

Charity Registration No. 1064588

Company Registration No. 3286173 (England and Wales)

TOOGOODTOWASTE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

TOOGOODTOWASTE LIMITED

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TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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 2019)".

OBJECTIVES AND ACTIVITIES	
Objects & principal activities of the charity	<p>The company is registered to assist with the relief of poverty:</p> <ul style="list-style-type: none"> • Providing access to affordable household items. • To advance the development and education of people by providing opportunities to volunteer and to train, so as to develop work skills, social skills, gain work experiences and encourage social integration. • Recycling of furniture which would otherwise be thrown away and by advancing more sustainable waste management practices.
Providing access to affordable household items	<p>Within all showrooms, donated goods are offered for sale at second-hand market value after they have been quality controlled, sorted, cleaned and safety checked.</p> <p>The company also operates an electrical & gas domestic appliances re-use facility that complies with all WEEE & Gas Safe regulations.</p> <p>The company offers free or discounted furniture packages to individuals referred to them for help and at times of crisis and support.</p>
Providing opportunities to volunteer & train	<p>We aim to increase social skills and employment opportunities by providing volunteers with work-based learning and training.</p> <p>Volunteers assist us with a range of activities throughout the organisation as well as management through our Board of Trustees.</p> <p>Placements opportunities are offered to enhance employability advancement and rehabilitation of ex-offenders via the Probation Service.</p> <p>School placements are also supported for work-based experience taster sessions.</p>
Recycling & waste management	<p>The company provides residents of Rhondda Cynon Taf with a reliable free collection service for household items that are toogoodtowaste. People can also drop items off for re-use. Items received are sorted, cleaned and tested before being offered for sale within their charity showrooms.</p> <p>The company also offers a collection service for re-useable household goods, to commercial organisation (end-of-line or returned goods).</p>

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

	<p>The company operates an Ethical House Clearance Service to the public, solicitors, landlords and housing associations. This professional, income generating service aims to recycle or re-use the products cleared by working with partner organisations.</p> <p>The organisation holds a waste carriers licence and is an Approved and Authorised Transfer Facility (AATF) and an Approved Re-use Centre (ARC).</p>
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PUBLIC BENEFIT

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

Significant activities undertaken to further its charitable purposes for public benefit

All services, including buying from the charity showrooms are open to everyone in order to maximise the volume of items re-used and income generated to support the charitable aims and objectives of this organisation.

The organisation has also created its own hardship budget, to cover the costs of stock provided free of charge to individuals, who have no other means of financial support, to cover the essential items they need.

We work in partnership with other organisations that provide 'emotional or housing support' (e.g. social services departments, Women's Aid, drug & alcohol support services, churches, mental health groups, etc.) The practical help provided by this organisation enhances the work of its partners, therefore increasing the overall impact of the assistance provided. For example, a child receiving help on a bed wetting programme with a partner organisation, can be provided with a replacement bed because the organisations are working together. Or, a homeless person being provided with their first tenancy can be provided with furniture, household items, curtains, cutlery, etc., as a start-up package, thus turning an empty property into a home.

Many of the people referred to this organisation for help are in crisis situations without any financial support. The organisation helps immediately to people affected by domestic violence and other life-affecting crisis situations.

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

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

Items are quality control checked. Minor repairs and cleaning is provided where necessary before being resold through our charity shops.

External grants are sought to provide match funding for our activities.

