

Charity registration number 1076996

Company registration number 03780618 (England and Wales)

DORSET RECLAIM
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2022



4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

DORSET RECLAIM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M Hartland Mr E Taylor Mr R Osborough Mr A Erwood Mrs J Skinner Mr R Tovey
Secretary	Joanna Taylor
Charity number	1076996
Company number	03780618
Registered office	85 Stanley Road Springbourne Bournemouth Dorset BH1 4SD
Independent examiner	Harrisons Chartered Accountants 4 Brackley Close Bournemouth International Airport Christchurch Dorset BH23 6SE
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 PO Box 902 15 Dalkeith Road Edinburgh EH16 5BU
Solicitors	Kerr & Co 5 Milhams Street Christchurch Dorset BH23 1DN

DORSET RECLAIM

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DORSET RECLAIM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2022

The trustees present their annual report and financial statements for the year ended 30 September 2022.

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

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 10 - 20 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. Volunteers fill roles in the collection and delivery teams, warehouse work, administration and reception, as well as specialist practical areas such as woodworking and electrical testing.

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 19 - 92 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.

On average over 250 hours of time are donated by volunteers each week, compared to an average of 650 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 7,000 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.

DORSET RECLAIM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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.

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 & 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.

In the last financial year, we have distributed over 7,000 items to local customers who benefitted from this approach, a great achievement to help the local community.

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 local councils, as well as housing associations and other local charities that refer many of their clients to us.

Over the years, we have developed partnerships with local authorities helping them deliver their statutory services. We assist delivery by provision of essential household items, such as cookers and beds – these can be paid for in part or fully paid by the local authority.

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. The 3 depots collected from just over 8,000 households in the course of this year, a small rise from last 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.

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. This work has obviously been interrupted in the last couple of years but we hope to resume as before.

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

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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 £750,848 a rise of just over £85,000 from the previous year. 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. Our electrical sales were £93,681, a fall of just over £2,000 from last year; this element of our work has continued to decrease due to the difficulty in obtaining raw stock as stated but also due to a further lockdown. 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 accept these results and hope for an anticipated rise in demand as a result of the current cost of living crisis. They obviously are seeking ways to increase income, while restricting expenditure.

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 August 2024. This now represents a cornerstone of our 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 online sales, both of parts from dismantled electrical items, such as washing machines, 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 online sources.

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 through gift aid. Despite our plans to revisit our gift aid systems this year, plans were put on hold due to having to deal with day to day running issues and recruitment of staff.

Financial review

Full utilisation of the charity's funds is set out in the accounts, most particularly in the Statement of Financial Activities on page 8. The level of reserves has also been realistically set as discussed below.

The rise in sales income is obviously welcome but the charity also has to contend with a steep rise in costs

The improved performance this year has obviously been helped by no further shutdowns, and like many other small charities we are simply pleased still to be trading and providing our services to those who need us.

DORSET RECLAIM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Reserves policy

The Trustees have a policy to strive to set aside 3 months running costs to safeguard the charity's position. Although not at the 6 months level the Charity Commission recommends, the Trustees believe this is a more realistic target. 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.

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. The current 5 year business plan will continue with the practice of regular reviews to ensure the organisation is focused and on track, although with changes to the commercial environment of such magnitude over the last few years, amendments will be considered on an ongoing basis.

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.

Plans for future periods

Our last few years have been like no others. With the pandemic hitting us in the spring of 2020 forcing the closure of our retail business, we wondered, no doubt along with many other charities, whether we would survive. In addition, we are now facing the significant consequences on an ongoing war in Ukraine, which are wider than originally anticipated.

Currently, with utilities and fuel rising and a cost of living crisis being experienced by households across the county, we hope the demand for our services will be as great as ever and donations will continue.

With the reduction in the number of donated white goods and a keen eye to the budget, the difficult decision has been made to close the Christchurch depot. This site has been in operation for over 15 years, working successfully to provide refurbished electricals but with the substantial drop in the items available to work on, such a large site is no longer justifiable. Operations will be split between the Bournemouth and Poole sites with no loss of jobs, but the work needed to prepare each site for the incoming staff and clear a large site is not to be underestimated. The staff have taken to the challenge well and will achieve the move in a 6 month time frame while still delivering our usual services. We anticipate having left the site completely by the end of summer 2023.

It is anticipated that this change will help reduce ongoing costs although the trustees do anticipate a further loss in the coming year. This change is anticipated to push the charity back to a better position in the medium/long term.

We believe that with many facing continued financial hardship, and perhaps worse to come in the new year, the charity retains its relevance to the community and will, if anything, be met with even greater need although we find ourselves unable to predict with any certainty our own financial future. Along with others, our rising costs are troubling and our customers are not in a position to cope with higher prices for our stock.

