

**IKDI**

**(a company limited by guarantee)**

**Report and Financial Statements  
for the year ended 31 December 2017**

**Registered Company no: 08478660**

**Registered Charity no: 1157417**

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**Report and Financial Statements**  
**for the year ended 31 December 2017**

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## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors and Trustees

Teresa Tideman (Chair)  
Robin Boles, LVO  
Christopher Hyman, CBE  
Graham Inglis  
Michael Ross

### Principal and registered office

11–15 St Mary at Hill  
London  
EC3R 8EE

Tel: 0300 30 20 200  
Fax: 0203 637 1347  
[www.ikdinternational.org](http://www.ikdinternational.org)

### Secretary

Linda Kelly

### Independent Examiner

haysmacintyre  
10 Queen Street Place  
London  
EC4R 1AG

### Bankers

Lloyds Banking Group  
109 Finsbury Pavement  
Finsbury Park  
London  
EC2A 1LB

### Solicitors

Benjamin James  
McCarthy Denning  
49 Queen Victoria Street  
London  
EC4N 4SA

### Status

IKDI is:

- ◆ a company limited by guarantee in England & Wales, number 08478660.
- ◆ a charity registered in England & Wales, number 1157417.

IKDI is governed by Articles of Association dated 8 April 2013 and amended 6 February 2014 by Special Resolution.

## **IKDI**

### **Directors' Report**

#### **For the year ended 31 December 2017**

The Trustees of IKDI, who are also the directors of the charitable company for the purposes of company law, present their report for the year ended 31 December 2017.

#### **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, achieve the aims and principles of public benefit.

IKDI was founded in 2013 and manages a network of charities in several countries, each of which co-ordinates the distribution of surplus, generally new consumer products, to other not for profit organisations and their beneficiaries. Accessing everyday essential products enables recipient organisations to transform lives. Charities are able to save money as a result of receiving goods distributed by each network member. With these savings, they are able to improve and extend their services. In turn, their beneficiaries receive products to use in their daily lives which reduce hardship and often result in increased confidence and self-esteem. Collectively, IKDI network members have distributed over £325,000,000 in value of products since 1997.

IKDI works for the public benefit by ensuring that the expenditure of recipient charities on essential goods is reduced, thus stretching their scarce resources and enabling them to help millions of people in need at home and abroad, while reducing environmental damage, because goods are saved from being wasted or sent to landfill.

#### **Achievements and performance**

The IKDI network currently has three members: the founder member, In Kind Direct; a German licensee; and a French licensee. The members of the IKDI network work together very effectively and, as a result of collaboration through IKDI, donated goods valued at over £10,000,000 have been redirected between network members to date, where these goods have been surplus to requirements in the country of origin, including over £2,000,000 worth of goods during 2017.

In addition to sharing surplus goods, network members continued to work collaboratively during 2017, including in relation to working practices and innovation. Conference calls continued to be held regularly throughout the year and a 2 day annual conference was held in October 2017 for members of staff of the three network members. The annual conference included sessions on: potential for a product giving conference; fundraising; use of volunteers/ambassadors; PR and research; and open sessions for ideas to be exchanged on additional topics.

IKDI continued to work towards the establishment of new network members, with the focus on the start-up of In Kind Direct (Singapore) and In Kind Direct (Nordic). Significant progress was made during 2017, with each of these start-up organisations working towards admission to the IKDI network, as new licensees:

In Kind Direct (Singapore) was registered as a company in 2017. A CEO and board members were appointed for In Kind Direct (Singapore) and the first two board meeting took place in 2017, with the organisation working towards beginning operations and meeting the requirements for charity registration. IKDI is a member of In Kind Direct (Singapore) and Robin Boles was appointed as a Director.

In Kind Direct (Nordic) was set up as an independent charity and not for profit association with limited liability, with a founding council, board and local CEO. It is expected that IKDI will have a representative on the board of In Kind Direct (Nordic).

IKDI continued to research other potential countries for the establishment of new licensees, with a view to following up once In Kind Direct (Singapore) and In Kind Direct (Nordic) have settled into the IKDI network.

Work also continued on general IKDI matters, including seeking funding for the IKDI network; the identification of reduced cost or pro bono transport; and other general operational matters.

### **Financial review of 2017**

£39,000 of licence fee income was received during 2017 (2016: £39,000). This comprised £15,000 from the French licensee, Dons Solidaires; £15,000 from the German licensee Innatura; as well as £9,000 from In Kind Direct. This £9,000 fee represents 60% of the annual licence fee paid by other network members, with the 40% reduction given in recognition of the fact that In Kind Direct should not pay for its own licence elements

In addition, unrestricted funding and gift aid of £62,500 was received by the charity compared with £31,250 in 2016.

