COMPANIES HOUSE

COMPANY REGISTRATION NUMBER SC330751

LAMH RECYCLE LIMITED

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

31 MARCH 2012

Charity Number SC038742

WEDNESDAY
SCT *S1HBA0SW* 12/09/2012 COMPANIES HOUSE #107

ALEXANDER MARSHALL
Chartered Accountants & Statutory Auditor
84 Hamilton Road
Motherwell
ML1 3BY

LAMH RECYCLE LIMITED
COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

CONTENTS **PAGE**

Members of the Board and professional advisers	1
Chairman's statement	2
Trustees Annual Report	3
Independent auditor's report to the trustees and members	11
Statement of financial activities (incorporating the income and expenditure account)	13
Balance sheet	14
Notes to the financial statements	15

LAMH RECYCLE LIMITED
COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	LAMH Recycle Limited
Charity number	SC038742
Company registration number	SC330751
Principal office	29 Range Road Motherwell ML1 2HR
Trustees	Mr J B Young Mr W Teevan Mr C Batten Mr C Craig
Secretary	Mrs Anita Boyle
Auditor	Alexander Marshall Chartered Accountants & Statutory Auditor 84 Hamilton Road Motherwell ML1 3BY
Bankers	Royal Bank of Scotland plc 62 Hamilton Road Motherwell Lanarkshire ML1 3DA
Solicitors	Ness Gallagher & Co Stewarton Chambers 95 Stewarton Street Wishaw Lanarkshire ML2 8AG

LAMH RECYCLE LIMITED
COMPANY LIMITED BY GUARANTEE

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2012

We entered this period in a strong financial position, trading profitably, and recognised by our peers. Best Social Enterprise 2011, Lanarkshire Business awards, and CRNS member of the year 2011.

It was understood however that at least two major challenges lay before us.

Our premises were too small for our level of activity, and our substantial revenues from our employability activities were threatened by the demise of Government Initiatives such as Flexible New Deal and the Future Jobs Fund to be replaced by the Work Programme and Community Jobs Scotland.

Experience told us that at the very least income would fall during the transition period and possibly even after the new Work Programme bedded in.

Taking the longer view we were confident that our intrinsic values in the employability field would continue to stand us in good stead and that to fully realise the Charity's potential new, larger, premises were essential.

Our position at the end of the period must therefore be considered transitional as we incur some of the extra costs of relocation, and the impact of the change of employability programmes. Confidence remains high that we will emerge a stronger charity, better able to support our various client groups with better facilities and more relevant work experiences

Our extra thanks are due to our Management Team, Anita and Joe, who in addition to their day to day activities have been tireless in securing new funding to facilitate this transition.

Thanks also to our Funders, both old and new and to all of our partners in all sectors of the economy.

Finally my personal thanks to my fellow Board Members, all of our staff and of course to our volunteers for all of their commitment and hard work.

Brian Young
Chair

LAMH RECYCLE LIMITED
COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2012

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2012.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The trustees who served the company during the period were as follows:

Mr J B Young
Mr W Teevan
Mr C Batten
Mr C Craig (Appointed 25 October 2011)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 11 September 2007 and registered as a charity. 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.

Recruitment and Appointment of Board Members

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as directors or members of the Board of Directors. The maximum number of directors shall be ten and the maximum number of member directors, a director drawn from the membership of the company, shall be eight and the maximum number of co-opted directors, non-member directors, shall be two. The number of member directors who provide services to the company on a voluntary basis, other than in their capacity as a director, is restricted to two. No employee of the company will be eligible for appointment as a director. The company's Articles requires all of the member directors to retire at each annual general meeting and they will then be eligible for re-election. Immediately after each annual general meeting all of the co-opted directors shall vacate office and the member directors may re-appoint any co-opted director who vacated office or an alternative or resolve not to fill the vacancy.

Trustee Induction and Training

The board actively seek to recruit suitable new members and encourage possible candidates to attend the company's premises to observe the charitable activities of the company and to request information. New members are encouraged to attend relevant external training courses to ensure that they fully appreciate their responsibilities and obligations.

