



IN KIND DIRECT
(a company limited by guarantee)

Report and Financial Statements
for the year ended 31 December 2020

Registered Company no: 03155226
Registered Charity no: 1052679



Report and Financial Statements **for the year ended 31 December 2020**

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REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Teresa Tideman (Chair)
Ajay Kavan (Deputy Chair)
Scott Barton
Graham BurrIDGE
Barry Furlong
Tim Hinton
Graham Inglis
Tom Moody
Martin Newman
Andrew Rubin
Debra Allcock Tyler
Richard Wolff

Chief Executive

Rosanne Gray

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Lloyds Banking Group
109 Finsbury Pavement
London
EC2A 1LB

Honorary Solicitors

Addleshaw Goddard
60 Chiswell Street
London
EC1Y 4AG

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 2020 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:

Our Patrons

In Kind Direct's Patrons are a group of like-minded individuals and organisations who understand and recognise the unique impact that In Kind Direct's work has in communities.

Our Patrons' generosity is absolutely core to what we do: they have been instrumental in helping us respond quickly and efficiently to the Covid-19 crisis and in helping us sustain and expand our service.

Without their support, our work would simply not be possible. We thank all those who have supported us in the year, both those named in this report, and those that wish to remain anonymous.

The Investors' Circle:

Garfield Weston Foundation
Kimberly-Clark
Lloyds Banking Group

Nutt, Mr & Mrs Anthony & Eleanor
Procter & Gamble

Diamond Patrons:

Amazon UK
Essity

McBride
ReBOUND Returns

Patrons:

Acheson, Mr & Mrs Kenneth & Fiona
Britford Bridge Trust
L'Oréal

Santander
The Walt Disney Company

Other Financial Supporters

Amazon Smile
Barclays 100x100 UK COVID-19 Community Relief Fund
Donr.com
eBay UK
Foster, Mr R & Hulm, Ms S
GJW Turner Trust
Marsh Christian Trust
Mosheim, Mr & Mrs
Postgraduate Medical Group
Rotary Club of Princes Risborough

Sir James Knott Trust
The 29th May 1961 Charitable Trust
The Haramead Trust
The J Reginald Corah Foundation
The Maud Elkington Charitable Trust
The Morgan Charitable Foundation
The Prince of Wales's Charitable Fund
The Simon Gibson Charitable Trust
The Warwick Trust
Tideman, Mrs Teresa

Donated Services

Abamentis
Amazon
Amazon Web Services
Barker, Ms Annie
Chandler, Ms Daisy
Directory of Social Change
Javelin
ITL (Pete Evans)
Lloyds Banking Group
MatchesFashion
Microsoft
Pearson, Ms Amy
OC & C
Pentland Brands
Procter & Gamble

ReBOUND Returns
Reprise Digital Agency
Ricoh
Scarlet
Santander
TES
The Customer First Group
The Service Business
TSB Supply Chain
Viridis Associates
Voipfone
Willingham, Ms Sarah
Xerox

Donated goods:

Household

Beauty Kitchen
Beiersdorf
British Airways
Bulldog Natural Skincare
Bumboo
Burt's Bees
Charles Worthington
Childs Farm
Church & Dwight
Colgate Palmolive
Conair
Consuma Paper Products
Dunelm Group
Duracell UK
Dynamic Wipe Industries
Essity
Estee Lauder
FTJDI Global
H and A
Henkel
Ideal Manufacturing
Johnson & Johnson
Kimberly Clark
L'Oreal
P&G
PZ Cussons
Rascal + Friends
Reckitt Benckiser
Rowan International
SC Johnson
Sykes Global Services
Thornton & Ross
Trendsetter Home Furnishings
Unilever UK

Household Appliances, Tools & Electronics

Dixons Carphone
SharkNinja

General Retail

Amazon.co.uk
Asda Stores
Boots Group
Tesco
Zebra A/S - Flying Tiger Copenhagen
Zenith Hygiene

Toys, Baby & Educational

Big Potato Games
Carrolla Pty Ltd
Hobbycraft
Hornit
Lapland UK
LEGO
Skip Hop
The Disney Store
Usborne Publishing

Work & Office

Newell Brands
Premier Paper Group
Spicers

Clothing, Footwear & Sports

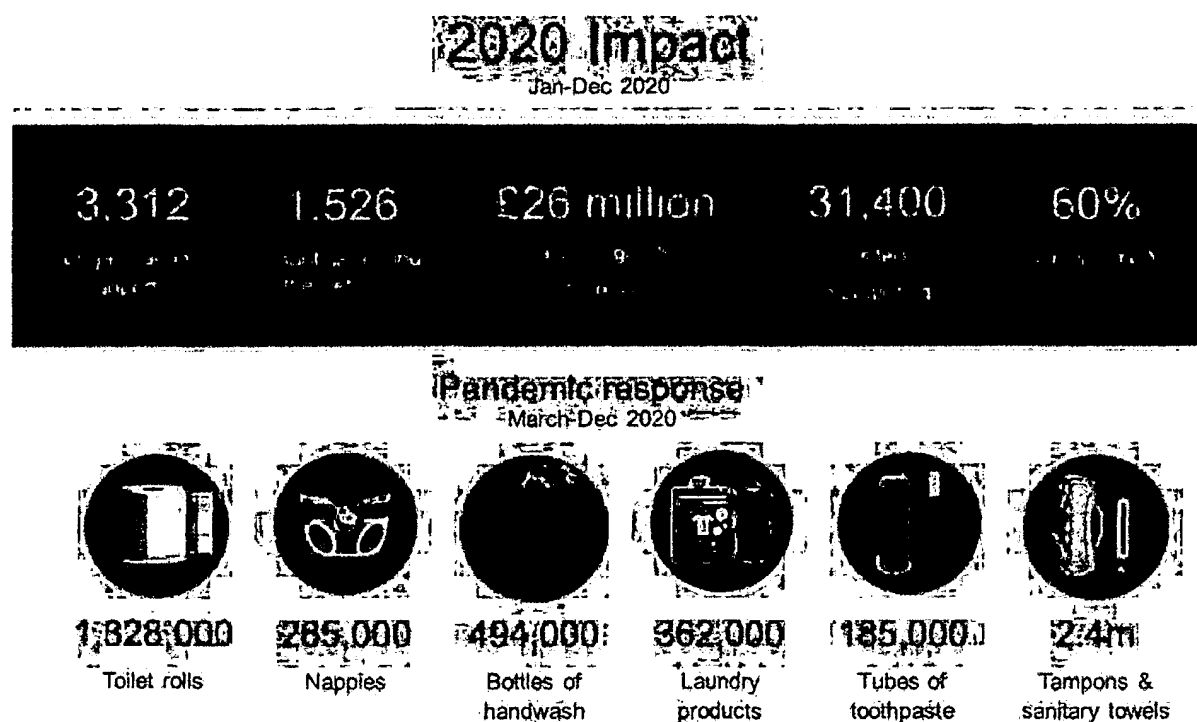
British Red Cross
LiveNation
Modibodi
Nike UK
Pantherella
Pentland Brands plc
Petit Bateau UK
Po-Zu
Raceahead
Regatta
Ties and Stuff
Vans Europe
VF Corporation

Cookware, Kitchen, Ambient & Pet Food

Abbott Laboratories
BSB Product
Bunzl Catering Supplies
Burtons Biscuits
Delta Global
Foodbuy
Hill's Pet Nutrition
Lindt & Sprungli
Meyer Group
Pladis Global
Onion Media
Vitabiotics
Virgin Media
W.K.Thomas

Purpose

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



Since 1996

£268 million at retail value of products distributed to charitable organisations

Over 11,000 charitable organisations have benefited from our service providing goods

Trustees' report for the year ended 31 December 2020

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 2020.

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.

In Kind Direct distributes goods donated by companies to UK charitable organisations working in the UK and overseas. Founded in 1996 by HRH The Prince of Wales, we offer a simple solution to connect companies and their products to thousands of charities, community groups, foodbanks and schools supporting our communities.

In Kind Direct makes it easy for companies and brands to have a positive social impact with the products they make and sell. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charitable organisations. We inspire confidence in companies to donate, by working with charitable organisations in our network to ensure products are used only for charitable purposes.

We empower charitable organisations to do more for less and put their local knowledge at the heart of our work. Charitable organisations request goods via our online catalogue. They pay a small charge for goods ordered which includes UK delivery. This 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 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 and services through affiliate schemes.

