

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

**DIRECTORS' REPORT AND
STATEMENT OF ACCOUNTS**

YEAR ENDED 31ST MARCH 2015

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 2015**

The trustees present their report and the audited financial statements for the year ended 31st March 2015.

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	426 Marton Road MIDDLESBROUGH TS4 2PT

DIRECTORS

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

M Tomlin	Chairman
K Shaw	Company Secretary
R Midgley	
P Scrafton	
G Jordan	
K Hocking (appointed 15 th October 2014)	
D Cosstick (appointed 15 th October 2014)	

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 2015

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. We were delighted to welcome Katy Hocking and Diane Cosstick 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 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 and associates.

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2015

OBJECTIVES AND ACTIVITIES

Public Benefit

The trustees have complied with the duty in section 17 of the Charities Act 2011 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 use of resources by recycling furniture and other household goods and contributing to a more sustainable lifestyle and reducing the waste stream. In addition the charity creates employment and opportunities for volunteering and work experience, especially for those who are hard to reach, those living on the edge of society and particularly ex-offenders.

ACHIEVEMENTS AND PERFORMANCE

The charity has had a reasonable year with sales of furniture of £288891 which is up on last year's figure of £255124. The results of the Darlington shop have been down for operational reasons but income at Middlesbrough is up and the charity has moved to new premises in Marton Road. The charity has managed to add £13406 to unrestricted funds. As ever additional funding is very hard to find but the Trustees continue to actively seek other opportunities and look at possible cost savings.

FINANCIAL REVIEW

The statement of financial activities on page 7 shows the results for the year. There is a surplus for the year of £13406 on unrestricted funds. 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 2015 the free reserves were £42786, which does not meet the targeted figure of £140000 but the trustees are looking at any way of adding to this in the next few years (see below).

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

REPORT OF THE TRUSTEES (continued) YEAR ENDED 31ST MARCH 2015

PLANS FOR FUTURE PERIODS

The trustees recognise that these are challenging times for all charities and they have therefore decided on the following future strategy:

1. The trustees continue to review the cost structure so that savings can be made where possible.
2. A consultant was engaged, at no cost to the charity, to advise on sources of finance, diversification and succession and the trustees are considering his report and the suggestions it contains.
3. The trustees remain interested in expanding into deconstruction, where furniture not suitable for resale will be stripped and its component parts sold for scrap. They are also looking at selling floor covering for the first time, which the report in 2 above suggests could be financially viable.
4. Applications will be pursued vigorously for any funding which is relevant to the charity's needs.
5. The charity/company is currently having its policies and procedures audited by the national umbrella body – the Furniture Re-use Network (FRN) - recognised by the government for its quality standards, with the aim of achieving Approved Re-use Centre (ARC) status. This will enable the charity to participate in take-back schemes operated by national furniture retailers including IKEA, Curry's etc. and allow it to access special deals managed by a range of furniture and appliance manufacturers to increase stock, improve quality and sustain its trademark policy of providing value for money products for those in greatest need.

The trustees remain confident of the charity's future and look forward to the challenges ahead.

FURNITURE RECLAMATION AND DELIVERY ENTERPRISE

REPORT OF THE TRUSTEES (continued) YEAR ENDED 31ST MARCH 2015

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.

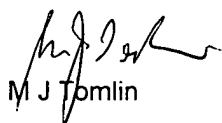
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 2nd June 2015 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 2015 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 Report 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 2015, 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
2nd June 2015

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
(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

YEAR ENDED 31ST MARCH 2015

	Note	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Activities for generating funds</i>					
Investment income and interest		52	-	52	26
Incoming resources from charitable activities					
Sale of furniture					
Stockton		156212	-	156212	136426
Darlington		73112	-	73112	89573
Middlesbrough		59567	-	59567	29125
Grants received and similar income	2	1828	7279	9107	32772
Gift Aid Tax recovered		2984	-	2984	5162
Other income		436	-	436	2860
TOTAL INCOMING RESOURCES		<u>294191</u>	<u>7279</u>	<u>301470</u>	<u>295944</u>
RESOURCES EXPENDED					
Charitable activities					
Provision of furniture etc		272546	8479	281025	272088
Governance costs		<u>8239</u>	<u>-</u>	<u>8239</u>	<u>8198</u>
TOTAL RESOURCES EXPENDED	4	<u>280785</u>	<u>8479</u>	<u>289264</u>	<u>280286</u>
Net Incoming/(Outgoing) Resources					
Net income/(Expenditure) for the year		13406	(1200)	12206	15658
Transfers		-	-	-	-
Fund balances brought forward		<u>29380</u>	<u>5820</u>	<u>35200</u>	<u>19542</u>
FUND BALANCES CARRIED FORWARD	12	<u>42786</u>	<u>4620</u>	<u>47406</u>	<u>35200</u>

