

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1999

COMPANY NUMBER 3286173

REGISTERED CHARITY NUMBER 1064588



O'BRIEN & COMPANY
CHARTERED ACCOUNTANTS
Pontypridd

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 1999

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The following pages do not form part of the statutory financial statements:

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**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

COMPANY INFORMATION

31st December 1999

Incorporated in Wales on 2nd December 1996

COMPANY NUMBER 3286173

REGISTERED CHARITY NUMBER 1064588

MANAGEMENT COMMITTEE MEMBERS

	Tony Croke
	Barbara Evans
	Gean Griffiths
Acting Chairman	Ninian Le Blanc
	David Lewis
	Sharon Page
	Alun Perry
	Sheila Rees
	David Thomas
	David Wu

COMPANY SECRETARY Lynda Davies

PROJECT MANAGER Lynda Davies

REGISTERED OFFICE Unit 12
Highfield Industrial Estate
Ferndale
Rhondda Cynon Taff
CF43 4SX

BANKERS Barclays Bank plc
P O Box 32
Pontypridd
Rhondda Cynon Taff
CF37 4YA

REPORTING ACCOUNTANTS O'Brien & Company
Chartered Accountants
Highdale House
7 Centre Court
Main Avenue
Treforest Industrial Estate
Pontypridd
Rhondda Cynon Taff
CF37 5YR

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT

31st December 1999

The Management Committee presents its annual report and financial statements for the year ended 31st December 1999.

Valleys Furniture Recycling Limited is a registered charity, number 1064588, limited by guarantee and a registered environmental body number 633432.

Governing document of the company as a charity

The operation of the company is governed by its Memorandum and Articles of Association.

Company members

The liability of the members of the company is limited to £1 each.

There were 48 members of the company at 31st December 1999, each contributing £1 to the company's funds.

Company's aims and objectives

- To assist with the relief of poverty, by helping to meet the furniture and household needs of people on low income by, but not limited to, recycling furniture which would otherwise be thrown away and advancing more sustainable waste management practices.
- To advance the development and education of people by providing opportunities to volunteer and to train, so as to develop work skills and social skills, gain work experience and encourage social integration.

How the Company operates

- The company collects unwanted, reusable items of furniture from people living within the County Borough of Rhondda Cynon Taff (CB RCT).
- Items are checked and if necessary taken to the workshop where volunteers carry out basic repairs.
- Items are displayed in the showrooms at Ferndale and Aberdare where people who are in receipt of an income-based benefit, or on a low income who live in the CB RCT area (evidence required) may call and select the items they need.

Beneficiaries of the Company's services

Customers are asked to provide evidence that they are in receipt of an income-based benefit. Customers can also be referred by statutory organisations and other local groups who advise us that this customer is in need of our services. In cases of exceptional need, some customers living outside our area of benefit (CB RCT) have been provided with this service.

Supplying other organisations

Other registered charities or community groups (with limited income) based in CB RCT, whose objectives are in line with our own e.g. assist with the relief of poverty, may access our services to acquire furniture and equipment they need.

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT

31st December 1999 (continued)

Financial results review

The results for the year shown on page 7 show net incoming resources of £8,518, which produce an accumulated unrestricted funds position of £116,004 at the balance sheet date, all of which has been set aside as designated funds (see note 16). Accumulated restricted funds amount to £7,621.

Donations for furniture supplied amounted to £84,748 in the year. Whilst supplies are made on a "not for profit" basis, income is required to sustain the company's activities beyond the expected life of the various grants receivable. A fixed donation is therefore expected for each item of furniture supplied.

Grants receivable in the year totalled £81,375. Unrestricted grant funds of £34,517 were received from European RECHAR 11 funding, which was calculated as approximately 32% of eligible expenditure. The funding period for this grant ended on 31st December 1999. Restricted grant funds consisted of £26,505 from the National Lotteries Charities Board. Whilst this funding ended in September 1999, it has successfully been used to establish an additional showroom in the Cynon area and increase the service provision to the Taff Ely area from the Rhondda base.