It was intended that the restricted grant of £36,333, given by In Kind Direct to serve as loan funding for new licensees setting up in other countries, would be shared between In Kind Direct (Singapore) and In Kind Direct (Nordic). £16,333 would be loaned to In Kind Direct (Singapore) and £20,000 would be loaned to In Kind Direct (Nordic). An additional £3,667 of other restricted funding, which had previously been allocated to start-up operations in Singapore, would be loaned to In Kind Direct (Singapore), providing a total loan of £20,000 for In Kind Direct (Singapore) as well.

Licensees receiving loans from IKDI enter into a Loan Agreement with IKDI, executed simultaneously with the IKDI Licence Agreement.

It has been recognised that a lack of initial funding is a key barrier to establishing a new operation and as a result, IKDI started a patron scheme for funders.

The charity's main overhead costs relate to the Head of Operations for IKDI, who is employed by In Kind Direct, but whose salary and on-costs are cross charged to IKDI, as well as time allocations of other IKD staff. Total staff costs cross charged for the year were £69,048 (2016: £56,256). Remaining overhead costs include independent examination (£1,260); annual conference and travel costs (£1,292); trustee indemnity insurance (£274); legal fees (£12,112); and a contractual payment of 10% of the German and French licence fees to In Kind Direct (£3,000). Total other overhead costs in 2016 were £122.

### **Key lessons learned**

Much continues to be learned from working with prospective new licensees, research into potential new markets, and from ongoing collaborative working with network members.

Lessons have been learned and implemented, such as IKDI, in most cases, needing to provide financial support for start-up chief executives, to give them time to do their own fundraising and set up an infrastructure. This support will help expedite expansion and attract more members into the network. IKDI continually increases its knowledge of cultural sensitivities enabling IKDI to identify and

approach potential country CEOs more quickly, to establish future licensees. In addition, working with current licensees has provided valuable guidance on how best to support licensees going forward.

### **Plans for the future**

Further expansion of IKDI is planned with the establishment of licensees in other countries, to be identified through ongoing research.

### **Structure, governance and management**

The Board of IKDI has five Director/Trustees as set out below and is managed on a day to day basis by the Head of Operations. The Chair, Teresa Tideman, who is also Chair of In Kind Direct, was appointed on 29 June 2017, following retirement of the previous Chair, John Pattullo on 29 June 2017. Graham Inglis was appointed Director/Trustee on 1 May 2017. Finance, Marketing, IT, fundraising and Chief Executive services are provided at cost to IKDI by In Kind Direct.

The Board meets quarterly. Board members hold office under the terms set out in the Articles of Association.

The Company is limited by guarantee without having a share capital. The Member of the Company agrees to contribute a sum of up to £10 on a winding-up of the Company

In Kind Direct is the sole member of IKDI.

### **Financial policies**

The board of IKDI has agreed that IKDI should aim to achieve reserves equivalent to three months' operational cash flow.

### **Risk policy and management**

The Trustees review the assessment of major risks to which the charity is exposed. IKDI has compiled a risk register, which will be regularly monitored and amended as necessary. Management of risks, with strategies to minimise and mitigate them, is an on-going task. The full risk register will be reviewed by Trustees annually.

### **Related Parties**

Robin Boles, a trustee of IKDI, is employed as Chief Executive of In Kind Direct, which is the sole member of IKDI. Robin Boles is a Director of In Kind Direct (Singapore) and will represent IKDI on the board of In Kind Direct (Nordic).

Three other trustees of IKDI, Teresa Tideman, Graham Inglis and Michael Ross, are also trustees of In Kind Direct. John Pattullo was also a trustee of In Kind Direct prior to retirement.

The Secretary, Linda Kelly, is employed as Head of Finance for In Kind Direct.

### **Independent Examiner**

The board approved a resolution to appoint haysmacintyre as independent examiner on 2 December 2013.

### **Directors and trustees**

Teresa Tideman (Chair)  
John Pattullo (Chair)

Appointed 29-June 2017  
Retired 29 June 2017

Robin Boles  
Christopher Hyman  
Graham Inglis  
Michael Ross

Appointed 1 May 2017

### **Statement of trustees' responsibilities**

The trustees, who are also directors of IKDI for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

This report was approved by the Board on 22 May 2018 and signed on its behalf.

