

Company registration number: 3286173  
Charity registration number: 1064588

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**FOR**

**VALLEYS FURNITURE RECYCLING LIMITED  
(Limited by guarantee)**

**TRADING AS "toogoodtowaste"**

TUESDAY



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01/07/2014

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COMPANIES HOUSE

Broomfield & Alexander Ltd  
Chartered Accountants and Statutory Auditors  
Waters Lane Chambers  
1-3 Waters Lane  
Newport  
NP20 1LA

**VALLEYS FURNITURE RECYCLING LIMITED**

**INDEX TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**VALLEYS FURNITURE RECYCLING LIMITED**  
**LEGAL AND ADMINISTRATIVE DETAILS**  
**YEAR ENDED 31 DECEMBER 2013**

<b>LEGAL AND 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 1 Standard Ind. Estate, Ynyshir, Rhondda Cynon Taf CF39 0RF
<b>Other operating premises</b>	Unit 3 Aberaman Ind. Park, Aberaman, Rhondda Cynon Taf CF44 6DA
<b>Board of Directors and Trustees</b>	<div style="display: flex; justify-content: space-between;"> <div> <p>Martyn Birch</p> <p>David Lewis</p> <p>Neil Bryan</p> <p>Dave Henderson</p> <p>Lynda Corre</p> <p>Dr. Dafydd Davies</p> <p>Henry Enos</p> <p>Malcolm Gay</p> <p>Natasha McCarthy</p> <p>Karen Jones</p> <p>Geoff Palmer</p> <p>Rhiannon Holtham</p> <p>Graham Walters</p> </div> <div> <p>Chairman</p> <p>Vice – Chairman</p> <p>Treasurer</p>               <p>(Co-opted 24<sup>th</sup> September 2013)</p> <p>(Nominated 3<sup>rd</sup> July 2014)</p> <p>(Resigned 10<sup>th</sup> December 2013)</p> </div> </div>
<b>Advisors</b>	<p><b>Auditors</b> Broomfield &amp; Alexander Limited, Chartered Accountants &amp; Statutory Auditors, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff CF23 8AB</p> <p><b>Bankers</b> Barclays Bank Plc, Pontypridd, Rhondda Cynon Taf. CF37 4YA</p> <p><b>Solicitors</b> Dolman Solicitors, 17-21 Windsor Place, Cardiff CF20 3DS</p> <p>Geldards Solicitors, 1 Dumfries House, Dumfries Place, Cardiff. CF10 3ZF</p>
<b>Chief Executive Officer/ Co. Secretary</b>	Lynda Davies
<b>General Manager</b>	Shaun England

**VALLEYS FURNITURE RECYCLING LIMITED  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2013**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2013.

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.

## **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 (12 elected at the Annual General Meeting [AGM]) and 3 co-opted members. Full Board Meetings and Finance Sub Committee meetings are held quarterly, on alternate months.

### **Appointment of Trustees**

As set out in the Articles of Association, new trustees are nominated and seconded by FULL members of the company prior to the Annual General Meeting. Only a FULL member can be proposed for nomination. A third of trustees must retire by rotation (longest in office) at each AGM, but may put themselves forward for re-election provided they are nominated and seconded by FULL members. The trustees have the power to co-opt a further three individuals to fill specialist roles. Co-opted Trustees must retire prior to the next AGM but may present themselves for nomination. The Chair of the Trustees is elected by the Board at the first full board meeting following the AGM.

### **Trustee recruitment: Induction and training**

Potential new trustees are provided with an induction pack and encouraged to attend an informal meeting with representatives from existing Board members to discuss the Values, Aims and Objectives of the company and their obligations under Charity and Company Law, prior to nomination. Official checks are undertaken to ensure applicants meet the legal requirements of acting as a charity trustee. Following appointment, new trustees undergo an induction process which includes familiarisation with key documents including: Memorandum and Articles of Association, Business Plan and Financial Budgets. During the induction process, new trustees are encouraged to spend some time within the organisation, meeting current paid and unpaid personnel, customers and stakeholders. Specific training on governance is also provided.

### **Company Members**

The directors may admit to 'FULL' membership, individuals over the age of 18 years and/or any society, unincorporated association or company, who are in agreement with the objects of the company. The directors may also accept employees of the company or their immediate family as an 'ASSOCIATE' Member. (An associate member cannot be nominated as a trustee.

As at December 2013, there were 52 paid up members of the company (68 in 2012)

- 39 FULL MEMBERS (consisting of 23 individuals and 16 groups)
- 13 ASSOCIATE MEMBERS

The liability of the members of the company is limited to £1 each. Every member of the company undertakes to contribute £1 to the company assets, if the company should be dissolved whilst she/he is a member.