Donors of furniture are advised that if the item they donate is considered to have significant value as a collector's item or an antique, the company will auction the item to the public to realise its maximum value. The furniture auction income generated in the year of £2,454 helps to subsidise the costs of providing the company's services to people in need.

Intangible income represents the estimated equivalent monetary value of donations "in kind" received from suppliers in support of the company's services in the form of services provided or assets and goods supplied. Details analysing the £2,520 of intangible income are given in note 4 to the financial statements.

Details of resources expended totalling £168,118 for the year are given in notes 5 to 7 to the financial statements.

Investment policy

Short-term, low-risk investments will be made on a daily basis from current to investment bank accounts to maximise interest receivable.

Financial reserves policy

At 31st December 1999, the company held no unrestricted non-designated reserves. The management committee has assessed the company's future financial needs in respect of (i) planned growth and relocation of its main operations to larger premises, and to create a community-owned, income generating asset within CB RCT; (ii) its known future sources of grant income and the risk of being unsuccessful in renewing or replacing its existing grant funding; and (iii) the risk of having to be financially self-funding from its charitable activities.

The management committee recognises the risk that projected generated funds would be adversely affected in the event of disruption to services through planned relocation, unfavourable weather, damage to vehicles resulting in their being off the road and unavailable for collections and deliveries of furniture and any changes in legislation affecting the availability of donated goods.

As a result of this assessment, the management committee has set an unrestricted reserves policy target of £160,000, the estimated level of funds required to maintain the company for a period of approximately twelve months.

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT

31st December 1999 (continued)

Financial reserves policy (continued)

The management committee will endeavour to move towards its target over time by attracting additional sources of funding. The reserves policy will be monitored and reviewed by the management committee on a regular basis throughout each successive financial period.

Future plans and development opportunities

The company has the following future plans and development opportunities:-

- Design and develop a community owned income generating asset.
- Develop plans, partnerships and existing networks to create and manage a long-term sustainable recycling source within Rhondda Cynon Taff.
- To research new and additional recycling services to promote long term sustainability.
- To increase markets for recycled furniture and raise the profile of Valleys Furniture Recycling.
- To identify and secure funding to support development plans.
- Improve and refurbish existing premises at Ferndale.
- Identify alternative premises within the County Borough of Rhondda Cynon Taff to establish a community owned income generating asset, which will facilitate the development of additional economical and environmental sustainable recycling.

Year 2000

The company experienced no adverse effects from the "year 2000" event and is aware of the remaining sensitive dates in 2000 and will continue to monitor the situation.

Management Committee members

The members of the Management Committee hold the powers of directors of the company for the purposes of the Companies Act 1985. Those who held office during the year are:-

Ian Berry	(resigned 4 th January 2000)
Tony Croke	(appointed 26 th April 1999)
Jackie Davies	(unavailable for re-election at AGM on 26 th April 1999)
Barbara Evans	
Gean Griffiths	
Kevin Jakeway	(not re-elected at AGM on 26 th April 1999)
Ninian Le Blanc	(Acting Chairman) (appointed 26 th April 1999)
David Lewis	
Virginia O'Reilly	(resigned 4 th January 2000)
Sharon Page	(appointed 26 th April 1999)
Alun Perry	(appointed 26 th April 1999)
Sheila Rees	
Mike Seldon	(not re-elected at AGM on 26 th April 1999)
David Thomas	(appointed 26 th April 1999)
David Wu	

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

MANAGEMENT COMMITTEE'S REPORT

31st December 1999 (continued)

Management Committee members (continued)

In accordance with the Articles of Association, all members of the Management Committee retire and offer themselves for re-election.

All Management Committee members are required to be members of the company. The liability of each member is limited to £1.

All Management Committee members were recorded as members of the company in the register of directors' interests.

No members of the Management Committee were in receipt of remuneration during the period covered by these financial statements.

