

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME
(also known as "9 Lives Furniture")

(A Company Limited by Guarantee)

Report and Unaudited Financial Statements

Year ended 31 March 2016

Charity no: 1096086

Company no: 04375649

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME
(A Company Limited by Guarantee)

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WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME
(A Company Limited by Guarantee)

Legal and administrative information

Company Number	04375649
Charity Number	1096086
Trustees	Deborah Durkin (Chair) Irvin Cohen (Treasurer/Secretary) Albert Perahia (Charity Secretary) Jon Adlard Rosemary Hadfield Deborah Hunter Jonathan Monk (appointed 21 October 2015) Donna Moriarty Dolly Torkilsden Pat Walton
Manager	Marie Frost
Principal address and Registered Office	25 Wharf Lane, Rickmansworth, Hertfordshire. WD3 1HA
Independent Examiners	Campbell Wilson FCA ATII Howard Wilson Chartered Accountants 36 Crown Rise, Watford, Hertfordshire. WD25 0NE
Bankers	CAF Bank Limited West Malling, Kent. ME19 4TA

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME

(A Company Limited by Guarantee)

Annual Report of the Trustees

The trustees present their report and accounts for the year ended 31 March 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Structure, governance and management

Watford and Three Rivers Furniture Re-cycling Scheme, known as "9 Lives Furniture", is a Registered Charity and a company limited by guarantee, governed by a Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Deborah Durkin
Irvin Cohen
Albert Perahia
Jon Adlard
Andrew Clement (resigned 13 May 2015)
Henry Goldberg (resigned 13 August 2015)
Rosemary Hadfield
Deborah Hunter
Jonathan Monk (appointed 21 October 2015)
Donna Moriarty
Dolly Torkilsden
Pat Walton

Recruitment and appointment of trustees and directors' interests

An application form to join the board of the Watford and Three Rivers Furniture Re-cycling Scheme is available for potential trustees. The board reviews this and potential candidates are invited to the premises in Rickmansworth for a full overview of the running of the scheme. All trustees, who are also directors, are volunteers and unpaid.

Induction and training of trustees

There is an annual business planning/training meeting for all trustees and staff. Vacancies are advertised through the local Councils for Voluntary Services and in the local paper. Induction training (including working in the showroom) is given by the Chair and the staff to ensure a thorough understanding of the organisation. In addition, training on the role and responsibilities of a trustee is available.

Organisational structure

The charity has a Management Committee of 10 trustees all of whom are volunteers. At any one time there are a minimum of three trustees with no maximum. At each Annual General Meeting (AGM) any trustee who has served for three years must retire from office but may offer themselves for re-election by the members together with any new trustees who have been co-opted by the trustees since the last AGM. The trustees delegate the day to day running of the charitable company's operations to the Manager.

Staffing is as follows:

- Manager (full time): Marie Frost
- Team Leaders (part time – run the showroom, manage collection and delivery service and showroom volunteers): Mel Griffiths, Diane McGregor and Vanessa Troll
- Drivers (part time – drive the van for the collection and delivery service and manage driver's mates): Keith Gray and Ed Stanley
- Tutors (part time - run the training courses): Paula Myers (furniture refurbishment) and Ed Stanley (retail skills)

Annual Report of the Trustees

Relationship with wider network and related parties

9 Lives Furniture is a member of the Furniture Re-Use Network - sharing best practice with other furniture re-cycling charities.

Our manager also maintains relationships with a wide range and variety of organisations, including:

- Local voluntary services network – Watford and Three Rivers Trust
- Recycling – Wasteaware
- Recruitment of volunteers and staff - Saetec
- Referrals of students and volunteers – Mencap, New Hope Trust and Northwick Day Centre
- Referrals of customers in need – Citizens' Advice Bureaux, Hertshelp, Thrive Homes, Watford Community Housing
- Training Accreditation – Pearson

Objectives and activities

Our objectives are to help residents of Watford, Three Rivers and the surrounding areas who are in conditions of need, hardship or distress by the provision of furniture and accessories and to provide vocational training, support and work experience for those who volunteer at the scheme.

