

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

**DIRECTORS' REPORT AND
STATEMENT OF ACCOUNTS**

YEAR ENDED 31ST MARCH 2012

REGISTERED CHARITY : 1020725

COMPANY NUMBER : 2797811



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**FURNITURE RECLAMATION AND DELIVERY ENTERPRISE
REPORT OF THE TRUSTEES FOR
THE YEAR ENDED 31ST MARCH 2012**

The trustees present their report and the audited financial statements for the year ended 31st March 2012

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name	Furniture Reclamation and Delivery Enterprise	
Operating name	F R A D E	
Charity registration number	1020725	
Company registration number	2797811	
Registered office and Stockton operational address	The Green House 68-69 Brunswick Street STOCKTON TS18 1DY	
Other locations	14-16 Leadenhall Street DARLINGTON DL1 1RD	47-49 Wilson Street MIDDLESBROUGH TS1 1SA

DIRECTORS

The directors (who are trustees of the charity) who served during the year were

M Tomlin	Chairman
M Chicken	Vice Chairman
K Shaw	Company Secretary
R Midgley	Appointed 25 th October 2011
D Carter	Appointed 9 th January 2012

CHIEF OFFICER

J Trevillion

AUDITORS

S V Bye
New Garth House
Upper Garth Gardens
GUISBOROUGH
TS14 6HA

BANKERS

Santander Business Banking
Bridle Road
BOOTLE
Merseyside
L30 4GB

CAF Bank Limited
PO Box 289
West Mailing
KENT
ME19 4TA

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 9th March 1993 and registered as a charity on 7th May 1993. It is established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The objects of the Charity were amended by Special Resolution dated 14th September 2004 and again by Special Resolution dated 28th July 2011. In the event of the company's being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of Trustees

The number of trustees shall be not less than 5 and, until otherwise determined by a general meeting, not more than 10. The trustees, who are directors of the company, are known, under the company's Articles, as the Council of Management. The Council may from time to time and at any time appoint a member of the company as a member of the Council. Any member so appointed must retire at the next AGM but can put himself forward for re-election. At each AGM one third of the members of the Council retire from office, but may put themselves forward for re-election. Those retiring are those who have been longest in office since their last election or reappointment.

The Council are aware of the need to attract more trustees, both from the local community and the business world and are delighted to welcome Robert Midgeley and David J Carter to the Board during the year.

Trustee Induction and Training

The Council remains aware of the need for their members to keep up to date with developments in the sector. They regularly undertake a self assessment process, aimed at identifying existing skills available and highlighting areas where new skills would be desirable. Trustee recruitment can then be targeted accordingly.

Any new trustees are given copies of the Memorandum and Articles of Association, the most recent set of audited accounts, budgets and management accounts. They are also encouraged to attend any external courses which are relevant to their appointment.

Risk management

The trustees regularly review and identify the major risks to which the charity is exposed, and establish systems to mitigate those risks. The major risk to the charity is the downturn in funding available to cover core costs, which is a general problem throughout the whole sector. This was identified and steps taken to mitigate this financial risk have included cost cutting measures, introducing delivery charges to customers and starting a Gift Aid scheme. In the meantime funding applications continue to be made to cover as much of core costs as possible.

A key element in the mitigation of Financial Risks is the setting of a suitable reserves policy to ensure reserves are available to cover future funding downturns.

Organisational structure

The Council of Management meets monthly and is responsible for the strategic direction and policy of the charity. The day to day operation of the charity is delegated to the full-time chief officer and his team, but the Council oversee the operation through the reports made by the manager to the council meetings and by regular consultation with the Board on an on-going basis.

Related parties

The charity has no related parties other than Council members and their immediate families.