Organisational Structure

The company has a Board of Directors of up to 10 members who meet monthly and are responsible for the strategic direction and policy of the charity. At present the board has 4 members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and the day to day responsibility for the provision of the charity's activities rests with the Management Team, comprising of Anita Boyle, Admin/ Finance & HR Manager and Joe Fulton, Operations and Development Manager. The Management Team meets formally on a monthly basis in the week preceding the Board Meeting with a focus on the monitoring and review of existing activities and the forward planning of the business. Reports and proposals are prepared and submitted to the board.

The Admin/Finance & HR Manager has a multi-functional role with the responsibility for ensuring organisational compliance with all appropriate legislation, the monitoring and control of all company finances and accounting systems and the management of company administration and HR policies and procedures including the Staff Development and Appraisal Programme. The role also has the remit for the growth of existing employability programmes, the research, development and implementation of new and appropriate programmes.

The Operations and Development Manager is responsible for the day to day management and forward planning of all business activities to ensure the key business plan targets are met through an efficient and effective workplace environment; in addition, the role also has a remit for the growth of existing business operations, the research, development and implementation of new and appropriate activities and the maximisation of existing and potential sources of funding and premises.

Related Parties
The charity does not have any formal relationships with any other charitable, commercial or other organisation. The charity contracts with North Lanarkshire Council and other organisations on a commercial basis for the provision of services.

Risk Management
The Board of Trustees confirm that the major risks to which the charity is exposed have been identified, reviewed and assessed and appropriate systems have been established to mitigate those risks and in order to achieve the charitable objectives.

OBJECTIVES AND ACTIVITIES
The charity's objects and principal activities are to:

relieve poverty primarily among individuals who currently experience or who have previously experienced mental health problems and among other individuals suffering a similar disadvantage in the workplace through providing training, development and employment opportunities;

relieve those in need by reason of mental ill health or other disadvantage;

protect the natural environment from further damage caused by the proliferation of landfill sites by;
discouraging the unnecessary depletion of natural resources; and
promoting education in the fields of waste management,
collating information and carry out research in the above areas and disseminate such information and the results of such research, all with a view to encouraging the use of more sustainable waste management practices;

promote, establish, operate, and/or support other schemes, in furtherance of charitable purposes which are of a similar nature.

The main objective for the period continued to be our focus on the training and provision of work opportunities for those recovering from mental illness, with these employability services extended to include other disadvantaged groups such as long term unemployed, ex-offenders, lone parents, school non-attendees and those recovering from alcohol/drug addictions. The business activities which enable the charity to meet this objective are:

Can recycling
IT equipment recycling
Refurbished computer sales and services
Employability development services

ACHIEVEMENTS AND PERFORMANCE

After a very lengthy, onerous and competitive process we were successful in securing £171,131 from the Scottish Government's Enterprise Growth Fund as a major contribution to our relocation to new premises in Range Road, Motherwell. This was supplemented by further funding from the Robertson Trust (£30,000), Big Lottery Awards For All (£9,889), Revolve Quality Support (£9,998) and North Lanarkshire Council's Business Growth Grant (£10,000) as well as our own contribution of £58,000 from reserves. Accordingly, during March 2012, phase 1 of our relocation was completed with PC Sales and Services, Reception, Administration and Management functions all operating from the new premises. The relocation of the recycling/waste management activities will take a bit longer due to the extent of the refurbishment required in the workshop area but we expect this to be completed by mid summer.

'Employability Development' remains our primary objective. However, we are in the midst of an extensive transitional period with the demise of the New Deal Programme, Further Jobs Fund and other longer term government initiatives and the introduction of the Work Programme and Community Jobs Scotland. Through our excellent reputation, gained from past performances, we were selected as sub contractors, after a rigid scoring process, for the delivery of the Work Programme by both Ingeus and Working Links who are the prime contractors for Scotland. The programme is in its initial stages and it is too early to determine what it will mean in terms of volume and income. Future Jobs Fund finally came to an end in September. Almost immediately Community Jobs Scotland, a very similar programme but on a much smaller scale, was launched exclusively for Third Sector Organisations. By the end of March we had been able to offer employment to 15 individuals through this initiative.

Our Big Lottery Funded "Volunteer Development Programme" continues to achieve its targets. Overall, through our various employability initiatives, we supported 48 individuals to mainstream employment, 12 to other voluntary work, 23 to further education/training with another 11 progressing to other employability initiatives/job brokerage services for more specialist assistance.

