

Annual Accounts 2007/08



Shropshire Household Furniture
Recycling Partnership
Registered Charity 1082068

South Shropshire Furniture Scheme

Company 4041051

SOUTH SHROPSHIRE FURNITURE SCHEME
(A company limited by guarantee)

DIRECTORS AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 2008

Company No. 4041051 (England & Wales)
Charity No. 1082068

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors & Trustees

William Duley
Susan McCormack
Niall McCormack
Phillip Reckless
Helen Corfield
Monica Green
Pat Simon (resigned June 2008)
Bill Avery (resigned June 2008)
Patrick Creasey (appointed June 2008)
Jonathan Brown (appointed August 2008)

Secretary

Jean Jarvis

Chief Executive Officer

Jean Jarvis

Registered Office

The Renaissance Centre
7/8 Tower Street
Ludlow
Shropshire
SY8 1RL

Company Registration Number

4041051

Charity Registration Number

1082068

Bankers

Lloyds TSB
16 Broad Street
Ludlow

Auditors

James, Holyoak & Parker Ltd
Longden House
105 Longden Road
Shrewsbury
SY3 9DZ

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

DIRECTORS AND TRUSTEES REPORT
FOR THE YEAR ENDED 31ST AUGUST 2008

The Directors and Trustees present their financial report for the year ended 31st August 2008.

The Charity was incorporated on 26th July 2000 as a company limited by guarantee. Charitable operations commenced on 1 September 2000 with a transfer of assets worth £34,862 from the South Shropshire Volunteer Exchange.

Directors & Trustees

The Directors and Trustees of the Charity who served during the period are as follows:-

William Duley	(Chairman)
Niall McCormack	(Minute Secretary)
Helen Corfield	
Phillip Reckless	
Monica Green	
Susan McCormack	
Pat Simon (resigned June 2008)	
Bill Avery (resigned June 2008)	
Patrick Creasy (appointed June 2008)	(Treasurer)
Jonathan Brown (appointed August 2008)	

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected on an annual basis, with the officers being elected from the membership of the Management Committee.

The Management Committee seeks to ensure that Trustees are selected from a wide geographical area, to ensure a fair spread of influence for all locations covered by the scheme, and that the Trustees have experience in sectors relevant to the scheme.

When a member of the board from a certain location or with a particular skill is lost the Management Committee will endeavour to replace this member with a person with a similar list of attributes. Currently the committee consists of members from a variety of backgrounds such as teaching, training, accountancy, commerce, the clergy and the local council.

Trustee Induction and Training

Most prospective Trustees will already be familiar with the practical work of the scheme. However, a new Trustee will be given a guided tour of the scheme, an introduction pack covering the work of the scheme, and the latest financial information plus a pack outlining the Trustees legal responsibilities.

Organisational Structure

The Management Committee which consists of up to ten members meets bi monthly and is responsible for the strategic direction and policy of the charity.

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

DIRECTORS AND TRUSTEES REPORT
FOR THE YEAR ENDED 31ST AUGUST 2008 (CONTINUED)

The Chief Executive Officer also sits on the committee but has no voting rights.

There is also a finance sub-committee which meets bi monthly and is responsible for setting budgets within the guidelines set by the Management Committee and for also reporting back to the committee actual performance versus budget.

A scheme of delegation is in place and day to day responsibility for the work of the charity rests with the Chief Executive Officer Jean Jarvis.

Responsibilities of the Directors & Trustees

Company and Charity law requires the Directors and Trustees to prepare accounts that give a true and fair view of the state of affairs of the Charity and of its income and expenditure for the financial year. In doing so, the Directors and Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Directors and Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives of the South Shropshire Furniture Scheme

The Charity's objectives are to relieve poverty and protect or preserve the environment for the public benefit by all or any of the following means:-

- (a) By helping to improve the quality of life of both individuals and families who are in need of essential household equipment as identified by the Charity by statutory and voluntary agencies through collecting donated furniture and household equipment and storing and checking electrical appliances for safety before delivering to those in need.
- (b) By recycling, re-using, renovating and repairing household items that would otherwise have to be disposed of as landfill.
- (c) By providing opportunities for the unemployed, those with special needs and those on Community Service or similar orders, to practise and acquire skills and gain confidence whilst contributing to the welfare of their own communities.
- (d) Through advancing the education of the general public about the benefits to the environment of recycling, re-use and waste management and to promulgate the value of sustainable lifestyles.
- (e) To advance the education of the general public about the importance of recycling, re-use and waste management and to promulgate the value of sustainable life-styles.
- (f) Through the establishment of volunteer training schemes to undertake the repair and/or restoration of donated items or any other aspects of the Charity's work as appropriate.