So far, we have distributed over £268m worth of essential products, supporting over 11,000 charitable organisations and millions of people, as well as diverting 30,600 tonnes of usable goods from waste. The savings we generate for our network enable them to support on average twice as many people each week with life's essentials.

The Trustees have identified the following public benefits flow from the charity's objects and activities:

- **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 help 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, self-esteem and bringing joy:** 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 people they support. Product giving can bring joy, especially to people who are lonely or isolated.
- **Reducing waste and environmental damage:** Providing companies with a practical and secure way to donate usable product reduces external recycling and landfill, enables a more circular economy of resource use and supports their social responsibility goals.

Achievements and performance 2020

Covid-19 Pandemic Response

In Kind Direct's work in 2020 has been dominated by our response to the Covid-19 Pandemic. When the crisis hit in March, we realised quickly that In Kind Direct would have an important role in responding to growing needs of households across the UK, working with our corporate, local charity and funding partners.

Like many organisations, this year has brought unprecedented pressures and has tested our operation to the limit. We are delighted that the charity has responded very well and delivered record impact across all of our main measures, as summarised below:

Impact measure	2020 Target	2020 Achieved	2019 Achieved	% growth on previous year (2019)
Value of products distributed	£16m	£26m*	£16m	+65%
Number of organisations receiving products	3,300	3,312	2,605	+30%
Number of orders for product distributed	21,800	31,400	19,840	+60%
Number of new partners joining the network	600	1,526	1,022	+50%
Average saving for each recipient organisation	£5,500	£7,850	£5,692	+38%

*includes £5.8m to NHS staff and organisations with Blue Light Card

Essential support for local communities

As the Covid-19 pandemic hit, In Kind Direct saw a dramatic spike in demand for our service from the voluntary and community organisations that we supply goods to across the UK.

"In Kind Direct has been an absolute lifesaver for our community. We feel we have a valued partnership and you understand the needs we are trying to support."

Hornsley Lane Estate Community Association

In Kind Direct's network comprises a wide range of organisations addressing issues right across the charitable spectrum at a local, regional, and national level. Among the network are community centres, foodbanks, disability support groups, schools, health and wellbeing charities, housing projects, child and youth support groups, and community nurseries. The vast majority of the network are small and locally focussed. 50% have an income of less than £100,000 per year and 80% have an income of less than £500,000 per year. 72% of our partners are based outside London. 40% work to support BAME communities.

For a breakdown of the organisations receiving products in 2020 by geographic area and focus area see figures A and B.

Our research in 2020 indicated that 95% of the charities within our network remained operational during the initial lockdown, although the vast majority of these made dramatic changes to their support provision. As the pandemic hit, many of our charity partners pivoted quickly to provide essential care packs and support services to their beneficiaries, often using their local knowledge and expertise to fill gaps in statutory provision of emergency support. Products from In Kind Direct have proven crucial in tackling real destitution and helping community organisations to support people living in isolation throughout the pandemic.

Working with our corporate partners, we were able to supply a wide range of products our local charitable partners were consistently struggling to source from mainstream outlets because of cost or availability, such as toilet roll, hand sanitiser and cleaning products. For a breakdown of the goods distributed by category, see figure C

Throughout the year we gather information and case studies about the impact we generate and how it can be improved. We also gain insight through visits, focus groups and end of order feedback.

"Bleach, dishwasher tablets and toilet rolls have helped us keep our building and facilities clean and safe during the crisis; enabling us to stay open and provide hot food takeaway and food parcels to our homeless and vulnerable community"

Bury Christian Fellowship

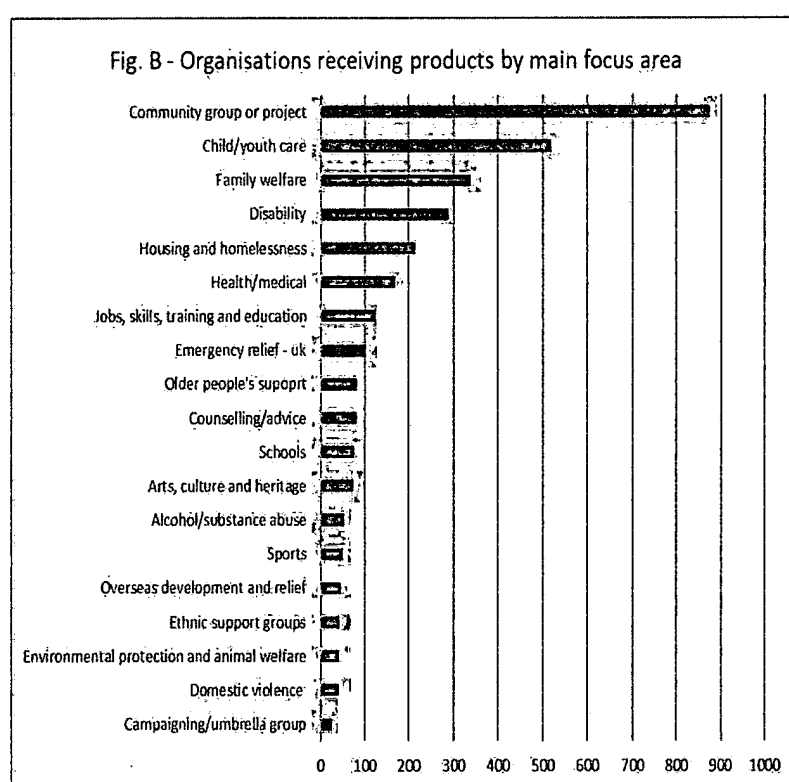
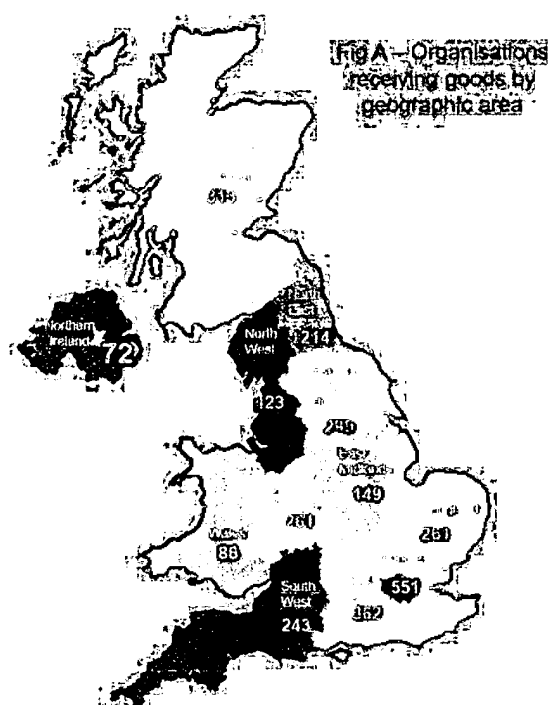
In Summer 2020, we carried out a review of the impact that the charity's work had had through the first phase of the pandemic between March & August. The report sought insight into how the pandemic has impacted our charity network and how In Kind Direct had supported them.

The report – *"Products in a Pandemic: working together to keep people clean, safe and well"* - was published digitally in October. Among its findings were:

- Local partners told us they were able to help twice as many people by working with In Kind Direct.

- In total, In Kind Direct's service supported an average of 174,000 people per week
- almost two-thirds of our network had been distributing essential care packs of toiletries, household supplies, nappies and period products.
- 65% of charities were worried they would have to temporarily reduce or adapt their services due to their own financial challenges.
- 71% were enabling households to shield or self-isolate safely.
- 35% had kept children learning remotely
- 40% were supporting marginalised BAME communities
- 45% directly supported older people.
- 76% of charities told us people had become more vulnerable than before the crisis.

More information and results of our ongoing impact assessment work are available on our website.



Charity & Public Sector Partnerships

In Kind Direct believes that working in partnership with others helps us to deliver much more impact for the communities we seek to support.

In May 2020 we launched the Product Giving Alliance with our partners FareShare, International Health Partners and Charity Digital. The Alliance aims to unlock the maximum social good from both surplus and donated products and services, by distributing these in an efficient way to communities. Together, the Alliance provides a single solution for any business wanting to use their goods and services to benefit society.

We also became a Network member of Business in the Community's National Business Response Network. The NBRN identifies national and local community needs from community groups, schools, local authorities, local resilience bodies, charities and alliances such as the British Red Cross Voluntary and Community Sector Emergencies Partnership and small businesses. They then connect business resources to meet local needs for food, technology, community support and small businesses.

