



Report and Financial Statements for the year ended 31 December

2018

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Reference and administrative details

Directors and Trustees

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Ajay Kavan (Deputy Chair)
Scott Barton
Graham Burridge
Barry Furlong
Tim Hinton
Graham Inglis
Enrica Maccarini
Tom Moody
Martin Newman
Andrew Rubin
Debra Allcock Tyler
Richard Wolff
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Robin Boles, LVO

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Bankers

Lloyds Banking Group
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Status

In Kind Direct is:

- a company limited by guarantee, number 03155226.
- a charity registered in the United Kingdom, number 1052679

It is governed by a Memorandum and Articles of Association dated 16 January 1996, as amended by subsequent Special Resolutions.

Supporters

In Kind Direct gratefully acknowledges support in 2018 from many individuals and organisations by way of encouragement, donated goods or services and direct funding. This support is provided by the people and organisations listed below.

The In Kind Direct Patrons' Network recognises individuals and organisations which have made a significant financial contribution and commitment to the work of the charity.

2020 Investors' Circle
Garfield Weston Foundation
Lloyds Banking Group
Nutt, Mr & Mrs Anthony
Wilko

Diamond Patrons
Amazon Web Services
Levin, Mr Vadim
McBride

Patrons
Acheson & Acheson
Anonymous donors
DS Smith Charitable Foundation
The Walt Disney Company

Other financial supporters
Allcock Tyler, Mrs Debra
Cecil Pilkington Charitable Trust
Crawforth, Mr Jody
Garvey, Mr James
Hamper, Mr Thomas
Hinton, Mr Tim
Johnson & Johnson
Lalani, Mr & Mrs Sal
Lloyd, Mr Peter
Parnell, Mr Geoff
Parande, Mr Ashutosh
Procter & Gamble
Sir James Knott Trust
Slendebroek, Mr & Mrs Maarten
The Maud Elkington Charitable Trust
The Morgan Charitable Foundation

The Ormsby Charitable Trust
The People's Postcode Lottery
The Prince of Wales's Charitable Fund
The Sobell Foundation
The Walt Disney Company
Tideman, Mrs Teresa
Wernick, Mr Lionel
Wood, Mr Robert

Service donors
Amazon
Amazon Web Services
Blueprint Partners
Business in the Community
Bunzl Catering
Capgemini
Co-op
Dan the Bubble Man
Directory of Social Change
DynamicAction
Elliot, Mr Graham
Family Business Place
Gowlings
Halifax
HMKM
Jaguar Land Rover
Johnson & Johnson
LEGO
Lindt
Lloyds Banking Group
L'Oréal
Musto
Pentland Brands
Pladis

Printed Easy
Procter & Gamble
Royal Hospital Chelsea
Santander
Sussex Soccer Academy
The Prince of Wales's Charitable Fund
The Service Business
The Walt Disney Company
Tricone Events
TSB Supply Chain
Tulchan Communications
Twist, Ms Ine
Usborne Publishing
Willingham, Ms Sarah
Withers & Rogers
Youth Action
Xerox



We would like to thank players of People's Postcode Lottery for their support which has benefited numerous charities helping vulnerable adults across the country.

Our donors

Here are the companies which donated products to In Kind Direct last year.

Household

Cleenol Group
Duracell UK
Essity
Flyscreen Queen
Harrison Wipes
Ishico
Kimberly-Clark
Lapland UK
McBride
MNH Sustainable Cabin Services
Mulberry Innovations
Procter & Gamble
PZ Cussons
Rajapack
Reckitt Benckiser
Sykes Global Services
Trendsetter Home Furnishings
Vi-Spring

Cookware, Kitchen & Ambient Food

Bunzl Catering Supplies
Compass Group
Gregg's
Lindt & Sprüngli
Mars Pet Nutrition UK
Menarini Diagnostics
Meyer Group
pladis

General Retail

Amazon.co.uk
Asda Stores
Zebra A/S -
Flying Tiger Copenhagen

Clothing, Footwear, & Sports

adidas UK
Animal Tails
Bethesda
Canterbury Europe
Dons Solidaires
Eastpak
First Concept
KÉJI
Kikiyo
Lacoste
Lambert Brothers
Mabes
Musto
Organic Zoo
Pentland Brands
Po-Zu
Raceahead
Screwfix
Speedo International
Studio Starling
Subway
Swing Out Sister Golf
Timberland
VF Corporation
WoolOvers

Toys, baby & educational

Acamar Films
Demco Europe
Ealing Media & Tech UK
Entertainment One
LEGO
Manhattan Toy
Mayborn Group
Michael O'Mara
The Disney Store
Usborne Publishing
Winning Moves
WOW Toys

Work & Office

Lloyds Banking Group
Mad About Handling
Newell Brands
Pregis
Premier Paper Group
RDC - An Arrow Company
Ricoh UK
Spicers
Stone Marketing
The Miles Partnership
TRACO

Health & Beauty

Acheson & Acheson
Blue Orange Brand Management
Bodyform
Boots Group
Bulldog Natural Skincare
Burt's Bees
Caroline Henry
Church & Dwight
Colgate Palmolive
Faith in Nature
Glasgow the Caring City
GlaxoSmithKline
Grace Cole
Johnson & Johnson
Look Good Feel Better
L'Oréal
Mad Beauty
Merck Global
Pacific Direct
Quest Personal Care Global
Sally Beauty
Scrubbingtons
Skills in Healthcare
The Body Shop
Time of Your Life
Walter Geering
XO Balm

Purpose

In Kind Direct's purpose is to inspire product giving for social good.

Our 2020 Vision

Key Achievements in 2018

- £15.0 million at retail values of goods distributed to charities
- Equivalent to 4,343 pallets (167 lorry loads) of goods donated for distribution
- A record 3,152 charities benefiting from our services in the year

Achievements since 1997

- £200 million at retail value of goods distributed to charities
- To date over 9,552 charities have benefited from our service providing goods

How it works

In Kind Direct provides an irreplaceable service to UK charitable organisations. Our unique model distributes surplus usable goods into the hands of those who most need them. The partnerships we build with product donors, funders and beneficiaries are constantly growing and being strengthened. This ensures we continue to meet the diverse and critical needs of our network year on year.

1,125 companies giving.

£200 million worth of products distributed.

25,000 tonnes of products diverted from waste.

9,552 charities have received goods.

Millions of people helped.

Trustees' report for the year ending 31 December 2018

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 December 2018.

Public benefit, objectives and activities

The Trustees confirm that they 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 on determining the activities undertaken by a charity. The trustees are satisfied that the aims and objectives of the charity, and the activities reported on can achieve the aims and principles of public benefit.

The charity's objects are as follows:

1) to apply funds or make donations to or for such charitable institution or institutions or for such charitable purposes as the Trustees shall decide, in particular, but without limitation, by the distribution of donated goods;

2) to encourage environmentally efficient, sustainable waste management and recycling practices through the advancement of education by the collection and dissemination of information and/or the promotion of research and/or development relating to waste management and recycling.

Founded by HRH The Prince of Wales in 1996, In Kind Direct runs a unique service distributing new surplus products from manufacturers and retailers to UK charitable organisations. We have distributed over £200 million of donated goods from 1,125 companies. 9,552 charitable organisations have received products to date. In Kind Direct works for the public benefit by ensuring that the expenditure of other charitable organisations on essential goods is reduced, thus stretching their scarce resources and enabling them to help millions of people in need at home and abroad, while reducing environmental damage.

Women's refuges need bedding and toiletries. Homelessness and family welfare organisations need cleaning and laundry products. Every day charitable organisations struggle to raise sufficient funds to purchase essential items to sustain their operations. At the same time, companies often send the very same items to waste or landfill, either because they are deemed surplus to requirement or not fit for retail sale because of a slight cosmetic flaw in the product or packaging.

In Kind Direct provides a single contact point for companies with surplus goods to donate. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charitable organisations where it is needed most. We inspire confidence in companies to donate, by vetting all charitable organisations in our network and monitoring them closely to ensure products are used only for charitable purposes. Charitable organisations request goods via our online catalogue (www.inkinddirect.org). They pay a small charge for goods ordered which includes delivery to their doors. This helps prevent stockpiling, makes an important contribution towards covering our costs and protects our donor companies from incurring VAT on their product donations.

The result is an efficient, practical solution which diverts usable goods from going to waste and unlocks huge additional resource into the voluntary sector. In Kind Direct is the only charity which has taken on the administrative and logistical complexity of providing consumer goods across the UK.

In addition to our core service distributing donated products from companies, In Kind Direct, along with our trading company, also helps charitable organisations to access valuable resources by negotiating discounts on new and refurbished essential products through affiliate schemes.

In Kind Direct's work currently touches the lives of over two million disadvantaged people every year through our network of charity partners, the majority of which are small and work locally.