**VALLEYS FURNITURE RECYCLING LIMITED**  
**REPORT OF THE TRUSTEES**  
**YEAR ENDED 31 DECEMBER 2013**

<b>Vision Statement</b>	Maximise potential – Minimise waste
<b>Mission Statement</b>	Toogoodtowaste is committed to changing peoples lives every day, through developing and implementing sustainable Social Enterprises that meet the changing needs of the communities we serve.
<b>Organisational Structure</b>	<p>The Chief Executive Officer (CEO) is responsible for the strategic growth and vision of the organisation, reporting to the Board of Directors.</p> <p>The General Manager is responsible for the delivery of business plans and the day-to-day management of the organisation, reporting to the CEO and Board of Trustees. The Finance Manager is responsible for the financial accountability and financial analysis, reporting to the CEO and Finance Sub Committee.</p> <p>Other core staff include: Volunteer co-ordinator, Domestic Appliance Engineer, 2 Van supervisors and 2 customer service supervisors (9 core posts).</p> <p>As a result of funding received from the Big Lottery/Welsh Government, the General Manager is now supported by a Logistics co-ordinator, Marketing co-ordinator, Trainer/Life-long learning co-ordinator and the Finance Manager is now supported by a Finance assistant. (4 project posts).</p> <p>Funding from the SEWCED fund has created the post of House Clearance co-ordinator and Domestic Appliance Engineer (2 project posts).</p> <p>In addition to these 15 paid positions, the organisation relies on volunteer support from up to 30 individuals each day.</p>
<b>Related parties</b>	<p>To identify and assist those people in greatest need the organisation works with other Charities, Housing Associations, Community groups and Local Authority Social Services Departments, to accept referrals for free or discounted furniture packages.</p> <p>There is a Memorandum of Understanding with the Local Authority (L.A) Environmental Services Department and a partnership agreement with the Children's Services Department.</p> <p>There is a legal charge on the property as part of the Big Lottery / WG Community Asset Transfer Grant.</p>

**VALLEYS FURNITURE RECYCLING LIMITED**  
**REPORT OF THE TRUSTEES**  
**YEAR ENDED 31 DECEMBER 2013**

**OBJECTIVES AND ACTIVITIES**

<b>Objects and principal activities of the charity</b>	<p>The company is registered to assist with the relief of poverty:</p> <ul style="list-style-type: none"> <li>• Providing access to affordable household items.</li> <li>• To advance the development and education of people by providing opportunities to volunteer and to train, so as to develop work skills, social skills, gain work experiences and encourage social integration.</li> <li>• Recycling of furniture which would otherwise be thrown away and by advancing more sustainable waste management practices.</li> </ul>
<b>Sustainability</b>	<p>Key to long term sustainability of the company has been the acquisition of property from which to provide its services.</p> <p>As part of the Community Asset Transfer (CAT) project, the trustees are pleased to report the completion of the refurbishment and extension of the building purchased in 2012. This community owned facility is based in Ynyshir, Rhondda Cynon Taf. A Community First and Lower Social Output Area.</p>
<b>Providing access to affordable household items</b>	<p>The company operates two charity shops. One from its building at Ynyshir and the second from a rented unit in Aberaman (Upper Cynon Community First area). Within the shops, donated goods are offered for sale at second hand market value after they have been sorted, cleaned and safety checked.</p> <p>The company also operates a gas and electrical domestic appliance re-use facility that complies with all WEEE regulations.</p>
<b>Helping low income households</b>	<p>The company offers free or discounted furniture packages to individuals referred to them for help.</p> <p>Events are organised during the year to target low income households.</p> <p>The company purchases graded beds and mattresses for re-sale to match up with pre-owned beds to meet the level of demand from referrals.</p> <p>In 2013 as a result of new grant funding and increased turnover, the company was able to sustain the employment of 9 core staff plus 6 project staff.</p>
<b>Providing opportunities to volunteer &amp; train</b>	<p>The organisation aims to increase social skills and employment opportunities by providing volunteers with work based learning throughout its range of activities. Following the completion of the new training room and successful appointment of a Training / Learning Co-ordinator, the organisation aims to deliver work based learning that is assessed and verified.</p> <p>School placements are also supported for work based taster sessions.</p>
<b>Recycling &amp; waste management</b>	<p>The company provides residents of Rhondda Cynon Taf with a reliable free collection service for household items that are too good to waste. People can also drop items off for re-use. Items received are sorted, cleaned and tested before being offered for sale within their charity shops. The company also offers a collection service for re-useable household goods, to commercial organisation (end-of-line or returned goods).</p> <p>The company operates an Ethical House Clearance Service to the public, landlords and housing associations. This professional, income generating service aims to recycle or re-use the products cleared.</p>

**VALLEYS FURNITURE RECYCLING LIMITED**  
**REPORT OF THE TRUSTEES**  
**YEAR ENDED 31 DECEMBER 2013**

**ACHIEVEMENTS AND PERFORMANCE**

It has proved difficult to recruit for the post of Trainer / Learning Co-ordinator as part of the CAT project. The delay in appointment of this key post, coupled with the disruption through building works, has impacted on the quantity of training and learning provided in 2013.

However, increased publicity and the introduction of Local Authority charges for the collection of bulky household waste has increased the public demand for our free furniture collection service and public drop off facility. This has resulted in a 12% increase in the number of households donating.

