

# FURNITURE RESOURCE CENTRE LIMITED

Furniture Resource Centre Limited Integrated Report 2020/21

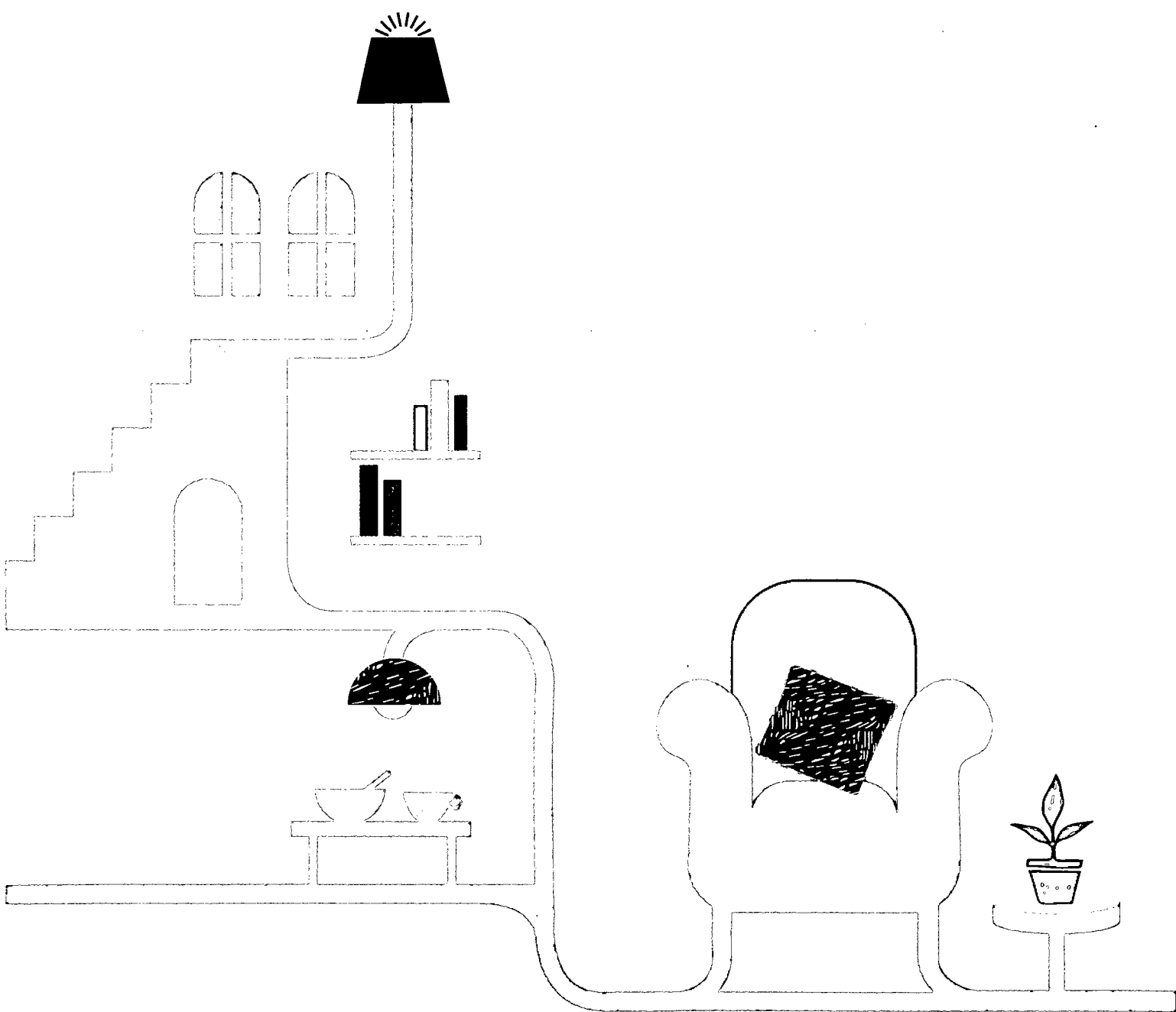


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# GLOSSARY



## Our mission

To reduce and ultimately eradicate furniture poverty.

## FRC Group

Throughout the document when we reference FRC Group, we mean the group of charities under the control of Furniture Resource Centre Limited and includes all our businesses.

## End Furniture Poverty

Our campaign to raise awareness of furniture poverty and create practical solutions to get furniture to people who need it.

### Our objectives are:

- To understand and highlight the reality of living in furniture poverty,
- To lobby and campaign for the eradication of furniture poverty
- To develop and run successful social businesses that tackle furniture poverty
- To train and develop people out of poverty and into sustainable, well-paid jobs and careers
- To use our core skills to develop and run successful commercial businesses, using the profits to create social value across FRC Group.