Our work has the following key areas of public benefit:

- **Saving charitable organisations money:** By securing goods from In Kind Direct, organisations can stretch their budgets for the essential goods they need many times over. This can reduce their need to fundraise and helps them become more financially resilient.
- **Helping charitable organisations improve and extend their services:** By opening up access to high quality products for those with limited budgets, we enable charitable organisations to improve the services they offer, do more for their beneficiaries and provide for people they may not otherwise reach.
- **Relieving hardship, building confidence and self esteem:** In Kind Direct's service providing goods enables charitable organisations to give direct support to people experiencing financial hardship and to build confidence and self esteem amongst the vulnerable people they support.
- **Reducing waste and environmental damage:** Providing companies with a practical and secure way to donate usable surplus product reduces external recycling and landfill and enables a more circular economy of resource use.

Achievements and performance

2018 was the fourth year of our strategic plan, which sets out what we want to achieve as an organisation by 2020.

Progress against the objectives for 2018 is set out below:

1. TRUSTED: Drive savings for charities helping them to improve their impact

Key Measures	2018 Target	Achieved	
Cumulative number of charities ever receiving product at year end	9,500	9,552	✓
Savings generated for charities	£16.8m	£13.8m	x
Impact index score	80%	91%	✓

In 2018 we continued to see growth in demand for our service among voluntary and community organisations of all sizes, tackling a huge range of issues. 2,750 charitable organisations received donated products during 2018, more than in any previous year. In total 3,152 charitable organisations benefited from products including those accessed through our affiliate partners. This took the cumulative number of charitable organisations benefiting beyond our original target to 9,552.

The value of products distributed to charitable organisations reached £15.0m, generating total savings for charitable organisations of £13.8m (after charges paid are removed). This was a strong result, although lower overall than in 2017. This was largely due to fewer overseas placements, as targets for value of goods distributed in the UK were exceeded.

Impact measurement

Throughout the year we gather information and case studies about the impact we generate and how it can be improved. Our impact index tracks reported levels of impact generated by charitable partners against various measures as they renew their accounts with us each year. We also gain insight through visits, focus groups and end of order feedback.

Annually we survey charitable organisations using our service providing goods. This year we received 981 responses to our survey. Among the preliminary findings looking back on 2018:

- 63% of respondents said that In Kind Direct had allowed them to access goods they would not otherwise be able to afford (2017 = 90%)
- 74% of respondents said that In Kind Direct helped them to "keep going" (2017 = 75%)
- 32% said ordering from In Kind Direct helped them to engage people they would not normally be able to engage (2017 = 47%)
- 49% said that they were using In Kind Direct products to support people in crisis e.g. emergency aid (2017 = 31%)
- Improving individual's health and wellbeing (60%) and addressing poverty (58%) and were the top social issues respondents used products from In Kind Direct to support. (2017 = addressing poverty and social isolation)

- On average, products from In Kind Direct support 190 beneficiaries at each responding organisation (2017 = 148)
- 99% of organisations responding said they would recommend In Kind Direct to other charitable organisations (2017 = 97%)

More information is provided in our impact report published mid-2019.

Catalogue, user experience and network development

Our online catalogue is the main route through which charitable organisations select and order products for charitable use and is one of the leading platforms of its type in the world. Over the year, we continued to make iterative technical and design improvements to enhance users' experience, informed by feedback from our Charity User Group and other ad hoc feedback. Significant upgrading of all systems took place in February 2019 to improve the user experience at all points of their journey.

Engagement with our growing network continued across all platforms, including social media campaigns, newsletters, signposting to resources and advice. Affiliate schemes continued to result in added value to charitable organisations in our network and the network of partners will continue to expand in 2019. In the year a more geographically targeted approach to developing the network was adopted, which saw a seven-fold increase in registrations in the pilot area in the year. This methodology will be rolled out in 2019.

The Disney Store Partnership

Through our Retail Donation Initiative, charitable organisations are matched directly with local Disney Stores across the UK. Once matched, they collect in-store surplus goods, building strong partnerships with the Disney employees which often extend considerably beyond the receipt of the goods. At the end of 2018 we had matched 28 Disney Stores with organisations in our network.

In December, we partnered with Disney's #GiftMagic Christmas campaign for the fifth year, to deliver soft

toys to charitable organisations. In Kind Direct's role was to identify local charitable organisations which could use the toys in their Christmas projects, distribute the stock and gather feedback of the impact generated. 129 charitable organisations benefited by receiving 6,000 limited edition Mickey Mouse soft toys.

Support for emergencies and overseas distribution

Our primary focus remains distributing everyday essential goods to UK charitable organisations for use in the UK. We also distributed £5.3m in value of stock to UK emergency relief and development charities working overseas in Eastern Europe, the Middle East and Africa. Many of the products distributed for use overseas went to organisations tackling ongoing refugee and migrant crises, as well as social issues such as mental health, hygiene poverty and supporting new mothers and children.

2. ADMIRE: Increase the volume and value of needed products donated

Key Measures	2018 Target	Achieved	
Volume of products donated in pallet equivalents	5,850	4,343	x

In Kind Direct solicits and accepts goods from a wide range of manufacturers, retailers and other organisations. We develop mutually beneficial multi-level relationships with our donor companies, help them to identify where surplus may exist, and we strive to be front of mind for any company which has products to donate. We educate companies about the value of in kind giving and aim to secure the range of essential consumer products required by charitable organisations and their beneficiaries. Increasingly, we work with companies to incorporate product giving into their strategic responsible business strategies.

For a breakdown of the range of goods distributed during the year, see Figure 4.

In 2018 4,343 pallets of goods (equivalent to 167 lorry loads) were donated by 105 companies.

In Kind Direct continues to receive consistent support from top manufacturers, such as Colgate-Palmolive, Reckitt Benckiser, P&G, Johnson & Johnson and Kimberly-Clark, as well as from top retailers, such as Asda, The Disney Store and Well Pharmacy. Amazon continues to be our top retail donor, and again donated over £1.3m in value of a huge range of different products.

39 companies donated for the first time in the year, bringing a wide range of new products for distribution to our charity partners. New donors include Screwfix which donated safety and workwear, Dunelm Group which made large donations of Kiddicare stock and Christmas decorations, Musto which donated ladies winter jackets and Sally Beauty donating a range of beauty products. Other new donors notably include Merck Global, LEGO, Scrubbingtons, Rajapack, Mad Beauty, Lapland UK and Gregg's.

For a full list of organisations donating product in the year see page 6.

3. RECOGNISED: Improve awareness of our brand, driving engagement with donors, charities and funders

Key Measures	2018 Target	Achieved	
Number of charitable organisations joining the network in the year	950	1,095	✓
New donors recruited in core categories	30	39	✓

1,095 charitable organisations joined the network to benefit over the course of the year – an average of 91 per month and well over our original target. See Figure 1 and 2 for a breakdown of the network by focus area and income level. We also recruited and reengaged more than our target of new donor companies, positioning us well for future growth.

External Communications, Special Projects

During 2018 In Kind Direct continued to build on the momentum created through our Hygiene Poverty PR campaign of 2018, with another ambitious strategy developed to ensure we are able to deliver on the commitments made in our manifesto, “Join the Product Giving Revolution”. The key objective for 2019 remains, meeting the critical needs of our

charity partners and their beneficiaries, now and into the future.

As well as the current, prolific news agenda on waste and the environment - which our Founder, HRH has been advocating for decades - we recognise that now, more than ever, consumers are able to influence a change in companies' behaviour. We continue to have strong support in the media across national news, broadcast and online, providing us with a platform to engage new donors as well as developing a groundswell of support with consumers.

The Big Community Picnic 2018 - Ranelagh Gardens, The Royal Hospital, Chelsea

The Big Community Picnic has quickly become our key relational equity event of the year. In its inaugural year, the focus for the Picnic was very much on our charity network partners. In 2018 we took the opportunity to invite our donor community to join the fun and participate in one or more of three ways: to donate products needed for the day; volunteer a group of 10 employees to run an activity of their choice or chaperone a charity group; and finally, by donating funding towards the practical costs of hosting the event.

Undeterred by grey skies and torrential rain, our valiant team of 125 donor company volunteers arrived and, as the 31 charitable organisations with 300 children arrived the sun began to shine. With volunteers from Disney, LEGO, Pentland Brands, Lindt, Amazon, Pladis, HMKM, Johnson & Johnson and TSB/ReBOUND, delivering activities and chaperoning charity groups, each year we hear stories about the compelling impact that spending time together delivers.

A clear demonstration of this impact is shown by our long-term logistics partners, TSB. Graham Best attended the event with a team of their own volunteers. They spent their day chaperoning groups of children and were so struck by the experience that they intend to fund the 2019 Picnic. For 2019, we will be including another important stakeholder group by inviting our Patron's Group and Major Funders to a luncheon at The Royal Hospital.

Children's Cookery Book - Food fit for a Prince (or Princess)

We continue the development of our children's cookery book, in partnership with ex-Great British Bake Off cook, Miranda Gore-Brown. It is still intended that the Cookery Book will be launched at the Big Community Picnic 2019, with Miranda running a cookery activity for the invited children from our charitable network members.

