

COMPANY REGISTRATION NUMBER: 03780618

CHARITY REGISTRATION NUMBER: 1076996

**Dorset Reclaim
Company Limited by Guarantee
Financial Statements
30 September 2019**

THURSDAY



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COMPANIES HOUSE

HARRISONS

Chartered Accountants and Independent Examiner
4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

Dorset Reclaim
Company Limited by Guarantee
Financial Statements
Year ended 30 September 2019

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Dorset Reclaim
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 30 September 2019

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2019.

Reference and administrative details

Registered charity name Dorset Reclaim

Charity registration number 1076996

Company registration number 03780618

Principal office and registered office
85 Stanley Road
Bournemouth
Dorset
BH1 4SD

The trustees

Mr M Hartland - Independent
Mr E Taylor - Independent
Mr R Osborough - Independent
Mr A Erwood - Independent
Mrs J Skinner - Independent (Appointed 1 April 2019)

Committee members

Ms J Taylor
Mr M Dias - Independent
Ms P Porter - Independent

Dorset Reclaim
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) (*continued*)
Year ended 30 September 2019

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

HSBC Bank Plc
59 Old Christchurch Road
Bournemouth
Dorset
BH1 1EH

Scottish Widows Bank Plc
67 Morrison Street
Edinburgh
Scotland
EH3 8YJ

Solicitors

Kerr & Co
5 Milhams Street,
Christchurch,
Dorset
BH23 1DN

Company secretary

Joanna Taylor

Independent examiner

Harrisons Chartered Accountants
4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

Dorset Reclaim

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year ended 30 September 2019

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on the 1st June 1999 and was registered as a charity after that on the 11th August 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and are also members of the management committee. Under the requirements of the Memorandum and Articles of Association, the trustees serve a period of three years before being required to be re-elected.

Trustees are recruited from across the community in Dorset to give the charity the benefit of experience and knowledge in a wide range of relevant areas. It is essential to the company to have a range of skills available to keep the organisation focused on business operations and opportunities, as well as ensuring our focus on our objectives.

All members of the Management Committee give their time voluntarily and received no benefits from the charity.

The company developed a new recruitment and retention policy in 2009 to assist with work relating to new trustees and committee members and have revised this on an annual basis to ensure it is still fit for purpose. Although most would-be trustees and members of the management committee are already familiar with our work, on appointment an induction programme provides tours of the four sites, together with a detailed briefing by the Chairman and the CEO covering all aspects of the charity's work, together with the legal obligations relating to their position. New members are also given a copy of The Charity Commission's publications relating to their role.

Organisational structure

The charity is formally governed by a management committee which is currently made up of 5 trustees and 3 other individuals from very diverse backgrounds representing those with a strong interest in the local community. The management committee meets bi-monthly to discuss the running of the charity, with the CEO and Depot Managers also in attendance to provide a full report of activities undertaken.

Dorset Reclaim

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year ended 30 September 2019

Structure, governance and management (*continued*)

In addition, the Finance sub group, set up to deal with the financial control, budgets, proposed developments and fund raising, also meets three times each year.

The CEO has delegated responsibility for the day to day running of the company which includes the key issues of organisational matters, staff and finance. A management team meeting takes place on a bi-monthly basis to ensure all depots and aspects of the charity run to the highest standard.

Wider network

Dorset Reclaim is part of the Reuse Network, the national parent body for independent furniture reuse organisations, who provide advice and guidance on current issues.

Regionally, we did belong to the Dorset Reuse Forum which involves other projects in the county together with local authorities and other interested organisations to share good practice and discuss relevant legislation and guidance but this group is currently under review as the other charities who operated in the area have closed. In addition, we are represented at other local fora involving partner agencies and other third sector organisations working across Dorset.

Related parties

As well as the trustees listed on page 1, the other members of the committee, listed on page 1, are regarded as being related parties.