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

ACHIVEMENTS AND PERFORMANCE	
<p>The organisation has had another busy and successful year in 2019. Below is some of the great work we have done, the difference made to the local community and some of the achievements of our staff & volunteers.</p> <p>We have seen significant growth in the number of people choosing to purchase re-use and donate to us as well as increasing our paid staff team and building on our commercial contracts.</p>	
Sustainability	<p>The organisation completed the renovations on our building in Treorchy in December 2018 and we were thrilled to hold an official opening celebration in June 2019.</p> <p>Our third charity showroom in Treorchy also incorporates large workshops and extensive community space.</p> <p>The organisation now owns three buildings from which we operate out of and are able to generate income through these showrooms to help sustain the organisation.</p>
Providing access to affordable household items	<p>All three of our showrooms within RCT are open to the public 7 days per week and also operate a late night, one day per week, increasing accessibility to our services. Our RCT showrooms cover the three South Wales valleys. (Cynon Valley, Rhondda Fach & Rhondda Fawr Valley)</p> <p>A temporary smaller showroom was opened within Tredegar in October 2019 providing another local community with access to affordable furniture.</p>
Maintaining & increasing quality & quantity of goods available	<p>The partnership working with DHL / Dixon Carphone Group has continued providing access to re-usable domestic appliances WEEE.</p> <p>We received commercial donations from IKEA, John Lewis, Airsprung, Starbucks, Penguin books, Poundland, Dunelm, Lidl & Aldi.</p> <p>Partnership working with Play it Again Sport has enabled the supply of a large selection of bargain sports kit which is available to buy in our showrooms.</p> <p>We also worked with Parc Prison to deliver flat pack furniture and pick up assembled furniture on a daily basis.</p>
Helping low income households	<p>We continued to work closely with 15 different referral partners to identify individuals and families in need in 2019. 307 requests for help were received benefitting 564 individuals.</p> <p>The value of furniture provided to those people referred to us for help for furniture and equipment was over £57,000.</p>

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

ACHIEVEMENTS AND PERFORMANCE (continued)	
Providing opportunities to volunteer & train	<p>Our aim is to facilitate and develop a learning culture within this organisation that nurtures talent every day for everyone. All participants were provided with instruction into their role and health and safety training. Individuals were also able to access specific work-based training to improve their skills within various roles in the organisation.</p> <p>In total, 371 people supported us, and they provided the organisation with over 68,000 hours in an unpaid capacity.</p> <p>We worked with a number of external organisations that identified potential volunteers and placements that were looking to expand their work experience or learn new skills. These placements included many individuals who were referred for work-taster sessions, who are considered to be furthest away from the labour market and/or difficult to engage.</p> <p>31 people finished their volunteering/work placement with us to start paid employment.</p>
Recycling & waste management	<p>972 tonnes of waste was diverted from landfill in 2019, an increase of 237 tonnes from 2018.</p> <p>The number of items collected from local residents and commercial donators increased to over 173,000.</p> <p>Over 15,000 customers used the services of toogoodtowaste in 2019 and selected over 150,000 affordable re-use items from our charity showrooms.</p>
Social Enterprise Projects	<p>We continue to gain referrals through probate solicitors as well as local residents for our Ethical House Clearance project. The service and related online sales received an income of £10,430 in 2019.</p> <p>As part of the Reuse network, partnership working has been established with John Lewis and Ikea and the chargeable income from this social enterprise project in 2019 was £88,305.</p>

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW	
Income from donations and legacies	Income generated from Gift Aid Retail Scheme was £9,888.
Income from Charitable Activities	<p>The Service level agreement with RCT Environmental services was maintained at £20,000 for the year.</p> <p>Income generated through our charity showrooms from the supply of household items saw impressive increase of 36% to £1,008,120 in the year. The increase has been achieved by maintaining services, opening new showrooms, increasing the number of beneficiaries that use our services and the expansion of commercial contracts as part of the Reuse Network.</p> <p>The value of performance related grants was £133,402 (£87,870 Revenue and £45,532 Capital).</p> <p>All of the capital grant income was towards the renovations of the Treorchy Showroom.</p>
Expenditure for Charitable Activities	<p>The cost of providing Charitable activities increased in the year to £1,418,959 (£988,718 in 2018).</p> <p>To support the growing needs of the organisation and the new showrooms, the staff and volunteer personnel were increased in the year which resulted in an increase in costs to £781,852 (£596,367 in 2018). Increases were also seen in transport costs due to increasing our fleet of vehicles and providing a collection service for take-back items; and in property & Insurance due to the additional buildings we now operate from.</p> <p>Included in the above costs for Charitable activities are depreciation costs of £194,022, an increase on the previous year of £115,394 due to the completion of the Treorchy renovations.</p>
Net movement in funds	<p>The increase in own generated income has helped cover the reduced amount of revenue funding received in the year with an overall operating surplus on unrestricted funds of £3,404 for 2018 (2018: £1,622).</p> <p>A loss of £139,662 (2018: Surplus of £403,276) in restricted funds this year is as a result of income for the Treorchy renovations being recognised in previous years.</p> <p>The £3,404 unrestricted surplus for the year will be retained within the General Fund.</p>