The charity aims to achieve these objectives by:

- Collecting good quantity, donated furniture and other household effects which are no longer required by the owners and would otherwise be destined for landfill.
- Displaying furniture and household effects so that people in need can choose from these and have them delivered to their home if desired.
- Recruiting and supporting unemployed volunteers, specifically but not exclusively, people recovering from mental health problems or who have a learning disability. The volunteers are offered training to enable them to gain confidence and learn skills that will prepare them for work.

We manage the work of the charity as two complementary activities – the furniture recycling showroom (and associated collection and delivery service) and the provision of training courses and work experience. The objectives for each activity for this year were:

Furniture Recycling:

- Rebuild sales towards 2013/14 levels
- Work towards the furniture recycling business being self-financing
- Maintain subsidised sales (50%) for those in need at current levels

Training Courses and Work Experience:

- Train 15 students in furniture restoration
- Maintain volunteer programme to fill driver's mate and showroom assistant positions
- Assist 5 students and volunteers to move into further employment or education
- Raise grant income to cover the cost of the courses

Our strategies are again shown for each facet of the charity's work.

Furniture Recycling:

- Improve awareness of the charity and its work through improved social media (website, Facebook and twitter) and marketing programmes
- Analyse our database to identify areas to target for donors and buyers
- Maintain and develop relationships with local referral agencies and housing associations
- Build eBay and other sales channels to help to subsidise showroom income

Training Courses and Work Experience:

- Fundraising programme to supplement current funding from the Lloyds Bank Foundation of England and Wales, Beatrice Laing Trust and others
- Publicise courses locally and with local mental health associations

Annual Report of the Trustees

Our volunteers as always have been superb. Our thanks go to:

- Administration: Diane Back and Sue Oakley
- Craft Group: Mary Jones
- Driver: Neville Ward
- Drivers' Mates: Andrew Blatherwick, Quentin Cobham, Richard Foster, Greg Hirst, Edward Marsh, Joel Power, Daniel Steer and James Van Dyk
- Showroom: Mary Guy, Gina Halls, Julie Halls, Reg Halls, Kathy Harrison, Kath Henderson, Penny Marriott, Anna Monk, David Moyes, Wendy Rennoldson, Alice Timms, Annette Timms and Ian Wyatt
- Refurbishment: Michael Dunne, Curtis Mitchell and Sam Ryan

Many of the trustees have also worked in the showroom and workshop this year.

Our volunteers work unstintingly for the benefit of the charity, helping with furniture removal, administration, working in the showroom, furniture restoration and cleaning. The trustees too are volunteers and our thanks go to them, who so ably lead the organisation, and to all those who donate household goods.

Public benefit

The trustees have considered the Charity Commission guidance on public benefit. The charity relies on grants and income from furniture sales to cover its operational costs. In setting the level of charges for furniture the trustees give careful consideration to the accessibility of products for those on low incomes.

Achievements and performance

2015/16 was a difficult year for the charity with furniture sales falling to the lowest level for six years. This may be partly due to road closures in Rickmansworth and the disruption caused by the housing development next door to the showroom but, as sales have not yet improved, more likely due to the general economic climate and the increase in alternative sources of second hand furniture.

The number of visitors to our showroom looking for well-priced second-hand furniture fell slightly from 1,250 to 1,115 last year. 50% of these were new visitors to 9 Lives Furniture. The number of items we provided fell 23% from over 3,500 to just over 2,770 so customers also bought fewer items each (average 2.48 compared with 2.87). The number of donors also fell as we were unable to take all the donations we were offered as the showroom was full. We did however improve the proportion of our furniture that was provided to those in need over last year. We also sold a number of specialist items on eBay, raising additional funds.

Grant income allowed us to continue our popular training courses two days a week for students with learning disabilities or recovering from mental ill health. We have a third supervised workshop day where volunteers work on upcycling furniture to be sold in the showroom. 15 students attended courses this year, in furniture restoration, warehouse and retail skills. Of these students one is now setting up their own business, one has a part time job, three are volunteering, one is working towards independent living and one working with Work Solutions.