We are also proud that during the year we delivered a project with Blue Light Card and our corporate partners, sending over 750 "pick me up" pallets of toiletries and welfare products to 70 NHS Trusts across the UK and Republic of Ireland. Over 550,000 frontline staff received products through the scheme.

Store & Affiliate Partnerships

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 beginning of 2020, 27 Disney Stores were matched with organisations in our network.

Organisations registered with In Kind Direct also gain discounted access to office supplies and IT equipment and services via negotiated affiliate schemes with Ricoh, Ryman, Robert Dyas, Office Depot, Directory of Social Change and Enterprise Rent-a-Car.

Sadly, the disruptions caused to the retail sector and lockdowns meant that our store partnerships, including our partnership with Disney Store, were significantly affected for most of the year.

Support for emergencies and overseas distribution

Our primary focus remains distributing essential goods to UK charitable organisations for use in the UK. In addition, we also distribute products to UK emergency relief and development charities working overseas in Eastern Europe, the Middle East and Africa. Because of restrictions brought about by the pandemic, there were more limited opportunities to distribute stock overseas this year. £2.5m (2019: £6.4m) in value of stock was distributed to UK charities supporting emergency relief and development work over the course of the year.

Corporate Partnerships

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. We help them to identify where stock available to donate may exist within their business 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 and brands to develop high impact collaborative campaigns. By working with In Kind Direct, brands can deliver on their corporate responsibility objectives, enhance and protect their reputations and build awareness and conversion.

88% of corporate partners in our survey of partners in 2020 said that working with In Kind Direct helps to meet their corporate responsibility objectives to a significant extent.

"PZ Cussons works with In Kind Direct to donate hygiene and personal care products, including hand wash to thousands of charities across the UK. In Kind Direct are easy to work with, flexible and help us to meet our CSR objectives effectively and efficiently."

Michelle Plant
Senior Brand Manager, PZ Cussons

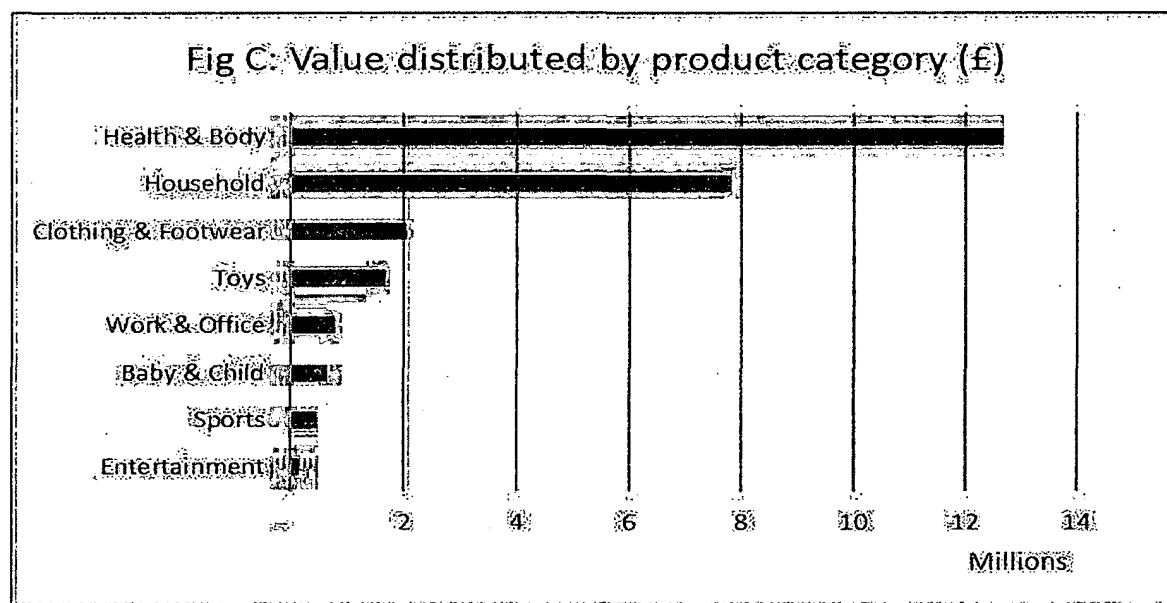
Some of the key brand campaigns run in 2020 included:

- Andrex (Kimberly-Clark), donated 1.5 million toilet rolls alongside running a social media and TV advertisement campaign (#shareasquare);
- Always (P&G), donated 1 million sanitary towels alongside an in-store promotion campaign and TV advertisement;
- Carex (PZ Cussons), donated 350,000 bottles of hand soap via an in-store promotion of "Buy One, Donate One";
- Huggies (Kimberly-Clark), donated 100,000 packs of nappies and wipes with an online "Buy One, Donate One" campaign;
- LifeBuoy (Unilever) as part of their re-launch in the UK LifeBuoy donated 30,000 bespoke hand hygiene kits to In Kind Direct.

Alongside these brand campaigns, In Kind Direct continued to receive fantastic ongoing support from other manufacturers such as Essity (Bodyform), Lego, L'Oréal, Henkel, Reckitt Benckiser, Pentland, Colgate-Palmolive and Johnson & Johnson as well as from retailers including Amazon, Asda, The Disney Store, Dunelm Group, Zebra A/S - Flying Tiger Copenhagen and Boots UK.

Overall, we received 8,078 pallets of goods (equivalent to 311 lorry loads) from 97 companies during the year, 27 of which were new to In Kind Direct. This was 87% growth in the volume donated in 2019 (4,308 pallets).

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



Campaigns & Events

Over the course of year, we ran various campaigns across different communication channels aimed at raising awareness of our work and providing opportunities to work with our partners to address topical issues.

In July, we launched "Holiday at Home", a campaign for product donations to keep people safe, clean and entertained over the Summer. The campaign featured lead donor partner Flying Tiger

Copenhagen who donated a huge assortment of Summer products, including crafting supplies, lolly moulds, fans and picnic and party items.

Our "Back to Basics" campaign in September focused on three core product areas identified as particularly needed in our July survey of charity partners: School & Office, Household and Health & Beauty. Large donations were received from a range of suppliers benefiting hundreds of charities.

In December, our "Christmas With Kindness" campaign drew attention to the challenges facing households and local communities in the face of a very different Christmas, with restrictions on being with loved ones and financial uncertainty taking their toll. The campaign featured an "Alternative Gift List," highlighting the products that are most needed by local charities at this time of year. A parallel "Wrapping Up Kindness" campaign sought support from industry partners for packaging supplies - much needed at In Kind Direct's busiest time of year.

Pandemic restrictions unfortunately meant that it was impossible to run any in-person events for our network during the year. However, between August and November we launched a monthly virtual "Speaker Series" which provided a valuable opportunity for our charity, corporate and other partners to come together and discuss aspects of the work being done collaboratively around product giving in the face of the pandemic. Alongside representatives from our charity network, speakers included Martin Newman of the Customer First Group; Debra Allcock Tyler of Directory of Social Change; Trine Pondal, Sustainability Manager for Flying Tiger Copenhagen; Morgan Bestwick from Joseph Rowntree Foundation; Matt Stone, Marketing Director at Kimberly-Clark and Sarah Willingham, previously on BBC's Dragon's Den, and In Kind Direct Ambassador.

Warehouse & Logistics

With a dramatic and sustained increase in orders, the pandemic proved a significant test for our logistics platform and systems. In large part because of previous investments and planning, we are delighted that our Telford warehouse has been able to remain open and operational throughout the entire year, with extensive social distancing and Covid-19 security measures in place.

Over our twenty-four 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, pick and pack operation and courier management is provided by a third party contractor, The Service Business (TSB), with whom we have worked closely to improve performance and efficiency since 2009.

Because of the quantity, nature and complexity of the products we handle, In Kind Direct has unique challenges in processing donated stock for distribution. Often, the product donations we receive from companies are hugely mixed and difficult to identify and categorise prior to reworking. This makes it impractical to value goods on receipt and, accordingly, goods are valued after being sorted, prepared and ready to be made available to charitable organisations.

In Spring, we moved quickly to secure overflow warehouse facilities to handle dramatic and sustained increase in volumes being donated and orders received. Our sincere thanks go to ITL for providing overflow and transport services free of charge.

To cope with increased ordering and throughput we also invested in additional and remodelled packing facilities and recruited new temporary labour to enable us to implement a double shift system. Despite the pressures of the pandemic, we have been able to keep within our fulfilment KPIs, ensuring that charities have received urgently needed products in a timely manner and within our promised delivery times.