In Kind Direct International Network (IKDI)

A fourth network member was introduced to the IKDI network. In Kind Direct (Singapore) entered into

a licence agreement with IKDI in May 2018, joining the existing three network members: In Kind Direct (as founder member), Innatura in Germany and Dons Solidaires in France. Regular conference calls continued throughout the year and the 5th annual conference was held in November 2018, covering a range of topics relevant to collaborative working between network members.

During 2018, network members shared goods valued at £2.46m, taking the total value of goods shared to date to £12.4m. These goods were redirected to other network members, where they were surplus to the requirements of the network member which received them in the first instance.

In Kind Direct (Singapore) appointed a new Chairman and CEO. Work continued towards operational start-up and towards obtaining charity registration. It is intended that an application for charitable status will be submitted again during 2019. 2 pilot donations, from Pentland in Asia and Colgate Palmolive in Singapore, were received and distributed to 3 charitable organisations, serving a wide range of beneficiaries.

A loan of £20,000 was made to In Kind Direct (Singapore) in November 2018, following the execution of a Loan Agreement dated 10 May 2018, between IKDI and In Kind Direct (Singapore). This Loan Agreement was executed simultaneously with the Licence Agreement between IKDI and In Kind Direct (Singapore). Funding for this loan was made available from the restricted grant of £36,333, given by In Kind Direct to IKDI, and which was intended to serve as loan funding for new licensees setting up in other countries. The loan matures on the seventh anniversary of the date of the agreement and is due to be repaid in four instalments between the fourth and seventh anniversary of the date of the loan agreement. Interest will be charged for the duration of the loan, at 1% above the rate of the Bank of England, and will be payable quarterly.

IKDI continues to work towards enabling the start-up of licensees in other countries, following a review of the country selection criteria during 2018.

The financial results of IKDI have been consolidated in the Statement of Financial Activities and balance sheet of the In Kind Direct group, as In Kind Direct is the sole member of IKDI. This was the fourth year that IKDI has operated.

During 2018, IKDI received the following income:

	Unrestricted	Restricted
Licence fees	£39,000	-
Other income	£10,000	-
Donations with gift aid	£62,500	£10,000
Total incoming resources	£111,500	£10,000

IKDI's expenditure was as follows:

		Restricted
Staff costs	£72,959	-
Audit and accounting services	£1,700	-
Licence fees to IKD	£3,000	-
Legal fees	£6,105	-
Loan to new start ups	£-	£20,000
Other costs	£2,510	-
Total expenditure	£86,274	£20,000

IKDI's reserves at the end of 2018 were:

	Unrestricted	Restricted
Balance at 1 January 2018	£50,940	£50,000
Movement during 2018	£45,226	£-30,000
Balance at 31 December 2018	£96,166	£20,000

4. **ROBUST:** A clear fundraising and income generation strategy and a robust logistics and IT platform with improved organisation capacity.

Key Measures	Target	Achieved	
Raise sufficient funding to end 2018 with at least four months' operating reserves	4 months operating reserves	5.2 months operating reserves	✓
Net logistics income (after logistics costs) achieved	£460,556	£527,722	✓
£ expenditure to generate £1,000 of savings for recipient organisations	£189	£155	✓

Fundraising and income generation

In Kind Direct is continuing to work towards greater financial resilience with a diversified income model.

2018 was another strong year for income generated with income from distribution of goods charges, trading company and fundraising all ahead of target. This led to end of year reserves increasing ahead of the minimum target, placing the charity in a strong position in order to plan for generating greater impact.

We have three main income streams:

1) Charges paid for our service

It's free for charitable organisations to join our network. On ordering, charitable organisations pay a charge for the provision of goods, which includes delivery to their doors. As well as preventing stockpiling, this income is a crucial part of our income mix. In addition, we are required to levy a charge in order to protect donor companies from otherwise incurring VAT on the value of their donated goods.

2) Trading income

In Kind Direct has a wholly owned trading subsidiary called Trading IK, which was set up in 2009 to help develop non-fundraised income streams for the charity.

One strand of the work is public sale of goods donated to In Kind Direct, which are not suitable for distribution to our charity partners or are in excess of their requirements and have a commercial value. Products are sold via eBay, directly to purchasers or via partner organisations. No product is ever considered for this route without the explicit permission of the donor company and without consideration of the needs of our charity partners, who are always our first priority. All trading company net profits are gift aided to In Kind Direct.

Trading IK also facilitates various affiliate marketing schemes giving charitable organisations access to discounted products and services, particularly in categories where In Kind Direct struggles to secure adequate supplies of donated product. In 2018, we

continued our existing schemes with Ryman, the IT services company Arrow (formerly RDC) and Office Depot to provide discounted access to office supplies and IT equipment to our charitable organisations, as well as with Robert Dyas to provide in store discounts for our charity partners. In addition, we continued our partnership with The Recycled Assets Company (TRACO), which provides an office and furniture clearance service to companies.

3) Grants and fundraising practice

Another essential part of our income is support from grant-makers and our funders who understand and are inspired by the unique impact of In Kind Direct's work. Fundraising is particularly important in

ensuring charges for providing goods are as low as we can afford to have them for our service to remain accessible to small, under-resourced charitable organisations which most need the products we provide.

In 2018, we continued to receive generous support from a number of companies and individuals who give regularly as part of our Patrons' Network. Becoming a patron is an opportunity for individuals and companies to invest in our plans in the run up to 2020, building on the vision of our Founder, HRH The Prince of Wales. Our patrons' generosity as supporters is absolutely core to what we do. Without their support, much of our work simply would not be possible.

Individuals and teams from supporter companies again took part in challenge events to raise funds for In Kind Direct. Teams from Pentland Brands, Amazon, Premier Paper, Bunzl Catering Supplies and Lloyds Banking Group were among those taking part in the Prudential Ride London event and the Royal Parks Half Marathon, raising valuable funds for our work.

We are hugely grateful and again extend our thanks to everyone who provided financial support to our charity throughout the year. A full list of those donating is provided on page 6.

Flexible, efficient and scalable logistics platform

Because of the quantity, nature and complexity of the products we handle, In Kind Direct has unique challenges in processing stock for distribution. By their very nature, the surplus product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt. Accordingly, goods are valued after being sorted, prepared and ready to be made available to charitable organisations.

Over our twenty-two year operational history, we have developed a deep understanding of the

specific processes and strategies required to deliver an efficient service for both our donor and charity partners. Our Telford warehousing, pick and pack operation and courier management is provided by a third party contractor, The Service Business (TSB), with which we work closely to improve performance. Now in our third contract with TSB (from 2016), the arrangement provides ongoing stability and a high-quality service for our charitable network.

TSB continues to suggest operational efficiencies and works with our logistics team to deliver cost and time savings to In Kind Direct and our charity network. The savings from our earlier energy efficiency and waste reduction project have been noticeable and further modest strategies have been implemented.

We continued to develop our successful warehouse corporate volunteering scheme during the year. Volunteers work intensively on reworking and preparing goods for distribution, which greatly increases our capacity to deal with complex mixed stock donations. In total we organised 15 volunteer challenge days with over 145 volunteers at our warehouse with teams from Lloyds Banking Group, Gowlings, Halifax, Capgemini and Jaguar Land Rover. Our volunteering scheme continues to receive excellent feedback from participants as an enjoyable teambuilding experience as well as an opportunity

to develop communication, problem solving and team-working skills. Hosting teams of volunteers from our donor companies also helps deepen our relationships and connection to In Kind Direct's cause and many teams return again and again.

HR and IT

In Kind Direct has a staff team with a strong mix of experience. Three permanent staff were replaced during the year as others moved on and two new positions were created. We provide a range of benefits for staff including performance related remuneration, insurance, support for further education and professional development, volunteering leave, a health reimbursement scheme, cycle to work and childcare voucher schemes.

Our paid internships provide six to nine months' experience within a dynamic work environment at our London office. Interns usually spend some time during their internship on placements at our donor or charity partners which further enhances the experience. We are delighted that the intern scheme has helped provide a valuable starting point for individuals looking to start, or change to, a career

within the sector.

In Kind Direct has a reputation for proven high quality IT systems which enable us to provide an excellent standard of service and support to our customers and stakeholders. Our primary business applications, infrastructure, web platforms and data services are managed internally, with support from three key suppliers. All aspects of the service are measured in terms of availability, scalability and security.

Throughout 2018 we undertook a major project to upgrade the primary backend system and e-commerce platform, which went live in February 2019. This was a significant exercise which included a comprehensive overhaul of several operational areas and key processes. This will provide a stable, flexible and cost-effective platform, with simplified opportunities for expansion and a much lower maintenance overhead. The second phase of this project to adopt and integrate Dynamics 365 is already underway. This will initially be used to manage both donor company and funder leads and relationships while subsequently it will be expanded to provide full service relationship management for charity customers.