We will continue to further develop sales to the general public, including online sales, not only featuring second hand and vintage items but those one off donations that do not readily belong in our depots with proceeds being reinvested in the main work of the charity. We believe that this will continue to be an increasingly important income stream.

DORSET RECLAIM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

We stated previously that our branches are also looking to develop a more generally inviting retail feel rather than just storage depots and this has been achieved in part.

There are still recruitment issues to be looked at and as with all business at the moment, finding the right staff is a challenge, but the trustees are content that these will be addressed within the span of the new business plan.

It is our intention to retain our flexible approach & determination to maintain services to the local community to the best of our ability despite such unpredictable times.

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.

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements were:

Mr M Hartland
Mr E Taylor
Mr R Osborough
Mr A Erwood
Mrs J Skinner
Mr R Tovey

The committee members who served during the year were:

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

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 has a recruitment and retention policy to assist with work relating to new trustees and committee members which is revised 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.

DORSET RECLAIM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Organisational structure

The charity is formally governed by a management committee which is currently made up of 6 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.

In addition, the Finance sub group, set up to deal with the financial controls, 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 has now formally ended as the other charities that operated in the area have closed. In addition, we are represented at other local meetings involving partner agencies and other third sector organisations working across Dorset.

Related parties

As well as the trustees listed on page 5, the other members of the committee, also listed on page 5, are regarded as being related parties.

Details of transactions with the related parties are in note 17 to the financial statements.

The trustees' report was approved by the Board of Trustees.

Joanna Taylor
Charity Secretary

17 April 2023

DORSET RECLAIM

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DORSET RECLAIM

I report to the trustees on my examination of the financial statements of Dorset Reclaim (the charity) for the year ended 30 September 2022.

Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 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 that in any material respect:

- 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).

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 financial statements to be reached.

Harrisons Chartered Accountants

4 Brackley Close
Bournemouth International Airport
Christchurch
Dorset
BH23 6SE

Dated: 17 April 2023

DORSET RECLAIM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	6,115	-	6,115	130,019	54,198	184,217
Charitable activities	4	750,848	-	750,848	660,574	-	660,574
Investment income	5	374	-	374	78	-	78
Total income		757,337	-	757,337	790,671	54,198	844,869
Expenditure on:							
Charitable activities	6	840,186	2,071	842,257	746,770	49,282	796,052
Net (outgoing)/incoming resources before transfers		(82,849)	(2,071)	(84,920)	43,901	4,916	48,817
Gross transfers between funds		326	(326)	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(82,523)	(2,397)	(84,920)	43,901	4,916	48,817
Fund balances at 1 October 2021		330,804	9,296	340,100	286,903	4,380	291,283
Fund balances at 30 September 2022		248,281	6,899	255,180	330,804	9,296	340,100

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.

DORSET RECLAIM

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		4,796		4,837
Current assets					
Debtors	11	61,238		64,182	
Cash at bank and in hand		259,112		340,953	
		<u>320,350</u>		<u>405,135</u>	
Creditors: amounts falling due within one year	12	<u>(69,966)</u>		<u>(69,872)</u>	
Net current assets			250,384		335,263
Total assets less current liabilities			<u>255,180</u>		<u>340,100</u>
Income funds					
Restricted funds	13		6,899		9,296
Unrestricted funds			248,281		330,804
			<u>255,180</u>		<u>340,100</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 17 April 2023

Mr M Hartland
Trustee

Mr R Tovey
Trustee

Company registration number 03780618

DORSET RECLAIM

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(77,215)		75,321
Investing activities					
Purchase of tangible fixed assets		(5,000)		-	
Investment income received		374		78	
		<hr/>		<hr/>	
Net cash (used in)/generated from investing activities			(4,626)		78
			<hr/>		<hr/>
Net (decrease)/increase in cash and cash equivalents			(81,841)		75,399
Cash and cash equivalents at beginning of year			340,953		265,554
			<hr/>		<hr/>
Cash and cash equivalents at end of year			259,112		340,953
			<hr/> <hr/>		<hr/> <hr/>

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Charity information

Dorset Reclaim is a private company limited by guarantee incorporated in England and Wales. The registered office is 85 Stanley Road, Springbourne, Bournemouth, Dorset, BH1 4SD.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

1.4 Income

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.

- where there is uncertainty as to whether the conditions of the grant can be met, the income is deferred as a liability until it is probable that the conditions will be met.

- 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.

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants are received prior to satisfying the revenue recognition criteria, they are recognised as a liability.

1.5 Expenditure

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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

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 the statement of financial activities.

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).

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

1.9 Retirement benefits

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

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	Restricted funds	Total
	2022 £	2021 £	2021 £	2021 £
Donations	126	250	-	250
Grants receivable	3,650	127,767	54,198	181,965
Gift aid income	2,339	2,002	-	2,002
	<u>6,115</u>	<u>130,019</u>	<u>54,198</u>	<u>184,217</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.