<b>Sustainability</b>	The building extension works were successfully completed in April 2013, thus providing us with additional canteen facilities, offices and training room. A public celebration event was held in July 2013 supported by actress and script writer Ruth Jones.
<b>Providing access to affordable household items</b>	People using our charity shops increased by 9% with 7,600 people (7,002 in 2012) selected over 40,000 items for re-use. 60% of customers used the Ynyshir branch and 40% choosing from the Cynon charity shop.
<b>Maintaining &amp; increasing quality &amp; quantity of goods available</b>	To increase the re-use of small and large domestic gas and electrical appliances and with funding from South East Wales Community Development [SEWCED], we were able to increase employment for an additional full-time domestic appliance engineer.
<b>Helping low income households</b>	<p>We worked with 18 local support agencies and 11 different departments within Social Services, to identify individuals and families in need. We received 352 (252 in 2012) requests for help in 2013, an increase of 40%. This included, 184 children, (83 were under 5 years) and 117 other individuals who were aged over 50 years and/or fleeing domestic violence.</p> <p>The value of furniture provided to those people referred to us for help for furniture and equipment was over £46,000, this is a significant increase on the previous year and reflects the growing demand for our services.</p> <p>Part funding from the BBC CIN fund supported requests for children's bedroom furniture plus 51 young people aged between 16-18 years who were setting up their first independent home.</p> <p>In October, as part of anti-poverty week, we gave away 194 vouchers worth £4,850 to low income households.</p> <p>Over 160 furniture items were discounted by 50% (£2,435), to help low income households as part of our 3 day Christmas hardship event.</p>

**VALLEYS FURNITURE RECYCLING LIMITED  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2013**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

<b>Providing opportunities to volunteer &amp; train</b>	<p>247 people supported us in an unpaid capacity (188 in 2012). This included 170 volunteers, 66 work placements and 11 school placements. The total hours provided was 35,472 (35,200 in 2012).</p> <p>59 volunteers remained with us from 2012 with new volunteers and work placements referred to us from 20 different local organisations.</p> <p>All participants were provided with instruction into their role and health and safety training. Individuals were also able to access specific work based training to improve their skills and qualifications within various roles in the organisation.</p> <p>29 people finished their volunteering/work placement with us, to commence paid employment, this compares with 10 people gaining employment in 2012. In addition, 7 individuals left to return to further education (2 in 2012) and 44 out of 66 work placements were satisfactorily completed. (These placements included many individuals who were referred for work-taster sessions, who are considered to be furthest away from the labour market and/or difficult to engage).</p> <p>The organisation has arranged a trial project with New Horizons (Mental Health Support Charity), to link volunteering with mental health support services (as and when required). The trial will provide volunteers/staff and placements with access to information and help on mental health issues within our building (surgery once/twice a month). The staff expertise is provided by New Horizons and we provide the venue. Our goal is to help break down the barriers to accessing mental health services and helping individuals who may be experiencing difficulties.</p>
<b>Celebrating volunteering</b>	<p>Recognising and valuing the support of volunteers is at the heart of this organisation. In 2013, two different events were arranged to celebrate volunteering. A summer trip to Oakwood park, St. Davids and Tenby followed by a team celebratory buffet. The team were also taken for a celebratory meal at Christmas, with awards presented to individuals who had made a significant difference to the organisation or others during the year.</p>
<b>Recycling &amp; waste management</b>	<p>364 tonnes of waste was diverted from landfill in 2013, an increase of 14.7% (317.5 tonnes) from 2012)</p> <p>The number of items donated for re-use in 2013 was 47,400 an increase of 12% (42,300 in 2012).</p> <p>Partnership working with other organisations provided new and innovative ways of increasing community re-use. For example: Tenovus Cancer Charity (Textiles), Vision Aid (Invalid Aids), Specsavers (Spectacles), Schools (12 bikes to Pontypridd High School &amp; picture frames to local comprehensive school). Clothing, bric-a-brac and furniture provided to the YMCA and Penrhys Partnership. 10 bags of bedding textiles and soft toys, delivered to the Dog Trust.</p>



**VALLEYS FURNITURE RECYCLING LIMITED**  
**REPORT OF THE TRUSTEES**  
**YEAR ENDED 31 DECEMBER 2013**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

<b>Social Enterprise – SEWCED House Clearance Project</b>	<p>Income generated from our Ethical House Clearance project was £14,460 an increase of 4% on the previous year (£13,899 in 2012).</p> <p>69 clearances (collecting over 11,000 items) were provided in 2013 compared with 50 clearances in 2012.</p>
<b>SEWCED – Electric &amp; Gas appliances</b>	<p>The appointment of an additional engineer and sub-contracting out the testing of gas appliances, has enabled the organisation to increase the volume and range of appliances that are tested and repaired for re-use. Income generated increased from £76,943 (2012) to £85,728 during 2013.</p>
<b>Consultation</b>	<p>In September 2013 the company held a public consultation event in six different geographical areas throughout Rhondda Cynon Taf asking 215 people for feedback. 81% of participants confirmed they had heard of toogoodtowaste, of which 59% (127) said they had used the services provided.</p>

**VALLEYS FURNITURE RECYCLING LIMITED**  
**REPORT OF THE TRUSTEES**  
**YEAR ENDED 31 DECEMBER 2013**

**PUBLIC BENEFIT**

The trustees have referred to the guidance contained in the Charity Commissions' general guidance on public benefit. The trustees will continue to consider how planned activities will contribute to the aims and objectives they have set.