Volunteers

In 2018 the charity once again benefited from the support of many volunteers. As well as our warehouse volunteer scheme welcoming over 140 people to our facilities in Telford, the charity benefited from individuals volunteering, IT and marketing expertise. In Kind Direct is hugely grateful to everyone who supported the charity in this way in the past year.

Financial Review of 2018

In 2018 our operational and fundraised income meant we achieved above target unrestricted reserves.

In Kind Direct's logistics operations generated income of £1,168,705 (2017: £1,095,646) and Retail Donation Initiative registration fees of £4,973 (2017: £5,054). Logistics income increased by £73,059 (6.7%) compared to 2017.

£478,612 was donated to the In Kind Direct Group during 2018 (2017: £1,211,657), of which £411,662 was unrestricted and £66,950 was restricted.

The proportion of donation funding from charitable trusts and foundations decreased during 2018 from 29.6% in 2017 to 20.8%; whilst the contribution from the corporate sector decreased from 42.7% to 28.0%. Donations from individuals increased from 27.7% in 2017 to 51.2% in 2018. Major donor funding continues to have the potential to be a strong future funding stream.

Trading company income increased from £150,249 in 2017 to £182,155 in 2018. This was due to increased

product sales and the new affiliate programme with Office Depot. This allowed the gift aid payment from the trading company to In Kind Direct to increase from £64,606 in 2017 to £109,265 in 2018.

Over £15.0 million of In Kind Direct's expenditure was the value of the goods distributed to our charity partners. As discussed above, the nature and complexity of the products donated to In Kind Direct make it near-impossible to value goods at the point of receipt from donors. A further £2.15 million related to the costs of our logistics operation; the costs of maintaining our online ordering system; and the costs of In Kind Direct employees engaged in sourcing goods and servicing charity partners, as well as warehouse, distribution and office expenses. See Figure 6 for an analysis of our expenditure.

Total support costs decreased by 2.2% (2017: £1,548,412) to £1,514,746. This decrease was mainly due to the additional expenditure in 2017 relating to the Charity's 20th Anniversary.

Plans for the Future

2018 was the fourth year of our strategic plan, which sets out what we plan to achieve by 2020. We review our strategy on an ongoing basis to ensure we are working to realistic and effective work plans that help us in delivering our long term purpose.

	2018	2017	Variance
Charges for distributing goods	£1,168,705	£1,095,647	+£73,059/ +6.7%
Unrestricted donations	£411,662	£1,042,358	-£630,696/ -60.5%
Restricted donations	£66,950	£169,299	-£102,349/ -60.5%
Total donations	£478,612	£1,211,657	-£733,044/ -60.5%
Trading company gross income	£182,155	£150,250	+£31,906/ +21.2%
Gift aid donation from trading company	£109,265	£64,606	+£44,659/ +69.1%
Charitable activity costs	£2,154,659	£2,290,314	-£54,655/ -2.5%
Support costs	£1,514,746	£1,548,412	-£33,665/ -2.2%

For 2019, our principal objectives and plans are as follows:

Objective

Plans

1. Trusted:

Drive savings for charities helping them to improve their impact

Key measures

Cumulative number of charities ever receiving product at year end = 9,500
Savings generated for charities = £16.8m
Impact index score = 80%

- Continual improvement and development of our service through feedback gained through our charity survey, impact work and Charity User Advisory Group
- Continue development of community amongst our charity partners through social media, webinars and events, helping to share best practice
- To run three events showcasing our work in London and the regions

2. Admired:

Increase the volume and value of needed products donated

Key measures

5,850 pallet equivalents donated from companies
>115 companies donating in the year
Reduced reliance on top donor companies

- Develop and deepen relationships with existing product donors in core product categories
- Attract new donors to give through expanded business development activity
- Set up new affiliate partnerships to expand range of products available to charity partners

3. Recognised:

Improve awareness of our brand, driving engagement with donors, charities and funders

Key measures

Number of charities joining the network in the year = 950
New donor companies giving in the year = 30

- Integrated PR and media campaign plan to develop brand awareness with target audiences working with donor and charity partners, influencers, and our Ambassador
- Continue developing research into the impact and benefits of product giving with target audiences
- Ongoing support for the international network and In Kind Direct International

4. Robust:

A clear fundraising and income generation strategy and a robust logistics and IT platform with improved organisation capacity.

Key measures

End year with at least four months' minimum operating reserves
£ expenditure to generate £1,000 of savings for recipient organisations = £137

- Continue efficiency improvements at the warehouse, reducing costs wherever suitable and responding effectively to growth in throughput
- Continue to expand our corporate warehouse volunteering programme
- Secure and maintain new, long term support from corporate and individual patrons
- Develop and expand the Trading IK public sales initiative and other income-earning schemes
- Develop, support and retain our staff and volunteers

Structure, governance and management

In Kind Direct was founded in 1996 by our Royal Founding Patron, HRH The Prince of Wales. There are thirteen trustees who meet quarterly as a Board, as does the Finance and Audit Committee. With the addition of the Chairman of the charity, the latter Committee also constitutes the Remuneration Committee. There is also a Nominations Committee which meets as required.

New trustees are recommended by the Nominations Committee and appointed by the members in general meeting. The Board may appoint trustees to hold office until the next annual general meeting where the appointment is approved by the members. All trustees are subject to retirement by rotation except the Executive Director of The Prince of Wales's Charitable Foundation.

New trustees are given copies of the charity's legal documents, management information and accounts, together with general reading material about the charity and Charity Commission literature. This is followed by meetings with the Chief Executive and at least one other trustee as part of the induction process. Trustees are sent training updates as appropriate throughout the year.

In Kind Direct is also a company limited by guarantee. When a term of appointment as trustee/director ceases, membership of the company also ceases. In the event of winding up, the liability of each member of In Kind Direct is limited by guarantee to £10.

Day-to-day management of the charity is delegated to the Senior Management Team led by the Chief Executive. Formal reporting by the Chief Executive to Trustees takes place regularly throughout the year. At the end of the period under review there were thirteen full-time and five part-time staff as well as one intern on a temporary contract.

Financial policies

Reserves policy

In 2018, the Board's review of the reserves policy concluded that the charity should aim to achieve reserves equivalent to at least four months' operational cashflow (2018: £448,978) until such time that the charity reaches financial self-sustainability. The longer term aspiration of the Board is that the Group achieves six months' reserves. This policy is assessed annually by the Finance & Audit Committee to ensure that it remains appropriate.

The reserves at 31 December 2018 were as follows:

Unrestricted reserves	£709,622
Restricted reserves	£1,049,107

Total reserves as at 31 December 2018 £1,758,729

The Group unrestricted reserves balance of £709,622 equates to 5.2 months of operating costs for In Kind Direct and represents a decrease of £373,999 compared to the previous year (2017: £953,521). The excess free reserves have been retained in order to complete the upgrade of the primary back end system and e-commerce platform; and to reduce the funding needing to be obtained in 2019.

Within the restricted funds (note 15a), £983,502 relates to the grant income received and receivable from Lloyds Banking Group towards the cost of In Kind Direct's offices, less expenditure to date. This includes an accrual of the remaining 6 years' of grant income receivable. A further £55,680 is being retained as a separate restricted fund to pay for office dilapidations, should a break clause within the lease be exercised after 5 years. This fund is being increased by £3,480 per calendar quarter upon receipt of the office costs grant.

Investment policy

In Kind Direct's investment policy is to place funds in excess of short-term commitments on deposit for one to three months, leaving a sufficient balance in the current account. It is the opinion of the Board of Trustees that the interest earned is paid at a competitive market rate and that these investments perform to an acceptable level.

In Kind Direct's policy with regard to donated shares is that they will generally be sold at the earliest opportunity subject to any restrictions on sale. Staff seek concurrence prior to any proposed disposal from a member of the Finance and Audit Committee before either proceeding with the sale or give an explanation for not realising the value as soon as the restriction has lapsed. Currently no donated shares are held.

Executive Pay and Remuneration

We have a Remuneration Sub-Committee of the Board which reviews and monitors senior staff pay. Periodically remuneration levels are benchmarked by outside industry specialists.

Qualifying indemnity insurance

The charitable company has granted an indemnity to its directors and officers against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity insurance remains in force as at the date of approving the Trustees' report.

Risk policy and management

The Trustees review the assessment of major risks to which the charity is exposed. The Senior Management Team has compiled a risk register, which they also regularly monitor and amend as necessary. Management of risks with strategies to minimise and mitigate them is an ongoing task of the Senior Management Team. Changes are reported to the Board at quarterly meetings with the full risk register being reviewed by Trustees annually.

"Being part of In Kind Direct allows us to access products that would otherwise be too expensive, to extend the life and reach of activities through the savings we make and to re-allocate approved budgets to provide additional services."

Caxton House Community Centre

"Toys for children have helped us help our guests bridge the gap with their families at birthdays and Christmas when they are unable to do so themselves. We see 100 homeless or insecurely housed guests each day. A lot of our personal hygiene products & cleaning products come from In Kind Direct. Together we are restoring many peoples dignity and helping maintain their health each day."