Our well-established warehouse volunteer programme sees teams of volunteers from our corporate partners come into the warehouse to sort, pack and prepare donations of stock for distribution. Sadly, pandemic restrictions meant that we were not able to host groups beyond February, however we plan to restart the volunteer days when practical and safe to do so.

Systems & IT

In Kind Direct has a reputation for 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 key suppliers. All aspects of the service are measured in terms of availability, scalability, and security.

Thanks to our prior program of investment in cloud technology and the resilience and flexibility it provides, In Kind Direct was well positioned to adapt its operations as the pandemic unfolded and all office-based staff were required to work remotely in March. The low impact this upheaval had is testament not just to the systems and technology that underpin the operation, but also the flexibility and approach of the team who rapidly adapted to the new way of working, despite the increased scale of operations and personal pressures.

Throughout the year, traffic and volumes on our e-commerce and operational systems far exceeded all usual patterns. Despite this however, there was no unplanned downtime and customers continued to receive the stable and consistent service they are used to.

Alongside the rapidly evolving 'business as usual', throughout the year we continued to grow and develop our systems and use of technology. Most significantly this was achieved in the adoption and integration of Dynamics 365, the third phase in a major 18-month systems upgrade. This cloud-based relationship management system will be used to manage all our key stakeholder, donor and customer interactions, including donation pipeline management and customer service. We also significantly developed our reporting platforms to provide relevant and timely data insights.

Strategic Review, HR & Restructuring

This year we carried out a full strategic review with generous pro bono support provided by OC&C Strategy. This comprised a full review of our mission, purpose, values, and activities in order to inform a new structure and options for the future operating model. The process involved a series of workshops and discussions with Trustees, staff, charity and donor partners and other stakeholders. A summary of the resulting new strategic plan, which sets out what In Kind Direct plans to achieve by 2025 and how, is included below.

Following on from the strategic review, in Autumn we began the process of transition to a new organisation structure. These structural changes aimed to put in place a team ready to deliver on our 2025 vision, to streamline processes, address skills gaps and enable further data-driven efficiencies. One key change was the establishment of a leaner, strategically focused Leadership Team, comprising a Partnerships & Impact Director, Operations Director and Commercial Director, reporting to the Chief Executive. Two of these new roles were filled by existing members of the team.

In Kind Direct is fortunate to benefit from a dedicated and skilled staff team who have performed very well during this challenging period. 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. 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 International Network (IKDI)

The IKDI network comprises four organisations: In Kind Direct, which is the founder member; Innatura, a German licensee; Dons Solidaires, a French licensee; and In Kind Direct (Singapore).

During 2020, work took place on the establishment of a new network member in Italy, with In Kind Direct (Italia) incorporated in early 2021. In Kind Direct (Italia) is expected to become operational once further registration requirements have been completed. IKDI continues to review other countries for potential expansion of the network.

This year, a strategic review was undertaken, aimed at redefining the organisation's strategy. Thanks go to Javelin for their generous support of this process.

Demand for the services of established IKDI network members was significant throughout 2020, as network members supported communities affected by the Covid-19 pandemic. IKDI network members continued to work collaboratively during 2020. Regular conference calls were held throughout the year and the 2-day annual conference in November 2020 was held as a virtual event, due to the pandemic. IKDI network members continued to share know-how, experience and innovation, as well as donations, where appropriate.

Together, IKDI network members have directly distributed goods with an estimated retail value of £540 million, received from more than 1,530 companies, to over 13,800 charitable organisations, to date.

Since the IKDI network was formed in 2013, IKDI network members have shared donated goods between network members with an estimated retail value of £15.3 million. Goods are shared between network members if they are surplus to the requirements of the receiving network member or because a particular type of product is better suited to use in another country, for example due to need, size, labelling or configuration.

In Kind Direct (Singapore) continued to grow its operations, with the receipt of regular donations resulting in distributions made to 29 charities during 2020. An application for charitable status was submitted in March 2020, with the application under review in the year.

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 legal member of IKDI. This was the seventh year that IKDI has operated.

During 2020, IKDI received the following income:

	Unrestricted	Restricted
Licence fees	£39,000	-
Other income	£246	-
Donations and gift aid	-	-
Total income	£39,246	-

IKDI's expenditure was as follows:

	Unrestricted	Restricted
Staff costs	£57,370	-
Audit and accounting services	£ 1,450	-
Licence fees to IKD	£ 3,000	-
Legal fees	£ 2,092	-
Other costs	£ 786	-
Total expenditure	£64,698	-

IKDI's reserves at the end of 2020 were:

	Unrestricted	Restricted
Balance at 1 January 2020	£89,687	£ 16,333
Movement during 2020	-£25,452	-
Balance at 31 December 2020	£64,235	£ 16,333

Fundraising and Income Generation

In Kind Direct has a diversified income base comprising the following streams:

1) Contributions paid for our service by benefiting charitable organisations

It is free for charitable organisations to join our network. On ordering, charitable organisations pay a small charge which is a contribution to our costs for the provision of goods and includes UK delivery. This revenue is a crucial part of our income mix. In addition, we are required to levy a charge to protect donor companies from otherwise incurring VAT on the value of their donated goods. In 2020, because of record volumes of product distributed and numbers of recipient organisations, we received contributions from recipient organisations of £1.8m, an increase of 63% on the previous year (£1.1m).

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. All trading company net profits are gift aided to In Kind Direct.

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 priority.

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 2020, we continued our existing schemes with Ryman, Staples Solutions, Robert Dyas, Office Depot and Enterprise Rent-a-Car to provide discounted access to office supplies and IT equipment and services to our charitable partners. Several of these schemes did not operate for much of the year because of Covid-19 restrictions, however.

3) Grants & Fundraising

Another essential part of our income is support from companies, trusts & foundations and individuals 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 who rely on the products we provide. Without our Patrons and other funders' support, our rapid response to the pandemic this year would simply not have been possible.

In Kind Direct's fundraising in 2020 was carried out by employed staff and a retained consultant. Our activities principally comprised seeking funding from trusts and foundations and the development of partnerships with companies and individuals through our Patrons programme. We did not use professional agencies to carry out fundraising activities in the year.

We were absolutely delighted by the response of our funders to our work during the pandemic. Funding from our Patrons and other funders in response to our appeal to help in Spring was fundamental in helping us to ramp up our operations quickly in response to rocketing demand. Our particular thanks are due to the Garfield Weston Foundation and The Prince of Wales's Charitable Fund for the substantial grants they made to support our operational growth throughout the crisis.

Several of our corporate product donor partners also provided significant financial support to the charity during the year in tandem with product donations, including Andrex (Kimberly-Clark), Essity, Procter & Gamble, L'Oréal, Amazon and The Walt Disney Company.

Our thanks also go to Lloyds Banking Group, our longest standing funder, for their continued stalwart support for In Kind Direct during this difficult period.

The pandemic led to the postponement of several fundraising events in which In Kind Direct had hoped to participate, including the London Marathon. Our places in these events have been carried over to future periods. We also carried out some small scale, but successful, public facing fundraising campaigns using the JustGiving platform.

In Kind Direct is a member of the Fundraising Regulator. We work hard to comply with the Code of Fundraising Practice for the UK across all our fundraising activities. We comply with the key principles and behaviours of the Code to ensure that any vulnerable persons are treated fairly.

We require signed agreements from all of those who fundraise on our behalf controlling any use of our logo or branding. We had one Commercial Participation Agreement in place during the year with a corporate partner. Where we do work with third parties such as corporate partners to raise funds, we have agreements in place with close monitoring of performance in line with these agreements.

No complaints about fundraising activity were received during the year.

In what has been a particularly challenging time for many individuals and organisations, 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 4.

Volunteers & Pro Bono Support

In Kind Direct's long-running warehouse volunteer scheme was sadly disrupted by the pandemic. One group of 9 volunteers from Lloyds Banking Group did attend in February prior to restrictions coming into place. We plan to restart regular volunteer days when practical and safe to do so.

We were fortunate to receive the support of several companies and individual who provided their services pro bono during the year. Our particular thanks go to Pete Evans at ITL, in regard to overflow warehousing and transport services following an introduction from the National Business Response Network and also to OC&C and Javelin for their fantastic support through our strategic review process.

The Trustees are hugely grateful to everyone who supported the charity through volunteering and donating time and expertise this year.

