young people in 2010.
<b>Operating costs reduction</b>	<p><b>Premises costs</b> End the lease on the Ferndale unit from July 2010.</p> <p><b>Staffing costs</b> Only create new employment if and when grant funding is secured. End employment if projects are not extended.</p> <p><b>Energy costs</b> Take opportunities under the Climate Change agenda to review and reduce energy costs and consider alternative energy providers, including renewables.</p>
<b>Fundraising</b>	<p><b>Capital expenditure</b> – Seek grant funding to purchase the Ynyshir Building to create a community owned, income generating asset. Also replacement van, CCTV system, Display &amp; advertising stands.</p> <p><b>Work based training &amp; learning</b> – Seek opportunities for funding through work-based learning and training e.g. Future Fund, Employment Gateway and GwirVol.</p> <p><b>Pilot projects</b> – Seek ongoing funding for the pilot projects.</p> <p><b>Core staff costs</b> – Seek funding for staff posts over 2 – 3 year period to retain the skills and expertise of key staff.</p> <p><b>Volunteer costs</b> – Seek funding to support the costs of supervising and involving volunteers. Funding also required for corporate clothing and improved environment.</p> <p><b>Advertising</b> – funding to cover advertising costs – raise awareness of climate change, volunteering opportunities and Welsh language.</p>

**Valleys Furniture Recycling Limited  
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**Trustees responsibilities in relation to the financial statements**

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

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the 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

**Statement as to disclosure of information to auditors**

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

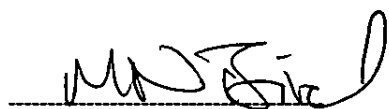
**Auditors**

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

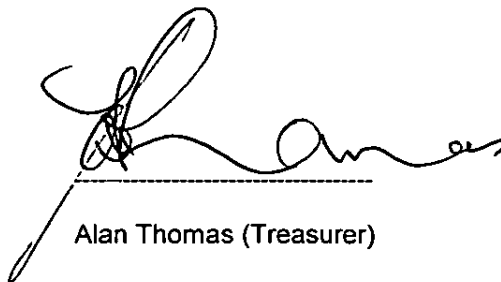
**Small company exemptions**

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)



Alan Thomas (Treasurer)

Date 26<sup>th</sup> May 10

**Valleys Furniture Recycling Limited  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
VALLEY'S FURNITURE RECYCLING LIMITED**

We have audited the financial statements of Valleys Furniture Recycling Limited for the year ended 31 December 2009 which comprise primary financial statements such as the Statement of Financial Activities and the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

***Respective responsibilities of trustees and auditors***

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006.

We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

***Basis of audit opinion***

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Valleys Furniture Recycling Limited  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
VALLEY'S FURNITURE RECYCLING LIMITED (continued)**

***Opinion***

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice Applicable to Smaller Entities,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements



Sarah Case  
Senior Statutory Auditor  
**Broomfield & Alexander Limited**  
Statutory Auditors  
Pendragon House  
Caxton Place  
Pentwyn  
Cardiff  
CF23 8XE

Date 26 May 2010

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
including the  
**INCOME & EXPENDITURE ACCOUNT**  
FOR THE  
**YEAR ENDED 31 DECEMBER 2009**

	Note	Unrestricted Funds	Restricted Funds	2009 Total Funds	2008 Total Funds
		£	£	£	£
<b>Incoming Resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary Income					
Grants	2	-	112,460	112,460	233,107
Donations	3	1,059	800	1,859	659
Investment Income - Bank Interest		62	-	62	3,395
<b>Incoming resources from charitable activities</b>					
Service level agreement	4	20,000	-	20,000	20,000
Household items supplied	5	217,099	3,911	221,010	173,885
Social enterprise projects	6	25,561	-	25,561	-
<b>Total Incoming Resources</b>		<b>263,781</b>	<b>117,171</b>	<b>380,952</b>	<b>431,046</b>
<b>Resources Expended</b>					
<b>Charitable activities</b>					
Service provision	7	261,997	142,050	404,047	371,346
Development of people	7	-	4,269	4,269	61,234
<b>Governance costs</b>	7	7,979	-	7,979	7,525
<b>Total Resources Expended</b>		<b>269,976</b>	<b>146,319</b>	<b>416,295</b>	<b>440,105</b>
<b>Net income/(expenditure)</b>		<b>(6,195)</b>	<b>(29,148)</b>	<b>(35,343)</b>	<b>(9,059)</b>
<b>Transfer between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<b>(6,195)</b>	<b>(29,148)</b>	<b>(35,343)</b>	<b>(9,059)</b>
<b>Total funds brought forward from previous year</b>		<b>38,844</b>	<b>373,585</b>	<b>412,429</b>	<b>421,488</b>
<b>Total funds carried forward</b>	18	<b>32,649</b>	<b>344,437</b>	<b>377,086</b>	<b>412,429</b>