### Our Values:

- Bravery, Creativity, Passion, Professionalism

## Furniture Resource Centre Limited

Sells furniture and accessories to turn a house into a home, business-to-business, to a customer base that includes housing associations, local authorities, charities and construction companies.

Providing quality, accredited, contract standard furniture in a range of products and finishes to suit different styles, requirements, timescale needs and budgets. Leading the way in furnishing multiple types of accommodation throughout the UK, from furnishing hostels, refugee, temporary, emergency and next steps accommodation, to furnished tenancies, student accommodation and individual domestic properties.

## Buckingham Interiors

Provides design, supply, installation and delivery of furniture and interiors for sheltered living, independent living and extra care accommodations including full dementia schemes. Offering a bespoke full-service package delivering stylish, interior design led projects, and delivering the optimum solution to meet and exceed specific requirements.

## Bulky Bob's

Provides a bulky household waste collection service to local authorities, collecting unwanted items from homes and assessing them for reuse and recycling.

## Bulky Bob's Furniture World

Sells the good quality preloved furniture collected by the Bulky Bob's collection teams.

## Bulky Bob's for Business

Offers IT equipment collections, office furniture collections and mattress cleaning and collection for reuse.

## When we talk about 10 Essential Items, we mean:

The essential furniture items that every household should have access to in order to live a decent life.

## Driving Change

Driving Change is our training and employment programme with an aim to help people secure higher-paid employment elsewhere when they have finished their training.

## ViPs (Volunteers, Interns, Placements and Students)

ViP is our volunteering programme. Through this scheme, people can work towards their own goals or give to charity by volunteering their time and skills.