Financial review of 2020

	2020	2019	Variance
Charges for distributing goods	£2,339,205	£1,148,059	£1,191,146 +103.8%
Unrestricted donations	£710,536	£429,631	£355,905 +82.8%
Restricted donations	£152,000	£55,676	£21,324 +38.3%
Total donations	£862,536	£485,307	£377,229 +77.7%
Trading company gross income	£113,100	£128,804	£15,704 -12.2%
Gift aid donation from trading company	£25,000	£68,100	£43,100 -63.3%
Charitable activity costs	£2,955,273	£2,175,110	£780,163 35.9%
Support costs	£1,586,258	£1,567,042	£19,216 1.2%

In 2020 our operational and fundraised income meant that our unrestricted reserves were above our targeted level.

In Kind Direct's logistics operations generated income of £2,339,205 (2019: £1,148,059) and Retail Donation Initiative registration fees of £3,315 (2019: £4,778). Logistics income increased by £1,191,146 +103.8% compared to 2019. This growth was driven by both strong demand from our growing network of charity partners and substantial increases in the supply of needed products from our corporate partners.

£862,536 was donated to the In Kind Direct Group during 2020 (2019: £485,307), of which £710,536 was unrestricted and £152,000 was restricted.

The proportion of donation funding from charitable trusts and foundations increased during 2020 from 14.3% in 2019 to 48.0%; whilst the contribution from the corporate sector increased from 30.8% to 48.1%. Donations from individuals decreased from 54.9% in 2019 to 3.9% in 2020. Major donor funding continues to have the potential to be a strong future funding stream and a large donation from one of our longstanding individual funders was received in March 2021. Trading company income decreased from £128,804 in 2019 to £113,100 in 2020. This was due to decreased product sales. This meant that the gift aid payment from the trading company to In Kind Direct decreased from £68,100 in 2019 to £25,000 in 2020.

Over £26.0 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 £3.0 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 note 6 for an analysis of our expenditure.

Plans for the Future

In 2020 we carried out an extensive review and planning process resulting in the adoption of a new strategic plan which sets out our ambition to triple our impact through to 2025 (based on 2019 results).

The new plan sets out new strategic priorities, ways of working and measures of success – these are laid out in summary below.

This work was carried out with significant pro-bono support from OC&C. We are enormously grateful for this hugely generous support.

In addition to the strategic review, we carried out a piece of work to review and renew our organisational values.

Our Strategic Priorities

1. Transform the donor value proposition

We aim to build deep, win-win partnerships of equals with our corporate partners. We will develop bespoke programmes with our donors which lead to consistent and increasing supply of core products. We will communicate the impact of partnerships in an engaging, valuable and real-time manner.

2. Meet more of the needs of our charity partners

We will use data effectively to map our charity's needs, fill gaps and drive decisions. Consistent product supply is key. We will add value for our partners and spread best practice. We will better target new partners with focused sector partnerships and become better at telling the story of our impact.

3. Drive operational efficiency

We will become a more effective operation, reviewing our operating model to build in flexibility and enable growth. We will automate and streamline key systems and use data to inform decisions across teams. We will understand our costs and ROI and implement cost savings where possible.

4. Develop a more consistent and broad-based funding model

We will grow sustainable and long-term support from our corporate partners. We will reduce concentration risk by growing our pipeline of funders and shift to a proactive fundraising strategy. We will innovate and develop packages of funding for projects and impact.

5. Build a strong, fit for purpose organisation with a thriving culture

Operational Plan for 2021

As we work toward our long-term strategic goals, our operational plans and objectives for 2021 are summarised below:

Objective	Summary Plans
<p>1. Transform the Donor Value Proposition</p> <p><i>Key measures</i></p> <ul style="list-style-type: none"> • >105 companies donating products in the year • >35 new companies donating • 15 brand campaigns during the year • >65% of stock is key essentials • 15 bespoke brand campaigns run, with >£100k contribution from partners 	<ul style="list-style-type: none"> • Proactive account management of main accounts • Bespoke donor campaigns to support positive business ambitions • Shift in impact reporting, focused on engagement & issues addressed • Calendar of four seasonal campaigns to drive engagement • Devise and implement bespoke brand campaigns to meet need • Event and engagement programme for donor partners • Google Ads/PPC improvements implemented to drive conversion • Improve impact reporting with focus on end users and issues addressed
<p>2. Meet more of the needs of our charity partners</p> <p><i>Key measures</i></p> <ul style="list-style-type: none"> • >3,300 organisations using the service • 1,000 new charities joining the network, >40% ordering • 175,000 people helped each week • >25,000 orders • Catalogue CVR of 4.5% • NPS >80% 	<ul style="list-style-type: none"> • Analyse and improve customer experience – focus on onboarding and shopping experience • E-Commerce platform front end re-design and usability assessment • Segmentation of customer base for bespoke campaigns • Impact assessment review to better understand needs • Account management review and implementation • Build community by launching Ambassador programme • Develop sector partnership strategy for greater impact • Determine key sector issues where IKD has a voice for change
<p>3. Drive operational efficiency</p> <p><i>Key measures</i></p> <ul style="list-style-type: none"> • SLAs reviewed and delivered • Customer satisfaction benchmarks • Reduction in customer service issues • Faster, data-driven decision making 	<ul style="list-style-type: none"> • Ecommerce process review and redesign of merchandising process • Migrate all customer service processes to MS Dynamics • Review and embed new customer service processes • Improve reporting to focus on product availability and quantified need • Finance process improvements and automations • Logistics and warehouse review
<p>4. Develop a more consistent and broad-based funding model</p> <p><i>Key measures</i></p> <ul style="list-style-type: none"> - £1.8m in charity 	<ul style="list-style-type: none"> • Pricing model review and implementation • Review of other funding sources e.g. trade, affiliates • Increase in-kind donations of goods and services needing by IKD e.g. packaging, transport, warehousing • Deliver supporter campaigns, comms and impact reporting

<i>contribution revenue</i> - New pricing model in place - £100k in trade income - >£673k in fundraising income	<ul style="list-style-type: none"> • Develop new fundraising products and packages • Devise and deliver 25th Anniversary events
5. Build a strong, fit for purpose organisation with a thriving culture	<ul style="list-style-type: none"> • Finalise and embed our new purpose and values • Embed new structure and ways of working, including London office return • Governance review • Policies and staff benefits review • Data protection and security training refresh

Structure, governance and management

In Kind Direct was founded in 1996 by our Royal Founding Patron, HRH The Prince of Wales. There are twelve trustees who meet quarterly as a Board, as does the Finance and Audit Committee. With the addition of the Chair 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.

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. Trustees are encouraged to visit and learn from representatives of the organisations benefiting from In Kind Direct's work and their beneficiaries. Representatives from charity partners regularly present about their work at Board meetings.

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 Leadership 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 seventeen full-time and four part-time staff.

In the second half of 2020, In Kind Direct began a Governance Review. A sub-group of the Board of Trustees and senior staff was created with delegated authority to explore, review and recommend improvements to current practices, if any were identified. This work is ongoing and will be completed in 2021. As well as a review of all operational and staff policies, changes to the Governance Code of Practice in 2020 will also be incorporated, alongside developing and reviewing processes around how trustees are recruited, upskilled and their performance reviewed.

During the year, the voluntary and charitable sector as a whole acknowledged the work that needs to be done across equality, diversity and inclusion practices. In June 2020, In Kind Direct added its name to an open statement committed to dismantling racism in the sector following the publication of the report by Voice4Change and ACEVO, "Home Truths: Undoing racism and delivering real diversity in the charity sector".

Financial policies

Reserves policy

In 2018, the Board's review of the reserves policy concluded that the charity should aim to achieve unrestricted reserves equivalent to at least four months' operational cashflow (2020: £423,420), with a longer-term aspiration that the Group achieve a minimum of six months' unrestricted reserves. This policy is assessed annually by the Finance & Audit Committee to ensure that it remains appropriate.

The reserves as at 31 December 2020 were as follows:

Unrestricted reserves	£ 1,277,807
Restricted reserves	£ 857,685

Total reserves as at 31 December 2020 £ 2,135,492

The Group unrestricted reserves balance of £1,277,807 equates to 9.1 months of operating costs for In Kind Direct and represents an increase of £788,534 compared to the previous year (2019: £489,273).

This means that the Group ended the year having achieved reserves above our longer-term six-month target. The Trustees' intention is to designate excess reserves held to required future investments required to support the charity's growth over the next few years, including a new warehouse and logistics platform.