Income from our commercial activities - can recycling, IT waste management and PC sales/services - remain slightly disappointing over the year with much of this attributed to the continuing impact of the economic downturn, the variable values in the metal markets and the increasingly competitive nature of our business activities. Although we did develop new business partnerships over the year, this was offset by the loss of a few long standing customers who, unfortunately, have ceased to trade.

To address this, through Enterprise Growth Funding, we appointed 2 new staff in February 2012. Firstly, a Sales & Market Research Co-ordinator with a responsibility for not only developing existing business activities but also researching and assessing the feasibility of new activities. Secondly, an Operations Co-ordinator with a remit for ensuring that existing new recycling/waste management activities are maximised in terms of efficiency and effectiveness. Another positive impact of these 2 posts will be the freeing up of management time from day to day operations to allow them to focus more on the strategic direction of the organisation particularly with the increased capacity of the new premises and the potential opportunities in the everchanging landscape of employability services.

Whilst our success and continued growth owes much to the dedication and hard work of the Board, Management Team, staff and volunteers, it is also fitting to acknowledge the ongoing support we have had from all our business partners and funders particularly the Big Lottery Fund for the provision of additional resources to enable us to enhance our employability services and the Enterprise Growth Fund and the Robertson Trust for their generous contributions to capital and other costs in connection with our relocation.

Funders
The Big Lottery Fund, Awards for All, The Enterprise Growth Fund, The Robertson Trust, North Lanarkshire Business Support Grant and the Revolve Quality Support Fund (present), Lloyds TSB Foundation, Tudor Trust, Lanarkshire Key Fund, Esmee Fairbairn Foundation, INCREASE, ESF and FutureBuilders,Third Sector Fund and the CRNS Graduate Programme (past).

Business Partners
North Lanarkshire Council - Regeneration Services, North Lanarkshire Council - More Choices More Chances, Wise Group (IntoWork), Ingeus, Working Links, JHP Training, Microcom Training, Motherwell College, Skills Development Scotland, Routes to Work, Remploy, Craigneuk Lifelong Learning, South Lanarkshire Council, Morrisons Property Care (MPC) and SCVO,Cando Recycling, Novelis, EMR, Tes-Amm, AWA Refiners, Sims Recycling, Trident Recycling Services, North Lanarkshire Council - Environmental Services, Heriot Watt University, NHS National Services, Sir Robert McAlpine, SEPA, Clyde Valley Housing Association, Percepta, Strathclyde Police, Kibble Education, Castle Computer Services, Glasgow Science Centre, ACS Clothing, Glasgow Furniture Initiative, Daiwa Sports Ltd, The Edrington Group, SQA, CIA Excel Group, Glasgow School of Art, SAMH, Wishaw and District Housing Association, Hamilton CAB, Northgate/North Lanarkshire Council, Healthcare Environmental Ltd, The Richmond Fellowship, Scotland Highland Distillers Ltd, Controlled Therapeutics Limited, Coilcraft Europe Ltd, Ryden, Breval Environmental Ltd, George Walker/HM Love & Company, William Grant & Sons, Thomas Tunnock, Right Track, CEIS, Simple WEE Solutions, Parks Motor Group, Merson Signs, Coatbridge College, City Park Technologies and Albion Trust.

Can Recycling
This business activity did not achieve targets for tonnage but increased income, with income up to £33,579.80 for the year (+18.75%) and monthly tonnage average now down from 0.564 tonnes to 0.476 tonnes for steel and down from 2.059 to 2.285 tonnes for aluminium. The economic downturn was still having an impact on can recycling tonnages with many pubs/clubs closing or stopping using cans. Pricewise, aluminium decreased from £1,000 per tonne in April to September down to £800 per tonne in the last quarter of the year; steel was £85 per tonne. Revenue from this activity equated to 6.7% of our total income.

IT Waste Management
Tonnage collected during the period was 106,201 which was lower than the previous year and partly due to a significant drop in the number of CRT monitors uplifted. Income was up by 37.66% to £51,545.50, primarily due to the introduction of a more efficient recycling process, an increase in uplift charges and expanding our recycling partners to maximise the value of scrap metal and components. The Revenue from this activity equated to 10.28% of our total income.