Since we started to provide training courses at 9 Lives Furniture over 420 students have attended the courses we offer.

The manager and staff worked hard to keep the furniture restoration course going in the long term absence of our furniture restoration tutor. We now have a temporary tutor in place and look forward to our permanent tutor re-joining us later in the year.

We improved the promotion of the charity's activities through:

- Continued promotion activity at Canal and Starlight Festivals
- New website and Facebook page
- New flyers
- Speaking engagements at Citizen's Advice Bureaux, Rotary Clubs and others.

We have completed a geographical analysis of our database and identified areas within a ten mile radius of the showroom where there is potential to develop awareness and use of our services. These are Northwood, Harefield, Abbots Langley and Kings Langley. The marketing programme for 2016/17 will focus on these areas as well as continuing to build awareness within our core areas of Rickmansworth and Watford.

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME

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Annual Report of the Trustees

In the showroom:

- We 'coped' with building work / road closure disruption although it has affected sales activity and the number of showroom visitors
- We had a thorough spring clean / reorganisation of showroom
- New windows were fitted by our landlady

In terms of volunteers:

- More driver's mates volunteers were recruited
- We had a successful CTEC work experience placement (6 months) – unfortunately this is no longer operating

New accountants were appointed this year (who will also do the accounts clerical work including payroll)

Premises

The premises comply with the Disability Discrimination Act and the building has access to the ground and first floor for wheel chair users. We also have portable heating loops and visual aids.

Waste reduction

The collection and provision of furniture continues to keep large bulky items out of landfill. This year over 2,750 items of furniture – equating to nearly 46 tonnes – were diverted from landfill to provide much needed support to households in need.

Fundraising achievements

Our key sources of income for the training courses are three year grants (2015/16 is year 2) from the Lloyds Bank Foundation for England and Wales (along with a further achievement award) and the Beatrice Laing Trust.

We are also grateful for grants and donations this year from:

- Albert Hunt Trust
- Dr Schofield
- Mary Kinross Charitable Trust
- Neighbourly Charitable Trust
- Robert Kiln Charitable Trust
- Souter Charitable Trust
- St Mary's Church
- The Sir Jules Thom Charitable Trust
- Thrive Homes

Investment policy and performance

Reserves that are not required for day to day activities are held in a separate interest bearing bank account. During the year, the charity earned a small amount of interest on the funds held on deposit.

Financial review

A summary of the charity's financial position is attached.

This year we have contained running costs but furniture sales are significantly down on last year. We have raised funds to continue our training courses. Gift Aid continues to provide a valuable source of additional income.

Principal sources of income and how expenditure meets objects

Our sources of income are as follows:

- Sales of donated goods – including discounted sales for those in need and increased charges for upcycled furniture
- Grants and Donations
- Furniture delivery charges (we do not charge for collection)
- Gift Aid on the sales of donated goods
- Subscriptions from our Strictly Come Crafting weekly craft club
- Bank interest

Annual Report of the Trustees

Key areas of expenditure are:

- Rent and running costs for the furniture showroom, workshop and offices (all in the same building) to provide premises for the display and purchase of furniture, workshop for the training courses and volunteering opportunities
- Salaries and staff costs for the full time manager, part time showroom team leaders, tutors and drivers to run the work of the charity
- Van running costs to operate the collection and delivery service
- Professional costs – preparation of the accounts
- Marketing Costs – development of a new website this year and ongoing publicity to promote the work of the charity and attract customers to the showroom

Reserves policy

During the year the trustees have considered what the charity's reserves are, in line with the Charity Commission Guidelines. The trustees set a policy that reflects the need to maintain current operations whilst providing for future commitments.

It is the policy of the charity that unrestricted funds, which have not been designated for a specific use, should be maintained at a sufficient level to pay off staff and settle the rent to the break point in the lease.

The trustees consider that reserves at this level will ensure that, in the event of a significant drop in sales income and/or funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The level of reserves is monitored and reviewed four times a year.

Risk policy and assessment

The trustees have assessed and reviewed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. These risks include damage to reputation, criminal acts, data loss, health and safety and a change of funding sources.

Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects to ensure consistent delivery of all operational aspects of the charity. These procedures will be periodically reviewed to ensure that they still meet the needs of the charity. The Trustees have conducted their own review of the major risks to which the charity is exposed and have established systems to mitigate those risks.

Plans for the future

The trustees have no plans to make significant changes to the activities of the charity. Our focus for the foreseeable future is on rebuilding the level of furniture sales and securing grant funding for the training courses.

We aim to achieve this through:

- Extensive marketing programme to attract new customers – leaflet drops in areas identified by geographical analysis as targets and local advertising
- Referral / loyalty scheme to maintain customers and capitalise on our current key source of new customers – referrals
- Extend opening hours from 4pm to 5pm Tuesday, Thursday and Friday and maintain late night opening on Wednesday
- Fundraising programme to replace current funding from the Lloyds Bank Foundation of England and Wales, Beatrice Laing Trust and others

The trustees' report was approved by the Board of Trustees

On behalf of the board of trustees



Deborah Durkin
Trustee

Date: 13 September 2016

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME
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DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED
FOR THE YEAR ENDED 31 MARCH 2016

The trustees, who are also the directors of Watford & Three Rivers Furniture Re-cycling Scheme for the purposes of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME
(A Company Limited by Guarantee)

Independent Examiner's Report to the Trustees on the Unaudited Financial Statement of
Watford & Three Rivers Furniture Re-cycling Scheme
(A Company Limited by Guarantee)

I report on the financial statements of the charity for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the Related Notes.

Respective responsibilities of trustees and examiner

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. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charitable company is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Campbell Wilson FCA ATII
Howard Wilson Chartered Accountants
36 Crown Rise,
Watford,
Hertfordshire.

Date: 13 September 2016

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME**(A Company Limited by Guarantee)****STATEMENT OF FINANCIAL ACTIVITIES**
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
<u>Income and endowments from:</u>					
Voluntary income	3	18,622	16,868	35,490	45,989
Income from charitable activities	5	74,937	-	74,937	87,072
Investment income	6	164	-	164	166
Total incoming resources		93,723	16,868	110,591	133,227
<u>Expenditure on:</u>					
Raising Funds	7	1,276	-	1,276	173
Expenditure on charitable activities	8	97,647	21,854	119,501	130,050
Total resources expended		98,923	21,854	120,777	130,223
Net incoming/(outgoing) resources before transfers		(5,200)	(4,986)	(10,186)	3,004
Gross transfers between funds		(4,464)	4,464	-	-
Net incoming/(outgoing) resources before other recognised gains and losses / Net movement in funds		(9,664)	(522)	(10,186)	3,004
Reconciliation of Funds					
Total Funds brought forward		95,352	1,226	96,578	93,574
Total Funds carried forward		85,688	704	86,392	96,578

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All incoming resources and resources expended derive from continuing activities.

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME**(A Company Limited by Guarantee)****BALANCE SHEET AT 31 MARCH 2016**

	Notes	2016	2015
Fixed Assets			
Tangible assets	14	-	1,163
Total fixed assets		<u>-</u>	<u>1,163</u>
Current Assets			
Debtors	15	14,150	8,567
Cash at bank and in hand		76,501	92,029
Total current assets		<u>90,651</u>	<u>100,596</u>
Liabilities			
Creditors: Amounts falling due within one year	16	4,259	5,181
Net current assets		<u>86,392</u>	<u>95,415</u>
Total assets less current liabilities		<u>86,392</u>	<u>96,578</u>
Net assets		<u>£ 86,392</u>	<u>£ 96,578</u>
FUNDS	17		
Restricted income funds		704	1,226
Unrestricted income funds		85,688	95,352
Total charity funds		<u>£ 86,392</u>	<u>£ 96,578</u>

For the financial year ended 31 March 2016 the charitable company was entitled to the exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities

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

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

The financial statements were approved by the board of directors and authorised for issue on 13 September 2016 and signed on their behalf by:



Deborah Durkin
Trustee



Irvin Cohen
Trustee

Company Registration Number: 04375649

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2016

1 Accounting policies

Company information

Watford & Three Rivers Furniture Re-Cycling Scheme (also known as '9 Lives Furniture') is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Wharf Lane, Rickmansworth, Hertfordshire. WD3 1HA.