Within the restricted funds (note 15a), £760,303 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 4 years' of grant income receivable. A further £26,400 is being retained as a separate restricted fund to pay for office dilapidations, should a break clause within the lease be exercised after 4 years.

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

Our approach to pay is to provide fair remuneration packages for talented people who can help the charity to maximise its impact. To do this we seek to balance the need to attract and retain high calibre individuals with a need to ensure value for money for the charity.

We aim to provide remuneration packages and benefits that are competitive within the charity sector, proportionate to the complexity and scope of each role, and in line with our charitable objectives. We aim to meet all national pay standards and provide all paid staff with a living wage as a minimum.

The Remuneration Sub-Committee of the Board reviews and monitors senior staff pay, including the pay of the Chief Executive. Periodically, remuneration levels are reviewed and 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 Leadership Team has compiled a risk register, which they also regularly monitor and amend as necessary. Risks are scored by likelihood and impact both prior and post mitigation measures taken. 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.

The top three risks faced by the charity at December 2020 were:

Risk	Example Management & Mitigation Measures
Impact on operations from Pandemic Covid-19	<ul style="list-style-type: none"> • Implementation of appropriate working systems in the warehouse and office • Increase numbers of charity network registrations to diversify customer base • Secure increased donations of hygiene products and other goods that are in demand because of Covid-19 • Regular review of cashflow and budget
Economic downturn	<ul style="list-style-type: none"> • Diversification of donor and charity networks • Diversify funding sources • Regular review of cashflow and budgets • Maintenance and building of reserves
Failure to provide goods requested/needed by charity partners	<ul style="list-style-type: none"> • Regular communication between teams managing charity and product donor partnerships to identify most needed products • Strengthened and developed relationships with donors • Monitoring of type and quantities of products requested • Process for Goods Acceptance

Environmental policy

In Kind Direct, a registered charity, distributes 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:

Debra Allcock Tyler	
Scott Barton	
Graham BurrIDGE	
Barry Furlong	
Tim Hinton	
Graham Inglis	
Ajay Kavan	
Enrica Maccarini	Resigned 9 April 2020
Tom Moody	
Martin Newman	
Andrew Rubin	
Teresa Tideman (Chair)	
Richard Wolff	

Changes in fixed assets

£3,680 was invested in tangible fixed assets in 2020 relating to additional warehouse equipment to deliver our increased response during the pandemic. This included packing benches and associated hardware at our distribution site in Telford.

£32,871 was invested in intangible fixed assets in 2020 enhancing our IT systems to enable improved data tracking and reporting to support the delivery of our charitable objectives.

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.

Statement of disclosure to the auditor so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's 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.

Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Graham Burrige, who is Chair of the subsidiary, is also a director/trustee of In Kind Direct. Rosanne Gray, Chief Executive and Linda Kelly, Head of Finance at In Kind Direct also served as directors of Trading IK Ltd during the year.

In Kind Direct is the sole legal member of IKDI. Three director/trustees of In Kind Direct are director/trustees of IKDI. They are Teresa Tideman, Graham Inglis and Richard Wolff. Rosanne Gray, Chief Executive of In Kind Direct is also a director/trustee of IKDI.

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

T M Tideman

Teresa Tideman

Date: 3 August 2021

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 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statement of Cash Flows and notes to the financial statements. 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 2020 and of the group's net movement in funds, including the income and expenditure, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted that significantly impact on the result for the year, posting in areas subject to significant judgements or estimates, postings in accounts that are considered higher risk; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

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 those 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

11 August 2021
Date:.....

**Consolidated Statement of Financial Activities (including income & expenditure account)
for the year ended 31 December 2020**

	Notes	Unrestricted Funds	Restricted Funds	Totals 2020	Unrestricted Funds	Restricted Funds	Totals 2019
		£	£	£	£	£	£
INCOME							
Income from donations							
Value of donated goods distributed	4	16,302,722	10,002,005	26,304,727	10,854,716	5,130,912	15,985,628
Donations	3	710,536	152,000	862,536	429,631	55,676	485,307
Donated services for own use	4	252,305	-	252,305	103,754	10,000	113,754
Income from charitable activities:							
Retail donation registration fees		3,315	-	3,315	4,778	-	4,778
Charges for providing goods		2,339,205	-	2,339,205	1,148,059	-	1,148,059
Other charitable income		72,851	-	72,851	40,796	-	40,796
Income from other trading activities:							
Commercial trading operations	5	113,100	-	113,100	128,804	-	128,804
Income from Investments							
		212	-	212	2,232	-	2,232
Total income excluding value of donated goods distributed		3,491,524	152,000	3,643,524	1,858,054	65,676	1,923,730
TOTAL INCOME		19,794,246	10,154,005	29,948,251	12,712,770	5,196,588	17,909,358
EXPENDITURE							
Expenditure on Raising Funds:							
Costs of Raising Funds	6	88,027	5,240	93,267	77,417	14,178	91,595
Costs of Trading Activities	6	54,222	-	54,222	58,191	-	58,191
		142,249	5,240	147,489	135,608	14,178	149,786
Expenditure on Charitable Activities:							
Distribution of donated goods	6	16,302,722	10,002,005	26,304,727	10,854,716	5,130,912	15,985,628
Other Charitable Costs	6	2,560,740	157,365	2,718,106	1,942,795	232,315	2,175,110
		18,863,462	10,159,370	29,022,832	12,797,511	5,363,227	18,160,738
Total expenditure	6	19,005,712	10,164,610	29,170,322	12,933,119	5,377,405	18,310,524
Net Income/(Expenditure) for the Year Before Transfers		788,534	(10,605)	777,929	(220,349)	(180,817)	(401,166)
Gross Transfers Between Funds		-	-	-	-	-	-
Net Movement in funds		788,534	(10,605)	777,929	(220,349)	(180,817)	(401,166)
Funds brought forward at 1 January		489,273	868,290	1,357,564	709,622	1,049,107	1,758,729
Funds carried forward at 31 December	15a	1,277,807	857,685	2,135,492	489,273	868,290	1,357,563

The financial activities above relate wholly to the continuing activities of In Kind Direct.
The notes on pages 34 to 47 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 2020

	Notes	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	3,607	-	3,607	10,394	-	10,394
Intangible assets	11	92,424	-	92,424	89,042	-	89,042
Public benefit concessionary loan		20,000	-	20,000	20,000	-	20,000
Current assets							
Debtors	13	129,087	519,023	648,110	88,771	843,526	932,297
Cash at bank and in hand		1,326,689	338,662	1,665,351	450,488	24,764	475,252
		1,455,776	857,685	2,313,461	539,259	868,290	1,407,549
Creditors: amounts falling due within one year	14	(294,000)	-	(294,000)	(169,422)	-	(169,422)
Net current assets		1,161,775	857,685	2,019,460	369,837	868,290	1,238,127
Net assets		1,277,807	857,685	2,135,492	489,273	868,290	1,357,563
Funds							
Balance at 1 January		489,273	868,290	1,357,563	709,622	1,049,107	1,758,729
Movement in Funds		788,534	(10,605)	777,929	(220,349)	(180,817)	(401,166)
Balance at 31 December	15a	1,277,807	857,685	2,135,492	489,273	868,290	1,357,563

The financial statements were approved and authorised for issue by the directors on 3 August 2021 and were signed on its behalf by:

T M Tideman

Teresa Tideman

Director and Trustee

The notes on pages 34 to 47 form part of these financial statements.

Company Balance Sheet at 31 December 2020

	Notes	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	3,607	-	3,607	10,394	-	10,394
Intangible assets	11	92,424	-	92,424	89,042	-	89,042
Investments	12	1	-	1	1	-	1
Current assets							
Debtors	13	106,588	519,023	625,610	81,821	843,526	925,347
Cash at bank and in hand		1,243,612	338,662	1,582,274	344,174	24,764	368,938
		<u>1,350,200</u>	<u>857,685</u>	<u>2,207,885</u>	<u>425,995</u>	<u>868,291</u>	<u>1,294,286</u>
Creditors: amounts falling due within one year	14	(279,271)	-	(279,271)	(158,691)	-	(158,691)
Net current assets		<u>1,070,929</u>	<u>857,685</u>	<u>1,928,614</u>	<u>267,304</u>	<u>868,291</u>	<u>1,135,595</u>
Net assets		<u>1,166,961</u>	<u>857,685</u>	<u>2,024,646</u>	<u>366,741</u>	<u>868,291</u>	<u>1,235,032</u>
Funds							
Balance at 1 January		366,740	868,291	1,235,031	579,522	1,045,439	1,624,961
Movement in Funds		800,221	(10,606)	789,616	(212,781)	(177,148)	(389,929)
Balance at 31 December	15b	<u>1,166,961</u>	<u>857,685</u>	<u>2,024,646</u>	<u>366,741</u>	<u>868,291</u>	<u>1,235,032</u>

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 £35,931,257 (2019: £17,817,838). The result for the year is a net movement of funds of £789,615 (2019: (-£389,929)).