Caring Hands in the Community

The top three current risks faced by the charity are:

Risk	Management measures
Overreliance on top donor companies leading to lack of donations of core product should the donor cease giving	<ul style="list-style-type: none"> • Expansion plan targeting new donor companies in key categories • Engagement with multiple contacts at all levels of key donor companies
Operational and reputational risk surrounding misuse of donated products by charity partners leading to donor companies not being comfortable donating their products	<ul style="list-style-type: none"> • Strict vetting and monitoring process for goods recipients to ensure that products are used for charitable processes, including visits to recipient organisations • Tracking of all donations and deliveries through ERP system
Increasing competition for products from commercial operators and other charitable projects	<ul style="list-style-type: none"> • Investment in maintenance of relationships with existing donor companies, emphasising benefits of partnership • Continual improvement in operational efficiency and ability to react quickly to goods offers • Expanded activity raising the charity's profile and understanding of the impact we make with all relevant audiences

Environmental policy

In Kind Direct, a registered charity, distributes surplus product from manufacturers and retailers to UK charitable organisations working at home and abroad. As well as helping charitable organisations, our work has a positive impact on the environment by diverting goods that might otherwise go to waste as landfill or external recycling, generating greenhouse gases.

We recognise our obligation to comply with the law and to carry out our work in an as environmentally sound manner as possible. As a matter of policy we have a commitment to minimise the negative impact of our operations on the environment to as low a level as is practically and economically feasible. The full policy is available on our website and sets out what we commit to do in terms of monitoring and minimising our impact where possible.

Directors and trustees

The directors and trustees of In Kind Direct during the year and up to the date the accounts were approved were as follows:

Amar Abbas

Resigned 19 June 2019

Debra Allcock-Tyler

Scott Barton

Appointed 1 June 2018

Graham BurrIDGE

Barry Furlong

Appointed 9 May 2019

Tim Hinton

Graham Inglis

Ajay Kavan

Enrica Maccarini

Appointed 14 November 2018

Amanda Mackenzie

Resigned 23 October 2018

Tom Moody

Martin Newman

Appointed 9 May 2019

Rachel Rhodes

Resigned 7 February 2018

Michael Ross

Resigned 26 September 2018

Andrew Rubin

Teresa Tideman

(Chair)

Richard Wolff

Appointed 9 May 2019

Andrew Wright

(Chair of Finance & Audit Committee)

Changes in fixed assets

Expenditure of £105,042 was incurred towards the upgrade of the IT system. As this project will not be completed until early 2019, expenditure incurred to date will begin to be amortised once the IT system is live.

Expenditure of £12,227 was incurred during the year at the warehouse. There were two items of expenditure – the installation of emergency lighting in the warehouse at a cost of £6,237 and the purchase

"We have many stories about In Kind Direct. The electric toothbrush that allowed a child with cerebral palsy to be more independent. The sanitary towels that enable our older girls to stay in school full time. The white board markers, horrendously expensive in Kenya, which support our teachers and children's education. The construction toys which develop creativity and manual skills. The toys which the children would never have had the opportunity to use."

Mustard Seed Project

of a new pallet wrapping machine at a cost of £5,990. Both of these items were purchased using core funds.

Statement of trustees' responsibilities

The Trustees, who are also directors of In Kind Direct 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 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 business.

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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In so far as we 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.

Related Parties

None of In Kind Direct's trustees are employed by a company with which In Kind Direct has a commercial relationship. One trustee of In Kind Direct is employed as Director of another organisation connected to our Royal Founding Patron. This is detailed in Note 18, page 50, to these accounts.

Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Graham BurrIDGE who is Chair of the subsidiary is also a director/trustee of In Kind Direct. Robin Boles, Chief Executive and Linda Kelly, Head of Finance of In Kind Direct are also directors of Trading IK Ltd.

In Kind Direct is the sole member of IKDI. Robin Boles, Chief Executive of In Kind Direct, along with three director trustees of In Kind Direct, are director/trustees of IKDI. They are Teresa Tideman, Graham Inglis and Richard Wolff.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Auditors

Haysmacintyre LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.



On behalf of the Board **ANDREW WRIGHT**
26 JUNE 2019

Independent Auditor's report to the members of In Kind Direct

Opinion

We have audited the financial statements of In Kind Direct for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Parent Charitable Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure, of the group 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the

audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members whose matters we are required to state to them in an auditors' 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 charitable company's members, as a body, for our audit work, for this report, or for the opinion we have formed.



Richard Weaver (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP,
Statutory Auditor
10 Queen Street Place
London EC4R 1AG

1 July 2019

“The items make a difference to recipients in many ways that are more than just economic. People feel valued, cared for and the products we use and give out ensure dignity, whether that’s cleaning materials or toiletries that they would not be able to afford. As they are top brands, we are not saying to our beneficiaries that they are worth less.”

Barons Court Project

"We received Lego and hold a regular community Lego club. It is open to all, but targeted at some children we felt were marginalised because they were either not 'sporty' or found social situations difficult. As well as building confidence and self-esteem in our children, it also enables parents to meet each other. In particular, dads enjoy some time with their children - many community groups are targeted towards mums. This proves very popular with children and adults of all ages!"

Home Start North Dorset

Consolidated Statement of Financial Activities for the year ended 31 December 2018

	Notes	Unrestricted Funds	Restricted Funds	Totals 2018	Unrestricted Funds	Restricted Funds	Totals 2017
		£	£	£	£	£	£
INCOME							
Income from donations							
Value of donated goods distributed	4	11,859,962	3,107,582	14,967,544	15,705,741	619,053	16,324,794
Donations	3	411,662	66,950	478,612	1,042,358	169,299	1,211,657
Donated services for own use	4	30,323	-	30,323	22,119	-	22,119
Income from charitable activities:							
Retail donation registration fees		4,973	-	4,973	5,054	-	5,054
Charges for providing goods		1,168,705	-	1,168,705	1,095,646	-	1,095,646
Other charitable income		50,420	-	50,420	68,301	-	68,301
Income from other trading activities:							
Commercial trading operations	5	182,155	-	182,155	150,250	-	150,250
Income from Investments		387	-	387	913	-	913
Total income excluding value of donated goods distributed		1,848,625	66,950	1,915,575	2,384,641	169,299	2,553,940
TOTAL INCOME		13,708,587	3,174,532	16,883,119	18,090,382	788,352	18,878,734
EXPENDITURE							
Expenditure on Raising Funds:							
Costs of Raising Funds	6	71,878	11,303	83,181	65,195	9,305	74,500
Costs of Trading Activities	6	83,955	-	83,955	84,384	-	84,384
		155,833	11,303	167,136	149,579	9,305	158,884
Expenditure on Charitable Activities:							
Distribution of donated goods	6	11,859,962	3,107,582	14,967,544	15,705,741	619,053	16,324,794
Other Charitable Costs	6	1,936,691	217,968	2,154,659	2,013,653	195,661	2,209,314
		13,796,653	3,325,550	17,122,203	17,719,394	814,714	18,534,108
TOTAL EXPENDITURE	6	13,952,486	3,336,853	17,289,339	17,868,973	824,019	18,692,992
Net Income/(Expenditure) for the Year Before Transfers		(243,899)	(162,321)	(406,220)	221,409	(35,667)	185,742
Gross Transfers Between Funds		-	-	-	35,163	(35,163)	-
Net Movement in funds		(243,899)	(162,321)	(406,220)	256,572	(70,830)	185,742
Funds brought forward at 1 January		953,521	1,211,428	2,164,949	696,949	1,282,258	1,979,207
Funds carried forward at 31 December	15a	709,622	1,049,107	1,758,729	953,521	1,211,428	2,164,949

The financial activities above relate wholly to the continuing activities of In Kind Direct.

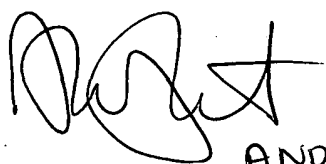
The notes on pages 37 to 51 form part of these financial statements.

There are no recognised gains or losses other than those dealt with in the above statements.

Consolidated Balance Sheet at 31 December 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Fixed assets							
Tangible assets	10	25,464	-	25,464	56,626	-	56,626
Intangible assets	11	112,274	-	112,274	-	-	-
Public benefit concessionary loan	1	20,000	-	20,000	-	-	-
Investments	12	-	-	-	-	-	-
Current assets							
Debtors	13	233,327	972,591	1,205,918	312,907	1,101,657	1,414,564
Investments		250,000	-	250,000	250,000	-	250,000
Cash at bank and in hand		208,107	76,516	284,623	555,393	109,770	665,163
		691,434	1,049,107	1,740,541	1,118,300	1,211,427	2,329,727
Creditors: amounts falling due within one year	14	(139,550)	-	(139,550)	(221,404)	-	(221,404)
Net current assets		551,884	1,049,107	1,600,991	896,896	1,211,427	2,108,323
Net assets		709,622	1,049,107	1,758,729	953,521	1,211,427	2,164,949
Funds							
Balance at 1 January		953,521	1,211,428	2,164,949	696,949	1,282,258	1,979,207
Movement in Funds		(243,899)	(162,321)	(406,220)	256,572	(70,830)	185,742
Balance at 31 December	15a	709,622	1,049,107	1,758,729	953,521	1,211,428	2,164,949

The financial statements were approved and authorised for issue by the directors on the 26 June 2019 and were signed on its behalf by:



ANDREW WRIGHT

Director and Trustee

The notes on pages 37 to 51 form part of these financial statements.