As a company limited by guarantee the charitable company has no share capital. The liability of each member in the event of winding-up is limited to £1.

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are funds received which can only be used for the specific purpose as laid out by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overhead costs. The aim and use of each restricted fund is set out in the note to the financial statements.

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2016

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Investment income is included when receivable.

Incoming resources from charitable trading activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

1.5 Resources expended

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit or independent examination fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	-	over period of lease
Equipment	-	over 4 years
Motor Vehicles	-	over 4 years

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2016

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits

1.9 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations

	2016	2015
	£	£
Donations and gifts	2,588	9,516
Gift Aid receivable	13,784	12,440
Grants (see Note 4)	19,050	23,700
Other Income	68	333
Total Income From Donations	35,490	45,989
Analysis by fund		
Unrestricted funds	18,622	
Restricted funds	16,868	
	35,490	
For the year ended 31 March 2015		
Unrestricted funds		21,492
Restricted funds		24,497
		45,989

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
AT 31 MARCH 2016****4 Grants receivable**

	2016	2015
	£	£
Lloyds Bank Foundation	12,300	12,200
Baily Thomas Charitable Fund	-	5,000
Mercers' Company	-	3,000
Odin Foundation	-	1,500
Beatrice Lang Trust	2,000	2,000
Neighbourly Charity Trust	1,000	-
Albert Hunt Trust	1,000	-
The Sir Jules Thorn Charitable Trust	750	-
Souter Charitable Trust	1,000	-
Mary Kinross Charitable Trust	500	-
Robert Kiln Charitable Trust	500	-
Total Grants Receivable	19,050	23,700
Analysis by fund		
Unrestricted funds	2,250	
Restricted funds	16,800	
	19,050	
For the year ended 31 March 2015		
Restricted funds		23,700

5 Income from charitable activities

	2016	2015
	£	£
Sale of donated goods	74,937	87,072
Analysis by fund		
Unrestricted funds	74,937	
For the year ended 31 March 2015		
Unrestricted funds		87,072

6 Investment income

	2016	2015
	£	£
Interest on cash deposits	164	166
Analysis by fund		
Unrestricted funds	164	
For the year ended 31 March 2015		
Unrestricted funds		166

All of the charity's investment income arises from money held in interest bearing deposit accounts.

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2016

7 Cost of raising funds

	2016 £	2015 £
<u>Cost of generating voluntary income</u>		
Advertising	1,276	173
Analysis by fund		
Unrestricted funds	1,276	
For the year ended 31 March 2015		
Unrestricted funds		173

8 Analysis of expenditure on charitable activities

	Furniture & Training £	2016 £	2015 £
Staff Costs	75,188	75,188	71,451
Other staff costs and training	530	530	1,046
Premises costs	29,835	29,835	31,441
Insurance	2,680	2,680	2,573
Office costs	2,320	2,320	2,225
Repairs and Maintenance	832	832	1,210
Volunteer expenses	922	922	1,473
Van expenses	3,440	3,440	4,302
Other legal and professional costs	222	222	106
Subscriptions	170	170	120
Bank charges	651	651	676
General expenses	348	348	33
Depreciation	1,163	1,163	11,594
	<u>118,301</u>	<u>118,301</u>	<u>128,250</u>
Share of governance costs (see note 9)	1,200	1,200	1,800
Total Analysis of expenditure on charitable activities	<u>119,501</u>	<u>119,501</u>	<u>130,050</u>
Analysis by fund			
Unrestricted funds	97,647	97,647	
Restricted funds	21,854	21,854	
	<u>119,501</u>	<u>119,501</u>	
For the year ended 31 March 2015			
Unrestricted funds	103,707		103,707
Restricted funds	26,343		26,343
	<u>130,050</u>		<u>130,050</u>