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

REPORT OF THE TRUSTEES (continued) YEAR ENDED 31ST MARCH 2012

OBJECTIVES AND ACTIVITIES

Public Benefit

The trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission

The company is a registered charity whose principal object is the provision of furniture and household items to people in need. It does this by facilitating the donation of suitable items of furniture from members of the public, which are then available for sale to people in need at a reasonable cost. This not only provides a service to the public but ensures the efficient recycling of furniture and household items which would otherwise be dumped and scrapped. In addition the bicycle project further reduces the amount of goods sent for waste disposal by making donated bicycles available at low cost to people in need. This allows them to improve both their health and their employment opportunities.

ACHIEVEMENTS AND PERFORMANCE

The charity has had a steady year with sales of furniture of £256124 and the trustees continue to actively seek other sources of funding, with some degree of success. A grant of £9000 was received from Lloyds TSB Foundation towards the rental costs of the new Middlesbrough Shop making a total of £25000 over the two years and £1000 from The Odin Charitable Trust towards general running costs.

FINANCIAL REVIEW

The statement of financial activities on page 7 shows the results for the year. There is a surplus for the year of £2869 on unrestricted funds. However the rent of the Middlesbrough shop is still being met by the funding from Lloyds TSB Foundation. The charity was fortunate to secure funding as shown in note 2 to the accounts but, in common with many charities, the organisation is finding funding difficult to come by, the trustees are exploring every possible avenue to increase income.

Investment policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds are to be spent in the short term so there are no funds available for long term investment. Any surplus funds are held in a deposit account with the CAF Bank Limited, where they are immediately available. However interest rates continue to be very low.

Reserves Policy

The charity's reserves policy states that it should hold sufficient free reserves (i.e. reserves not restricted or tied up in fixed assets) to cover 6 months budgeted expenditure plus contingent redundancy liabilities. At 31st March 2012 the free reserves were £14229, which does not meet the targeted figure of £140000 but the trustees hope to increase this level in the coming years.

PLANS FOR FUTURE PERIODS

The charity plans to continue the activities outlined above in the forthcoming years, subject to satisfactory funding arrangements. The trustees are looking forward to the challenge of developing the charity and seeing it move into other geographical areas and expanding into the field of educating the public about reclamation and recycling. Having moved both the Stockton and Darlington premises in recent years with good results, a new shop in the centre of Middlesbrough was opened in January 2011 and the initial signs are promising.

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

REPORT OF THE TRUSTEES (continued) YEAR ENDED 31ST MARCH 2012

RESPONSIBILITIES OF THE COUNCIL OF MANAGEMENT

The trustees (who are also directors of Furniture Reclamation and Delivery Enterprise for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's 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

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 and the special provisions for small companies under Part 15 of the Companies Act 2006 in preparing the annual report and financial statements of the charity.

Approved by the Council of Management on 15th May 2012 and signed on its behalf by



M J Tomlin

TRUSTEE

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

We have audited the financial statements of Furniture Reclamation and Delivery Enterprise for the year ended 31st March 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 (APB'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 Trustees' Annual Report⁴ 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.

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 31st March 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities), and
- have been prepared in accordance with the requirements of the Companies Act 2006.

(Continued)

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
FURNITURE RECLAMATION AND DELIVERY ENTERPRISE (*Continued*)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements, or
- the charitable company has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit