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 14 to 24 form part of the financial statements

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

**BALANCE SHEET AS AT 31 DECEMBER 2009**

	Notes	2009	2008
		£	£
<b>Fixed Assets</b>			
Tangible Fixed Assets	11	310,686	330,839
<b>Current Assets</b>			
Debtors	12	19,229	39,211
Cash at Bank and in Hand		<u>125,600</u>	<u>100,035</u>
		144,829	139,246
<b>Creditors</b> Amounts falling due within one year	13	<u>(78,429)</u>	<u>(57,656)</u>
<b>Net Current Assets</b>		<u>66,400</u>	<u>81,590</u>
<b>Total Assets Less Current Liabilities</b>		<u>377,086</u>	<u>412,429</u>
<b>Funds</b>			
Restricted Funds	14	344,437	373,585
Unrestricted Funds			
Designated Funds	16	30,000	30,000
General Funds	17	<u>2,649</u>	<u>8,844</u>
<b>Total Funds</b>	18	<u>377,086</u>	<u>412,429</u>

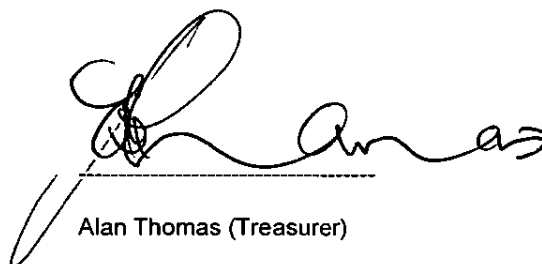
The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Board of Trustees on 26<sup>th</sup> May 2010

Signed on behalf of the Trustees



Martyn Birch (Chairman)



Alan Thomas (Treasurer)

The notes of pages 14 to 24 form part of the financial statements

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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

**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



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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

**1. PRINCIPAL ACCOUNTING POLICIES (continued)**

**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.

**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

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.

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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

**1. PRINCIPAL ACCOUNTING POLICIES (continued)**

**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.

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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
<b>2 GRANTS</b>				
Coal fields	-	-	-	13,688
Tudor Trust	-	30,000	30,000	40,000
Heads of the Valley	-	-	-	23,753
SRS – Capital	-	-	-	41,126
SRS – Revenue	-	-	-	42,117
SRS – Training & Development	-	-	-	43,817
WCVA	-	-	-	302
Rhondda Cynon Taff Economic Development	-	62,481	62,481	26,504
Employers Pledge (NAW)	-	-	-	1,800
BBC Children in Need	-	3,659	3,659	-
Lloyds TSB	-	8,000	8,000	-
GAP	-	-	-	-
Awards for All	-	3,091	3,091	-
Shaw Trust	-	4,629	4,629	-
Work Step	-	600	600	-
	<u>-</u>	<u>112,460</u>	<u>112,460</u>	<u>233,107</u>
<b>3. DONATIONS</b>				
Members' contributions	342	-	342	219
Other	717	-	717	440
Puma	-	600	600	-
G E Healthcare	-	200	200	-
	<u>1,059</u>	<u>800</u>	<u>1,859</u>	<u>659</u>
<b>4 SERVICE LEVEL AGREEMENT</b>				
Rhondda Cynon Taf	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>5. HOUSEHOLD ITEMS SUPPLIED</b>				
Showroom Sales	145,899	-	145,899	116,734
Electrical Sales	32,435	-	32,435	28,553
BBC Children in Need	-	3,911	3,911	1,740
Referral Organisation Sales	10,094	-	10,094	10,420
Delivery charges	13,750	-	13,750	11,124
Bric a Brac Sales	14,921	-	14,921	5,314
	<u>217,099</u>	<u>3,911</u>	<u>221,010</u>	<u>173,885</u>

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

**6 SOCIAL ENTERPRISE PROJECTS**

	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Carpet Tile	13,903	-	13,903	-
House Clearance	8,730	-	8,730	-
Online	2,928	-	2,928	-
	<u>25,561</u>	<u>-</u>	<u>25,561</u>	<u>-</u>