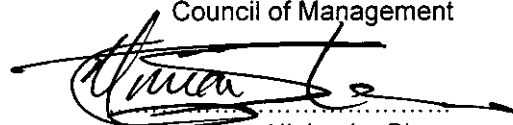
Tax status

As the company is a registered charity, no provision has been made for taxation.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

Signed on behalf the
Council of Management



Ninian Le Blanc
Acting Chairman

Unit 12
Highfield Industrial Estate
Ferndale
Rhondda Cynon Taff
CF43 4SX

.....19th June.....2000

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

**Accountants' report to the members on the
unaudited financial statements of Valleys Furniture Recycling Limited**

We report on the financial statements for the year ended 31st December 1999 set out on pages 7 to 17.

**Respective responsibilities of members of the management committee
and reporting accountants**

As described on page 9 the company's members of the management committee are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act, as modified by section 249(5), and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

O'Brien & Company

**O'Brien & Company
Reporting Accountants**

Pontypridd

..... *19th June* 2000

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 1999

1999				1998		
Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income and expenditure						
Incoming resources						
Furniture supplied	84,748	-	84,748	69,486	-	69,486
Grants receivable	2 54,870	26,505	81,375	67,681	66,864	134,545
Donations receivable	3 978	-	978	6,074	-	6,074
Furniture auction	2,454	-	2,454	2,193	-	2,193
Intangible income	4 <u>2,520</u>	<u>-</u>	<u>2,520</u>	<u>10,613</u>	<u>4,452</u>	<u>15,065</u>
Total incoming resources	<u>145,570</u>	<u>26,505</u>	<u>172,075</u>	<u>156,047</u>	<u>71,316</u>	<u>227,363</u>
Resources expended						
Direct charitable expenditure	5 97,043	30,671	127,714	90,560	61,294	151,854
Fundraising and publicity	6 5,681	1,782	7,463	5,824	1,816	7,640
Management and administration of the charity	7 <u>28,636</u>	<u>4,305</u>	<u>32,941</u>	<u>37,063</u>	<u>3,335</u>	<u>40,398</u>
Total resources expended	8 <u>131,360</u>	<u>36,758</u>	<u>168,118</u>	<u>133,447</u>	<u>66,445</u>	<u>199,892</u>
Other incoming resources						
Investment income	<u>4,561</u>	<u>-</u>	<u>4,561</u>	<u>4,925</u>	<u>-</u>	<u>4,925</u>
Net incoming / (outgoing) resources	18,771	(10,253)	8,518	27,525	4,871	32,396
Balances brought forward at 1 st January 1999	<u>97,233</u>	<u>17,874</u>	<u>115,107</u>	<u>69,708</u>	<u>13,003</u>	<u>82,711</u>
Balances carried forward at 31st December 1999	<u>116,004</u>	<u>7,621</u>	<u>123,625</u>	<u>97,233</u>	<u>17,874</u>	<u>115,107</u>

None of the company's activities were acquired or discontinued during the above two financial years.

Movements in funds are shown in notes 14 and 17.

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET

at 31st December 1999

		1999		1998	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	11		11,613		22,594
Current assets					
Debtors	12	15,753		19,469	
Cash at bank and in hand		<u>107,923</u>		<u>95,149</u>	
		123,676		114,618	
Creditors : amounts falling due within one year	13	<u>(11,616)</u>		<u>(22,079)</u>	
Net current assets			<u>112,060</u>		<u>92,539</u>
Net assets			<u>123,673</u>		<u>115,133</u>
Funds					
Restricted	14		7,621		17,874
Unrestricted					
Members' contributions	15		48		26
Designated	16	116,004		31,594	
Other	17	<u> -</u>		<u>65,639</u>	
			<u>116,004</u>		<u>97,233</u>
Total funds			<u>123,673</u>		<u>115,133</u>

Continued....

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

BALANCE SHEET

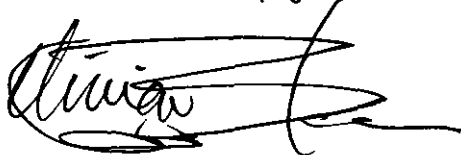
at 31st December 1999 (continued)

The members of the Management Committee consider that for the year ended 31st December 1999 the company was entitled to exemption from audit under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial period under subsection 2 of section 249B of the Act.