**Significant activities undertaken to further its charitable purposes for public benefit**

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.

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 essential furniture items, 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.

We work in partnership with other organisations that provide 'emotional or housing support' (e.g. Social Services departments, Women's Aid, Drug & alcohol support services, Churches, Mental health groups etc.) The practical help provided by this organisation, enhances the work of its partners, therefore increasing the overall impact of the assistance provided. For example, a child receiving help on a bed wetting programme with a partner organisation, can be provided with a replacement bed because the organisations are working together. 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.

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 continues to provide help immediately to people affected by fire, flood and domestic violence.

The organisation values the contribution received from its volunteers and strives to provide services that help customers and beneficiaries feel positive about the help received.

With high levels of unemployment in the area and few opportunities for people to gain work experience, the organisation is committed to developing its ability to deliver work-based learning. The successful completion of the training room and the purchase of additional ICT equipment and software, gives us the opportunity to provide volunteers and placements with transferable skills to enhance their employment opportunities.

Items are quality control checked, minor repairs and cleaning is provided where necessary before being resold through our charity shops (Ynyshir and Aberaman). External grants are sought to provide match funding for our activities and in particular to support the provision of free furniture packages to low income households.

**VALLEYS FURNITURE RECYCLING LIMITED**  
**REPORT OF THE TRUSTEES**  
**YEAR ENDED 31 DECEMBER 2013**

**FINANCIAL REVIEW**

Income	The total income for 2013 was £688,878, which includes £295,004 of restricted grant income. £141,964 of grant income was capital funding for the building and extension work, with the balance for other restricted revenue costs. The organisation generated £393,874 through its own activities representing an increase of 4.4%, £377,244 from 2012.																							
Resources expended Note 3 financial statements	<table><tr><td>Expenditure</td><td>2013</td><td>2012</td></tr><tr><td>Anti-poverty</td><td>79,166</td><td>74,626</td></tr><tr><td>Volunteers &amp; placements</td><td>95,803</td><td>112,097</td></tr><tr><td>Waste minimisation</td><td>67,554</td><td>60,892</td></tr><tr><td>Social enterprise</td><td>94,209</td><td>97,812</td></tr><tr><td>Support costs</td><td>203,425</td><td>366,386</td></tr><tr><td>TOTAL</td><td>540,157</td><td>711,813</td></tr></table>			Expenditure	2013	2012	Anti-poverty	79,166	74,626	Volunteers & placements	95,803	112,097	Waste minimisation	67,554	60,892	Social enterprise	94,209	97,812	Support costs	203,425	366,386	TOTAL	540,157	711,813
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Providing services for Low income households	<p>The cost of providing services to low income households was £79,166. Funding from BBC CIN of £12,782 was offset against some of these costs incurred in providing services to children and young people.</p> <p>We invested £66,384 of our own income (17%), into providing access to affordable furniture (£62,095 in 2012). These costs include providing paid staff to work in partnership with other charities and organisations to identify and help those local families and individuals in need.</p>																							
Social Enterprise	In 2013 we generated £371,815 through social enterprise (charity shops, Delivery service, Ethical House Clearance Service and Electrical/Gas appliance re-use. £94,209 costs were incurred, of which £33,942 was restricted grant funding for our two South East Wales Community Enterprise Development (SEWCED) projects. The unrestricted surplus of £306,806 was re-invested into our charitable services, with the remaining balance of £49,393 going into our reserves.																							
Waste minimisation	The cost of providing this service was £67,554 which includes providing paid staff to collect, sort and repair items as well as the rental of vans, transport costs, tools and equipment. We invested 17% (£67,036) of our own income generation into providing services that divert waste from landfill.																							
Volunteers support & development	The cost of supporting volunteers by providing paid staff to recruit, supervise and care for them was £95,803. Expenditure of grant funding from Wales Council for Volunteering Action was £7,041. The balance of £88,762 was provided from our own income generation (23%). This compares with costs of £83,636 in 2012.																							
Support costs	The management team consists of a Chief Executive Officer (part-time) plus General Manager and Finance Manager. Other support staff include the Marketing co-ordinator, Logistics co-ordinator, Trainer and Assistant to the Finance Manager. Total support costs were £203,425 of which £146,135 was funded through restricted grant funding, with match funding of £57,290 from our own income generation.																							

**VALLEYS FURNITURE RECYCLING LIMITED  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2013**

**FINANCIAL REVIEW (Continued)**

<b>Risk review</b>	<p>An annual risk review is undertaken to consider all aspects of the organisation, following the recommended template provided by the Charity Commission. We have a proactive approach to Health &amp; Safety, which is managed by a NEBOSH qualified member of the organisation. As part of the induction process all new personnel (paid and unpaid) receive health &amp; safety awareness and manual handling training.</p> <p>31 minor accidents recorded 2 near miss incidents No RIDDOR notifications were required.</p>
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**VALLEYS FURNITURE RECYCLING LIMITED**  
**REPORT OF THE TRUSTEES**  
**YEAR ENDED 31 DECEMBER 2013**