PC Sales and Services
Income from this activity was down 16.63% from the previous year to £55,213.13. Although this is a disappointing performance, it is an increasingly competitive market and due to the resources dedicated to relocation we did not have the capacity to market this activity appropriately. To address this, we have invested in resources for our new PC Sales Showroom to improve both efficiency and appearance and a Sales and Market Research Co-ordinator to dedicate time for the development and implementation of specific marketing initiatives for this activity. For future growth, we still need to be aware of advances in modern technology and the likely impact on our existing way of operating. Revenue from this activity equated to 11.01% of our total income.

Volunteer/Employability Programmes
This has been a very difficult transitional period particularly as previous government initiatives come to an end and are replaced by the all encompassing Work Programme. The volunteer recruitment has also been curtailed due to the upheaval caused by our relocation, although we still did achieve our occupancy targets for the Big Lottery Fund Programme.

Future Jobs Fund came to an end in September 2011 and, over the 18 months timescale of the programme, we employed a magnificent total of 127 local people on a 6 months contract with over 50% progressing to mainstream employment and training opportunities and with references still to this day being requested for former participants. This programme was superseded by Community Jobs Scotland at the end of September and 5 of our initial 7 recruits have already moved on to sustained employment, volunteering or training opportunities, 8 new individuals were recruited in March.

Referrals from the Work Programme, through Ingeus, finally started in December and despite the very severe weather conditions we managed to achieve 100% attendance record which indicates that we are providing a very meaningful programme and augurs well for future involvement. We also established a formal partnership with JHP Training Ltd to deliver the 4 week Mandatory Work Experience Programme for long term unemployed. Finally in February through North Lanarkshire Councils Xtra Hands Initiative we employed a 16 year old to assist in the redevelopment of our website. Revenue from all of our volunteer/employability programmes equated to 38.08% of our total income despite going through a transitional period. This reinforces the highly significant contribution that employability programmes make to our financial sustainability as well as our social agenda; however, as an organisation, we are continually aware of the short-term nature of some of these programmes and income streams and strive to maximise our potential for involvement in new initiatives.

To assist individual progression to mainstream training and employment opportunities, we have maintained our strong partnerships with intermediary organisations such as Routes to Work, Remploy and JobCentre Plus Disability Employment Advisory Teams. The specialised input from these partners allied to our individualised training and support programmes plus the motivation, commitment and hard work of our volunteers will continue to be crucial in their progression to mainstream opportunities. However, it is important to emphasise that success and progression are also measured in terms of an individual's progress in developing personal, core and occupational skills. So, on reflection, the main achievement remains that most volunteers now have skills, abilities and ambitions to make employment a very realistic goal.

FINANCIAL REVIEW

Reserves Policy

The board have identified that, with the risks associated with funding not always being available and the possible timing delays between applying for and receiving funding, the company should aim to have at least 3 months operating costs available in unrestricted reserves.

Funding

Next year will be the final year of our Big Lottery Fund Volunteer Employability Development Programme and an additional 24 beneficiaries were recruited during the period of this report. New Funding highlighted earlier from The Enterprise Growth Fund, The Robertson Trust, Awards For All, Revolve Quality Support Fund and North Lanarkshire Business Growth Grant were all specific to the relocation costs and the associated growth.

INVESTMENT POLICY

The charity does not have surplus funds for long term investment. As all funds are likely to be required in the short term, the board has decided that any surplus funds should be deposited in interest bearing bank accounts.

PLANS FOR FUTURE PERIODS

The immediate priority is for building works to be completed at our new premises and all existing activities relocated and fully functional as soon as possible. The increased capacity of the Range Road facility gives us the opportunity to expand our existing waste management/recycling activities as well as diversify into other areas of activity which fit with the objectives of the organisation. This growth and diversification will not only sustain existing volunteer opportunities but also expand the range of occupational areas plus increase the number of individuals who can access opportunities. Being located in the heart of the Muirhouse/Netherton area as opposed to an industrial estate gives us an opportunity for more community involvement to help shape future services.

To complement the facilities of the new premises, there is also a need to develop and implement a formal Quality Improvement Plan to enable us to pursue the larger contracts which our increased capacity will allow. Through our membership of the REVOLVE Network we are signed up to the Committed to Excellence Programme and will be assessed over the next year for the European Foundation for Quality Management (EFQM) award. REVOLVE is Scotland's first national reuse and repair network which will be managed by Zero Waste Scotland and funded through the Scottish Government. The Quality Improvement Plan will highlight other appropriate standards to be achieved with becoming an accredited centre for the delivery of qualifications being one foremost in our thoughts.