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves Policy	<p>The organisation aims to retain adequate reserves to fund both fixed assets and working capital. It is the Trustees' view that working capital reserves amounting to three months' expenditure are adequate. Whilst this remains the organisations objective, recent investment into infrastructure has reduced working capital reserves below three months' expenditure.</p> <p>The free reserves i.e. those not tied up in fixed assets and designated funds held at 31st December 2019 amounted to £9,915 whereas three months' expenditure (excluding depreciation) is £200,000. While this is significantly below the figure set by the trustees, the intention remains to rebuild reserves to the desired level as soon as feasible.</p> <p>The trustees are aware of the risks of not having sufficient reserves and the reserves policy will be reviewed as part of our future strategy planning.</p>
Pay Policy for senior staff	<p>The pay of senior staff is reviewed annually by the board of directors. The organisation, guided by the board of directors, have adopted a set of principles when setting charity staff remuneration so as to achieve a balance between fair pay to attract and keep appropriately qualified staff to lead, manage and support or deliver the charity's aims.</p>

RISK MANAGEMENT

Risk review	<p>The board of directors have a risk management strategy which comprises:</p> <ul style="list-style-type: none"> • An annual review of the principal risks and uncertainties that the charity faces; • the establishment of new policies, systems and procedures to mitigate those risks identified in the annual review; and • The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise. <p>Main Risks identified are:</p> <ul style="list-style-type: none"> • Compliance with environmental legislation • Change in Government position on volunteering • Lack of Income • Fraud <p>Attention is also focused on non-financial risks by having a proactive approach to Health & Safety, which is managed by a NEBOSH qualified member of the organisation. As part of the induction process all new personnel (paid and unpaid) receive health & safety awareness and manual handling training.</p>
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TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

FUTURE PLANS – POST BALANCE SHEET EVENTS

COVID-19

The trustees recognise that 2020 will be particularly challenging for the organisation due to the impact of Covid-19 and the government-imposed restrictions.

The risk register has been updated to include Covid-19 as a high-rated risk, incorporating potential reduction in income sources and how our volunteers/staff and general public react to life during and after the current crises.

Budgets and plans for 2020 have been regularly reviewed by the senior management team and the board of trustees.

The coronavirus Covid-19 and consequential restrictions imposed by the government meant that the majority of our income sources ceased on 23 March 2020. All charity showrooms closed to the public and commercial contracts also stopped. We were able to continue some partnership working with our local council's Homelessness Centre to provide essential furniture and electrical items on a referral basis.

From March 2020, all retail and operational staff were placed on furlough and the organisation made use of the Government's Employment retention scheme to cover these salary costs. As well as this, a review of our operational costs was conducted to mitigate the impact on the charity's finances and make savings wherever possible. It has also benefitted from Welsh Government Grants for non-domestic Rates relief on our buildings.

At the time of approving these accounts, the organisation was able to safely re-open three of its showrooms in July 2020. Our priority remains the safety of our staff, volunteers and customers so it has been necessary to scale down the organisation in order to stay within government guidance around social distancing.

Taking this into account, we are satisfied that with the additional funding and financial support we have been able to access, these are sufficient to ensure that the financial statements for 31 December 2019 can be prepared on a 'going concern' basis.

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE, GOVERNANCE & MANAGEMENT

The organisation, by special resolution on 30 May 2017, changed its name to toogoodtowaste Limited. (Previous name Valleys Furniture Recycling Limited).

The organisation registered as a charity in September 1994 and incorporated on 2 December 1996. On 19 June 2000 it registered as a company limited by guarantee and adopted its Memorandum and Articles of Association. The business of the company is managed and administered by a Board of Directors (trustees) who are accountable to the members of the company. The Board of Trustees can have up to 15 members (12 elected at the Annual General Meeting [AGM]) and 3 co-opted members.

Full Board Meetings, Finance, Employment and Marketing Sub Committee meetings are held quarterly, on alternate months (where possible).