Company Balance Sheet at 31 December 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £		Restricted Funds £	Total 2017 £
Fixed assets							
Tangible assets	10	25,464	-	25,464	56,626	-	56,626
Intangible assets	11	112,274	-	112,274	-	-	-
Investments	12	1	-	1	1	-	1
Current assets							
Debtors	13	238,668	972,591	1,211,259	323,342	1,101,657	1,425,000
Investments		250,000	-	250,000	250,000	-	250,000
Cash at bank and in hand		83,234	72,848	156,082	404,999	96,103	501,102
		571,902	1,045,439	1,617,341	978,341	1,197,761	2,176,102
Creditors: amounts falling due within one year	13	(130,119)	-	(130,119)	(200,986)	-	(200,986)
Net current assets		441,783	1,045,439	1,487,222	777,356	1,197,761	1,975,116
Net assets		579,522	1,045,439	1,624,961	833,983	1,197,761	2,031,743
Funds							
Balance at 1 January		833,982	1,197,761	2,031,743	628,868	1,273,815	1,902,683
Movement in Funds		(254,460)	(152,322)	(406,782)	205,114	(76,055)	129,059
Balance at 31 December	15b	579,522	1,045,439	1,624,961	833,982	1,197,761	2,031,743

In Kind Direct has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present the Statement of Financial Activities and Income and Expenditure Account of the parent charitable company in these financial statements. Income of the parent company amounted to £16,739,332 (2017: £18,696,080). The result for the year is a deficit of (£406,782) (2017 surplus of: £129,059).

The financial statements were approved and authorised for issue by the directors on the 26 June 2019 and were signed on its behalf by:



ANDREW WRIGHT

Director and Trustee

The notes on pages 37 to 51 form part of these financial statements.

Consolidated and Company Statement of Cash Flows

	Notes	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Cash (used in)/provided by operating activities	20	(263,658)	377,177	(228,139)	351,200
Cash flows from investing activities					
Interest income		387	913	387	913
Transfer of cash to current asset investments		-	(250,000)	-	(250,000)
Purchase of fixed assets		(117,269)	(26,317)	(117,269)	(26,317)
Cash (used in) investing activities		(116,882)	(275,404)	(116,882)	(275,404)
Increase/(decrease) in cash and cash equivalents in the year		(380,540)	101,773	(345,021)	75,796
Cash and cash equivalents at the beginning of the year		665,163	563,390	501,102	425,306
Total cash and cash equivalents at the end of the year		284,623	665,163	156,081	501,102

See note 20 for the reconciliation of net income/(expenditure) to net cash flow from operating activities.

Notes to the Financial Statements – year ended 31 December 2018

1. Principal accounting policies

General Information

In Kind Direct is a charitable company limited by guarantee, incorporated in England and Wales (company number 03155226) and registered with the Charity Commission (charity registration 1052679). The registered office address is : 11 – 15 St Mary at Hill, London, EC3R 8EE.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS 102). In Kind Direct meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

Group accounts have been prepared for In Kind Direct and its wholly owned subsidiary Trading IK Limited. The results of IKDI, a separate charity have also been included on the basis of control as In Kind Direct is the sole member of IKDI. The accounts have been consolidated on a line by line basis.

Going concern

The trustees are confident that In Kind Direct will remain a going concern and that there are no known material uncertainties about the charity's ability to continue. 49% of the charity's unrestricted cash income results from charges paid by the charities in the network. Sources of income from the charity's trading subsidiary continues to vary as opportunities arise. In 2018, the number of charities in the network using the In Kind Direct service increased by 1% from 3,127 to 3,152. Knowing from where all funding required will be sourced in any year can never be certain in advance.

Fund Accounting

Unrestricted funds includes funds and goods donated for distribution. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds and goods donated for distribution, which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income

All income is recognised in the SOFA when the charity has entitlement to the income, there is reasonable certainty of receipt and the amount can be measured. Event income and handling charges are treated as income of the period to which they relate. Registration fees are generally non-refundable and are applied to income at the beginning of the year to which they relate. Interest receivable is treated as income of the period in which it accrues.

Goods and services donated for the charity's own use

Goods, office facilities and logistics services donated for the charity's own use are recognised in the Statement of Financial Activities as both income and expenditure or capitalised if it is a capital item at the market value.

Goods donated for onward distribution

Goods donated for onward distribution are included as both income and expenditure, at the time of distribution, at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original

In Kind Direct

pristine condition. By their very nature, the surplus product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt.

Expenditure

Expenditure is classified in accordance with the Statement of Recommended Practice as shown below:

Charitable Activities - all expenditure directly relating to the objects of the charity including the direct cost of supporting charitable activities and covers the following activities as incurred:

Identification of potential donors, obtaining donated goods for onward distribution, the processes for distributing, reporting and accounting for those goods; the recruitment and registration of charities and maintenance of data relating to those charities.

Governance Costs – Being financial, legal and administrative expenses incurred in connection with enabling the charitable company to comply with external regulations, constitutional and statutory requirements; and in providing support to the trustees in the discharge of their statutory duties. These costs are included within support costs.

Costs of Generating Funds - The costs incurred to obtain voluntary contributions to the charity including expenditure on increasing In Kind Direct's general resources other than through obtaining registration income or goods for distribution and for improving general awareness of In Kind Direct within the overall community.

Support Costs - Expenditure incurred on activities falling directly within one expenditure classification is charged directly to that classification. Expenditure incurred on activities falling in more than one cost category is apportioned as follows:

- **Staff Costs:** According to the time spent by each member of staff on activities within that category

- **Office expenses:** In the same overall ratio as staff costs

- **Depreciation:** In the same overall ratio as staff costs

Taxation

As a registered charity, the company is potentially exempt from taxation of its income and gains to the extent that these are applied to its charitable objects. The company is registered for VAT. Income Tax recoverable under Deeds of Covenant and Gift Aid is accounted for on a receivable basis.

Pension costs

Contributions to group personal money purchase pension schemes are charged to the Statement of Financial Activities on an accruals basis.

Operating leases

Operating lease rentals are charged to the SOFA over the term of the lease. Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

Tangible Fixed Assets

Fixed assets are capitalised in the balance sheet at cost or, for donated goods, at estimated market value, except for items costing less than £2,000, which are expensed in the year of purchase. Depreciation is calculated so as to write off the cost of tangible fixed assets, less the estimated residual values, on a straight-line basis over the estimated economic lives of the assets concerned. Computers and other capital equipment is written off over three years.

Public benefit concessionary loans

The group has provided a loan to further its charitable purposes at rates below prevailing market rates. In accordance with section 34 of FRS102 this loan has been classified and accounted for as a concessionary

loan. Such loans are initially recognised and measured at the amount provided and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairments:

A loan of £20,000 has been granted by the group to IKDI Singapore to assist with its development. The loan is unsecured and is repayable annually in four equal instalments commencing on the fourth anniversary of the date of the loan agreement (10 May 2018). Interest accrues daily on the loan, chargeable at one percentage point above the Bank of England base rate, with interest levied payable quarterly in arrears.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Critical accounting judgements and estimation uncertainty

- In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the group's and parent charitable company's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those areas subject to judgement and uncertainty are as follows:

- Valuation of goods distributed
- Valuation of other goods and services received in kind.
- Accrued income and expenditure
- Cross charges of staff time spent between the 3 group entities.

Goods donated for onward distribution are valued at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition.

Other goods and services received are valued either by the donor, or where no value is given, valued at the equivalent market cost were these to be purchased directly by the charity.

Accrued income and expenditure are estimated where no invoice has been provided. These estimates are based either on third party evidence or on known values as yet uninvoiced by the group.

Cross charges of staff time spent are based on reasonable estimates of how much time staff employed by In Kind Direct spend working on matters related to Trading IK Limited or IKDI.