For Employability we need to be realistic and accept we are very unlikely to reach the high turnover of the previous 2 years which owed much to our significant involvement in Future Jobs Fund. However being approved partners on both the North and South Lanarkshire's Framework will give us new opportunities to tender for customised employability programmes for specific client groups.

For the forthcoming year we know we face many challenges both internally and externally but remain confident that we have the proper foundations in place for a successful year.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of LAMH Recycle Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report, the Chairman's statement and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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 judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 auditor is 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 auditor is aware of that information.

AUDITOR
Alexander Marshall are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

SMALL COMPANY PROVISIONS
This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
29 Range Road
Motherwell
ML1 2HR

Signed by order of the trustees

MRS ANITA BOYLE
Company Secretary

7 September 2012

LAMH RECYCLE LIMITED
COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF LAMH RECYCLE LIMITED

YEAR ENDED 31 MARCH 2012

We have audited the financial statements of Lamh Recycle Limited for the year ended 31 March 2012 on pages 13 to 24.The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in the related note to the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF LAMH RECYCLE LIMITED *(continued)*

YEAR ENDED 31 MARCH 2012

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at year ended 31 March 2012 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

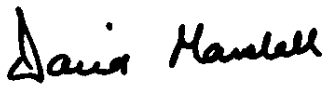
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees Annual Report for the financial year for the which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.



MR D MARSHALL (Senior Statutory Auditor)
For and on behalf of
ALEXANDER MARSHALL
Chartered Accountants
& Statutory Auditor

84 Hamilton Road
Motherwell
ML1 3BY

Alexander Marshall are eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

7 September 2012

LAMH RECYCLE LIMITED
COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Voluntary income	2	**5,020**	**261,220**	**266,240**	112,363
Investment income	3	**62**	–	**62**	63
Incoming resources from charitable activities	4	**336,522**	–	**336,522**	662,899
Other incoming resources	5	**4,404**	–	**4,404**	4,731
TOTAL INCOMING RESOURCES		**346,008**	**261,220**	**607,228**	780,056
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	**(820)**	**(6,283)**	**(7,103)**	(8,911)
Charitable activities	7/8	**(350,809)**	**(107,663)**	**(458,472)**	(687,980)
Governance costs	9	**(26,326)**	**(2,678)**	**(29,004)**	(32,242)
Other resources expended	10	**(4,840)**	–	**(4,840)**	(552)
TOTAL RESOURCES EXPENDED		**(382,795)**	**(116,624)**	**(499,419)**	(729,685)
NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR	11	**(36,787)**	**144,596**	**107,809**	50,371
RECONCILIATION OF FUNDS					
Total funds brought forward		**173,736**	**31,407**	**205,143**	154,772
TOTAL FUNDS CARRIED FORWARD		**136,949**	**176,003**	**312,952**	205,143

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on page 13 form part of these financial statements.

LAMH RECYCLE LIMITED
COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 MARCH 2012

	Note	2012 £	£	2011 £
FIXED ASSETS				
Tangible assets	14		79,067	38,776
CURRENT ASSETS				
Stocks	15	686		268
Debtors	16	65,543		49,467
Cash at bank and in hand		242,058		137,286
		308,287		187,021
CREDITORS: Amounts falling due within one year	17	(74,402)		(20,654)
NET CURRENT ASSETS			233,885	166,367
TOTAL ASSETS LESS CURRENT LIABILITIES			312,952	205,143
NET ASSETS			312,952	205,143
FUNDS				
Restricted income funds	20		176,003	31,407
Unrestricted income funds	21		136,949	173,736
TOTAL FUNDS			312,952	205,143

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the trustees on the 7 September 2012 and are signed on their behalf by:

MR J B YOUNG
trustee

Company Registration Number: SC330751

The notes on page 14 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Incoming resources

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

Voluntary income is received by way of donations, grants and gifts and is included in full in the statement of financial activities when these are receivable 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.

Investment income is included when receivable.

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

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

1. ACCOUNTING POLICIES *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the sale of computers and peripherals.

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

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

All costs are allocated between the expenditure categories of the sofa on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. Floor area, per capita or estimated usage.