Appointment of Trustees

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

Trustee recruitment: Induction and training

Potential new trustees are provided with an induction pack and encouraged to attend an informal meeting with representatives from existing Board members to discuss the Values, Aims and Objectives of the company and their obligations under Charity and Company Law, prior to nomination. Official checks are undertaken to ensure applicants meet the legal requirements of acting as a charity trustee. Following appointment, new trustees undergo an induction process which includes familiarisation with key documents including: Memorandum and Articles of Association, Business Plan and Financial Budgets.

During the induction process, new trustees are encouraged to spend some time within the organisation, meeting current paid and unpaid personnel, customers and stakeholders. Specific training on governance is also provided.

Company Members

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

As at December 2019, there were 70 paid up members of the company (69 in 2018) (25 Full members, 25 Organisations, 20 Associate members)

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

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE, GOVERNANCE & MANAGEMENT (continued)	
Vision Statement	Maximise potential – Minimise waste
Mission Statement	toogoodtowaste is committed to changing people's lives every day, through developing and implementing sustainable Social Enterprises that meet the changing needs of the communities we serve.
Organisational Structure	<p>The Chief Executive Officer (CEO) is responsible for the strategic growth and vision of the organisation, reporting to the Board of Directors.</p> <p>The Finance Manager is responsible for the financial accountability and financial analysis, reporting to the CEO and Finance Sub Committee.</p> <p>Other core staff include: Retail Manager, Operations Manager, Marketing Officer, Property Clearance co-ordinator, Trainer/ Volunteer Co-Ordinator, Workshop Supervisor, Workshop Assistant, Finance Assistant, 4 Domestic Appliance Engineers, 4 Van supervisors, 6 customer service supervisors, Warehouse Supervisor, Logistics Clerk, 2 electrical cleaning supervisors and a call centre supervisor.</p> <p>In addition to these 32 paid positions, the organisation relies on volunteer support from around 50 individuals each day.</p>
Related parties	<p>To identify and assist those people in greatest need the organisation works with other Charities, Housing Associations, Community groups and Local Authority Social Services Departments, to accept referrals for free or discounted furniture packages.</p> <p>There is a Memorandum of Understanding with the Local Authority (L.A) Environmental Services Department and a partnership agreement with the Children's Services Department.</p> <p>As part of Reuse Network agreements have been established via commercial contracts with DHL and Dixon Group, Airsprung, IKEA and John Lewis.</p> <p>There is a legal charge on the property (Ynyshir Road, Ynyshir CF390AT) as part of the Big Lottery/WG Community Asset Transfer Grant.</p> <p>There is a legal charge on the property (Horeb Street, Treorchy, CF42 6RU) as part of the Big Lottery People & Places Grant.</p>

TOOGOODTOWASTE LIMITED

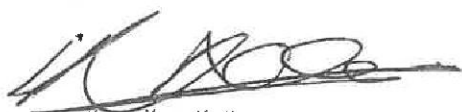
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

LEGAL AND ADMINISTRATIVE DETAILS		
Charity name	toogoodtowaste Limited	
Registered numbers	Company Number: 03286173 Charity Number: 1064588	
Registered office	Ynyshir Road, Porth, CF39 0AT.	
Other operating premises	Unit 3 Aberaman Ind. Park, Aberaman, Aberdare, Rhondda Cynon Taf CF44 6DA Units 1 & 2 Ynyshir Road. Ynyshir, Porth, Rhondda Cynon Taf CF39 0AT Horeb Street, Treorchy, Rhondda Cynon Taf, CF42 6RU Unit 2, Parc Busnes Treorci, Abergorki Industrial Estate, Treorchy. CF42 6DL Units 15a & 16 Gwent Shopping Centre, Tredegar. NP22 3EJ	
Board of Directors and Trustees	Dave Henderson David Lewis Dr. Dafydd Trystan Davies Malcolm Gay Rhiannon Holtham Michael Bryan Lee Foulkes Philip Moss Natasha Lewis Stephen Merritt Ceridwen Eleri-Hughes Jenkins Sheila Rees	Chairman Vice – Chairman Appointed 13/06/2019 Resigned 31/08/2019 Resigned 18/11/2019
Advisors	Auditors Azets Audit Services, Chartered Accountants & Statutory Auditors, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff CF23 8AB Bankers Barclays Bank Plc, Pontypridd, Rhondda Cynon Taf. CF37 4YA Solicitors Eversheds Sutherland, 1 Callaghan Square, Cardiff. CF10 5BT	
Key Management	Shaun England Rhian Edwards Miranda Keen Geraint Davies	Chief Executive Officer Finance Manager & Company Secretary Retail Manager Operations Manager