<b>FUTURE PLANS</b>	
<b>CAT Project – Big Lottery/Welsh Government 2012 – 2015</b>	<p>Visit other projects to gain an insight into services offered in other areas and identify opportunities for future development.</p> <p>Negotiate new Service Level Agreement and/or contracts with commercial organisations, other charities and Local Authority to generate additional income streams and increase partnership working.</p> <p>Develop a learning culture throughout the organisation to include a process of continued on-the-job learning for staff, volunteers and placements. Learning and training to be evidenced through formal assessment and verification process.</p> <p>Implementation of a new Electronic Point of Sale Software (EPOS), to track collections, delivery of furniture, improve stock control and introduce gift aid.</p> <p>Public consultation to monitor and evaluate the impact of this Project within Rhondda Cynon Taf.</p> <p>The trustees will be considering the impact of increased turnover and the outcomes required from the Big Lottery/CAT project to ensure the organisation structure and other resources are able to meet these challenges.</p> <p>We are conscious that changes in legislation around waste management may result from the development of this sector along with benefit changes.</p>
<b>Increase accessibility</b>	To trial an extension in opening hours and Sunday opening.
<b>Increase turnover</b>	<ul style="list-style-type: none"> <li>• Continue to improve &amp; extend our charity shop at Aberaman</li> <li>• Negotiate contracts for end-of-use furniture items supplied by commercial organisations.</li> <li>• Partnership working with Housing Associations.</li> <li>• Additional retail outlet.</li> <li>• Target more affluent areas to increase donations of higher-value items.</li> <li>• We will continue to provide a free regular and reliable collection service for donated goods that are suitable for re-use.</li> <li>• Increase demand for house clearance service (ideally via service level agreements with landlords).</li> </ul>
<b>Development</b>	<p>Review organisational structure to ensure we remain sustainable but are also able to scale up the organisation to effectively manage and deliver the growth of services.</p> <p>Improve evaluation and monitoring.</p> <p>Consider need for additional space for re-processing (sort, clean &amp; repair) of increased volume of items recycled and re-used.</p> <p>Within each department we require the provision of work-based learning and training for all new personnel (as the long-term sustainability of this organisation will rely on the successful engagement of people as volunteers).</p>

**VALLEYS FURNITURE RECYCLING LIMITED  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2013**

**FUTURE PLANS (Continued)**

<b>Volunteering and Work based learning</b>	<p>We will develop the use of Social Impact Tracker software programme to evaluate and report on the engagement of volunteers and the use of this information to better plan the use of our resources for recruitment and training.</p> <p>We will create an apprentice role with our electrical testing department.</p>
<b>Anti-poverty</b>	<p>Re-apply to BBC Children in Need for continued funding for children's bedroom furniture and start-up packages.</p> <p>Target families and individuals within Lower Social Output areas. Build relationships with support groups and organisations within Lower Social Output areas to access those in greatest need.</p>
<b>Waste minimisation</b>	<p>Maintain free collection service for re-useable goods.</p>

**VALLEYS FURNITURE RECYCLING LIMITED  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2013**

**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; 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)



Neil Bryan (Treasurer)

Date 20-5-14

## **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 2013 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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.

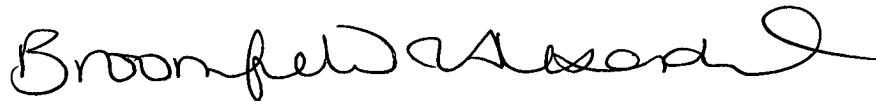


**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
VALLEY'S FURNITURE RECYCLING LIMITED**

***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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and take advantage of the small companies exemption for the requirement to prepare a strategic report.



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

Dated: 20-5-14

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 2013**

	Note	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	2,476	-	2,476	1,702
Investment income	2	1,048	-	1,048	1,156
Incoming resources from charitable activities	2	390,350	295,004	685,354	903,348
<b>Total incoming resources</b>		<u>393,874</u>	<u>295,004</u>	<u>688,878</u>	<u>906,206</u>
 <b>Resources expended</b>					
Charitable activities	3	335,833	195,676	531,509	707,510
Governance costs	3	8,648	-	8,648	4,303
<b>Total resources expended</b>		<u>344,481</u>	<u>195,676</u>	<u>540,157</u>	<u>711,813</u>
 <b>Net incoming resources before transfers</b>	4/7	49,393	99,328	148,721	194,393
 <b>Transfers</b>					
Gross transfers between funds	11	586	(586)	-	-
<b>Net movement in funds</b>		<u>49,979</u>	<u>98,742</u>	<u>148,721</u>	<u>194,393</u>
 <b>Reconciliation of Funds</b>					
Total funds brought forward	11	238,648	434,478	673,126	478,733
<b>Total funds carried forward</b>	15	<u>288,627</u>	<u>533,220</u>	<u>821,847</u>	<u>673,126</u>

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 18 to 30 form part of the financial statements.