Apportionment of costs

Costs incurred solely in respect of activities are allocated to that activity. Other costs incurred are apportioned by the trustees to activities on the basis of their estimate of the usage by each activity of that cost.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Where unrestricted funds have been earmarked for a particular project they have been classified as designated with the fund title being the project for which the fund is intended.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Netting off of income and expenditure

Incoming resources have been recorded in the financial statements at their gross amounts, without the deduction of any expenditure.

Fixed assets

All fixed assets are initially recorded at cost.

1. ACCOUNTING POLICIES *(continued)*

Depreciation

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

Plant and Equipment	-	20% straight line
Computer and Office Equipment	-	25% straight line
Motor Vehicles	-	20% straight line
Tenants Improvements	-	10% straight line

The directors have reviewed the policy for depreciation for fixed assets and have decided that a more appropriate policy is the writing off of fixed assets on the straight line basis.

The economic life of the assets has also been reviewed with plant and equipment and motor vehicles being increased from 4 years to 5 years, tenants improvements over 10 years from 4 years and computer and office equipment remaining at 4 years.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of financial activities.

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Donations				
Donations	5,020	–	5,020	42
Grants receivable				
Big Lottery	–	80,765	80,765	77,451
The Third Sector Fund	–	–	–	31,105
Graduate Scheme	–	–	–	3,765
Big Lottery Awards for All	–	9,889	9,889	–
Innovation Fund	–	9,997	9,997	–
Robertson trust	–	30,000	30,000	–
Enterprise Growth Fund	–	130,569	130,569	–
	5,020	261,220	266,240	112,363

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Bank interest receivable	62	62	63

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Recycling	84,927	84,927	65,588
Computer sales	55,213	55,213	66,386
Training	196,382	196,382	530,925
	336,522	336,522	662,899

5. OTHER INCOMING RESOURCES

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Other income	4,404	4,404	4,731

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Advertising and marketing	820	6,283	7,103	8,911

7. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£	£
Recycling	78,164	15,699	93,863	82,636
Training	159,114	91,632	250,746	464,120
Support costs	113,531	332	113,863	141,224
	350,809	107,663	458,472	687,980

8. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Direct charitable activities	Support costs	Total Funds 2012	Total Funds 2011
	£	£	£	£
Recycling	93,863	49,432	143,295	142,254
Training	250,746	64,431	315,177	545,726
	344,609	113,863	458,472	687,980

9. GOVERNANCE COSTS

	Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£	£
Salaries and wages	11,236	–	11,236	12,313
Employer's NIC	1,152	–	1,152	1,122
Premises costs	522	1	523	754
Audit fees	3,250	–	3,250	3,270
Legal fees	5,760	–	5,760	7,876
Costs of trustees' meetings	280	–	280	924
Other financial costs	1,912	–	1,912	1,962
Depreciation	627	2,677	3,304	1,919
Rent, rates and insurance	610	–	610	270
Office costs	635	–	635	774
Telephone and communications	143	–	143	193
Repairs and maintenance	199	–	199	865
	26,326	2,678	29,004	32,242

10. OTHER RESOURCES EXPENDED

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Losses on disposal of tangible fixed assets for charity's own use	**4,840**	**4,840**	–
Donations to charity	–	–	40
Other costs	–	–	512
	4,840	**4,840**	552

11. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2012 £	2011 £
Staff pension contributions	**5,845**	5,527
Depreciation	**22,398**	13,372
Auditors' fees	**3,250**	3,270

12. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2012 £	2011 £
Wages and salaries	**306,695**	534,872
Social security costs	**20,161**	31,281
Other pension costs	**5,845**	5,527
Other post-retirement benefit costs	**7,933**	5,131
	340,634	576,811

Particulars of employees:
The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2012 No	2011 No
Recycling and waste management	**2**	2
Training and work opportunities	**4**	5
Administration and support	**3**	4
FJF training placement	**16**	41
	25	52

Under the terms of the Future Jobs Scheme, the charity is required to employee trainees on 6 month temporary contracts. These trainees are described above as FJF training placements.

12. STAFF COSTS AND EMOLUMENTS *(continued)*

No employee received remuneration of more than £60,000 during the year (2011 - Nil).

13. TRUSTEES' REMUNERATION

No member of the board received any remuneration during the year. Travel expenses are paid for attending meetings and charity business. During the year travel expenses of £199 were paid to 3 trustees.