The financial statements were approved and authorised for issue by the directors on the 3 August 2021 and were signed on its behalf by:

T M Tideman

Teresa Tideman

Director and Trustee

The notes on pages 34 to 47 form part of these financial statements.

Consolidated and Company Statement of Cash Flows

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash (used in)/provided by operating activities	20	1,226,439	(61,403)	1,249,676	(39,176)
Cash flows from investing activities					
Interest income		212	2,232	212	2,232
Transfer of cash to current asset investments		-	250,000	-	250,000
Purchase of fixed assets		(36,551)	(200)	(36,551)	(200)
Cash provided by/(used in) investing activities		(36,340)	252,032	(36,340)	252,032
Increase/(decrease) in cash and cash equivalents in the year		1,190,099	190,629	1,213,336	212,856
Cash and cash equivalents at the beginning of the year		475,252	284,623	368,938	156,082
Total cash and cash equivalents at the end of the year		1,665,351	475,252	1,582,274	368,938

No analysis of changes in net debt is presented as the charity and group has no borrowings.

Notes to the Financial Statements – year ended 31 December 2020**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 Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts, 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. A cash flow forecast has been prepared for the 12 month period following the date of signing of the accounts. This forecast includes all funding received to date as well as committed funding. Assumptions have been made around charges for goods income that show an increase of 16% growth against the 2021 targets which is line with the 2025 strategy. Unrestricted cash balances remain positive for the whole period and are expected to exceed the minimum requirement of £100,000.

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 cleaning and printing facilities, consultancy work and IT 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 on the basis of the value of the gift to the charity..

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 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:

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.

Intangible fixed assets

Intangible assets are initially recognised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. In Kind Direct's intangible fixed assets consist of software development costs. Amortisation is charged on a straight line basis over the estimated useful economic life of the software (from two to six years) and is included in Finance & IT support costs in the SOFA.

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 for the charity's own use.
- 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 not invoiced 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.

3. Other Voluntary Income (Group)

	Restricted Funds	Unrestricted Funds	Total 2020	Restricted Funds	Unrestricted Funds	Total 2019
	£	£	£	£	£	£
Charitable Trusts	82,000	331,837	413,837	28,500	40,900	69,400
Business donations	70,000	344,914	414,914	25,270	123,993	149,263
Donations by individuals	-	33,785	33,785	1,906	264,738	266,644
	<u>152,000</u>	<u>710,536</u>	<u>862,536</u>	<u>55,676</u>	<u>429,631</u>	<u>485,307</u>
	0					

4. Donated goods and services

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

	Restricted Funds	Unrestricted Funds	Total 2020	Restricted Funds	Unrestricted Funds	Total 2019
	£	£	£	£	£	£
Value of donated goods distributed	10,002,005	16,302,722	26,304,727	5,130,912	10,854,716	15,985,628
Services donated for own use	-	252,305	252,305	10,000	103,754	113,754
	<u>10,002,005</u>	<u>16,555,027</u>	<u>26,557,032</u>	<u>5,140,912</u>	<u>10,958,470</u>	<u>16,099,382</u>

5. Subsidiary undertakings

Trading IK Limited

Trading IK Limited (Company no. 06950193) is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its registered office address is 11 -15 St Mary at Hill, London, EC3R 8EE.

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 2020 were:

	31 December 2020 £	31 December 2019 £
Turnover	113,100	128,804
Cost of sales	(40,138)	(53,220)
Gross profit	72,962	75,584
Distribution costs	(11,156)	(2,143)
Administration costs	(6,528)	(6,428)
Profit for the year	55,278	67,013
Gift Aid to In Kind Direct	(25,000)	(68,100)
Movement in Shareholder's Funds After Gift Aid	30,278	(1,087)

Administration costs relate to audit fees and other professional fees from In Kind Direct to Trading IK Limited (2020: £3,600; 2019 £3,600) for the use of staff and resources. These have been eliminated on consolidation.

	£	£
Current assets	49,205	24,350
Creditors and accruals	(18,926)	(7,836)
Net Assets	30,278	16,514

At the balance sheet date the company owed a balance of £8,098 to In Kind Direct.

IKDI

IKDI is a charitable company incorporated in England & Wales, (Charity no. 1157417; Company no. 08478660) of which In Kind Direct is the sole member. Its registered office address is 11 - 15 St Mary at Hill, London, EC3R 8EE. The results of the subsidiary charitable company for the year were as follows:

	31 December 2020 £	31 December 2019 £
Income	39,246	78,378
Expenditure	(64,698)	(88,524)
Net expenditure	(25,451)	(10,146)
Funds brought forward at 1 January	106,020	116,166
Funds carried forward at 31 December	80,568	106,020

Total resources expended relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2020: 57,370; 2019: £73,970) for the use of staff and resources. These have been eliminated on consolidation.

At the balance sheet date the charity owed a balance of £20,170 to In Kind Direct.

6. Expenditure

	Direct cost £	Support cost £	Total 2020 £	Direct cost £	Support cost £	Total 2019 £
Cost of Charitable Activities						
Distribution of donated goods	26,304,727	-	26,304,727	15,985,628	0	15,985,628
Other charitable costs	1,223,999	1,494,107	2,718,106	695,817	1,479,293	2,175,110
	<u>27,528,726</u>	<u>1,494,107</u>	<u>29,022,832</u>	<u>16,681,445</u>	<u>1,479,293</u>	<u>18,160,738</u>
Cost of Generating Funds						
Fundraising activities	1,116	92,151	93,267	3,846	87,749	91,595
Trading activities	54,222	-	54,222	58,191	0	58,191
	<u>55,338</u>	<u>92,151</u>	<u>147,489</u>	<u>62,037</u>	<u>87,749</u>	<u>149,786</u>
Total Resources Expended	<u>27,584,064</u>	<u>1,586,258</u>	<u>29,170,322</u>	<u>16,743,482</u>	<u>1,567,042</u>	<u>18,310,524</u>

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 2020 £	Total 2019 £
Management/Other	626,677	41,550	668,227	678,559
Finance & IT	186,034	3,342	189,376	180,679
Logistics	227,400	-	227,400	230,438
Charities	163,203	-	163,203	166,130
Fundraising	208,702	42,020	250,722	100,588
Premises	82,091	5,240	87,331	210,648
	<u>1,494,107</u>	<u>92,151</u>	<u>1,586,258</u>	<u>1,567,042</u>

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

Governance costs total	<u>85,117</u>	<u>84,408</u>
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8. Employees

Staff costs comprise:

	Total 2020 £	Total 2019 £
Salaries and wages	841,093	855,570
Social security costs	82,991	87,967
Other pension costs	68,434	71,545
	<u>992,518</u>	<u>1,015,082</u>

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

	2020	2019
Distribution of donated goods	18	17
Governance	1	1
	<u>19</u>	<u>18</u>

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

£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£140,001 - £150,000	1	-
* £170,001 - £180,000	-	1
	<u>-</u>	<u>1</u>

* 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 (6 people). The total employee benefits (including employer's national insurance contributions) of the key management personnel of In Kind Direct were £549,150 (2019: £591,791).

The trustees did not receive remuneration for their services to the company during the period (2019: £nil). No expenses incurred by any trustee were reimbursed by the company (2019: £nil).