Notes 3–4

3. Other Voluntary Income (Group)

	Restricted Funds £	Unrestricted Funds £	Total 2018 £	Restricted Funds £	Unrestricted Funds £	Total 2017 £
Charitable Trusts	53,450	46,000	99,450	91,200	267,500	358,700
Business donations	250	133,838	134,088	23,693	493,593	517,286
Donations by individuals	13,250	231,824	245,074	54,406	281,265	335,671
	66,950	411,662	478,612	169,299	1,042,358	1,211,657

4. Donated goods and services

Donated goods and services were applied to the activities of the charity as follows:

	Restricted Funds £	Unrestricted Funds £	Total 2018 £	Restricted Funds £	Unrestricted Funds £	Total 2017 £
Value of donated goods distributed	3,107,582	11,859,962	14,967,544	619,053	15,705,741	16,324,794
Services donated for own use	-	30,323	30,323	-	22,119	22,119
	3,107,582	11,890,285	14,997,867	619,053	15,727,860	16,346,913

Note 5

5. Subsidiary undertakings

Trading IK Limited

Trading IK Limited is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its principal activity is generating alternative sources of income such as eBay sales and affiliate marketing agreements. The company gift aids its taxable profits to the parent company. The results for the trading company for the year ended 31 December 2018 were:

	31 December 2018 £	31 December 2017 £
Turnover	182,155	125,071
Cost of sales	(79,928)	(54,863)
Gross profit	102,227	70,208
Distribution costs	(1,840)	(2,065)
Administration costs	(5,787)	(5,878)
Profit for the year	94,600	62,265
Gift Aid to In Kind Direct	(109,265)	(64,606)
Movement in Shareholder's Funds after Gift Aid	14,665	(2,341)

Administration costs relate to audit fees and other professional fees from In Kind Direct to Trading IK Limited (2018: £3,600; 2017 £3,600) for the use of staff and resources. These have been eliminated on consolidation.

	£	£
Current assets	29,408	52,740
Creditors and accruals	(11,807)	(20,474)
Net Assets	17,601	32,266

At the balance sheet date the company was owed a balance of £2,349 by In Kind Direct.

IKDI

IKDI is a charitable company incorporated in England & Wales, of which In Kind Direct is the sole member. The results of the subsidiary charitable company for the year were as follows:

	31 December 2018 £	31 December 2017 £
Total incoming resources	121,500	111,500
Total resources expended	(106,274)	(87,108)
Net incoming resources	15,226	24,392
Funds brought forward at 1 January 2018	100,940	76,548
Funds carried forward at 31 December 2018	116,166	100,940

Total resources expended relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2018: £72,959; 2017 £69,048) for the use of staff and resources. These have been eliminated on consolidation. At the balance sheet date the charity owed a balance of £25,401 to In Kind Direct.

Notes 6–7

6. Expenditure

	Direct cost £	Support cost £	Total 2018 £	Direct cost £	Support cost £	Total 2017 £
Expenditure on Charitable Activities						
Distribution of donated goods	14,967,544	-	14,967,544	16,324,794	0	16,324,794
Other charitable costs	719,678	1,434,981	2,154,659	729,644	1,479,670	2,209,314
	15,687,222	1,434,981	17,122,203	17,054,438	1,479,670	18,534,108
Expenditure on Raising Funds						
Fundraising activities	3,416	79,765	83,181	5,758	68,742	74,500
Trading activities	83,955	-	83,955	84,384	0	84,384
Total Resources Expended	15,774,593	1,514,746	17,289,339	17,144,580	1,548,412	18,692,992

7. Support costs

Support costs are the costs of premises, facilities, staff and office overheads and are allocated to the activities of the charity as follows:

	Cost of Charitable Activities £	Costs of generating funds £	Total 2018 £	Total 2017 £
Management/Other	707,423	46,992	754,415	827,331
Finance & IT	176,971	2,784	179,755	185,156
Logistics	223,845	-	223,845	221,581
Charities	134,929	-	134,929	124,017
Fundraising	87,223	24,017	111,240	54,671
Premises	104,590	5,972	110,562	135,656
	1,434,981	79,765	1,514,746	1,548,412

Support costs are included in the expenditure in the SOFA and have been allocated on the basis of time spent.

Notes 8–9

8. Employees

Staff costs comprise:	Total 2018 £	Total 2017 £
Salaries and wages	836,262	813,879
Social security costs	84,842	81,905
Other pension costs	68,536	66,856
	989,640	962,640

The average number of employees during the year, analysed by function, was:

	2018	2017
Distribution of donated goods	16	18
Governance	1	1
	17	19

The number of employees earning in excess of £60,000 is as follows:

£60,001 - £70,000	2	2
* £160,001 - £170,000	-	1
* £170,001 - £180,000	1	-

* includes benefit in kind in respect of company leased car

The key management personnel of In Kind Direct, the parent charity, comprise the Chief Executive Officer and the Senior Management Team (7 people). The total employee benefits (including employer's national insurance contributions) of the key management personnel of In Kind Direct were £603,634 (2017: £582,967).

The trustees did not receive remuneration for their services to the company during the period (2017: £nil). Expenses incurred by one director were reimbursed by the company (£345) (2017: £350).

9. Net income for the year is stated after charging:

	2018 £	2017 £
Auditor remuneration - audit fee	11,375	11,250
Operating Lease rentals	74,246	72,376
Depreciation	36,157	54,519

Notes 10–12

10. Tangible Fixed Assets

	Computer Equipment Unrestricted Funds £	Warehouse Equipment Unrestricted Funds £	Office Equipment Unrestricted Funds £	Total 2018 £
Cost as at 1 January 2018	89,695	46,541	42,632	178,868
Additions during year	-	12,227	-	12,227
Transfer to intangible assets	(7,232)	-	-	(7,232)
Disposal	(82,463)	-	-	(82,463)
Cost as at 31 December 2018	-	58,768	42,632	101,400
Depreciation as at 1 January 2018	(72,155)	(14,560)	(35,527)	(122,242)
Charge for year	(10,308)	(18,744)	(7,105)	(36,157)
Disposal	82,463	-	-	82,463
Depreciation as at 31 December 2018	-	(33,304)	(42,632)	(75,936)
Net book value as at 1 January 2018	17,540	31,981	7,105	56,626
Net book value as at 31 December 2018	-	25,464	-	25,464

11. Intangible Fixed Assets

	IT Systems Unrestricted Funds £	Total 2018 £	Total 2017 £
Additions during year	105,042	105,042	-
Transfer from tangible assets	7,232	7,232	-
Cost as at 31 December 2018	112,274	112,274	-
Depreciation as at 1 January 2018 and 31 December 2018	-	-	-
Net book value as at 1 January 2018	-	-	-
Net book value as at 31 December 2018	112,274	112,274	-

12. Investment (Charity)

	Unrestricted Funds £	Total 2018 £
Shares - subsidiary company Trading IK Ltd	1	1
Cost at 1 January 2018 and 31 December 2018	1	1

Notes 13-14

13a Debtors - unrestricted

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Prepayments	48,957	44,375	48,957	44,375
Trade debtors	7,002	30,238	4,001	28,980
Intercompany debtors	-	-	25,401	26,088
Taxation and social security	8,408	26,671	5,911	20,180
Accrued income*	168,960	211,623	154,398	203,719
	233,327	312,907	238,668	323,343

* Mostly donations recognised in the 2018 accounts but received early in 2019, and commissions due to trading subsidiary (group accounts);

13b Debtors - restricted

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Grant income debtor*	972,591	1,101,657	972,591	1,101,657
	972,591	1,101,657	972,591	1,101,657

*This represents the value of the grant receivable by In Kind Direct until March 2025 in respect of the charity's office accommodation.

14 Creditors: amounts falling due within one year - unrestricted

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade creditors	(80,242)	(157,755)	(80,242)	(132,557)
Accruals	(33,254)	(29,092)	(21,474)	(24,627)
Intercompany creditor	-	-	(2,349)	(9,245)
Taxation and social security	(26,054)	(24,596)	(26,054)	(24,596)
Other creditors	-	(9,961)	-	(9,961)
	(139,550)	(221,404)	(130,119)	(200,986)

Note 15a

15a Reserves (Group) 2018

Restricted Funds:	Balance at 1 Jan 2018 £	Movement in Resources			Balance at 31 Dec 2018 £
		Income £	Expenditure £	Transfers between funds £	
1 Lloyds Bank Premises Fund	1,116,661	-	(119,239)	(13,920)	983,502
2 Premises Fund 3 - dilaps	41,760	-	-	13,920	55,680
3 P&G Emergency Fund	1,339	-	(83)	-	1,257
4 The Prince of Wales's Charitable Foundation	25,000	-	(20,000)	-	5,000
5 Vadim Levin	13,000	-	(13,000)	-	-
6 2018 Big Charity Picnic	-	3,500	(3,500)	-	-
7 Sir James Knott	-	5,000	(5,000)	-	-
8 The People's Postcode Lottery	-	48,450	(48,450)	-	-
9 McCarthy Denning (IKDI)	3,668	-	-	-	3,668
10 Ashwin Mutthiah (IKDI)	10,000	10,000	(20,000)	-	-
11 Value of goods distributed	-	3,107,582	(3,107,582)	-	-
Total Restricted Funds	1,211,428	3,174,532	(3,336,853)	-	1,049,107
Unrestricted Funds	953,521	13,708,587	(13,952,486)	-	709,622
Total Funds	2,164,949	16,883,119	(17,289,339)	-	1,758,729

Details

(1) Funds to pay rent, service charge, utilities and other office running costs.