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

DIRECTORS AND TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)

Review of the Period

The Directors and Trustees are pleased with the financial performance of the scheme in the year. A workable level of funding has been secured until the end of 2009 and service contracts have been established that pay on the attainment of results and services delivered. This contract income together with an increased level of self generated income moves the scheme closer to the goal of financial self sustainability however we are currently still dependent on the generosity of our funders.

Aside from our improved financial position, the Directors and Trustees are pleased with the progress of the operational aspects of the scheme during the period under review.

At the end of the financial year we opened our new storage and sale centre at Weeping Cross Lane, Ludlow and re-opened our information and retail centre in Church Stretton. This allowed us to improve our management of the expanding used furniture inventory and offer a better selection of lower priced goods to both the needy and general public.

Since last year we have increased our collections and deliveries, as well as our volunteer workforce.

More opportunities have been given to the unemployed, those with special needs, people recovering from drug addictions, serving community service orders and those on training schemes to practice and acquire skills within our workshops. Through our work and publicity campaigns the level of awareness to the benefits of reuse recycling and sustainable lifestyles has increased substantially throughout the South Shropshire District and indeed Shropshire.

We continue to help improve the quality of life of both individuals and families who are in need of essential household equipment and are able to supply them with everything from teaspoons to beds. The profile of the work was further raised when we were called upon to assist the people affected by the 2007 floods. We are very satisfied with the results of our core work.

The Renaissance Centre in Ludlow has proved to be a great success. The centre acts as a showcase for the extremely high quality recycled products produced by our workshops, where we provide a range of vocational and recreational training to all abilities. The centre has raised the profile of our work as well as generating sustainable income to support our core services

Our profile continues to grow nationally, we were invited to lead national workshops to show other voluntary organisations the way and Jean Jarvis our CEO has recently finished her first year as a Social Enterprise Ambassador which has helped the Scheme establish valuable links with other charity organisations across the country.

Finally the Trustees would like to take this opportunity to thank our funders, (see note 3) without whom we would not be able to provide our services, and all our staff and volunteers who have worked extremely hard to ensure the success of the charity. The Scheme is only as successful as its people and they have shown in their work and commitment all the best attributes of the South Shropshire community which they represent.

The attached Financial Statements show the financial activity of the charity during the year.

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED
DIRECTORS AND TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)

Future Developments

As alluded to above the provision of our service relies on the contributions of our funders, without these contributions we would be unable to support the range of activities currently offered. However we aim to increase our fund raising efforts in the future and intend to continue to provide and improve all our existing services.

We are very excited about our new warehouse in Weeping Cross Lane which together with the re-opening of the Church Stretton information and retail centre will give people greater access to our services in 2009.

We are also in the process of implementing the recommendations made by Rubus Services Ltd who were commissioned to identify areas for future development.

This review identified that whilst building on a strong foundation, in some areas we will need a step change in roles and responsibilities of staff and volunteers and in the systems and processes of the Scheme to enable it to better support Scheme beneficiaries, customers, staff and volunteers in the future and to fully exploit new opportunities.

Investment Policy

The Trustees considered that given the charity's net asset position holding anything other than bank deposit type investments would be inappropriate.

Risk Management

The Trustees actively review the major risks the charity faces on a regular basis, financial and operational, and confirm they have established systems to mitigate the significant risks.

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

DIRECTORS AND TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)

Auditors

A resolution proposing James, Holyoak & Parker Limited to be re-appointed as auditors of the charity will be put to the Annual General Meeting.