The members of the Management Committee acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its surplus or deficit for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements on pages 7 to 17 were approved by the Management Committee on19th June.....2000.



Ninian Le Blanc
Acting Management Committee Chairman

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

NOTES ON FINANCIAL STATEMENTS

31st December 1999

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; and comply with the requirements of the Statement of Recommended Practice "Accounting by Charities".

Income from furniture supplied

A minimum fixed donation is required for each item of furniture supplied and is accounted for on an accruals basis.

Grants receivable

Both restricted and unrestricted revenue grants are accounted for on an accruals basis, with the exception of restricted lottery grants which are accounted for on a cash received basis. This latter policy is in accordance with the requirements of the National Lotteries Charities Board.

Furniture auction income and other donations

These sources of income are accounted for on an accruals basis.

Intangible income

Intangible income represents the valuation of donations in kind received from suppliers in respect of services, goods or assets, in support of the company's activities.

Resources expended

Expenditure is accounted for on an accruals basis and has been allocated between direct charitable expenditure, fund raising and publicity and charity management and administration costs. Staff costs have been apportioned between the expenditure categories in accordance with activity levels.

Fixed assets and depreciation

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

Depreciation 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% per annum

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

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

NOTES ON FINANCIAL STATEMENTS

31st December 1999 (continued)

1. Principal accounting policies (continued)

Restricted and unrestricted funds

The surpluses or deficits on 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.

Deferred income

Non-capital grants and donations are taken to the statement of financial activities when the related expenditure has been incurred

Pensions

The company makes contributions to certain employees' 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.

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

NOTES ON FINANCIAL STATEMENTS

31st December 1999 (continued)

2. Grants receivable

	1999			1998		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
CB RCT SDS funding	4,336	-	4,336	22,008	-	22,008
National Lotteries Charities Board	-	26,505	26,505	-	66,864	66,864
European RECHAR funding	34,517	-	34,517	39,647	-	39,647
Mid Glamorgan TEC – training	-	-	-	383	-	383
Community Enterprise Fund	6,058	-	6,058	5,543	-	5,543
New Deal	9,959	-	9,959	100	-	100
	<u>54,870</u>	<u>26,505</u>	<u>81,375</u>	<u>67,681</u>	<u>66,864</u>	<u>134,545</u>

3. Donations receivable

Whitbread Wales	200	-	200	449	-	449
Post Office	-	-	-	4,250	-	4,250
Age Concern	-	-	-	250	-	250
Prince's Trust	385	-	385	337	-	337
Contour Mobel	-	-	-	234	-	234
BBC	100	-	100	-	-	-
Age Resource	100	-	100	-	-	-
Interlink	90	-	90	-	-	-
Bosch	80	-	80	-	-	-
Other	23	-	23	554	-	554
	<u>978</u>	<u>-</u>	<u>978</u>	<u>6,074</u>	<u>-</u>	<u>6,074</u>

4. Intangible income

O'Brien & Company	2,506	-	2,506	1,782	-	1,782
Rhondda Cynon Taff rates Relief	-	-	-	8,794	4,452	13,246
Other income	14	-	14	37	-	37
	<u>2,520</u>	<u>-</u>	<u>2,520</u>	<u>10,613</u>	<u>4,452</u>	<u>15,065</u>

5. Direct charitable expenditure

Staff costs	55,223	21,353	76,576	33,340	29,210	62,550
Hand tools	410	98	508	1,715	92	1,807
Volunteers' costs	11,912	3,299	15,211	17,087	4,472	21,559
Vehicle costs	8,741	8,916	17,657	12,117	4,482	16,599
Head office costs	20,714	(2,995)	17,719	26,156	23,038	49,194
Bad debts	43	-	43	145	-	145
	<u>97,043</u>	<u>30,671</u>	<u>127,714</u>	<u>90,560</u>	<u>61,294</u>	<u>151,854</u>

6. Fundraising and publicity

Advertising	316	-	316	613	164	777
Publicity	5,365	1,782	7,147	5,211	1,652	6,863
	<u>5,681</u>	<u>1,782</u>	<u>7,463</u>	<u>5,824</u>	<u>1,816</u>	<u>7,640</u>