(2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.

(3) Funds towards supporting charities helping people affected by emergency situations.

(4) Funds towards a product giving research project.

(5) Funds for PR research work.

(6) Funds towards a celebration charity event.

(7) - (8) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.

(9) Funds represent start up costs for IKDI and to expand the IKDI network.

(10) Funds represent start up costs for IKDI network member in Singapore.

(11) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

Note 15a

15a Reserves (Group) 2017

Restricted Funds:	Movement in Resources				
	Balance at 1 Jan 2017 £	Incoming Grants £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2017 £
1 Beatrice Laing Trust	5,584	-	(240)	(5,344)	-
2 Lloyds Bank Premises Fund	1,238,818	-	(108,237)	(13,920)	1,116,661
3 Premises Fund 3 - dilaps	27,840	-	-	13,920	41,760
4 Amazon Golden Tickets	-	220	(220)	-	-
5 20 th Anniversary project	-	22,500	(22,500)	-	-
6 Sir James Knott	-	5,000	(5,000)	-	-
7 Disney Picnic	-	17,037	(17,037)	-	-
8 FSJ Trust	-	1,200	(300)	(900)	-
9 P&G Emergency Fund	-	1,765	-	(425)	1,340
10 Unilever Grenfell	-	1,869	-	(1,869)	-
11 The Prince of Wales's Charitable Foundation	1,573	50,000	(25,000)	(1,573)	25,000
12 The People's Postcode Lottery	-	25,000	52	(25,052)	-
13 Vadim Levin	-	25,000	(12,000)	-	13,000
14 BoNY Mellon	-	9,708	(9,708)	-	-
15 McCarthy Denning (IKDI)	8,443	-	(4,776)	-	3,667
16 Ashwin Mutthiah (IKDI)	-	10,000	-	-	10,000
17 Value of goods distributed	-	619,053	(619,053)	-	-
Total Restricted Funds	1,282,258	788,352	(824,019)	(35,163)	1,211,428
Unrestricted Funds	696,949	18,090,382	(17,868,973)	35,163	953,521
Total Funds	1,979,207	18,878,734	(18,692,992)	-	2,164,949

Details

(1) Funds towards the cost of capital improvements at the warehouse

(2) Funds to pay rent, service charge, utilities and other office running costs.

(3) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.

(4) Funds to pay for charity prizes.

(5) Funds towards consultancy fees for the 20th Anniversary project.

(6) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.

(7) Funds towards a celebration charity event commemorating the 20th Anniversary of In Kind Direct.

(8) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.

(9) Funds towards supporting charities helping people affected by emergency situations.

(10) Funds towards supporting charities helping survivors of the Grenfell Tower fire.

(11) Funds towards a product giving research project.

(12) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.

(13) Funds for PR research work.

(14) Funds towards a 20th Anniversary gala dinner.

(15) Funds represent start up costs for IKDI and to expand the IKDI network.

(16) Fund represent start up costs for IKDI network member in Singapore.

(17) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

Note 15b

15b Reserves (Charity) 2018

Restricted Funds:	Movement in Resources				
	Balance at 1 Jan 2018 £	Incoming Grants £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2018 £
1 Lloyds Bank Premises Fund	1,116,661	-	(119,239)	(13,920)	983,502
2 Premises Fund 3 - dilaps	41,760	-	-	13,920	55,680
3 P&G Emergency Fund	1,340	-	(83)	-	1,257
4 The Prince of Wales's Charitable Foundation	25,000	-	(20,000)	-	5,000
5 Vadim Levin	13,000	-	(13,000)	-	-
6 2018 Big Charity Picnic	-	3,500	(3,500)	-	-
7 Sir James Knott	-	5,000	(5,000)	-	-
8 The People's Postcode Lottery	-	48,450	(48,450)	-	-
9 Value of goods distributed	-	3,107,582	(3,107,582)	-	-
Total Restricted Funds	1,197,761	3,164,532	(3,316,854)	-	1,045,439
Unrestricted Funds	833,982	13,574,800	(13,829,260)	-	579,522
Total Funds	2,031,743	16,739,332	(17,146,114)	-	1,624,961

Details

(1) Funds to pay rent, service charge, utilities and other office running costs.

(2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.

(3) Funds towards supporting charities helping people affected by emergency situations.

(4) Funds towards a product giving research project.

(5) Funds for PR research work.

(6) Funds towards a celebration charity event.

(7) - (8) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.

(9) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

Note 15b

15b Reserves (Charity) 2017

Restricted Funds:	Movement in Resources				
	Balance at 1 Jan 2017 £	Incoming Grants £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2017 £
1 Beatrice Laing Trust	5,584	-	(240)	(5,344)	-
2 Lloyds Bank Premises Fund	1,238,818	-	(108,237)	(13,920)	1,116,661
3 Premises Fund 3 - dilaps	27,840	-	-	13,920	41,760
4 Amazon Golden Tickets	-	220	(220)	-	-
5 20 th Anniversary project	-	22,500	(22,500)	-	-
6 Sire James Knott	-	5,000	(5,000)	-	-
7 Disney Picnic	-	17,037	(17,037)	-	-
8 FSJ Trust	-	1,200	(300)	(900)	-
9 P&G Emergency Fund	-	1,765	-	(425)	1,340
10 Unilever Grenfell	-	1,869	-	(1,869)	-
11 The Prince of Wales's Charitable Foundation	1,573	50,000	(25,000)	(1,573)	25,000
12 The People's Postcode Lottery	-	25,000	51	(25,052)	-
13 Vadim Levin	-	25,000	(12,000)	-	13,000
14 BoNY Mellon	-	9,708	(9,708)	-	-
15 Value of goods distributed	-	619,053	(619,053)	-	-
Total Restricted Funds	1,273,815	778,351	(819,243)	(35,163)	1,197,761
Unrestricted Funds	628,868	17,917,729	(17,747,778)	35,163	833,982
Total Funds	1,902,683	18,696,080	(18,567,021)	-	2,031,743

Details

(1) Funds towards the cost of capital improvements at the warehouse

(2) Funds to pay rent, service charge, utilities and other office running costs.

(3) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.

(4) Funds to pay for charity prizes.

(5) Funds towards consultancy fees for the 20th Anniversary project.

(6) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.

(7) Funds towards a celebration charity event commemorating the 20th Anniversary of In Kind Direct.

(8) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.

(9) Funds towards supporting charities helping people affected by emergency situations.

(10) Funds towards supporting charities helping survivors of the Grenfell Tower fire.

(11) Funds towards a product giving research project.

(12) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.

(13) Funds for PR research work.

(14) Funds towards a 20th Anniversary gala dinner.

(15) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

Note 16-18

16. Donation of services for own use (Charity)

The financial statements exclude some intangible services (mainly legal services) as they were immaterial in value. However, the accounts do include the following donated services that are of material value:

	2018 £	2017 £
Office accommodation, printing & postage charges	6,223	22,119
Marketing support	24,000	-
	30,223	22,119

17. Obligation under operating lease (Charity)

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for one motor vehicle as set out below:

Minimum rentals falling due:	Motor vehicle £	Total 2018 £	Total 2017 £
Within 1 year	9,472	9,472	9,472
Between 1 and 5 years	-	-	16,577
	9,472	9,472	26,049

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for office premises as set out below:

Minimum rentals falling due:	Office premises 2017 £	Total 2018 £	Total 2017 £
Within 1 year	64,331	64,331	64,774
Between 1 and 5 years	456,691	456,691	428,375
More than 5 years	30,883	30,883	123,530
	551,905	551,905	616,679

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 of the lease.

18. Related party transactions

His Royal Highness, The Prince of Wales is Royal Founding Patron of In Kind Direct.

Mr Andrew Wright, Treasurer to TRH The Prince of Wales and The Duchess of Cornwall and Executive Director of The Prince of Wales's Charitable Foundation, is also a trustee of In Kind Direct. During the year, the Foundation provided funding to In Kind Direct as detailed in note 15.

The total value of donations received from Trustees during 2018 was £4,750 (2017: £58,906).

Note 19-20

19. Capital commitments

The Charitable Company entered into a commercial contract with a third party supplier at the end of 2017 to implement a new IT system covering both its database and financial systems, as well as its online ordering platform. The estimated outstanding capital commitment at the balance sheet date is £31,400.

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(406,220)	185,742	(406,782)	129,059
Adjustments for:				
Depreciation	36,157	50,730	36,157	50,730
Dividends, interest and rents from investments	(387)	(913)	(387)	(913)
Decrease in debtors	208,645	105,668	213,741	133,808
Decrease in creditors	(81,853)	(179,050)	(70,868)	(161,485)
Public benefit concessionary loan made in period	(20,000)	-	-	-
Net cash (used in)/provided by operating activities	(263,658)	162,176	(228,139)	151,200



Contact us



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In Kind Direct is a registered charity in England and Wales 1052679.

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