Signed for and on behalf of the Board of Directors & Trustees on

William Duley
(Chairman)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

We have audited the financial statements of South Shropshire Furniture Scheme Limited for the year ended 31st August 2008 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with S.235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees who are also the directors of South Shropshire Furniture Scheme Limited for the purposes of company law are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:-

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 August 2008, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

James, Holyoak & Parker Ltd,
Chartered Accountants & Registered Auditors
Longden House,
Shrewsbury,
SY3 9DZ

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2008

	<u>Notes</u>	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>Total</u> <u>2008</u> £	<u>Total</u> <u>2007</u> £
<u>INCOMING RESOURCES</u>					
Donations, Legacies & Similar Incoming Resources	3	165,860	84,580	250,440	190,306
Incoming Resources from operating activities in furtherance of the charity's objects	3a	-	201,625	201,625	231,742
Investment Income & Interest		-	946	946	150
Total Incoming Resources		165,860	287,151	453,011	422,198
<u>RESOURCES EXPENDED</u>					
Furniture Distributed		-	80,650	80,650	78,600
Staff Costs	4	63,614	78,437	142,051	163,651
External Tutor Costs		16,602	-	16,602	15,880
Staff Travel		-	4,314	4,314	1,474
Premises		19,593	39,780	59,373	53,980
Print, Post & Stationery		2,454	2,455	4,909	6,174
Legal & Professional		20,101	63	20,164	1,798
Volunteer Expenses		-	3,265	3,265	1,306
Telephone		2,259	2,259	4,518	4,859
Bank Charges		-	1,194	1,194	1,718
Training Costs		3,193	-	3,193	3,672
Depreciation		7,000	26,678	33,678	20,613
Sundry		-	921	921	441
Materials & Equipment		4,145	4,146	8,291	293
Electrical Product Testing		2,441	-	2,441	2,718
Van Expenses		5,670	5,670	11,340	7,685
Audit/Independent Examiners Fee		-	1,410	1,410	1,166
Publicity Costs		-	1,644	1,644	2,766
Artisans Work		-	422	422	307
Renaissance Tea Room Costs		-	2,191	2,191	1,353
Total Resources Expended		147,072	255,499	402,571	370,454
Net Surplus for the Year before transfers		18,788	31,652	50,440	51,744
Gross transfers between funds		-	-	-	-
Net Surplus		18,788	31,652	50,440	51,744
Total Funds brought forward	8,9	7,212	46,826	54,038	2,294
Total funds carried forward	8,9	26,000	78,478	104,478	54,038

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

BALANCE SHEET AS AT 31ST AUGUST 2008

	<u>Notes</u>	£	<u>2008</u> £	£	<u>2007</u> £
Fixed Assets					
Tangible Assets	6		56,662		42,989
Current Assets					
Debtors & Prepayments		32,098		10,150	
Cash at Bank and in Hand		34,613		24,022	
		-----		-----	
		66,711		34,172	
Creditors: Amounts falling due within one year	7	(18,895)		(23,123)	
		-----		-----	
Net Current Assets			47,816		11,049
			-----		-----
Net Assets			104,478		54,038
			=====		=====
Unrestricted Funds	9		78,478		46,826
Restricted Funds	8		26,000		7,212
			-----		-----
Total Funds	10		104,478		54,038
			=====		=====

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Trustees & Directors on 3rd December 2008 and signed on its behalf by:-

.....
William Duley
(Chairman)

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR TO 31ST AUGUST 2008

1. Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable accounting standards & the Companies Act 1985. The principal accounting policies adopted in the preparation of the Financial Statements are as follows:-

Donations and Grants

Income from donations and grants, including capital grants, is included in income resources when these are received, except as follows:-

- When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions, which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Furniture donated for distribution is recognised as income when distributed, at the trustees' estimate of its second hand market value.

Interest receivable

Interest is included when receivable by the Charity.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of VAT, which cannot be recovered.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Tangible Fixed Assets

Tangible Fixed Assets are depreciated on a straight line basis over their estimated useful lives as follows:-

Improvements	- over the term of the lease
Van	- 20%
Office Equipment	- 20%
Equipment & Tools	- 20%

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed. The trustees estimate stock with the second hand market value of £9,800 (2007: £15,800) was on hand at the 31st August 2008.