9 Analysis of governance and support costs

	Governance costs £	2016 £	2015 £	Basis of apportionment
Independent Examiner's fees	1,200	1,200	1,800	Governance

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
AT 31 MARCH 2016****10 Net income/(expenditure) for the year**

This is stated after charging:

	2016	2015
	£	£
Operating leases		
Land and Buildings	27,000	27,000
Depreciation	1,163	11,594
Independent Examiner's fees	1,200	1,800
	<u>1,200</u>	<u>1,800</u>

11 Analysis of staff costs

	2016	2015
	£	£
Salaries and wages	72,228	69,386
Social security costs	1,452	1,071
Pension costs	1,508	994
	<u>75,188</u>	<u>71,451</u>

None of the employees earned over £60,000 during the period.

Staff numbers

The average monthly number of employees (including casual and part time staff) during the year was as follows:

	2016	2015
Direct charitable work	8	8
Management and administration	1	1

12 Trustees' remuneration and expenses

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

13 Corporation tax

The activities of the charity are exempt from Corporation Tax under Section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objects.

14 Tangible fixed assets

	Leasehold property £	Equipment £	Motor Vehicles £	Total £
Cost				
At 01 April 2015 and 31 March 2016	29,851	21,635	33,000	84,486
Depreciation				
At 01 April 2015	29,851	20,472	33,000	83,323
Charge for the year	-	1,163	-	1,163
At 31 March 2016	29,851	21,635	33,000	84,486
Net book value				
At 31 March 2016	-	-	-	-
At 31 March 2015	-	1,163	-	1,163

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
AT 31 MARCH 2016****15 Debtors**

	2016 £	2015 £
Other debtors	4,964	-
Prepayments and accrued income	9,186	8,567
	<u>14,150</u>	<u>8,567</u>

16 Creditors**Amounts falling due within one year**

	2016 £	2015 £
Other creditors	252	852
Other taxes and social security costs	2,807	2,529
Accruals	1,200	1,800
	<u>4,259</u>	<u>5,181</u>

17 Analysis of charitable funds**Analysis of movements in unrestricted funds**

	At 01 April 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Unrestricted Funds	95,352	93,723	98,923	(4,464)	85,688
Total unrestricted funds	<u>95,352</u>	<u>93,723</u>	<u>98,923</u>	<u>(4,464)</u>	<u>85,688</u>

Analysis of movements in restricted funds

	At 01 April 2015	Income	Expenditure	Transfers	At 31 March 2016
Equipment Fund	704	-	-	-	704
Training Fund	-	16,800	21,821	5,021	-
Heating Installation Fund	33	-	33	-	-
Strictly Come Crafting	489	68	-	(557)	-
Total Restricted Funds	<u>1,226</u>	<u>16,868</u>	<u>21,854</u>	<u>4,464</u>	<u>704</u>

The Equipment Fund was established from donations received to meet the costs of equipment for the office and warehouse.

The Training Fund was established from donations and grants received in order to cost the cost of training courses, in particular furniture refurbishment.

The Heating Installation Fund was established to install heating into the showroom. The cost of the heating installation of £8,719 has been included under fixed assets and the related depreciation charge is shown above as expenditure from the Fund. The asset is now fully depreciated within the accounts of the charity.

The Strictly Come Crafting Project is aimed at helping to reduce isolation and improve socialisation for people within the community.

WATFORD & THREE RIVERS FURNITURE RE-CYCLING SCHEME

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2016

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Funds balances at 31 March 2016 are represented by:			
Cash at bank and in hand	75,797	704	76,501
Other net current assets/(liabilities)	9,891	-	9,891
Total net assets	85,688	704	86,392

19 Financial commitments

At 31 March 2016 the charitable company has annual commitments under non-cancellable leases as follows:

	2016		2015	
Expiry date:	Land and buildings £	Other £	Land and buildings £	Other £
One to two years	27,000	-	-	-
Two to five years	-	-	27,000	-

20 Pension costs

The charitable company operates a defined contribution pension scheme for the benefit of the employees. The scheme and its assets are held by and administered by independent managers.

The contributions charged to the Statement of Financial Activities during the period are £1,508 (2015: £994)