Details of transactions with the related parties are in note 26 to the financial statements.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The management committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The business plan has also focused the management committee and officers on risk management, as well as other essential areas. A further 5 year business plan has been adopted which will continue with the practice of 6 monthly reviews to ensure the organisation is focused and on track.

Internal risks are minimised by the implementation of set procedures for authorisation of all transactions and projects to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Dorset Reclaim

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year ended 30 September 2019

Objectives and activities

The charity runs a furniture and appliance reuse business operating across Dorset and south west Hampshire with depots in Bournemouth, Poole and Dorchester together with an engineering branch for refurbishing large electrical goods in Christchurch. Its principal aims are to:

- provide good quality furniture, electrical goods and household items to families and individuals on low incomes;
- provide enjoyable volunteering and training opportunities to help people develop their work and social skills;
- encourage reuse in the community and prevent items going to landfill.

How our activities deliver public benefit

The trustees believe that the charity meets the public benefit requirements and have complied with the duty in section 4 of the Charities Act 2011.

Our main activities and who we try to help are described below - all our activities focus on the re-use and recycling of household items and the related social benefits that follow from that initial activity.

Volunteers

One of the organisation's principal aims is to encourage and provide opportunities for volunteering in a range of activities. When considering the year's activities, it is impossible not to consider the value to the project of the volunteers.

On average there will be between 20 - 30 volunteers working each day over the four sites for Dorset Reclaim in a range of jobs, to the extent that most people who come into contact with us on a daily basis, either in person or by telephone, will be assisted by volunteers rather than paid staff. Volunteers fill roles in driving our vans, the collection and delivery teams, warehouse work, administration and reception, as well as specialist practical areas such as woodworking and electrical engineering.

Volunteers are actively recruited from a very wide variety of backgrounds including those currently not in work or education, recovering from addiction, experiencing or recovering from a period of ill health or those simply with time on their hands. The current age range is from 17 - 90 years. This diverse mix of ages and backgrounds provides a rich resource for the project. Training is given in various fields and individuals are encouraged to gain additional skills where appropriate.

Dorset Reclaim

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year ended 30 September 2019

Objectives and activities (*continued*)

On average over 825 hours of time are donated by volunteers each week, compared to an average of 615 hours of staff time, which allows the charity to operate at its current level. Although it would be difficult to quantify their contribution in financial terms, without the volunteers, Dorset Reclaim would cease to be viable and unable to provide its services to the local community.

In return, Dorset Reclaim provides a stepping-stone for their future. Since conception, there have been nearly 6,800 volunteers who have worked with the project, with many known to have moved on to paid employment or further training & education, as appropriate to their individual circumstances.

Work programmes and placements

In the past, we have been involved with provision of work placements through the regional agencies chosen by government to deliver training and prepare people for work. This meant individuals undertook sessions with us in a variety of roles, in different locations and for varying lengths of time ranging from 4 weeks to 6 months. This enabled the individuals to learn new skills and gain qualifications and a reference for the future, as well as helping the charity deliver its services to the local community. Our involvement only stopped when these programmes were withdrawn.

We also have volunteers working with us who may be placed by Probation Services and other statutory agencies where the benefits of regular work activity are good for the charity and the community as well as the individual.

Provision of household goods to clients

From our depots in Bournemouth, Poole and Dorchester, we satisfy our original aim of offering good quality second hand items of furniture, household goods and electrical items, to local people who are on a low income. Whether working part time because of family commitments, in a full time but relatively low paid job, retired on a state pension, or in receipt of a means tested benefit, we aim to assist anyone who is in need of help to furnish their home.

In April 2017 the charity introduced a fundamental change by opening its doors to the general public for the first time. This was done to help reuse more items that we are being offered, increase the awareness of the charity and gently increase sales. By doing so, we have fallen into line with most other reuse charities and run a two tier pricing system whereby our original target group of low income families still benefit from low prices.

In the last financial year, we have distributed over 9,500 items to local customers who benefitted from this approach.