S V Bye
Chartered Accountants
Statutory Auditors
21st May 2012

New Garth House
Upper Garth Gardens
GUISBOROUGH
TS14 6HA

SV Bye is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE
(Limited by Guarantee – not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Activities for generating funds</i>					
Investment income and interest		32	-	32	49
Incoming resources from charitable activities					
Sale of furniture					
Stockton		149595	-	149595	164756
Darlington		61071	-	61071	72713
Middlesbrough		45458	-	45458	10023
Grants received and similar income	2	2648	9000	11648	27617
Gift Aid Tax recovered		6273	-	6273	3821
Other income		120	-	120	120
TOTAL INCOMING RESOURCES		<u>265197</u>	<u>9000</u>	<u>274197</u>	<u>279099</u>
RESOURCES EXPENDED					
Charitable activities					
Provision of furniture etc		253809	16000	269809	271600
Governance costs		<u>8519</u>	<u>-</u>	<u>8519</u>	<u>8675</u>
TOTAL RESOURCES EXPENDED	4	<u>262328</u>	<u>16000</u>	<u>278328</u>	<u>280275</u>
Net Incoming/(Outgoing) Resources					
Net income/(Expenditure) for the year		2869	(7000)	(4131)	(1176)
Transfers		-	-	-	-
Fund balances brought forward		<u>23750</u>	<u>12000</u>	<u>35750</u>	<u>36926</u>
FUND BALANCES CARRIED FORWARD	13	<u>26619</u>	<u>5000</u>	<u>31619</u>	<u>35750</u>

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE
(Limited by Guarantee - not having a share capital)
BALANCE SHEET

AS AT 31ST MARCH 2012

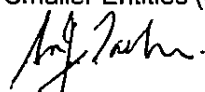
	Note	2012	2011
		£	£
FIXED ASSETS			
Tangible assets	8	12390	16521
CURRENT ASSETS			
Stock		200	2875
Debtors	9	8391	7927
Cash at Bank and in Hand		21571	25811
		<u>30162</u>	<u>36613</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(10933)</u>	<u>(12410)</u>
NET CURRENT ASSETS		<u>19229</u>	<u>24203</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31619</u>	<u>40724</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	<u>-</u>	<u>(4974)</u>
NET ASSETS		<u>31619</u>	<u>35750</u>
UNRESTRICTED FUNDS			
- General Fund		26619	23750
RESTRICTED FUNDS		5000	12000
TOTAL FUNDS	13	<u>31619</u>	<u>35750</u>

For the year ending 31st March 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The Financial Statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

 M J Tomlin

Approved by the Board 15th May 2012

The notes on pages 9 to 13 form part of these accounts

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE
(Limited by Guarantee - not having a share capital)

NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2012

1 ACCOUNTING POLICIES

- a) The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (April 2008), the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in March 2005
- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Donated furniture produces income when it is sold. Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on contribution to the charity. The value of services provided by volunteers is not included.
- c) Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.
- d) Incoming resources from the provision of furniture and from investments are included when receivable.
- e) Resources expended are recognised in the period in which they are incurred.
- f) Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Provision of furniture	95%
Governance costs	5%

- g) Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The rates used are:

Motor Vehicles	25% on reducing balance
Computer	25% on reducing balance
Equipment and phone system	20% on reducing balance

- h) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- i) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.
- j) The stock held was purchased by the charity for resale due to insufficient stock levels.

FURNITURE AND RECLAMATION AND DELIVERY ENTERPRISE
(Limited by guarantee - not having a share capital)

NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2012

2. INCOMING RESOURCES FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTS

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Grants received and similar income				
Lloyds TSB Foundation	-	9000	9000	16000
Odin Charitable Trust	1000	-	1000	-
29 th May 1961 Charitable Trust	-	-	-	5000
Hidden Charitable Fund	-	-	-	4000
Recycling Credits	1648	-	1648	2617
	<u>2648</u>	<u>9000</u>	<u>11648</u>	<u>27617</u>

3 SERVICES PROVIDED BY VOLUNTEERS

Services are provided by volunteers from HMP Kirklevington Grange. During the year approximately 7000 hours (2011 7000 hours) were provided by these volunteers. In addition volunteers from the community across Darlington, Stockton and Middlesbrough gave approximately 4000 hours to the Charity.

4. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Costs	Governance costs	Total 2012	Total 2011
Costs directly allocated to activities		£	£	£	£
Direct Supplies and services	Direct	113312	-	113312	105699
Audit	Direct	-	720	720	650
Legal and HR costs	Direct	480	-	480	1401
Depreciation	Direct	4131	-	4131	5508
Support costs allocated to activities					
Management salaries & on costs	Time	143310	7495	150805	157314
Office running costs	Usage	8576	304	8880	9703
		<u>269809</u>	<u>8519</u>	<u>278328</u>	<u>280275</u>

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE
(Limited by guarantee – not having a share capital)

NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2012

5 NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging	2012	2011
	£	£
Depreciation on owned assets	962	1282
Depreciation on assets held under HP agreements	3169	4226
Trustees' remuneration	NIL	NIL
Auditor's remuneration		
- Audit Services	720	650
	<hr/>	<hr/>

6 STAFF COSTS AND NUMBERS

Staff costs were as follows	2012	2011
	£	£
Wages and Salaries	140213	144977
Social Security Costs	9683	11428
Pension costs	909	909
	<hr/>	<hr/>
	150805	157314
	<hr/>	<hr/>

No employee received emoluments of more than £60,000 in either the current or previous year

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

	2012	2011
	No	No
Manager	1	1
Administration	1	1
Others	8	9
	<hr/>	<hr/>
	10	11
	<hr/>	<hr/>

7 TAXATION

The charitable company is exempt from corporation tax on its charitable activities

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE
(Limited by Guarantee – not having a share capital)

NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2012

8. FIXED ASSETS

	Computer £	Equipment £	Motor Vans £	Total £
COST				
At 1 st April 2011	1726	4671	38832	45229
Additions	-	-	-	-
	<u>1726</u>	<u>4671</u>	<u>38832</u>	<u>45229</u>
At 31 st March 2012	<u>1726</u>	<u>4671</u>	<u>38832</u>	<u>45229</u>
DEPRECIATION				
At 1 st April 2011	1592	2592	24524	28708
Charge for the Year	34	520	3577	4131
	<u>1626</u>	<u>3112</u>	<u>28101</u>	<u>32839</u>
At 31 st March 2012	<u>1626</u>	<u>3112</u>	<u>28101</u>	<u>32839</u>
NET BOOK VALUE				
At 31 st March 2012	<u>100</u>	<u>1559</u>	<u>10731</u>	<u>12390</u>
At 31 st March 2011	<u>134</u>	<u>2079</u>	<u>14308</u>	<u>16521</u>

There were no commitments to capital expenditure at 31st March 2012 or at 31st March 2011. Of the total net book value of £12390 (2011 £16521), £9508 (2011 £12677) relates to an asset held under a Hire Purchase agreement.

9 DEBTORS

	2012 £	2011 £
Prepayments and other debtors	7375	6431
VAT	1016	1496
	<u>8391</u>	<u>7927</u>

All debtors are receivable within one year

10 CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Other Creditors and accruals	3819	3846
Social Security and other taxes	2140	2927
Hire Purchase Balance	4974	5637
	<u>10933</u>	<u>12410</u>

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE
(Limited by Guarantee – not having a share capital)

NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2012

11. CREDITORS Amounts falling due after more than one year

	2012 £	2011 £
Hire Purchase Balance	-	4974
	<u> </u>	<u> </u>

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	12390	-	12390
Current Assets	25162	5000	30162
Current Liabilities	(10933)	-	(10933)
	<u>26619</u>	<u>5000</u>	<u>31619</u>

13. MOVEMENT IN FUNDS

	At 1 st April 2011 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 st March 2012 £
Restricted Funds					
- Lloyds TSB Foundation	12000	9000	(16000)	-	5000
	<u>12000</u>	<u>9000</u>	<u>(16000)</u>	<u>-</u>	<u>5000</u>
Unrestricted Funds					
- General Fund	23750	265197	(262328)	-	26619
	<u>23750</u>	<u>265197</u>	<u>(262328)</u>	<u>-</u>	<u>26619</u>
TOTAL FUNDS	<u>35750</u>	<u>274197</u>	<u>(278328)</u>	<u>-</u>	<u>31619</u>

Purposes of restricted funds:

Lloyds TSB Foundation

This fund is to cover the rent of the new Middlesbrough shop