Fund Accounting

Funds held by the Charity are either:

- Unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted 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.

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED
NOTES TO THE ACCOUNTS YEAR ENDED 31ST AUGUST 2008 (CONTINUED)

2. The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3. **Donations, Legacies and Similar Incoming Expenses**

	<u>Restricted</u>		<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
	<u>Revenue</u>	<u>Capital</u>		<u>2008</u>	<u>2007</u>
	£	£	£	£	£
<u>Donations</u>					
Gifts in kind	6,000	-	-	6,000	6,000
Furniture donated for Distribution	-	-	80,650	80,650	78,600
Client, contribution to cost	-	-	1,212	1,212	1,501
Other	-	-	1,718	1,718	1,261
	-----	-----	-----	-----	-----
	6,000	-	83,580	89,580	87,362
	-----	-----	-----	-----	-----
<u>Grants received</u>					
ALSF	7,483	-	-	7,483	12,454
Business Link	5,006	-	-	5,006	5,000
Esmec Fairbairn	12,000	-	-	12,000	-
SAP	26,438	3,500	-	29,938	-
Town & Parish Councils	-	-	-	-	375
Community Champions Fund	1,000	-	-	1,000	-
The CRED Programme	-	-	-	-	7,933
Millichope Foundation	-	-	1,000	1,000	1,000
TSSEP	-	-	-	-	4,263
Nexus	5,000	-	-	5,000	-
SCC Regenerating Communities	62,433	21,000	-	83,433	53,419
Awards for All	-	-	-	-	5,000
Hall Garth Trust	5,000	-	-	5,000	5,000
MHCT	5,000	-	-	5,000	7,500
SS Opportunity Fund	2,500	-	-	2,500	-
Church Stretton Community Chest	-	3,500	-	3,500	-
Ludlow Community Chest	-	-	-	-	1,000
	-----	-----	-----	-----	-----
	131,860	28,000	1,000	160,860	102,944
	-----	-----	-----	-----	-----
Total	137,860	28,000	84,580	250,440	190,306
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3a. **Incoming Resources from Operating Activities in furtherance of the Charity's objects**

	<u>Restricted</u>		<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
	<u>Revenue</u>	<u>Capital</u>		<u>2008</u>	<u>2007</u>
	£	£	£	£	£
Learning Skills Council	-	-	42,194	42,194	145,106
Renaissance Centre Income	-	-	65,443	65,443	61,688
Church Stretton Centre Income	-	-	5,507	5,507	3,536
Diversification Income	-	-	9,789	9,789	9,232
SS District Council	-	-	5,000	5,000	12,180
Veolia	-	-	2,277	2,277	-
SWP	-	-	1,679	1,679	-
KSW	-	-	7,400	7,400	-
Next Step	-	-	4,130	4,130	-
SSDC Flood Assistance	-	-	56,670	56,670	-
West Mercia Probation Service	-	-	1,536	1,536	-
	-----	-----	-----	-----	-----
	-	-	201,625	201,625	231,742
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SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 2008 (CONTINUED)

4. Staff Costs and Numbers

	2008	2007
	£	£
Staff costs were as follows		
Salaries and Wages	152,964	150,768
Social Security costs	12,087	12,883
Pension Costs	-	-
Less: Costs capitalised	(23,000)	-
	142,051	163,651

The average weekly number of Staff employed, calculated as full time equivalents during the year was as follows:-

	<u>No.</u>	<u>No.</u>
Fundraising Activities	1	1
Management & Support	2	2
Workshops	6	6
Renaissance Centre	1.5	1.5
Outreach Work	0.5	0.5
	11.0	11.0

5. Taxation

The Charitable Company is exempt from corporation tax on its charitable activities.