Included in Grants receivable are government grants in respect of financial support relating to COVID-19 totalling £nil (2021: £127,765).

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Charitable activities

	Furniture collection & delivery 2022 £	Furniture collection & delivery 2021 £
Sales of furniture and other items	657,167	565,246
Sales of electrical goods	93,681	95,328
	<u>750,848</u>	<u>660,574</u>

5 Investment income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	<u>374</u>	<u>78</u>

6 Charitable activities

	Furniture collection & delivery 2022 £	Project costs 2022 £	Total 2022 £	Furniture collection & delivery 2021 £	Project costs 2021 £	Total 2021 £
Charitable activities expenses	510,580	-	510,580	473,631	-	473,631
Share of support costs (see note 7)	239,272	56,808	296,080	230,194	56,441	286,635
Share of governance costs (see note 7)	-	35,597	35,597	-	35,786	35,786
	<u>749,852</u>	<u>92,405</u>	<u>842,257</u>	<u>703,825</u>	<u>92,227</u>	<u>796,052</u>
Analysis by fund						
Unrestricted funds	747,860	92,326	840,186	654,958	91,812	746,770
Restricted funds	1,992	79	2,071	48,867	415	49,282
	<u>749,852</u>	<u>92,405</u>	<u>842,257</u>	<u>703,825</u>	<u>92,227</u>	<u>796,052</u>

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

7 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Support costs	296,080	32,097	328,177	286,635	319,021
Governance costs	-	3,500	3,500	-	3,400
	<u>296,080</u>	<u>35,597</u>	<u>331,677</u>	<u>286,635</u>	<u>322,421</u>
Analysed between					
Charitable activities	<u>296,080</u>	<u>35,597</u>	<u>331,677</u>	<u>286,635</u>	<u>322,421</u>

Governance costs includes payments to the independent examiners of £3,500 (2021- £3,400).

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>26</u>	<u>24</u>
Employment costs	2022 £	2021 £
Wages and salaries	415,939	389,518
Social security costs	26,951	22,612
Other pension costs	11,203	10,342
	<u>454,093</u>	<u>422,472</u>

During the previous year redundancy payments totalling £709 were paid to employees. There were no similar costs in the current year.

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

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

10 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings/ Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2021	28,503	83,736	126,150	238,389
Additions	-	2,500	2,500	5,000
Disposals	-	(38,169)	-	(38,169)
At 30 September 2022	28,503	48,067	128,650	205,220
Depreciation and impairment				
At 1 October 2021	26,651	80,751	126,150	233,552
Depreciation charged in the year	1,852	730	625	3,207
Eliminated in respect of disposals	-	(36,335)	-	(36,335)
At 30 September 2022	28,503	45,146	126,775	200,424
Carrying amount				
At 30 September 2022	-	2,921	1,875	4,796
At 30 September 2021	1,852	2,985	-	4,837

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	30,737	18,394
Other debtors	20,258	29,918
Prepayments and accrued income	10,243	15,870
	61,238	64,182

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	10,994	15,238
Accruals and deferred income	58,972	54,634
	69,966	69,872

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 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:

	Movement in funds			
	Balance at 1 October 2021	Incoming resources	Resources expended	Transfers
	£	£	£	£
Portfield Workshop Fund	814	-	(814)	-
JP Morgan Portacabin Fund	214	-	(214)	-
The Clinks Fund	405	-	(79)	(326)
The Volunteer Training Fund	920	-	(249)	-
Bright Track Fund	5,943	-	-	-
Open days Fund	1,000	-	(715)	-
	<u>9,296</u>	<u>-</u>	<u>(2,071)</u>	<u>(326)</u>
	<u><u>9,296</u></u>	<u><u>-</u></u>	<u><u>(2,071)</u></u>	<u><u>(326)</u></u>

	Movement in funds			
	Balance at 1 October 2020	Incoming resources	Resources expended	Transfers
	£	£	£	£
Portfield Workshop Fund	1,019	-	(205)	-
JP Morgan Portacabin Fund	268	-	(54)	-
The Clinks Fund	504	-	(99)	-
The National Lottery Fund - for staff	389	198	(587)	-
The Volunteer Training Fund	1,700	-	(780)	-
The COVID crisis support Fund	500	45,000	(45,500)	-
Bright Track Fund	-	8,000	(2,057)	-
Open days Fund	-	1,000	-	-
	<u>4,380</u>	<u>54,198</u>	<u>(49,282)</u>	<u>-</u>
	<u><u>4,380</u></u>	<u><u>54,198</u></u>	<u><u>(49,282)</u></u>	<u><u>-</u></u>