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2013**

	Notes	2013 £	2012 £
<b>Fixed assets:</b>			
Tangible fixed assets	8	520,026	396,645
<b>Current assets:</b>			
Stock		900	408
Debtors	9	20,207	64,818
Cash at bank and in hand		324,859	246,666
		<u>345,966</u>	<u>311,892</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	10	(44,145)	(35,411)
Net current assets		301,821	276,481
<b>Net assets</b>		<u>821,847</u>	<u>673,126</u>
<b>The funds of the charity:</b>			
Restricted income funds	11	533,220	434,478
Unrestricted income funds			
General funds	14	188,627	143,648
Designated funds	13/14	100,000	95,000
<b>Total charity funds</b>	15	<u>821,847</u>	<u>673,126</u>

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

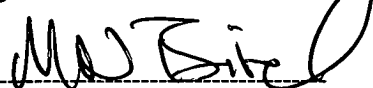
The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

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 20-5-14 .....

Signed on behalf of the Trustees



Martyn Birch (Chairman)



Neil Bryan (Treasurer)

The notes of pages 18 to 30 form part of the financial statements.

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**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.

**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 Statement of Financial Activities 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.

**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.

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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

**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 Limited 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.

**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:

**Fixed assets:**

Motor vehicles	-	25% per annum
Office equipment	-	25% on cost
Tools and equipment	-	33.3% per annum
Leasehold property improvements	-	over remaining period of lease (19 years)
Computer equipment	-	25% per annum
Freehold property	-	5 – 20% per annum

**Community asset transfer:**

Land	-	not depreciated
CAT construction costs	-	5% on cost
Entrust	-	20% on cost
Rank	-	20% on cost
Welsh Church Act	-	20% on cost
Professional/other fees	-	100% on cost

Any tools or equipment costing less than £500 are immediately written off against revenue.

**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.

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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

**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.

**Liabilities**

The financial statements are prepared on an accrual basis thus recognising all liabilities when the charity has committed itself to an expense or contractual obligations.

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**2. INCOME**

Income is received or 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	2013	2012
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Voluntary income:</b>												
Grants	-	-	-	-	-	-	-	-	-	280	280	400
											280	400
<b>Donations:</b>												
Members contributions	-	-	-	-	-	-	-	-	378	-	378	331
Donations	-	-	-	-	-	-	-	-	1,818	-	1,818	971
											2,196	1,302
<b>Incoming resources from charitable activities</b>												
<b>Grants:</b>												
BBC Children in Need	-	12,782	-	-	-	-	-	-	-	-	12,782	12,531
Engagement Gateway CS	-	-	-	-	-	-	-	-	-	-	-	9,256
Miscellaneous	-	-	-	-	-	518	-	-	-	100	618	1,000
Welsh Church Act	-	-	-	-	-	-	-	-	-	10,000	10,000	-
BIG & WG (Capital )	-	-	-	-	-	-	-	-	-	131,864	131,864	341,863
BIG & WG, (Revenue)	-	-	-	-	-	-	-	-	-	60,807	60,807	55,021
SEWCED House Clearance	-	-	-	-	-	-	-	24,780	-	-	24,780	32,121
Amgen EB	-	-	-	-	-	-	-	-	-	-	-	41,562
Tudor Trust	-	-	-	-	-	-	-	-	-	25,000	25,000	25,000
Engagement Gateway WH	-	-	-	-	-	-	-	-	-	-	-	10,208
SEWCED Electrics	-	-	-	-	-	-	-	9,162	-	-	9,162	-
WCVA	-	-	-	11,906	-	-	-	-	-	-	11,906	-
Wales Co-operative	-	-	-	-	-	-	-	-	-	7,805	7,805	-
											294,724	528,562

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**2. INCOME (continued)**

Income is received or 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	2013	2012
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Service level agreement:</b>												
Rhondda cynon taf	-	-	-	-	20,000	-	-	-	-	-	20,000	20,000
											<u>20,000</u>	<u>20,000</u>
<b>Household items supplied:</b>												
Showroom sales	-	-	-	-	-	-	231,410	-	-	-	231,410	214,664
Electrical sales	-	-	-	-	-	-	85,728	-	-	-	85,728	76,943
Delivery charges	9,524	-	-	-	9,524	-	-	-	-	-	19,048	21,170
Bric a Brac Sales	-	-	-	-	-	-	28,187	-	-	-	28,187	29,712
Discounts given	(24,128)	-	-	-	-	-	-	-	-	-	(24,128)	(8,707)
											<u>340,245</u>	<u>333,782</u>
<b>Social enterprise projects:</b>												
Recycling & auction income	-	-	-	-	-	-	9,344	-	-	-	9,344	5,124
House clearance	-	-	-	-	-	-	14,460	-	-	-	14,460	13,899
Online & high value	-	-	-	-	-	-	2,686	-	-	-	2,686	1,981
											<u>26,490</u>	<u>21,004</u>
<b>Other income:</b>												
Investment income	-	-	-	-	-	-	-	-	1,048	-	1,048	1,156
Insurance money received	-	-	-	-	-	-	-	-	3,895	-	3,895	-
											<u>4,943</u>	<u>1,156</u>
	<u>(14,604)</u>	<u>12,782</u>	<u>-</u>	<u>11,906</u>	<u>29,524</u>	<u>518</u>	<u>371,815</u>	<u>33,942</u>	<u>7,139</u>	<u>235,856</u>	<u>688,878</u>	<u>906,206</u>