14. TANGIBLE FIXED ASSETS

	Plant and Equipment £	Computer and Office Equipment and Furniture £	Motor Vehicles £	Tenants Improvements £	Total £
COST					
At 1 April 2011	**36,413**	**26,614**	**22,810**	**6,502**	**92,339**
Additions	**21,372**	**19,222**	**–**	**27,350**	**67,944**
Disposals	**(1,055)**	**(140)**	**(10,345)**	**(6,502)**	**(18,042)**
At 31 March 2012	**56,730**	**45,696**	**12,465**	**27,350**	**142,241**
DEPRECIATION					
At 1 April 2011	**22,919**	**16,497**	**10,045**	**4,102**	**53,563**
Charge for the year	**8,981**	**8,813**	**3,330**	**1,274**	**22,398**
On disposals	**(670)**	**(140)**	**(7,376)**	**(4,601)**	**(12,787)**
At 31 March 2012	**31,230**	**25,170**	**5,999**	**775**	**63,174**
NET BOOK VALUE					
At 31 March 2012	**25,500**	**20,526**	**6,466**	**26,575**	**79,067**
At 31 March 2011	13,494	10,117	12,765	2,400	38,776

15. STOCKS

	2012 £	2011 £
Stock	**686**	268

16. DEBTORS

	2012	2011
	£	£
Trade debtors	**35,262**	43,372
Other debtors	**17,748**	1,259
Prepayments	**12,533**	4,836
	65,543	49,467

17. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	**13,142**	4,128
PAYE and social security	**6,454**	6,873
Pension deductions	**1,140**	995
Other creditors	**2,497**	1,723
Accruals and deferred income	**51,169**	6,935
	74,402	20,654

18. DEFERRED INCOMING RESOURCES

	SAMH Service Contract	Enterprise Growth Fund
Brought forward	2,700	-
Deferred in the year	-	40,563
Released in the year	500	-
Carried forward	2,200	40,563

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire:		
After more than 5 years	**30,222**	-

20. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2011 £	Incoming resources £	Outgoing resources £	Balance at 31 Mar 2012 £
Big Lottery	(47)	80,765	(78,596)	2,122
Increase Program	22,495	–	(13,443)	9,052
Third Sector Enterprise	8,959	–	(2,493)	6,466
Big Lottery Awards For All	–	9,889	(1,752)	8,137
NLC Business Development	–	–	(812)	(812)
Enterprise Growth Fund	–	130,569	(10,137)	120,432
Robertson Trust	–	30,000	(3,850)	26,150
Revolve Innovation Fund	–	9,997	(5,541)	4,456
	31,407	261,220	(116,624)	176,003

The Big Lottery grant is for the Volunteer Employability Development Programme. The grant is being used to provide a structured programme of tailored support to individuals in a supported employment environment.

The Increase Program grant is for the purchase of fixed assets.

The Third Sector grant is for the purchase of a new vehicle and to help pay the wages of a Business Development Coordinator.

The Big Lottery Awards for All grant is for the Volunteer Training and Resource Facility project.

The NLC Business Development Fund is a contribution towards infrastructure improvements.

The Enterprise Growth Fund is a contribution towards the capital and revenue costs of relocating to bigger premises.

The Robertson Trust Fund is a contribution towards the capital costs of relocating to bigger premises.

The revolve Innovation Fund is a contribution towards the costs of relocating to bigger premises and for marketing materials.

21. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2011 £	Incoming resources £	Outgoing resources £	Balance at 31 Mar 2012 £
General Funds	173,736	346,008	(382,795)	136,949

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets/ (liabilities) £	Total £
Restricted Income Funds:			
Big Lottery	–	2,122	2,122
Increase Program	9,052	–	9,052
Third Sector Enterprise	6,466	–	6,466
Big Lottery Awards For All	8,137	–	8,137
NLC Business Development	5,680	(6,492)	(812)
Enterprise Growth Fund	34,622	85,810	120,432
Robertson Trust	1,241	24,909	26,150
Revolve Innovation Fund	4,456	–	4,456
	69,654	106,349	176,003
Unrestricted Income Funds	9,413	127,536	136,949
Total Funds	79,067	233,885	312,952

23. APB ETHICAL STANDARDS

In common with many other charities of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

24. RELATED PARTY TRANSACTIONS

Other than the above, no trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period.

25. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have any shareholders. The company is under the control of the trustees who are listed in the Trustees Annual Report.