TOOGOODTOWASTE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

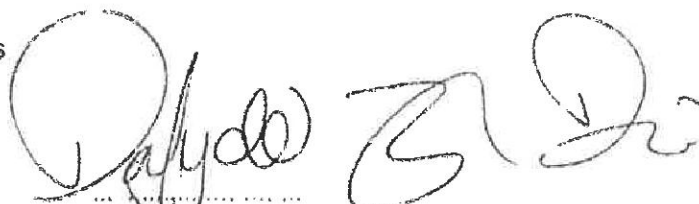
The trustees report was approved by the Board of Trustees



Dave Henderson
(Chairman)

Dated

27/10/20



Dafydd Trystan Davies
(Chair Finance Sub Committee)

Dated:

27/10/20

TOOGOODTOWASTE LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees (who are also directors of toogoodtowaste Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Auditors

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TOOGOODTOWASTE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF TOOGOODTOWASTE LIMITED

Opinion

We have audited the financial statements of toogoodtowaste Limited (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

TOOGOODTOWASTE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TOOGOODTOWASTE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case

Sarah Case FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

28/10/2020

Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Baldwins Audit Services is eligible for appointment as audit of the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006

TOOGOODTOWASTE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes						
Income from:							
Donations and legacies	3	11,376	-	11,376	43,335	-	43,335
Charitable activities	4	1,134,053	133,402	1,267,455	821,231	526,692	1,347,923
Other trading activities	5	3,870	-	3,870	2,358	-	2,358
Total income		1,149,299	133,402	1,282,701	866,924	526,692	1,393,616
Expenditure on:							
Charitable activities	6	1,145,895	273,064	1,418,959	865,305	123,413	988,718
Gross transfers between funds		-	-	-	3	(3)	-
Net income/(expenditure) for the year/							
Net movement in funds		3,404	(139,662)	(136,258)	1,622	403,276	404,898
Fund balances at 1 January 2019		368,111	1,000,256	1,368,367	366,489	596,980	963,469
Fund balances at 31 December 2019		371,515	860,594	1,232,109	368,111	1,000,256	1,368,367

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

TOOGOODTOWASTE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		1,202,194		1,316,219
Current assets					
Stocks	11	8,629		1,000	
Debtors	12	58,221		90,447	
Cash at bank and in hand		32,989		55,398	
			99,839		146,845
Creditors: amounts falling due within one year	13	(69,924)		(94,697)	
Net current assets			29,915		52,148
Total assets less current liabilities			1,232,109		1,368,367
Income funds					
Restricted funds	15		860,594		1,000,256
<u>Unrestricted funds</u>					
Designated funds	16	20,000		30,000	
General unrestricted funds		351,515		338,111	
			371,515		368,111
			1,232,109		1,368,367

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for 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 year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The accounts were approved by the Trustees on



Dave Henderson (Chairman)

27/10/20



Dafydd Tystyn Davies (Chair Finance Sub Committee)



Company Registration No. 3286173

TOOGOODTOWASTE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	23		57,588		493,666
Investing activities					
Purchase of tangible fixed assets		(79,997)		(473,225)	
Net cash used in investing activities			(79,997)		(473,225)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(22,409)		20,441
Cash and cash equivalents at beginning of year			55,398		34,957
Cash and cash equivalents at end of year			32,989		55,398

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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

General funds are unrestricted funds which are available for use at the discretion of the Board in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose the aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income consists of the invoiced value (excluding VAT) of goods sold/supplied to third parties and members.

No amounts are included in the financial statement for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Membership and Subscriptions income is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Sponsorship income is credited to the Statement of Financial Activities in the year in which they are due.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Capital grants are released to the SOFA in the year of receipt. Fixed assets relating to capital grants are capitalised, and depreciation charged is offset against the grant income, in a restricted fund.

Income from furniture supplied

A minimum fixed price is required for each item of furniture supplied and is accounted for on a receipts basis.