**7 RESOURCES EXPENDED**

	Service provision		Development of people		Governance		2009	2008
	Un-restricted £	Restricted £	Un-restricted £	Restricted £	Un-restricted £	Restricted £	£	£
<b>Costs directly allocated to activities</b>								
Cost of sales	3,168	1,240	-	-	-	-	4,408	11,299
Staff Costs	130,097	66,254	-	4,269	-	-	200,620	166,286
Other staff costs	4,268	-	-	-	-	-	4,268	5,978
Vehicle Costs	13,992	4,549	-	-	-	-	18,541	17,607
Volunteer								
Training & Dev	19,138	8,510	-	-	-	-	27,648	58,415
Advertising	522	5,942	-	-	-	-	6,464	10,644
Audit Fees	-	-	-	-	7,623	-	7,623	6,500
Committee	-	-	-	-	356	-	356	1,025
Premises	-	1,359	-	-	-	-	1,359	723
	<u>171,185</u>	<u>87,854</u>	<u>-</u>	<u>4,269</u>	<u>7,979</u>	<u>-</u>	<u>271,287</u>	<u>278,477</u>
<b>Support costs allocated to activities</b>								
Staff costs	8,196	6,624	-	-	-	-	14,820	16,929
Premises Costs	49,937	9,120	-	-	-	-	59,057	67,254
Admin	24,525	5,106	-	-	-	-	29,631	41,910
Legal &								
Professional	4,467	-	-	-	-	-	4,467	6,225
Deprecation	1,608	33,346	-	-	-	-	34,954	28,064
Bank Charges	2,079	-	-	-	-	-	2,079	1,246
	<u>90,812</u>	<u>54,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,008</u>	<u>161,628</u>
	<u>261,997</u>	<u>142,050</u>	<u>-</u>	<u>4,269</u>	<u>7,979</u>	<u>-</u>	<u>416,295</u>	<u>440,105</u>

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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

**8. STAFF COSTS**

	2009 £	2008 £
Staff salaries and social security costs	215,440	183,215
Staff training and expenses	4,268	5,978
Volunteer training and expenses	27,647	53,677
	<u>247,355</u>	<u>242,870</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 2009 and 2008

The average number of employees, analysed by function was

	2009	2008
Charitable Activities	11	9
Governance	<u>1</u>	<u>1</u>
	<u>12</u>	<u>10</u>
Volunteers & Placements	142	102
- No of unpaid hours	38,403	30,837

**9 TAXATION**

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

**10. NET OUTGOING RESOURCES FOR THE FINANCIAL YEAR**

The operating deficit for the year is stated after charging -

	2009 £	2008 £
Operating leases		
- Rental of properties	40,213	53,501
Depreciation of tangible fixed assets		
- Owned assets	34,955	28,065
Pension costs	2,357	2,245
Auditors' remuneration – audit work	4,500	4,500
– non audit work	<u>3,123</u>	<u>2,000</u>

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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

**11 TANGIBLE FIXED ASSETS**

	<b>Leasehold Property Improvements</b>	<b>Motor Vehicles</b>	<b>Tools and Equipment</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>					
At 1 <sup>st</sup> January 2009	321,950	71,263	10,469	59,394	463,076
Additions	6,089	5,217	332	3,164	14,802
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> December 2009	<u>328,039</u>	<u>76,480</u>	<u>10,801</u>	<u>62,558</u>	<u>477,878</u>
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2009	31,489	49,075	7,509	44,164	132,237
Charge for year	19,642	6,440	1,418	7,455	34,955
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> December 2009	<u>51,131</u>	<u>55,515</u>	<u>8,927</u>	<u>51,619</u>	<u>167,192</u>
<b>Net Book Amount</b>					
<b>At 31<sup>st</sup> December 2009</b>	<u><b>276,908</b></u>	<u><b>20,965</b></u>	<u><b>1,874</b></u>	<u><b>10,939</b></u>	<u><b>310,686</b></u>
At 31 <sup>st</sup> December 2008	<u>290,461</u>	<u>22,188</u>	<u>2,960</u>	<u>15,230</u>	<u>330,839</u>

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

**12. DEBTORS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	9,740	2,230
Prepayments and accrued income	6,290	27,907
VAT	<u>3,199</u>	<u>9,074</u>
	<u><b>19,229</b></u>	<u><b>39,211</b></u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Overdraft	-	169
Trade creditors	12,491	8,225
Accruals & deferred income	61,694	45,503
Other creditors	<u>4,244</u>	<u>3,759</u>
	<u><b>78,429</b></u>	<u><b>57,656</b></u>