**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**3. EXPENDITURE**

	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	2013	2012
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Charitable activities:</b>												
Personnel costs	36,645	-	55,543	1,810	36,644	450	40,135	17,957	16,892	87,766	293,842	259,503
Volunteer costs	-	2,299	23,713	4,924	-	-	-	2,690	-	-	33,626	34,826
Transport costs	7,446	5,722	-	-	15,312	68	-	7,347	2,869	-	38,764	35,592
Cost of goods	12,105	2,888	-	-	1,245	-	1,349	-	-	-	17,587	13,535
Advertising & meetings	854	1,873	172	-	172	-	172	379	792	5,563	9,977	9,199
Rent & rates	3,582	-	3,582	307	7,163	-	17,601	-	3,584	86	35,905	37,569
Skips & tools	-	-	-	-	748	-	-	827	-	-	1,575	321
Telephone & admin	4,633	-	4,633	-	4,633	-	4,633	-	6,314	2,359	27,205	26,391
Accounts & audit	-	-	-	-	-	-	-	-	8,648	-	8,648	4,303
Professional costs & insurance	1,119	-	1,119	-	1,119	-	1,119	-	1,590	-	6,066	20,772
Bank charges	-	-	-	-	-	-	-	-	1,351	-	1,351	1,560
Depreciation	-	-	-	-	-	-	-	-	13,517	50,361	63,878	267,006
Loss on disposal of asset	-	-	-	-	-	-	-	-	1,733	-	1,733	1,236
	<u>66,384</u>	<u>12,782</u>	<u>88,762</u>	<u>7,041</u>	<u>67,036</u>	<u>518</u>	<u>65,009</u>	<u>29,200</u>	<u>57,280</u>	<u>146,135</u>	<u>540,157</u>	<u>711,813</u>

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**4. NET INCOME/(EXPENDITURE)**

	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	2013	2012
	£	£	£	£	£	£	£	£	£	£	£	£
<b>INCOME</b>												
Own income generation	(14,604)	-	-	-	9,524	-	371,815	-	-	-	366,735	352,052
Misc income	-	-	-	-	-	-	-	-	7,139	280	7,419	5,192
Grant income	-	12,782	-	11,906	20,000	518	-	33,942	-	235,576	314,724	548,962
<b>Total income</b>	<b>(14,604)</b>	<b>12,782</b>	<b>-</b>	<b>11,906</b>	<b>29,524</b>	<b>518</b>	<b>371,815</b>	<b>33,942</b>	<b>7,139</b>	<b>235,856</b>	<b>688,878</b>	<b>906,206</b>
<b>EXPENDITURE</b>												
	66,384	12,782	88,762	7,041	67,036	518	65,009	29,200	57,280	146,135	540,157	711,813
<b>Total expenditure</b>	<b>66,384</b>	<b>12,782</b>	<b>88,762</b>	<b>7,041</b>	<b>67,036</b>	<b>518</b>	<b>65,009</b>	<b>29,200</b>	<b>57,280</b>	<b>146,135</b>	<b>540,157</b>	<b>711,813</b>
<b>PROFIT / (LOSS)</b>	<b>(80,988)</b>	<b>-</b>	<b>(88,762)</b>	<b>4,865</b>	<b>(37,512)</b>	<b>-</b>	<b>306,806</b>	<b>4,742</b>	<b>(50,151)</b>	<b>89,721</b>	<b>148,721</b>	<b>194,393</b>

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**5. STAFF COSTS**

	2013 £	2012 £
Staff salaries and social security costs	287,837	257,268
Staff training and expenses	4,912	2,235
Volunteer training and expenses	33,626	34,826
	<u>326,375</u>	<u>294,329</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 2013 and 2012.

The average number of employees, analysed by function was:

	2013 No	2012 No
Charitable activities	14	13
Governance	1	1
	<u>15</u>	<u>14</u>
Volunteers & placements	247	190
- number of unpaid hours	<u>35,472</u>	<u>35,231</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 surplus for the year is stated after charging:-

	2013 £	2012 £
<b>Auditors remuneration:</b>		
Audit services	3,275	3,275
Non audit services	2,738	1,500
<b>Depreciation of owned assets</b>	63,878	267,006
<b>Operating lease rentals:</b>		
Land and buildings	15,000	15,000
Plant and machinery	<u>15,347</u>	<u>12,185</u>

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold property improvements £	Motor vehicles £	Tools and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2013	379,821	340,243	53,763	11,263	67,086	852,176
Additions	167,536	-	-	7,249	17,008	191,793
Disposals	-	(340,243)	(6,800)	(6,364)	(48,141)	(401,548)
At 31 December 2013	<u>547,357</u>	<u>-</u>	<u>46,963</u>	<u>12,148</u>	<u>35,953</u>	<u>642,421</u>
<b>Depreciation</b>						
At 1 January 2013	-	340,243	43,434	10,940	60,914	455,531
Charge for year	54,231	-	2,675	1,855	5,117	63,878
Elimination on disposals	-	(340,243)	(2,267)	(6,364)	(48,140)	(397,014)
At 31 December 2013	<u>54,231</u>	<u>-</u>	<u>43,842</u>	<u>6,431</u>	<u>17,891</u>	<u>122,395</u>
<b>Net book value</b>						
At 31 December 2013	<u>493,126</u>	<u>-</u>	<u>3,121</u>	<u>5,717</u>	<u>18,062</u>	<u>520,026</u>
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>