Dorset Reclaim

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year ended 30 September 2019

Objectives and activities (*continued*)

Our aim is to ensure that those who need us have access to quality, tested items from a reliable source, who can also provide a delivery and installation service at low cost where needed. The charity is self funding, so charges a low amount for items provided as they are our primary source of income. We work closely with local statutory agencies, such as local councils, as well as housing associations and other local charities that refer many of their clients to us.

We developed partnerships with three local authorities as a result of the welfare changes in April 2013. We help deliver welfare assistance in terms of essential household items, such as cookers and beds - these are paid for by the local authority replacing the awards of cash previously made by the DWP.

Changes to central government funding as expected mean that only one scheme continues at previous levels obviously impacting on the volume of work we do. We have built in predicted changes to our budget forecasts for future years to accommodate the changes.

Collection services

We offer a free collection service to residents across a wide geographical area covering the whole of Dorset and the western edge of Hampshire, from Bridport in the west to the towns and villages of the New Forest in the east who are able to offer good quality donations of household items. Each of the 3 depots collects from over 3,250 households in the course of a year. Although the items themselves are "too good" to be dumped, very often the necessity of a quick removal, friends or family unable to help, or a lack of space, forces the hand of the householder - this is where our free collection service can make the difference. The total weight of goods prevented from going to local landfill sites in the last year is just over 260 tonnes - a decent achievement.

Education and promotion regarding reuse

As an integral part of our work, we run a small programme throughout the summer months promoting the reuse of household & other goods. Attendance at local shows and events highlights the issues around reuse & recycling and promotes our services locally to those who may need them. This part of our work is often carried out in partnership with the local authorities in Dorset together with other groups.

We also give a range of presentations to other re-use groups, charities who are interested in the role we play and organisations, such as the MoD and local businesses, local church and community groups, all of which raises both the profile of the charity and the benefits of reuse.

Dorset Reclaim

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year ended 30 September 2019

Achievements and performance

Principal funding sources

Dorset Reclaim's principal funding source is the sale of donated items to families and individuals on low incomes. The prices asked for individual items are very low in response to our knowledge of our clients' limited means and in furtherance of our charitable objectives - as a result we owe our financial existence to the sheer volume of goods coming through our hands in any one year.

The company has achieved overall sales of furniture and electrical goods of £798,750, a fall of just over £20,000 from the previous year, certainly not ideal but a reflection of the general state of retail, including the charitable sector in these difficult times. The Christchurch depot has tried to keep up with the demand from our clients for good quality, guaranteed appliances, but has struggled with sourcing supplies of second hand goods as donations from households fall due to take back schemes. Our electrical sales were £170,499 ; this element of our work has continued to decrease due to the difficulty in obtaining raw stock as stated. We try to budget for a small number of new items sourced from the manufacturer to help us keep up with demand.

Out of the electrical/white goods that are donated from the public, Christchurch depot's main aim is to refurbish and reuse items either as complete machines or for parts. For those items we cannot reuse, they are sent for recycling.

The trustees are generally satisfied with these achievements and at the charity's associated role in the reduction of hardship in the area, especially in light of the general economic climate. With everyone watching their budget, we have been concerned regarding the potential inability of those in the community to spend their limited funds on anything other than essentials, however we are pleased that we have been able to reduce expenditure without reducing our services.

Other Sources of Income

The charity successfully bid for the bulky household collection service tendered by the Dorset Waste Partnership in 2014. This work has continued very successfully and we have been awarded a further period until April 2020 under the terms of the original contract. This will represent a cornerstone of our future work. Where goods are able to be reused, they are brought into general stock for redistribution, with the remainder being separated and recycled.

We have also begun to expand the on-line sales, both of parts from dismantled electrical items, such as washing machines & fridges as well as the more unusual donated items. In line with other charities we now offer retro/vintage and other items on social media platforms to help bring in monies to subsidise the main area of our work. We believe this will be a growing area for the future and have employed 2 people part time to grow income from on line sources.