Furniture auction income and other donations

These sources of income are accounted for on a receipts basis.

Income from donated goods is recognised when the donated goods are sold.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.
- By helping to meet the furniture and household items needs of people on a low income, by, but not limited to, recycling household items which would otherwise be thrown away and by advancing more sustainable waste management practices.
- By advancing the education and development of people, through providing opportunities to volunteer, train, develop work and social skills, gain work experience and encourage social integration.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of costs

Expenditure by the charity, in the year, has been split between unrestricted and restricted funds and analysed between charitable activities, governance costs and the cost of generating funds. Expenditure was allocated on the basis of staff time spent on the various activities.

Liabilities Policy

Liabilities are recognised in the Statement of Financial Activities as they become payable.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

Depreciation or amortisation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives on an annual basis as follows:

Freehold property	5-20% per annum
Leasehold improvements	20% on cost
Office equipment	25% on cost
Tools and equipment	33.3% on cost
Motor vehicles	25% per annum

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Community asset transfer:

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

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

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Unsold donated items are not included in closing stock since their cost is nil and their value is uncertain until sold.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

As a registered charity, toogoodtowaste is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

1.12 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Debtors

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.15 Creditors and provisions

Basic financial liabilities

Basic financial liabilities, including creditors and are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.16 Taxation

As a registered charity, toogoodtowaste Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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. Actual results may differ from these estimates.

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 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Donations and gifts	10,800	42,405
Members contributions	526	690
Other	50	240
	<u> </u>	<u> </u>

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Charitable activities

	2019 £	2018 £
Service level agreement	20,000	20,000
Performance related grants	133,402	526,692
Household items supplied	1,008,120	739,877
Social enterprise projects	105,933	61,354
	<u>1,267,455</u>	<u>1,347,923</u>
Analysis by fund		
Unrestricted funds	1,134,053	
Restricted funds	133,402	
	<u>1,267,455</u>	
For the year ended 31 December 2018		
Unrestricted funds		821,231
Restricted funds		526,692
		<u>1,347,923</u>
Performance related grants		
Big Lottery - People & Places	92,270	383,169
Lloyds Bank Foundation	25,000	10,417
Miscellaneous Grants	800	463
National Lottery Awards for all	-	4,400
Co-op Community Fund	1,576	4,322
Pen Y Cymoedd Wind Farm	13,756	123,921
	<u>133,402</u>	<u>526,692</u>

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Sundry income	-	2,188
Rental income	3,870	170
Other trading activities	3,870	2,358

6 Charitable activities

	2019	2018
	£	£
Staff costs	698,859	525,452
Volunteer costs	82,993	70,915
Transport costs	140,332	88,021
Cost of goods	114,652	82,486
	1,036,836	766,874
Share of support costs (see note 7)	376,623	216,844
Share of governance costs (see note 7)	5,500	5,000
	1,418,959	988,718
Analysis by fund		
Unrestricted funds	1,145,895	865,305
Restricted funds	273,064	123,413
	1,418,959	988,718
For the year ended 31 December 2018		
Unrestricted funds	865,305	
Restricted funds	123,413	
	988,718	

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Support costs

	Support costs £	Governance costs £	2019 £	2018 £	Basis of allocation
Depreciation	194,022	-	194,022	78,628	Staff costs
Advertising and meetings	9,704	-	9,704	13,719	Staff costs
Premises costs	106,416	-	106,416	69,644	Staff costs
Telephone and administration	45,250	-	45,250	36,275	Staff costs
Legal and professional fees	4,398	-	4,398	4,039	Staff costs
Insurances	10,655	-	10,655	10,518	Staff costs
Bank charges	6,178	-	6,178	4,021	Staff costs
Audit fees	-	5,500	5,500	5,000	Governance
	<u>376,623</u>	<u>5,500</u>	<u>382,123</u>	<u>221,844</u>	
Analysed between					
Charitable activities	<u>376,623</u>	<u>5,500</u>	<u>382,123</u>	<u>221,844</u>	

Governance costs includes payments to the auditors of £5,500 (2018: £5,000) for audit fees.