**Robin Boles, LVO**  
**Director and Trustee**



## **Independent examiner's report to the trustees of IKDI ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2017.

### **Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Richard Weaver  
For and on behalf of  
**haysmacintyre**  
Chartered Accountants  
10 Queen Street Place  
London  
EC4R 1AG

Date: *22 May 2018*



IKDI

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total Unrestricted 2017 £	Restricted Funds £	Total 2016 £
<b>Income from:</b>						
Donations	2	62,500	10,000	72,500	31,250	31,250
Grant income		-	-	-	36,333	36,333
Investments		-	-	-	-	-
<i>Charitable activities</i>						
License fees		39,000	-	39,000	-	39,000
<b>Total</b>		<b>101,500</b>	<b>10,000</b>	<b>111,500</b>	<b>70,250</b>	<b>106,583</b>
<b>Expenditure on:</b>						
<i>Raising funds</i>						
Costs of raising funds		8,107	478	8,585	5,990	5,990
<i>Charitable activities</i>						
International network		74,225	4,298	78,523	55,510	55,510
<b>Total</b>	3	<b>82,332</b>	<b>4,776</b>	<b>87,108</b>	<b>61,500</b>	<b>61,500</b>
<b>Net Income Before Transfers</b>		<b>19,168</b>	<b>5,224</b>	<b>24,392</b>	<b>8,750</b>	<b>45,083</b>
Gross transfers between funds		-	-	-	-	-
<b>Net Income For The Year</b>		<b>19,168</b>	<b>5,224</b>	<b>24,392</b>	<b>8,750</b>	<b>45,083</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 1 January 2017		31,772	44,776	76,548	23,022	31,465
Funds carried forward at 31 December 2017		50,940	50,000	100,940	31,772	76,548

All gains and losses arising in the year are included in the Statement of Financial Activities and arise from continuing operations.

The accompanying notes on pages 11 to 13 form an integral part of these financial statements.

IKDI

BALANCE SHEET  
AS AT 31 DECEMBER 2017

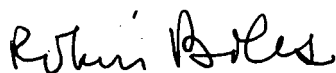
	Note	2017 £	2017 £	2016 £	2016 £
<b>Current Assets</b>					
Debtors	7	1,529		15,256	
Cash at bank and in hand		<u>134,688</u>		<u>99,675</u>	
		136,217		114,931	
<b>Creditors: Amounts falling due within one year</b>	8	<u>(35,277)</u>		<u>(38,383)</u>	
<b>Net Current Assets</b>			<u>100,940</u>		<u>76,548</u>
<b>Total Assets less Current Liabilities</b>			<u>100,940</u>		<u>76,548</u>
<b>Funds Balances</b>					
Unrestricted Funds			50,940		31,772
Restricted Funds	9		<u>50,000</u>		<u>44,776</u>
<b>Total Funds</b>			<u>100,940</u>		<u>76,548</u>

The charitable company is exempt from the requirements relating to preparing audited accounts in accordance with section 477 of the Companies Act 2006 relating to small companies.

No member has deposited a notice requiring the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board of Trustees on 22 May 2018 and signed on its behalf by:



Name: Robin Boles  
Director & Trustee

The accompanying notes on pages 11 to 13 form an integral part of these financial statements.

Company registration no: 08478660

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**1 General Information**

IKDI is a charitable company limited by guarantee (co.number 08478660) and registered with the Charity Commission (charity registration no. 1157417). It is incorporated in the United Kingdom and domiciled in England and Wales. The registered office and principal place of business is:

11 - 15 St Mary at Hill  
London  
EC3R 8EE

**2 Accounting Policies****a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (SORP 2015). The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. IKDI meets the definition of a public benefit entity under FRS 102.

**b) Cash flow statement**

No cash flow statement has been prepared for the current year as the charity qualifies as a small charity for the purposes of the SORP 2015.

**c) Going concern**

The directors/trustees consider that there are no material uncertainties regarding IKDI's ability to continue as a going concern.

**d) Income**

Voluntary income and donations are accounted for on an accruals basis. All income in the Statement of Financial Activities is shown gross of the associated costs. Income from charitable activities is recognised as it is earned. Where amounts are billed in advance of the activity being carried out, the income is deferred. Legacy income is recognised when its amount and receipt is reasonably certain.

**e) Expenditure**

All expenses are accounted for on an accruals basis. Wherever possible costs are allocated directly to the appropriate activity; other costs common to all activities are apportioned between those activities on the basis of the proportion of staff time spent in each activity.

*Fundraising expenditure* comprises costs incurred in inducing people and organisations to contribute financially to the Charity's work. This includes the cost of advertising for donations and the staging of special fundraising events.