Dorset Reclaim

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2019

Achievements and performance *(continued)*

Some local authority partners offer recycling credits based on the tonnage of furniture we have been able to reuse; although a comparatively small sum, it represents recognition that the work we do, contributes to the overall reduction in waste in the county with the monies used for the training of volunteers.

The charity introduced Gift Aid across all depots part way through 2008/09 and we continue to use this source of income and we are very grateful to those individuals that help us in this way. In the last few years we have seen our income from this source fall drastically and it is still a work in progress to try and increase income from this source.

Financial review

Reserves policy

The Trustees have a policy to strive to set aside 3 months running costs to safeguard the charity's position. This is a reduction on previous years (and is as a direct result of the impact of the fire in 2010) but has still not been attained in the current year.

The Trustees believe that the cash reserves should be at least at this level to ensure that the charity can run efficiently and safely to meet the needs of its beneficiaries. A careful watch and regular reviews take place.

The level of reserves is monitored and reviewed by the trustees every six months.

Financial position

Full utilisation of the charity's funds is set out in the accounts, most particularly in the Statement of Financial Activities on page 13. The level of reserves has also been realistically set as discussed above.

The fall in sales income is obviously not welcome in these difficult times. The charity has recruited a specialist to assist in increasing income from a variety of sources to widen our retail audience and improve our performance

The management committee is looking forward to an improved performance next year and continue providing our services to those who need us across the county.

Plans for future periods

As previously stated, we are also looking to further develop sales to the general public, including on line sales, not only featuring second hand and vintage items but those one off donations that do not readily belong in our depots. This is something that the trustees are keen to develop so any proceeds can be reinvested in the main work of the charity. We believe that this will become an important income stream in future years.

Our branches are also looking to develop a more generally inviting retail feel rather than, at present, storage depots. This again is ongoing work for this forthcoming year.

The charity introduced Gift Aid across all three depots part way through 2008/09 and this has continued to provide a small but valuable source of income since. It is the intention of the charity to look again at the processes and procedures in house with a view to maximising any potential from this source.

Dorset Reclaim

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year ended 30 September 2019

Plans for future periods (*continued*)

The Trustees are pleased with recruitment that they believe will lead to a more robust structure for the future, and hopefully address the issue of succession planning within the organisation, a key issue for many small charities. With the departure of Ray Tovey, the original Project Manager in 2018, it has meant a substantial change for all. In addition to appointing a CEO from a long standing member of staff, two additional senior managers have been recruited to assist the management team generally and bring in skills with a view to help the charity into the future.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 9 December 2019 and signed on behalf of the board of trustees by:

Joanna Taylor
Charity Secretary

A handwritten signature in black ink, appearing to be 'J Taylor', written over a horizontal line.

Dorset Reclaim

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Dorset Reclaim

Year ended 30 September 2019

I report to the trustees on my examination of the financial statements of Dorset Reclaim ('the charity') for the year ended 30 September 2019.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

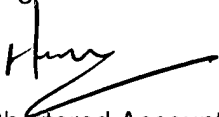
Dorset Reclaim

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Dorset Reclaim (*continued*)

Year ended 30 September 2019

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Harrisons Chartered Accountants
Independent Examiner

4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

9 December 2019

Dorset Reclaim
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 30 September 2019

		2019	2018
		Unrestricted funds	Restricted funds
		Total funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	5	8,853	18,915
Charitable activities	6	798,750	819,719
Investment income	7	124	54
Other income	8	—	250
Total income		<u>807,727</u>	<u>838,938</u>
Expenditure			
Expenditure on raising funds:			
Costs of other trading activities	9	45	440
Expenditure on charitable activities	10,11	<u>837,156</u>	<u>906,895</u>
Total expenditure		<u>837,201</u>	<u>907,335</u>
Net expenditure and net movement in funds			
		<u>(29,474)</u>	<u>(68,397)</u>
Reconciliation of funds			
Total funds brought forward		<u>233,264</u>	<u>304,458</u>
Total funds carried forward		<u>203,790</u>	<u>236,061</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 25 form part of these financial statements.