6. Tangible Fixed Assets

<u>Cost</u>	Leasehold	Vans	Office	Equipment	Total
	Improvements		Equipment	& Tools	
As at 1 September 2007	55,954	48,933	8,441	31,046	144,374
Additions	42,046	-	4,105	1,200	47,351
Disposals	-	-	-	-	-
	98,000	48,933	12,546	32,246	191,725

Depreciation

As at 1 September 2007	38,261	30,715	8,440	23,969	101,385
Charge of the year	14,934	9,786	2,509	6,449	33,678
Disposals	-	-	-	-	-
	53,195	40,501	10,949	30,418	135,063
NBV at 31 August 2008	44,805	8,432	1,597	1,828	56,662
NBV at 31 August 2007	17,693	18,218	1	7,077	42,989

7. Creditors: amounts falling due within one year

	<u>2008</u>	<u>2007</u>
	£	£
Bank overdraft	1,557	-
Social Security & Other taxes	1,013	972
Other Creditors & Accruals	16,325	22,151
	18,895	23,123

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)

8. Movement in Restricted Funds

	<u>At 1 Sept</u> <u>2007</u>	<u>Income</u> <u>Resources</u>	<u>Outgoing</u> <u>Resources</u>	<u>Transfer</u> <u>between funds</u>	<u>At</u> <u>31 Aug 2008</u>
	£	£	£	£	£
Core Work	7,212	85,864	(69,701)	-	23,375
Carpentry Workshop	-	25,029	(25,029)	-	-
Computer Recycling	-	25,029	(25,029)	-	-
Church Stretton Centre	-	29,938	(27,313)	-	2,625
	7,212	165,860	(147,072)	-	26,000

The Core Work Fund represents grants and donations received to finance the administration, collection and distribution of furniture to people in need in the South Shropshire Area.

The Carpentry Workshop Fund represents grants received to establish the Workshop and fund some of its training and running costs.

The Computer Recycling Fund represents grants received to establish a computer refurbishing/recycling project. The grants are used to save old computers from the waste system and provide Open College Network accredited training in computer recycling and maintenance. The project takes in donated computers and either rebuilds, dismantles or refurbishes computers for sale to people on low incomes.

The Church Stretton Centre fund represents grants received to re-open the Church Stretton information and retail centre.

9. Movements in Unrestricted Fund

	<u>At 1 Sept</u> <u>2007</u>	<u>Income</u> <u>Resources</u>	<u>Outgoing</u> <u>Resources</u>	<u>Transfer between</u> <u>Funds</u>	<u>At</u> <u>31 Aug 2008</u>
	£	£	£	£	£
General Fund	46,826	287,151	(255,499)	-	78,478

The General Fund represents free funds of the Charity which are not designated for particular purposes.

SOUTH SHROPSHIRE FURNITURE SCHEME LIMITED
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2008 (CONTINUED)

10. Analysis of Net Assets between Funds

	<u>Restricted</u> <u>Funds</u> £	<u>Unrestricted</u> <u>Funds</u> £	<u>Total</u> <u>Funds</u> £
Tangible Fixed Assets	21,000	35,662	56,662
Current Assets	5,000	61,711	66,711
Current Liabilities	-	(18,895)	(18,895)
Net Assets at 31 August 2008	26,000	78,478	104,478

11. Financial Commitments

At 31 August 2008 the Charity has annual commitments under non cancellable leases as follows:-

	<u>Land &</u> <u>Buildings</u> £	<u>Other</u> £
Expiry date		
Within one year	-	-
Within one to two years	-	-
Two to five years	50,397	-
	-----	-----
	50,397	-
	-----	-----

12. Reserves Policy

The trustees believe reserves are needed:

- (a) to cover the administration, fund raising and support costs without which the charity could not function.
- (b) to meet unforeseen expenses associated with the administration and designated projects of the charity.

The trustees consider it prudent that the reserves should be sufficient:-

- (a) to avoid the necessity of realising fixed assets held for the charity's use.
- (b) to cover 3 months administration fund raising and support costs estimated at £42,500 at current activity levels.
- (c) to provide a circa £10,000 buffer against unforeseen expenses.

At the year end the charity has free reserves of £42,816 leaving a shortfall of £9,684. The Trustee's are aware of the situation and continue to build reserves by developing unrestricted income streams.