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

**9. DEBTORS**

	2013 £	2012 £
Trade debtors	1,822	16,789
Prepayments and accrued income	14,776	27,473
Other debtors	3,609	20,556
	<u>20,207</u>	<u>64,818</u>

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

	2013 £	2012 £
Trade creditors	7,596	2,388
Accruals & deferred income	35,937	27,530
Social security and other taxes	612	-
Other creditors	-	5,493
	<u>44,145</u>	<u>35,411</u>

**VALLEY'S FURNITURE RECYCLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

**11. RESTRICTED FUNDS**

	At 1 January 2013 £	Incoming £	Outgoing £	Transfer £	At 31 December 2013 £
<b>Capital funds</b>					
Awards for All	266	-	(267)	1	-
Better Life	584	-	-	(584)	-
Welsh Church Act	2,979	10,000	(3,375)	-	9,604
Miscellaneous	1,322	-	(455)	(3)	864
Big Lottery	341,262	131,864	(37,268)	-	435,858
Amgen Environmental Body	41,562	-	(8,312)	-	33,250
Wales Co-operative	-	7,805	-	-	7,805
SEWCED Electrical	-	3,435	(685)	-	2,750
<b>Other funds</b>					
BBC Children in Need	-	12,782	(12,782)	-	-
Tudor Trust	25,000	25,000	(25,000)	-	25,000
Vision Products	389	-	(86)	-	303
SEWCED House Clearance	983	24,780	(24,046)	-	1,717
Big Lottery	20,131	60,807	(70,655)	-	10,283
WCVA	-	11,906	(6,693)	-	5,213
Miscellaneous	-	898	(898)	-	-
SEWCED Electrical	-	5,727	(5,154)	-	573
<b>Total</b>	<u>434,478</u>	<u>295,004</u>	<u>(195,676)</u>	<u>(586)</u>	<u>533,220</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.

**Better Life** – ICT equipment in Ynyshir.

**Welsh Church Act** – Vehicle purchase in May 2011. Grant towards new canteen in Ynyshir.

Within **Miscellaneous Grants** is funding from WCVA Environment Wales to purchase TV screens for each showroom, to display marketing messages and raise awareness of climate change, and a grant from the RANK Foundation towards the Ynyshir extension works.

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

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

**Wales Co-operative** – Grant towards new ICT equipment and EPOS system.

**SEWCED Electrical** – Grant to purchase a new vehicle and equipment for electrics department.

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**11. RESTRICTED FUNDS (continued)**

**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.

**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**– This funding was towards the new creation of four new job roles over a four year period and associated costs.

**WCVA** – Funding from Volunteering in Wales fund towards the associated costs of volunteers within the organisation.

**Miscellaneous** – Funding from WCVA Environment Wales for SAFED training course; funding towards AAT qualification; funding from Wales Co-operative toward costs for event presentation.

**SEWCED Electrical** – This funding was towards the salary of an electrician and an apprentice over a two year period.

**12. MEMBERS' CONTRIBUTIONS**

Contributions for membership for individuals were set at £5 for waged and £1 for unwaged. Organisations contributed £10/£25 for membership. Each member's liability is limited to £1. At 31 December 2013, there were 72 members of the company (2012: 68).

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**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 2013 £	Transfers £	Balances 31 December 2013 £
Match funding (CAT project)	50,000	(50,000)	-
Project closure costs	45,000	20,000	65,000
Organisational investment	-	35,000	35,000
	<u>95,000</u>	<u>5,000</u>	<u>100,000</u>

**Premises acquisition** - The board 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 – completed in 2013.

**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 increased to £65,000.

**Organisational investment** – The board has made a decision to designate £35,000: £25,000 towards a trial for additional premises/processing facility and £10,000 as match funding to the funding received from Wales Co-operative for new ICT and EPOS System.

**14. MOVEMENTS IN UNRESTRICTED FUNDS**

	Designated funds £	General funds £	Total Funds £
At 1 January 2013	95,000	143,648	238,648
Net incoming resources for year	-	49,393	49,393
Transfers	5,000	(4,414)	586
At 31 December 2013	<u>100,000</u>	<u>188,627</u>	<u>288,627</u>

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

	Unrestricted funds £	Restricted funds £	Total 2013 £
Fund balances at 31 December 2013:			
Tangible fixed assets	29,858	490,168	520,026
Net current assets	258,769	43,052	301,821
<b>Total net assets</b>	<u>288,627</u>	<u>533,220</u>	<u>821,847</u>

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**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 (2012: nil). There were no outstanding or prepaid contributions at 31 December 2013.

**17. FINANCIAL COMMITMENTS**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2013:-

	2013		2012	
	Land & buildings £	Other £	Land & buildings £	Other £
<b>Operating leases expiring:-</b>				
Within one year	-	12,185	10,000	-
In one to two years	15,000	-	-	12,185
In two to five years	-	3,162	-	-
	<u>15,000</u>	<u>15,347</u>	<u>10,000</u>	<u>12,185</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 2013 the charity was committed to £32,080 of costs in relation to capital expenditure.