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

NOTES ON FINANCIAL STATEMENTS

31st December 1999 (continued)

7. Management and administration of the charity

	1999			1998		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
Volunteers	1,174	-	1,174	-	-	-
Committee costs	235	-	235	180	-	180
Salaries and office costs	14,879	3,661	18,540	28,290	1,652	29,942
Accountancy fees	4,542	-	4,542	3,615	500	4,115
Fixed overheads costs	<u>7,806</u>	<u>644</u>	<u>8,450</u>	<u>4,978</u>	<u>1,183</u>	<u>6,161</u>
	<u>28,636</u>	<u>4,305</u>	<u>32,941</u>	<u>37,063</u>	<u>3,335</u>	<u>40,398</u>

8. Total resources expended

	1999				1998			
	Staff Costs	Deprec'n	Other Costs	Total	Staff Costs	Deprec'n	Other Costs	Total
	£	£	£	£	£	£	£	£
Direct charitable expenditure	76,576	9,495	41,643	127,714	62,550	9,031	80,273	151,854
Fundraising and publicity	7,147	-	316	7,463	6,863	-	777	7,640
Management and administration of the charity	<u>18,540</u>	<u>2,012</u>	<u>12,389</u>	<u>32,941</u>	<u>29,942</u>	<u>1,694</u>	<u>8,762</u>	<u>40,398</u>
	<u>102,263</u>	<u>11,507</u>	<u>54,348</u>	<u>168,118</u>	<u>99,355</u>	<u>10,725</u>	<u>89,812</u>	<u>199,892</u>

Staff costs	1999	1998
	£	£
Staff salaries and social security costs	96,157	92,495
Pension scheme costs	3,927	4,055
Staff training and expenses	<u>2,179</u>	<u>2,805</u>
	<u>102,263</u>	<u>99,355</u>
Other costs		
Vehicle expenses	9,473	8,681
Premises	12,649	41,734
Miscellaneous	<u>32,226</u>	<u>39,397</u>
	<u>54,348</u>	<u>89,812</u>

No employee earned £40,000 per annum or more during the year (1998 – none).

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31st December 1999 (continued)

8. Total resources expended (continued)

None of the members of the Management Committee received any remuneration or reimbursement of expenses for their involvement with the company during the year (1998 – none).

The average number of employees, analysed by function was:

	1999	1998
Direct activities	4	4
Fundraising and publicity	-	-
Management and administration of the company	<u>3</u>	<u>2</u>
	<u>7</u>	<u>6</u>

9. Taxation

As a registered charity, the company is exempt from corporation tax.

10. Surplus for the financial year

	1999 £	1998 £
Surplus for the year is stated after charging:-		
Operating leases		
Rental of properties	11,500	27,875
Depreciation of tangible fixed assets	<u>11,507</u>	<u>10,725</u>

11. Tangible fixed assets (for charitable purposes)

	Motor vehicles £	Tools and equipment £	Computer equipment £	Total £
Cost or valuation				
1 st January 1999	32,736	3,340	8,047	44,123
Additions	<u>-</u>	<u>526</u>	<u>-</u>	<u>526</u>
31 st December 1999	<u>32,736</u>	<u>3,866</u>	<u>8,047</u>	<u>44,649</u>
Depreciation				
1 st January 1999	16,391	1,774	3,364	21,529
Charge for year	<u>8,184</u>	<u>1,311</u>	<u>2,012</u>	<u>11,507</u>
31 st December 1999	<u>24,575</u>	<u>3,085</u>	<u>5,376</u>	<u>33,036</u>
Net book amount				
31 st December 1999	<u>8,161</u>	<u>781</u>	<u>2,671</u>	<u>11,613</u>
31 st December 1998	<u>16,345</u>	<u>1,566</u>	<u>4,683</u>	<u>22,594</u>

Motor vehicles include a donated van, valued at £4,250.

**VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)**

NOTES ON FINANCIAL STATEMENTS

31st December 1999 (continued)

12.	Debtors		
	Amounts falling due within one year	1999 £	1998 £
	Customer debts	324	830
	Prepayments	1,903	5,779
	Other debtors	2,538	1,486
	Accrued income	<u>10,988</u>	<u>11,374</u>
		<u>15,753</u>	<u>19,469</u>
13.	Creditors : amounts falling due within one year	1999 £	1998 £
	Trade creditors	758	976
	Accruals	9,399	12,382
	Deferred income	<u>1,459</u>	<u>8,721</u>
		<u>11,616</u>	<u>22,079</u>
14.	Restricted funds		National Lottery Charities Board £
	At 1st January 1999		17,874
	Movements in resources:		
	Incoming		26,505
	Outgoing		<u>(36,758)</u>
	At 31st December 1999		<u>7,621</u>

The National Lotteries Charities Board grant of £116,476 over two years from 1997 ended in September 1999. This funding was successfully used to establish a furniture recycling showroom within the Cynon Valley and increase recycling in the Taff Ely area from our Ferndale branch.

The restricted fund balance of £7,621 at 31st December 1999 represents the net book value of fixed assets purchased with part of the grant referred to above.

VALLEYS FURNITURE RECYCLING LIMITED
(LIMITED BY GUARANTEE)

NOTES ON FINANCIAL STATEMENTS

31st December 1999 (continued)

15. Members' contributions

All company members are required to contribute £1 to the company. Each member's liability is limited to £1. At 31st December 1999, there were 48 paid up members of the company.

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 members of the Management Committee for specific purposes.

	Balances 1st January 1999 £	Movements in year £	New designations £	Balances 31st December 1999 £
Relocation costs of head office	9,000	-	24,839	33,839
Replacement of tangible fixed assets	22,594	(10,981)	-	11,613
ERDF Objective 2 revenue bid matchfunding	-	-	56,702	56,702
ERDF Objective 2 capital bid matchfunding	-	-	13,850	13,850
	<u>31,594</u>	<u>(10,981)</u>	<u>95,391</u>	<u>116,004</u>

Industrial South Wales Objective 2 European Regional Development Funding has been secured for the period 1st January 2000 to 31st December 2001.

- To support the design and development of a community owned income-generating asset.
- To develop plans, partnerships and existing networks to create and manage a long term sustainable recycling source within CB RCT.
- To research new and additional recycling services to promote long term sustainability.

ERDF Objective 2 revenue matchfunding will be allocated over two years - £28,329 in 2000 and £28,373 in 2001.

17. Movements in unrestricted funds

	Designated funds £	Other funds £	Total funds £
At 1 st January 1999	31,594	65,639	97,233
Net incoming/(outgoing) resources for year	<u>84,410</u>	<u>(65,639)</u>	<u>18,771</u>
At 31 st December 1999	<u>116,004</u>	<u>-</u>	<u>116,004</u>

VALLEYS FURNITURE RECYCLING LIMITED
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NOTES ON FINANCIAL STATEMENTS

31st December 1999 (continued)

18. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	7,621	-	7,621
Unrestricted funds	<u>3,992</u>	<u>112,060</u>	<u>116,052</u>
	<u>11,613</u>	<u>112,060</u>	<u>123,673</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 £3,927 in the year (1998 - £4055). There were no outstanding contributions payable to the funds at 31st December 1999.

20. Capital and financial commitments

	1999 £	1998 £
Capital expenditure contracted for but not provided for in the financial statements	<u>-</u>	<u>2,000</u>
Capital expenditure committed but not contracted for	<u>27,500</u>	<u>-</u>

Committed capital expenditure of £27,500 included within ERDF grant reference 52134 is partially represented by the Objective 2 capital bid matchfunding designated fund of £13,850 (see note 16) at 31st December 1999.

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31st December 2000:-

	1999 £	1998 £
Operating leases expiring:-		
Within one year	8,000	-
After five years	<u>12,750</u>	<u>19,750</u>
	<u>20,750</u>	<u>19,750</u>

21. Statement of financial activities

The statement of financial activities is presented in a format different from that prescribed in the fourth schedule of the Companies Act 1985 in order to ensure that a true and fair view of the results for the year is given.