8 Trustees

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

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Employees

Number of employees

The average number of employees, analysed by function was:

	2019 Number	2018 Number
Charitable activities	29	24
Governance	2	2
	<u>31</u>	<u>26</u>

Employment costs

	2019 £	2018 £
Wages and salaries	640,454	481,828
Social security costs	43,862	33,969
Other pension costs	10,024	4,903
Staff training and expenses	4,519	4,752
	<u>698,859</u>	<u>525,452</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Tangible fixed assets

	Freehold property £	Leasehold improvements £	Office equipment £	Tools and equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2019	1,588,524	7,960	16,216	32,304	43,518	1,688,522
Additions	72,253	-	2,958	4,786	-	79,997
Disposals	-	-	(7,369)	(29,883)	-	(37,252)
	<u>1,660,777</u>	<u>7,960</u>	<u>11,805</u>	<u>7,207</u>	<u>43,518</u>	<u>1,731,267</u>
Depreciation and impairment						
At 1 January 2019	275,729	7,960	14,244	32,304	42,066	372,303
Depreciation charged in the year	190,417	-	1,749	404	1,452	194,022
Eliminated in respect of disposals	-	-	(7,369)	(29,883)	-	(37,252)
	<u>466,146</u>	<u>7,960</u>	<u>8,624</u>	<u>2,825</u>	<u>43,518</u>	<u>529,073</u>
Carrying amount						
At 31 December 2019	<u>1,194,631</u>	<u>-</u>	<u>3,181</u>	<u>4,382</u>	<u>-</u>	<u>1,202,194</u>
At 31 December 2018	<u>1,312,795</u>	<u>-</u>	<u>1,972</u>	<u>-</u>	<u>1,452</u>	<u>1,316,219</u>

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Tangible fixed assets

(Continued)

The Big Lottery Fund has a legal charge dated 1 February 2018 over the charity's property previously known as Treorchy Youth Centre, Horeb Street, Treorchy.

11 Stocks

	2019 £	2018 £
Finished goods and goods for resale	8,629	1,000

12 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	14,068	23,460
Other debtors	8,762	20,941
Prepayments and accrued income	35,391	46,046
	58,221	90,447

13 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Deferred income		11,227	38,756
Trade creditors		37,438	36,884
Other creditors		15,879	11,245
Accruals and deferred income		5,380	7,812
		69,924	94,697

14 Deferred income

Deferred income relates to performance related grant funding received in advance and which relates to future financial periods.

	2019 £	2018 £
Balance brought forward	38,756	10,417
Income received in the year	11,227	38,756
Released to income	(38,756)	(10,417)
Balance carried forward	11,227	38,756

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2018	Movement in funds			Movement in funds			Balance at 31 December 2019
	£	Incoming resources	Resources expended	Transfers	Incoming resources	Resources expended	Balance at 1 January 2019	
	£	£	£	£	£	£	£	£
Welsh Church Act	8,000	-	(2,000)	-	-	-	6,000	4,000
Big Lottery - Community Asset Transfer	376,669	-	(14,797)	-	-	(14,797)	361,872	347,075
Entrust	2	-	-	(2)	-	-	-	-
Wales Co-op	1,597	-	(1,596)	(1)	-	-	-	-
SEWCED Electrical	10,507	-	(2,626)	-	-	-	7,881	5,255
WRAP	2,863	-	(2,290)	-	-	(573)	573	-
RCT Together	8,988	-	-	462	-	(9,450)	9,450	-
Welsh Government CFAP	161,393	-	(40,348)	-	-	-	121,045	80,697
Big Lottery - People & Places	24,561	343,477	-	-	31,775	(99,088)	368,038	300,725
Miscellaneous	1,400	-	(462)	(462)	-	(462)	476	14
Pen y Cymoedd Wind Farm	-	123,921	-	-	13,756	(14,849)	123,921	122,828
Groundwork UK (Tesco)	1,000	-	-	-	-	(1,000)	1,000	-
Lloyds Bank Foundation	-	-	-	-	25,000	(25,000)	-	-
Charities Aid - Co Op	-	-	-	-	1,576	(1,576)	-	-
Miscellaenous	-	-	-	-	800	(800)	-	-
Big Lottery - People & Places	-	39,692	(39,692)	-	60,494	(60,494)	-	-
	596,980	507,090	(103,811)	(3)	133,401	(273,063)	1,000,256	860,594

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Restricted funds

(Continued)

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

Welsh Church Act – Grant towards the purchase of Ynyshir Warehousing building.
Grant to complete the preliminary groundworks at Ynyshir site before the extension.