Dorset Reclaim
Company Limited by Guarantee
Balance Sheet
30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	17	28,814	49,189
Current assets			
Stock	18	2,940	2,344
Debtors	19	95,570	103,607
Cash at bank and in hand		98,544	103,939
		<u>197,054</u>	<u>209,890</u>
Creditors: amounts falling due within one year	20	<u>19,840</u>	<u>23,018</u>
Net current assets		<u>177,214</u>	<u>186,872</u>
Total assets less current liabilities		<u>206,028</u>	<u>236,061</u>
Net assets		<u>206,028</u>	<u>236,061</u>
Funds of the charity			
Restricted funds		2,238	2,797
Unrestricted funds		203,790	233,264
Total charity funds	22	<u>206,028</u>	<u>236,061</u>

For the year ending 30 September 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

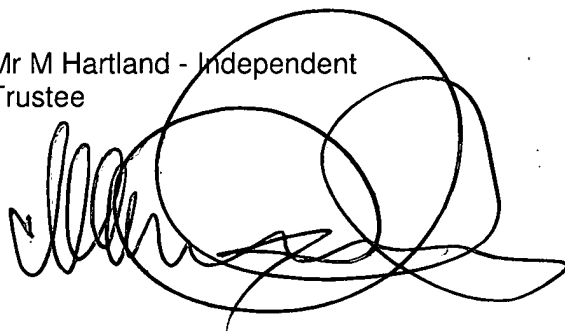
Directors' responsibilities:

- 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.

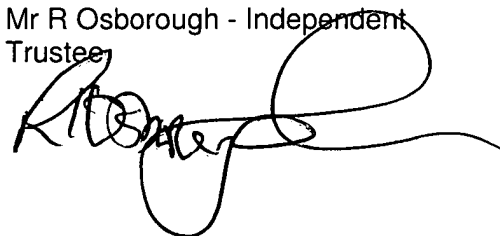
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 9 December 2019, and are signed on behalf of the board by:

Mr M Hartland - Independent
Trustee



Mr R Osborough - Independent
Trustee



The notes on pages 16 to 25 form part of these financial statements.

Dorset Reclaim
Company Limited by Guarantee
Statement of Cash Flows
Year ended 30 September 2019

	2019 £	2018 £
Cash flows from operating activities		
Net expenditure	(30,033)	(68,397)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	20,375	25,892
Other interest receivable and similar income	(124)	(54)
Gains on disposal of tangible fixed assets	–	(250)
Accrued (income)/expenses	(4,822)	11,149
<i>Changes in:</i>		
Stock	(596)	81
Trade and other debtors	8,037	22,072
Trade and other creditors	1,644	381
Cash generated from operations	(5,519)	(9,126)
Interest received	124	54
Net cash used in operating activities	<u>(5,395)</u>	<u>(9,072)</u>
Cash flows from investing activities		
Purchase of tangible assets	–	(25,400)
Proceeds from sale of tangible assets	–	250
Net cash used in investing activities	<u>–</u>	<u>(25,150)</u>
Net decrease in cash and cash equivalents	(5,395)	(34,222)
Cash and cash equivalents at beginning of year	103,939	138,161
Cash and cash equivalents at end of year	<u>98,544</u>	<u>103,939</u>

The notes on pages 16 to 25 form part of these financial statements.