Expenditure incurred in connection with the specific objects of the charity is included under the heading *Charitable activities*.

Support costs include governance costs being those that relate to regulation, compliance and the strategic direction of the charity.

The irrecoverable element of VAT is included with the item of expense to which it relates.

**f) Funds**

*General funds* are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and have not been designated for other purposes.

*Designated funds* comprise funds which have been set aside by the trustees for particular purposes.

*Restricted funds* are funds 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 are charged against the specific fund.

**g) Taxation**

The Charity is an exempt approved charity in accordance with the Income and Corporation Taxes Act 1988.

**h) Debtors**

Short term debtors are measured at transaction price, less any impairment.

**i) Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

2 Voluntary income	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Grant from individual In Kind Direct	62,500	10,000	72,500	31,250	-	31,250
	-	-	-	-	36,333	36,333
	<u>62,500</u>	<u>10,000</u>	<u>72,500</u>	<u>31,250</u>	<u>36,333</u>	<u>67,583</u>

3 Total Expenditure	Staff Costs £ (note 4)	Other Costs £	2017 £	2016 £
Costs of raising funds	6,905	1,680	8,585	5,990
Charitable Activities				
International network	62,143	16,380	78,523	55,510
	<u>69,048</u>	<u>18,060</u>	<u>87,108</u>	<u>61,500</u>
2016 Total	<u>56,256</u>	<u>5,244</u>	<u>61,500</u>	

4 Staff Costs	2017 £	2016 £
Staff costs comprise:		
Cross charges from In Kind Direct	69,048	56,256
	<u>69,048</u>	<u>56,256</u>

No staff members are directly employed by IKDI. Staff costs are cross charges from In Kind Direct.

5 Support & Governance Costs	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Staff Costs	-	-	-	14,280
Independent Examination and Accountancy Fees	1,260	-	1,260	1,600
Allocated overheads	12,024	4,776	16,800	3,644
	<u>13,284</u>	<u>4,776</u>	<u>18,060</u>	<u>19,524</u>

6 Trustees

The trustees received no remuneration or reimbursed expenses during the year (2016 : nil).

IKDI

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

7 Debtors	2017 £	2016 £
Trade Debtors	527	15,000
Prepayments and Accrued Income	-	256
Taxation & social security	1,002	-
	<u>1,529</u>	<u>15,256</u>

8 Creditors: amounts falling due within one year	2017 £	2016 £
Trade Creditors	7,990	-
Deferred income	-	15,000
Accruals	1,200	3,295
Intercompany creditor	26,087	20,088
	<u>35,277</u>	<u>38,383</u>

9 Restricted Funds 2017	Brought Forward £	Incoming Resources £	Resources Expended £	Transfer from Unrestricted Fund £	Carried Forward £
The Prince's Charitable Foundation	8,443	-	(4,776)	-	3,667
In Kind Direct	36,333	-	-	-	36,333
Mr Ashwin Muthiah	-	10,000	-	-	10,000
	<u>44,776</u>	<u>10,000</u>	<u>(4,776)</u>	<u>-</u>	<u>50,000</u>

The Prince's Charitable Foundation & Mr Ashwin Muthiah. These funds were to generate additional funding to start up in Singapore. In Kind Direct. These funds were to provide loan capital to new operations starting in other countries.

9 Restricted Funds 2016	Brought Forward £	Incoming Resources £	Resources Expended £	Transfer from Unrestricted Fund £	Carried Forward £
The Prince's Charitable Foundation	8,443	-	-	-	8,443
In Kind Direct	-	36,333	-	-	36,333
	<u>8,443</u>	<u>36,333</u>	<u>-</u>	<u>-</u>	<u>44,776</u>

The Prince's Charitable Foundation. These funds were to generate additional funding to start up in Singapore. In Kind Direct. These funds were to provide loan capital to new operations starting in other countries.

10 Financial Commitments

At 31 December 2017 the charitable company had no financial commitments (2016: £0).

11 Legal Status

The charity is a company limited by guarantee. In the event of the company being wound up the guarantee is limited to £10 per member.

12 Parent and Ultimate Controlling Party

The charitable company is deemed to be wholly owned and controlled by In Kind Direct, a charitable company limited by guarantee and registered charity, by virtue of being the sole member of IKDI. The parent organisation, In Kind Direct is a related party, but as group consolidated accounts are produced, full disclosure of all transactions between the holding company and its subsidiary is not necessary. Consolidated accounts for the parent undertaking are publicly available. Copies of those group accounts are available from Companies House and the Charity Commission.