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

Entrust – Grant to complete the preliminary ground works at the Ynyshir site

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

SEWCED Electrical – Grant towards the purchase of Ynyshir Warehousing building. Grant to purchase a new vehicle and equipment for electrics department.

WRAP – Grant to complete the preliminary groundworks at the Ynyshir site before the extension.

Welsh Government CFAP - Grant to complete the refurbishment works at the Treorchy site.

CFAP - Grant to complete the refurbishment works at the Ynyshir site.

Big Lottery - People & Places - Grant towards the renovations of former Treorchy Youth Centre.

Miscellaneous - Grant from Construction Excellence in Wales towards the racking in the warehouse.

Pen y Cymoedd Wind Farm - This funding was received for the roof renovations of the former Treorchy Youth Centre.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15 Restricted funds

(Continued)

Other funds:

Groundwork UK (Tesco) - This funding was received from the Bag for Life scheme towards the purchase of new computers for volunteers.

Lloyds Bank Foundation - This funding was received towards the funding of the salary costs of the Volunteers Coordinator for three years.

The Co-operative Local Community - The funding was received towards corporate clothing for volunteers.

Big Lottery - Awards for all - This funding was received towards the Volunteer Christmas celebration.

Miscellaneous - The funding was received from Neighbourly TK MAXX towards a community clean-up event.

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2018	Transfers	Balance at 1 January 2019	Transfers	Balance at 31 December 2019
	£	£	£	£	£
Project closure costs	20,000	10,000	30,000	(10,000)	20,000
	20,000	10,000	30,000	(10,000)	20,000

Project closure - The board recognise the need to maintain a reserve to cover the closure costs arising from a significant reduction in income. The amount has been reduced in 2019 by £10,000 to allow for the investment into Tredegar. The amount held as a designated fund will be increased in future years when funds become available as per the Reserves Policy.

17 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:						
Tangible assets	341,600	860,594	1,202,194	316,963	999,256	1,316,219
Current assets/ (liabilities)	29,915	-	29,915	51,148	1,000	52,148
	371,515	860,594	1,232,109	368,111	1,000,256	1,368,367

18 Members' Contributions

Contributions for membership for individuals were set at £5 for waged and £1 for unwaged. Organisations contributed £25 for membership. Each member's liability is limited to £1. At 31 December 2019, there were 70 members of the company (2018: 67).

19 Capital commitments

As at 31 December 2019, the charity did not have any capital commitments (2018: £21,889).

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20 Indemnity Insurance

The charity has purchased insurance to protect it from loss arising from the neglect or defaults of its trustees and employees, and to indemnify the trustees against the consequences of any neglect or default on their part. The cost of this insurance is included within the overall cost of a specialist charity policy which includes property insurance and employer's liability insurance and cannot therefore be separately identified.

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	128,238	117,384

The key management personnel of the charity comprise of the Chief Executive Officer, Retail Manager, Operations Manager and Finance Manager.

During the current year the charity received grant funding from Pen Y Cymoedd Wind Farm Community Interest Company to the value of £13,756 (2018: £123,921).

Mr D J Henderson, trustee is also a Director of Pen Y Cymoedd Wind Farm Community Interest Company.

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	115,654	53,710
Between two and five years	162,446	124,384
	278,100	178,094

TOOGOODTOWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

23 Cash generated from operations	2019 £	2018 £
(Deficit)/surplus for the year	(136,258)	404,898
Adjustments for:		
Depreciation and impairment of tangible fixed assets	194,022	78,628
Movements in working capital:		
(Increase) in stocks	(7,629)	(397)
Decrease/(increase) in debtors	32,226	(30,108)
Increase in creditors	2,756	12,306
(Decrease)/increase in deferred income	(27,529)	28,339
Cash generated from operations	57,588	493,666

The surplus value in 2018 includes income for restricted capital grants. The depreciation of these fixed assets began in 2019 and will continue in future years depending on the asset depreciation policy.

24 Analysis of changes in net funds

The charity had no debt during the year.