Dorset Reclaim
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 30 September 2019

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 85 Stanley Road, Bournemouth, Dorset, BH1 4SD.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Dorset Reclaim

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 30 September 2019

3. Accounting policies (*continued*)

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from donated goods for resale is measured at the fair value of the goods unless this is impractical, in which case the value to the charity of the donated goods is recognised as income when sold.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events and non-charitable trading activities.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Dorset Reclaim
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year ended 30 September 2019

3. Accounting policies (*continued*)

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	over the term of the lease
Fixtures and fittings	-	25% reducing balance
Computer equipment	-	3 years straight line
Motor vehicles	-	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stock is included at the lower of cost and net realisable value. It only includes items purchased for re-sale by the charity. No value is attributed to the majority of stock held due to the fact that the items have been donated from members of the public. Estimating the fair value of these items is impractical because of the volume of low-value items received. In accordance with the Charities SORP (FRS 102), the value of these donated items is recognised as income when sold.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Dorset Reclaim

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 30 September 2019

3. Accounting policies (*continued*)

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in profit and loss account when due.

4. Limited by guarantee

The company is limited by guarantee and does not have share capital. The liability of each member in the event of the company being wound up is £10.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Donations				
Donations	6	6	2,033	2,033
Grants				
Other grants receivable	—	—	5,056	5,056
Other donations and legacies				
Gift Aid income	8,847	8,847	11,826	11,826
	<u>8,853</u>	<u>8,853</u>	<u>18,915</u>	<u>18,915</u>

The charity benefits from the involvement of its many volunteers, details of which are given in the trustees report. In accordance with the Charities SORP (FRS 102), the economic contribution of volunteers is not measured in the accounts.

The charity also benefits from the receipt of a large number of donated goods for resale. Due to the volume of low-value items received, in accordance with the Charities SORP (FRS 102) the value of these donated goods is recognised as income when sold.

6. Charitable activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Sales of furniture and other	628,251	628,251	666,073	666,073
Sales of electrical goods	170,499	170,499	153,646	153,646
	<u>798,750</u>	<u>798,750</u>	<u>819,719</u>	<u>819,719</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Bank interest receivable	124	124	54	54

Dorset Reclaim

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 30 September 2019

8. Other income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Gain on disposal of tangible fixed assets held for charity's own use	—	—	250	250

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Advertising	45	45	440	440

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Costs of furniture collection and delivery	513,737	—	513,737
Support costs	323,419	559	323,978
	<u>837,156</u>	<u>559</u>	<u>837,715</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Costs of furniture collection and delivery	583,279	—	583,279
Support costs	322,917	699	323,616
	<u>906,196</u>	<u>699</u>	<u>906,895</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2019 £	Total fund 2018 £
Costs of furniture collection and delivery	513,737	228,694	742,431	803,957
Project costs	—	55,403	55,403	57,750
Governance costs	—	39,881	39,881	45,188
	<u>513,737</u>	<u>323,978</u>	<u>837,715</u>	<u>906,895</u>

Dorset Reclaim
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 30 September 2019

12. Analysis of support costs

	Governance function £	Furniture collection and delivery £	General project costs £	Total 2019 £	Total 2018 £
Staff costs	36,581	10,154	32,064	78,799	88,499
Premises	—	211,092	5,633	216,725	201,679
Communications and IT	—	4,577	1,627	6,204	6,970
General office	—	—	9,366	9,366	11,206
Finance costs	—	—	3,313	3,313	4,278
Legal and professional costs	3,300	2,871	—	6,171	7,150
Depreciation	—	—	3,400	3,400	3,834
	<u>39,881</u>	<u>228,694</u>	<u>55,403</u>	<u>323,978</u>	<u>323,616</u>

13. Net expenditure

Net expenditure is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	20,375	25,892
Gains on disposal of tangible fixed assets	<u>—</u>	<u>(250)</u>

14. Independent examination fees

	2019 £	2018 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,300</u>	<u>3,270</u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019 £	2018 £
Wages and salaries	412,875	450,045
Social security costs	23,884	25,372
Employer contributions to pension plans	9,048	6,020
	<u>445,807</u>	<u>481,437</u>

During the previous year the Trustees agreed to make an ex-gratia payment of £7,861 to a retired employee.

The average head count of employees during the year was 26 (2018: 28).