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 September 2022 are represented by:						
Tangible assets	4,796	-	4,796	3,404	1,433	4,837
Current assets/(liabilities)	243,485	6,899	250,384	327,400	7,863	335,263
	<u>248,281</u>	<u>6,899</u>	<u>255,180</u>	<u>330,804</u>	<u>9,296</u>	<u>340,100</u>

15 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:

	2022 £	2021 £
Within one year	126,063	113,750
Between two and five years	308,000	344,750
In over five years	519,500	596,500
	<u>953,563</u>	<u>1,055,000</u>

16 Capital commitments

At 30 September 2022 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	9,791	-
	<u>9,791</u>	<u>-</u>

17 Related party transactions

Remuneration of 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 remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	38,722	70,091
	<u>38,722</u>	<u>70,091</u>

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

DORSET RECLAIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

18	Cash generated from operations	2022	2021
		£	£
	(Deficit)/surplus for the year	(84,920)	48,817
	Adjustments for:		
	Investment income recognised in statement of financial activities	(374)	(78)
	Amortisation and impairment of intangible assets	1,852	2,108
	Depreciation and impairment of tangible fixed assets	3,189	7,104
	Movements in working capital:		
	Decrease/(increase) in debtors	2,944	(1,547)
	Increase in creditors	94	18,917
	Cash (absorbed by)/generated from operations	(77,215)	75,321
19	Analysis of changes in net funds		
	At 1 October	Cash flows At 30 September	
	2021	2022	
	£	£	£
	Cash at bank and in hand	340,953	(81,841)
		259,112	
		340,953	(81,841)
		259,112	

DORSET RECLAIM
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2022

DORSET RECLAIM

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations	126	250
Government grant income	-	127,764
Other grants receivable	3,650	54,201
Gift aid income	2,339	2,002
	<u>6,115</u>	<u>184,217</u>
 Charitable activities		
Sales of furniture and other	657,167	565,246
Sales of electrical goods	93,681	95,328
	<u>750,848</u>	<u>660,574</u>
 Investment income		
Bank interest receivable	374	78
 Total incoming resources	<u>757,337</u>	<u>844,869</u>
 Expenditure		
 Expenditure on charitable activities		
Activities undertaken directly		
Opening stock	-	-
Purchases	29,445	25,780
Wages and salaries	415,939	389,518
Social security costs	26,951	22,612
Staff pension costs	11,203	10,342
Rent	132,593	129,799
Rates & water	8,631	2,980
Light & heat	13,841	16,690
Repairs & maintenance	42,483	41,598
Insurance	27,142	25,683
Other establishment	6,053	5,897
Motor vehicle expenses	77,651	73,264
Legal and professional fees	2,097	3,814
Accountancy fees	3,500	3,400
Telephone	6,390	5,954
Printing, postage & stationery	9,277	9,525
Amortisation	1,852	2,108
Depreciation	1,355	7,104
Loss on disposal of tangible fixed assets	1,834	-
Sundry	16	(13)
Volunteer expenses	16,249	12,916
Training	1,428	1,610
Advertising	461	-
Life assurance	1,020	1,020
Other financial costs	4,846	4,451
Total expenditure	<u>842,257</u>	<u>796,052</u>
 Net income	<u>(84,920)</u>	<u>48,817</u>

DORSET RECLAIM

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Expenditure		
Expenditure on charitable activities		
<i>Activities undertaken directly</i>		
Opening stock	-	-
Purchases	29,445	25,780
Wages and salaries	359,601	332,173
Social security costs	22,580	18,596
Staff pension costs	9,512	8,918
Motor vehicle expenses	77,651	73,264
Depreciation	625	6,350
Loss on disposal of tangible fixed assets	1,834	-
Volunteer expenses	7,443	6,940
Training	1,428	1,610
Advertising	461	-
Total expenditure	510,580	473,631
Support costs		
Rent	132,593	129,799
Rates & water	8,631	2,980
Light & heat	13,841	16,690
Repairs & maintenance	42,483	41,598
Insurance	27,142	25,683
Other establishment	747	776
Legal and professional fees	2,097	3,814
Telephone	4,793	4,466
Volunteer expenses	6,945	4,388
	239,272	230,194
Project costs		
Wages and salaries	27,618	28,077
Social security costs	1,856	1,480
Staff pension costs	829	842
Other establishment	5,306	5,121
Telephone	1,597	1,488
Printing, postage & stationery	9,277	9,525
Amortisation	1,852	2,108
Depreciation	730	754
Sundry	16	(13)
Volunteer expenses	1,861	1,588
Life assurance	1,020	1,020
Other financial costs	4,846	4,451
	56,808	56,441
Governance costs		
Wages and salaries	28,720	29,268
Social security costs	2,515	2,536
Staff pension costs	862	582
Accountancy fees	3,500	3,400
	35,597	35,786
Expenditure on charitable activities	842,257	796,052