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

	2020 £	2019 £
Auditor remuneration - audit fee	12,750	12,400
Operating Lease rentals	65,736	49,315
Depreciation	<u>39,955</u>	<u>38,502</u>

10. Tangible Fixed Assets

	Warehouse Equipment Unrestricted Funds £	Total 2020 £	Total 2019 £
Cost as at 1 January 2020	58,768	58,768	101,400
Additions during year	3,680	3,680	-
Transfer to intangible assets	-	-	-
Disposal	(46,541)	(46,541)	(42,632)
Cost as at 31 December 2020	<u>15,907</u>	<u>15,907</u>	<u>58,768</u>
Depreciation as at 1 January 2020	(48,374)	(48,374)	(75,936)
Charge for year	(10,467)	(10,467)	(15,070)
Disposal	46,541	46,541	42,632
Depreciation as at 31 December 2020	<u>(12,300)</u>	<u>(12,300)</u>	<u>(48,374)</u>
Net book value as at 1 January 2020	<u>10,394</u>	<u>10,394</u>	<u>25,464</u>
Net book value as at 31 December 2020	<u>3,607</u>	<u>3,607</u>	<u>10,394</u>

11. Intangible Fixed Assets

	IT Systems Unrestricted Funds £	Total 2020 £
Cost as at 1 January 2020	112,474	112,474
Additions during year	32,871	32,871
Cost as at 31 December 2020	<u>145,345</u>	<u>145,345</u>
Depreciation as at 1 January 2020	(23,432)	(23,432)
Charge for year	(29,488)	(29,488)
Depreciation as at 31 December 2020	<u>(52,920)</u>	<u>(52,920)</u>
Net book value as at 1 January 2020	<u>89,042</u>	<u>89,042</u>
Net book value as at 31 December 2020	<u>92,425</u>	<u>92,425</u>

**12. Investment
(Charity)**

	Unrestricted Funds £	Total 2020 £
Shares - subsidiary company Trading IK Ltd	1	1
Cost at 1 January 2020 and 31 December 2020	<u>1</u>	<u>1</u>

13a. Debtors - unrestricted
In Kind Direct

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Prepayments	53,107	43,825	53,107	43,825
Trade debtors	53,093	26,087	10,900	9,061
Intercompany debtors	-	-	26,767	20,440
Taxation and social security	158	1,584	-	-
Accrued income*	22,729	17,275	15,814	8,495
	<u>129,087</u>	<u>88,771</u>	<u>106,588</u>	<u>81,821</u>

* Mostly donations recognised in the 2020 accounts but received early in 2021, and commissions due to trading subsidiary (group accounts).

13b. Debtors - restricted

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Grant income debtor*	519,023	843,526	519,023	843,526
	<u>519,023</u>	<u>843,526</u>	<u>519,023</u>	<u>843,526</u>

*This represents the value of the grant receivable by In Kind Direct until March 2025 in respect of the charity's office accommodation. 2021 grant paid end 2020.

14. Creditors: amounts falling due within one year - unrestricted

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	(154,985)	(82,447)	(154,034)	(79,667)
Accruals	(32,249)	(37,079)	(21,106)	(27,842)
Intercompany creditor	-	-	-	(1,286)
Taxation and social security	(106,766)	(49,896)	(104,130)	(49,896)
	<u>(294,000)</u>	<u>(169,422)</u>	<u>(279,270)</u>	<u>(158,691)</u>

15a. Reserves (Group) 2020

	Balance at 1 Jan 2020	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2020
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	845,034	-	(80,331)	(4,400)	760,303
2 Premises Fund 3 - dilaps	22,000	-	-	4,400	26,400
3 P&G Emergency Fund	1,257	-	(275)	-	982
4 Sir James Knott	-	5,000	(5,000)	-	-
5 GJW Turner Trust	-	2,000	(2,000)	-	-
6 Barclays COVID-19	-	70,000	-	-	70,000
7 The Prince of Wales Charitable Foundation	-	75,000	(75,000)	-	-
8 Value of goods distributed	-	10,002,005	(10,002,005)	-	-
Total Restricted Funds	868,291	10,154,005	(10,164,610)	-	857,685
Unrestricted Funds	489,273	19,794,246	(19,005,712)	-	1,277,807
Total Funds	1,357,564	29,948,251	(29,170,322)	-	2,135,492

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) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
(6) Funds towards helping charities in their community efforts against COVID-19.
(7) Funds towards supporting IKD's operations and to put in place additional infrastructure required to respond to the pandemic.
(8) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

15a. Reserves (Group) 2019

	Balance at 1 Jan 2019	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2019
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	983,502	-	(138,468)	-	845,034
2 Premises Fund 3 - dilaps	55,680	-	(33,680)	-	22,000
3 P&G Emergency Fund	1,257	-	-	-	1,257
4 The Prince of Wales's Charitable Foundation	5,000	10,000	(15,000)	-	(0)
5 Britford Bridge Trust	-	20,000	(20,000)	-	(0)
6 2019 Big Charity Picnic	-	27,176	(27,176)	-	-
7 Sir James Knott	-	5,000	(5,000)	-	-
8 JR Corah	-	1,000	(1,000)	-	-
9 Maud Elkington Charitable Trust	-	2,500	(2,500)	-	-
10 McCarthy Denning (IKDI)	3,668	-	(3,668)	-	-
11 Value of goods distributed	-	5,130,912	(5,130,912)	-	-
Total Restricted Funds	1,049,107	5,196,588	(5,377,405)	-	868,290
Unrestricted Funds	709,622	12,712,770	(12,933,119)	-	489,273
Total Funds	1,758,729	17,909,358	(18,310,524)	-	1,357,563

- (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 picnic event.
(7) - (9) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
(10) Funds represent start up costs for IKDI and to expand the IKDI network.
(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.

15b. Reserves (Charity) 2020

	Balance at 1 Jan 2020	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2020
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	845,034	-	(80,331)	(4,400)	760,303
2 Premises Fund 3 - dilaps	22,000	-	-	4,400	26,400
3 P&G Emergency Fund	1,257	-	(275)	-	982
4 Sir James Knott	-	5,000	(5,000)	-	-
5 GJW Turner Trust	-	2,000	(2,000)	-	-
6 Barclays COVID-19	-	70,000	-	-	70,000
7 The Prince of Wales's Charitable Foundation	-	75,000	(75,000)	-	-
8 Value of goods distributed	-	10,002,005	(10,002,005)	-	-
Total Restricted Funds	868,291	10,154,005	(10,164,611)	-	857,685
Unrestricted Funds	366,739	19,705,960	(18,905,738)	-	1,166,960
Total Funds	1,235,030	29,859,964	(29,070,349)	-	2,024,645

(0.50)

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) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations and to put in place additional infrastructure required to respond to the pandemic
- (8) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

15b. Reserves (Charity) 2019

	Balance at 1 Jan 2019	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2019
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	983,502	-	(138,468)	-	845,034
2 Premises Fund 3 - dilaps	55,680	-	(33,680)	-	22,000
3 P&G Emergency Fund	1,257	-	-	-	1,257
4 The Prince of Wales's Charitable Foundation	5,000	10,000	(15,000)	-	-
5 Britford Bridge Trust	-	20,000	(20,000)	-	-
6 2019 Big Charity Picnic	-	27,176	(27,176)	-	-
7 Sir James Knott	-	5,000	(5,000)	-	-
8 JR Corah	-	1,000	(1,000)	-	-
9 Maud Elkington Charitable Trust	-	2,500	(2,500)	-	-
10 Value of goods distributed	-	5,130,912	(5,130,912)	-	-
Total Restricted Funds	1,045,439	5,196,588	(5,373,736)	-	868,291
Unrestricted Funds	579,522	12,621,250	(12,834,033)	-	366,739
Total Funds	1,624,961	17,817,838	(18,207,769)	-	1,235,030

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

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:

	2020	2019
	£	£
Office cleaning & printing charges	-	16,062
Web hosting & IT services	33,250	87,692
PWC report	-	10,000
Consultancy	216,500	-
Staff costs/training	2,555	-
	252,305	113,754

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 office premises as set out below:

Minimum rentals falling due:	Total 2020	Total 2019
	£	£
Within 1 year	53,757	64,331
Between 1 and 5 years	215,143	456,691
More than 5 years	-	30,883
	268,900	551,905

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 included in the lease of In Kind Direct's offices.

18. Related party transactions

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

We are aware of a number of donations to IKD by trustees and their related parties (A Rubin/ T Tideman). The total amount in 2020 was £10,625 (2019: £15,531).

19. Capital commitments

There were no capital commitments at the end of 2020 (2019: £31,400).

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

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	777,929	(401,166)	789,615	(389,931)
<u>Adjustments for:</u>				
Depreciation	39,955	38,503	39,955	38,503
Dividends, interest and rents from investments	(212)	(2,232)	(212)	(2,232)
Decrease in debtors	284,187	273,621	299,738	285,913
Increase in creditors	124,579	29,871	120,580	28,573
Net cash provided by/(used in) operating activities	<u>1,226,439</u>	<u>(61,403)</u>	<u>1,249,678</u>	<u>(39,174)</u>