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

Dorset Reclaim

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 30 September 2019

15. Staff costs (*continued*)

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total employee remuneration of the key management personnel of the Charity was £87,719 (2018: £89,975).

16. Trustee remuneration and expenses

None of the trustees received any remuneration for their services or reimbursement of expenses during either the current or previous year.

17. Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 October 2018 and 30 September 2019	<u>28,503</u>	<u>83,736</u>	<u>138,500</u>	<u>250,739</u>
Depreciation				
At 1 October 2018	20,083	77,892	103,575	201,550
Charge for the year	<u>2,230</u>	<u>1,170</u>	<u>16,975</u>	<u>20,375</u>
At 30 September 2019	<u>22,313</u>	<u>79,062</u>	<u>120,550</u>	<u>221,925</u>
Carrying amount				
At 30 September 2019	<u>6,190</u>	<u>4,674</u>	<u>17,950</u>	<u>28,814</u>
At 30 September 2018	<u>8,420</u>	<u>5,844</u>	<u>34,925</u>	<u>49,189</u>

18. Stock

	2019 £	2018 £
Stock	<u>2,940</u>	<u>2,344</u>

19. Debtors

	2019 £	2018 £
Trade debtors	54,447	71,890
Prepayments and accrued income	35,555	24,177
Other debtors	5,568	7,540
	<u>95,570</u>	<u>103,607</u>

Dorset Reclaim

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 30 September 2019

20. Creditors: amounts falling due within one year

	2019	2018
	£	£
Accruals and deferred income	11,227	16,049
Social security and other taxes	6,689	5,617
Pension liability	1,924	1,352
	<u>19,840</u>	<u>23,018</u>

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £9,048 (2018: £6,020).

22. Analysis of charitable funds

Unrestricted funds

	At 1 Oct 2018	Income	Expenditure	At 30 Sept 2019
	£	£	£	£
General funds	<u>233,264</u>	<u>807,727</u>	<u>(837,201)</u>	<u>203,790</u>

	At 1 Oct 2017	Income	Expenditure	At 30 Sept 2018
	£	£	£	£
General funds	<u>300,962</u>	<u>838,938</u>	<u>(906,636)</u>	<u>233,264</u>

Restricted funds

	At 1 Oct 2018	Income	Expenditure	At 30 Sept 2019
	£	£	£	£
Restricted Funds	<u>2,797</u>	<u>—</u>	<u>(559)</u>	<u>2,238</u>

	At 1 Oct 2017	Income	Expenditure	At 30 Sept 2018
	£	£	£	£
Restricted Funds	<u>3,496</u>	<u>—</u>	<u>(699)</u>	<u>2,797</u>

Dorset Reclaim

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 30 September 2019

22. Analysis of charitable funds (*continued*)

Restricted Funds are made up of the following:-

The Portfield Workshop Fund. At the year end this fund had a balance of £1,275 (2018: £1,595).

The JP Morgan Portacabin Fund. At the year end this fund had a balance of £335 (2018: £419).

The Clinks Fund. At the year end this fund had a balance of £628 (2018: £783).

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	26,576	2,238	28,814
Current assets	197,054	—	197,054
Creditors less than 1 year	(19,840)	—	(19,840)
Net assets	203,790	2,238	206,028

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	46,392	2,797	49,189
Current assets	209,890	—	209,890
Creditors less than 1 year	(23,018)	—	(23,018)
Net assets	233,264	2,797	236,061

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	48,116	71,890
Bank and cash	98,544	103,939
	146,660	175,829

Dorset Reclaim
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year ended 30 September 2019

25. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	134,910	133,660
Later than 1 year and not later than 5 years	290,500	351,156
Later than 5 years	<u>330,750</u>	<u>—</u>
	<u>756,160</u>	<u>484,816</u>

26. Related parties

There were no related party transactions, as required to be disclosed under the Charities SORP (FRS 102), in the current or previous year.