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

AS AT 31ST MARCH 2015

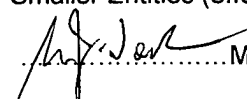
	Note	2015	2014
		£	£
FIXED ASSETS			
Tangible assets	8	4711	6281
CURRENT ASSETS			
Stock		1808	400
Debtors	9	4740	4083
Cash at Bank and in Hand		43166	44251
		<u>49714</u>	<u>48724</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(7019)</u>	<u>(19815)</u>
NET CURRENT ASSETS		<u>42695</u>	<u>289197</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>47406</u>	<u>35200</u>
UNRESTRICTED FUNDS			
- General Fund		42786	29380
RESTRICTED FUNDS		<u>4620</u>	<u>5820</u>
TOTAL FUNDS	12	<u>47406</u>	<u>35200</u>

For the year ending 31st March 2015 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: 2nd June 2015

The notes on pages 10 to 14 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 2015

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 2015

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

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Grants received and similar income				
Santander Enterprise Development Award	-	-	-	20000
Teesside Emergency Relief Fund	-	4125	4125	1000
Drapers Charitable Fund	-	-	-	4620
Hospital of God at Greatham	-	-	-	3000
The Rothley Trust	-	-	-	1200
DWP Apprenticeship Rebate	-	700	700	-
The Shaw Trust	-	1312	1312	1200
London Community Foundation	-	1142	1142	1200
Other donations	310	-	310	309
Recycling Credits	1518	-	1518	2643
	<u>1828</u>	<u>7279</u>	<u>9107</u>	<u>32772</u>

3. SERVICES PROVIDED BY VOLUNTEERS

Services are provided by volunteers from HMP Kirkclevington Grange. During the year approximately 8000 hours (2014: 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. If these donated hours of work are calculated at not less than the National Minimum Wage then this contribution should be valued at not less than £78,000

4. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Costs	Governance costs	Total 2015	Total 2014
Costs directly allocated to activities		£	£	£	£
Direct Supplies and services	Direct	74546	-	74546	45813
Premises	Direct	52203	-	52203	57208
Audit	Direct	-	745	745	725
Legal and HR costs	Direct	440	-	440	480
Teesside University Report	Direct	-	-	-	15000
Depreciation/loss on sale	Direct	1570	-	1570	2094
Support costs allocated to activities					
Management salaries & on costs	Time	136236	7171	143407	144524
Office running costs	Usage	16030	323	16353	14442
		<u>281025</u>	<u>8239</u>	<u>289264</u>	<u>280286</u>

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

NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2015

5. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2015	2014
	£	£
Depreciation on owned assets	1570	2094
Trustees' remuneration	NIL	NIL
Auditor's remuneration		
- Audit Services	745	725
	<u> </u>	<u> </u>

6. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2015	2014
	£	£
Wages and Salaries	136220	135931
Social Security Costs	7011	8242
Pension costs	176	351
	<u> </u>	<u> </u>
	<u>143407</u>	<u>144524</u>

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 was as follows:-

	2015	2014
	No	No
Manager	1	1
Administration	1	1
Others	8	9
	<u> </u>	<u> </u>
	10	11
	<u> </u>	<u> </u>

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 2015

8. FIXED ASSETS

	Computer £	Equipment £	Motor Vans £	Total £
COST				
At 1 st April 2014 and 31 st March 2015	1726	4671	22538	28935
DEPRECIATION				
At 1 st April 2014	1670	3794	17190	22654
Charge for the Year	14	219	1337	1570
At 31 st March 2015	1684	4013	18527	24224
NET BOOK VALUE				
At 31 st March 2015	42	658	4011	4711
At 31 st March 2014	56	877	5348	6281

There were no commitments to capital expenditure at 31st March 2015 or at 31st March 2014.

9. DEBTORS

	2015 £	2014 £
Prepayments and other debtors	3271	3567
VAT	1469	516
	4740	4083

All debtors are receivable within one year.

10. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Other Creditors and accruals	4651	17658
Social Security and other taxes	2368	2157
	7019	19815

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	4711	-	4711
Current Assets	45094	4620	49714
Current Liabilities	(7019)	-	(7019)
	42786	4620	47406

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

NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2015

12. MOVEMENT IN FUNDS	At 1st April 2014 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31st March 2015 £
Restricted Funds					
- DWP	-	700	(700)	-	-
- The Shaw Trust	-	1312	(1312)	-	-
- Teesside Emergency Relief Fund (TERF)	-	4125	(4125)	-	-
- Drapers Charitable Fund	4620	-	-	-	4620
- London Community Foundation	-	1142	(1142)	-	-
- The Rothley Trust	1200	-	(1200)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5820	7279	(8479)	-	4620
Unrestricted Funds					
- General Fund	29380	294191	(280785)	-	42786
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	35200	301470	(289264)	-	47406

Purposes of restricted funds:

DWP This grant financed part of apprenticeship wages.

Shaw Trust This grant financed part of apprenticeship wages

TERF This grant finances the administration of the provision of furniture in emergencies.

Drapers Charitable Fund This is to finance the purchase of a cleaning machine.

London Community This was towards electrical testing.

The Rothely Trust This is to finance the updating of the Charity's website.