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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

<b>14. RESTRICTED FUNDS</b>	<b>At 1<sup>st</sup> January 2009 £</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>Transfer £</b>	<b>At 31<sup>st</sup> December 2009 £</b>
Awards for all – Capital	138	3,091	871	-	2,358
SRS – Capital- Spent	284,525	-	20,037	-	264,488
SRS – Training & Developmentfvbc Betterlife	9,608	-	188	-	9,420
BBC Children in Need	-	7,570	6,350	-	1,220
GAP- Capital	6,925	-	3,463	-	3,462
Lloyds TSB	-	8,000	-	-	8,000
Tudor Trust	25,629	30,000	30,629	-	25,000
Coalfields	11,364	-	2,999	-	8,365
Rhondda Cynon Taff Economic Development	13,209	62,481	70,565	-	5,125
Heads of the Valley	22,187	-	5,788	-	16,399
Shaw Trust	-	4,629	4,629	-	-
Vision Products	-	600	-	-	600
Puma	-	600	600	-	-
G E Healthcare	-	200	200	-	-
<b>Total</b>	<b>373,585</b>	<b>117,171</b>	<b>146,319</b>	<b>-</b>	<b>344,437</b>

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

**Awards for all** – Network printer & p c's for Ynyhsir 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 sysem at Aberaman Branch

**Heads of the Valley** – Vehicle purchase in December 2008

**OTHER FUNDS:**

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

**Lloyds TSB** – This funding is part-funded the cost of a Volunteer Co-ordinator over a 2 year period

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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

**Tudor Trust** - This funding is to part-fund the cost of a General Manager over a 3 year period

**Rhondda Cynon Taff** – This funding was provided for projects relating to ethical house clearances and ecommerce website, up to March 2010

**Shaw Trust** – This funding was towards the salary of supported administrator

**Puma** – Donation towards the annual day out for staff and volunteers

**Vision Products** - Funding provided on Workstep programme towards Managerial staff development

**GE Healthcare** – Prize fund donated for competition

**15. 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<sup>st</sup> December 2009, there were 53 members of the company (2008: 51).

**16. 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 <sup>st</sup> January 2009 £	Transfers £	Balances 31 <sup>st</sup> December 2009 £
Premises acquisition reserve	-	-	-
Project closure costs	30,000	-	30,000
	<u>30,000</u>	<u>-</u>	<u>30,000</u>

The Board remains committed to building an asset base for the organisation when it has sufficient free reserves to do this.

The Board recognises 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. An annual transfer of £10,000 will be made when there is sufficient free reserves to this fund, with a maximum fund of £45,000 being retained in the future; the current balance for this reserve is £30,000 (shortfall of £15,000).

**17. MOVEMENTS IN UNRESTRICTED FUNDS**

	Designated funds £	General Funds £	Total Funds £
At 1 <sup>st</sup> January 2009	30,000	8,844	38,844
Net incoming resources for year	-	(6,195)	(6,195)
Transfers	-	-	-
	<u>30,000</u>	<u>2,649</u>	<u>32,649</u>
<b>At 31<sup>st</sup> December 2009</b>	<b><u>30,000</u></b>	<b><u>2,649</u></b>	<b><u>32,649</u></b>



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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total 2009 £
Fund balances at 31 <sup>st</sup> December 2009			
Tangible fixed assets	7,058	303,628	310,686
Net current assets	<u>25,591</u>	<u>40,809</u>	<u>66,400</u>
<b>Total net assets</b>	<u><b>32,649</b></u>	<u><b>344,437</b></u>	<u><b>377,086</b></u>

**19. 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 £2,357 in the year (2008 £2,245). There were no outstanding or prepaid contributions at 31<sup>st</sup> December 2009.

**20. FINANCIAL COMMITMENTS**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31<sup>st</sup> December 2009 -

	2009 £	2008 £
<b>Operating leases expiring.-</b>		
Within one year	20,746	8,982
In two to five years	-	14,670
After five years	<u>18,300</u>	<u>20,250</u>
	<u><b>39,046</b></u>	<u><b>43,902</b></u>

**21. INDEMNITY INSURANCE**

The Charity has purchased insurance to protect the charity 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.

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

**Notes to the Financial Statements**

**Year ended 31<sup>st</sup> December 2009**

**22. 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.

**23. 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).