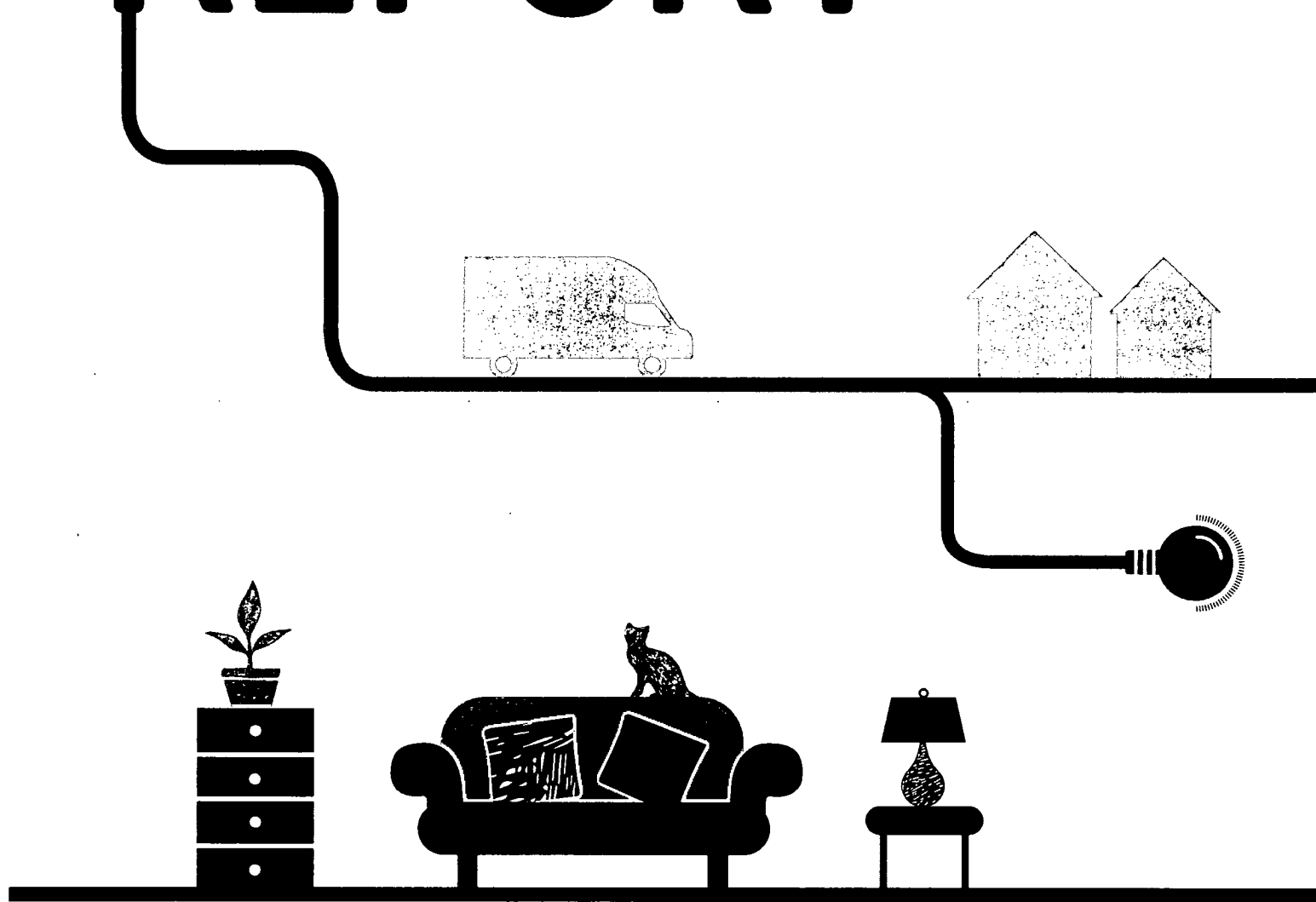
## Social Value

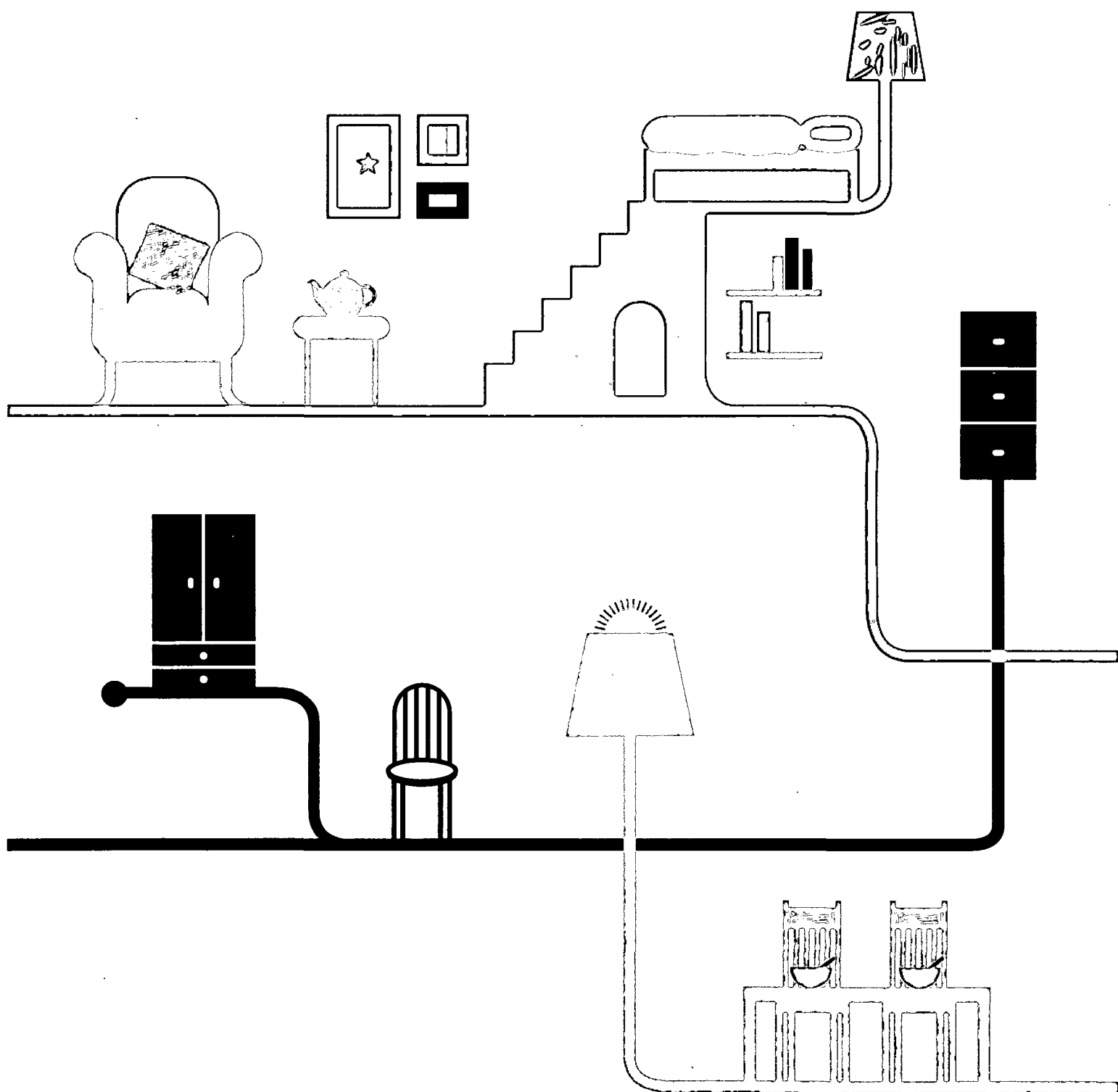
Social Value is the quantification of the relative importance that people place on the changes they experience in their lives. At FRC Group we measure the social value we create in all of our furniture related activity. Our qualitative and quantitative statements which are audited are highlighted throughout this report with this symbol.



Data assured, this icon shows which data points have been audited

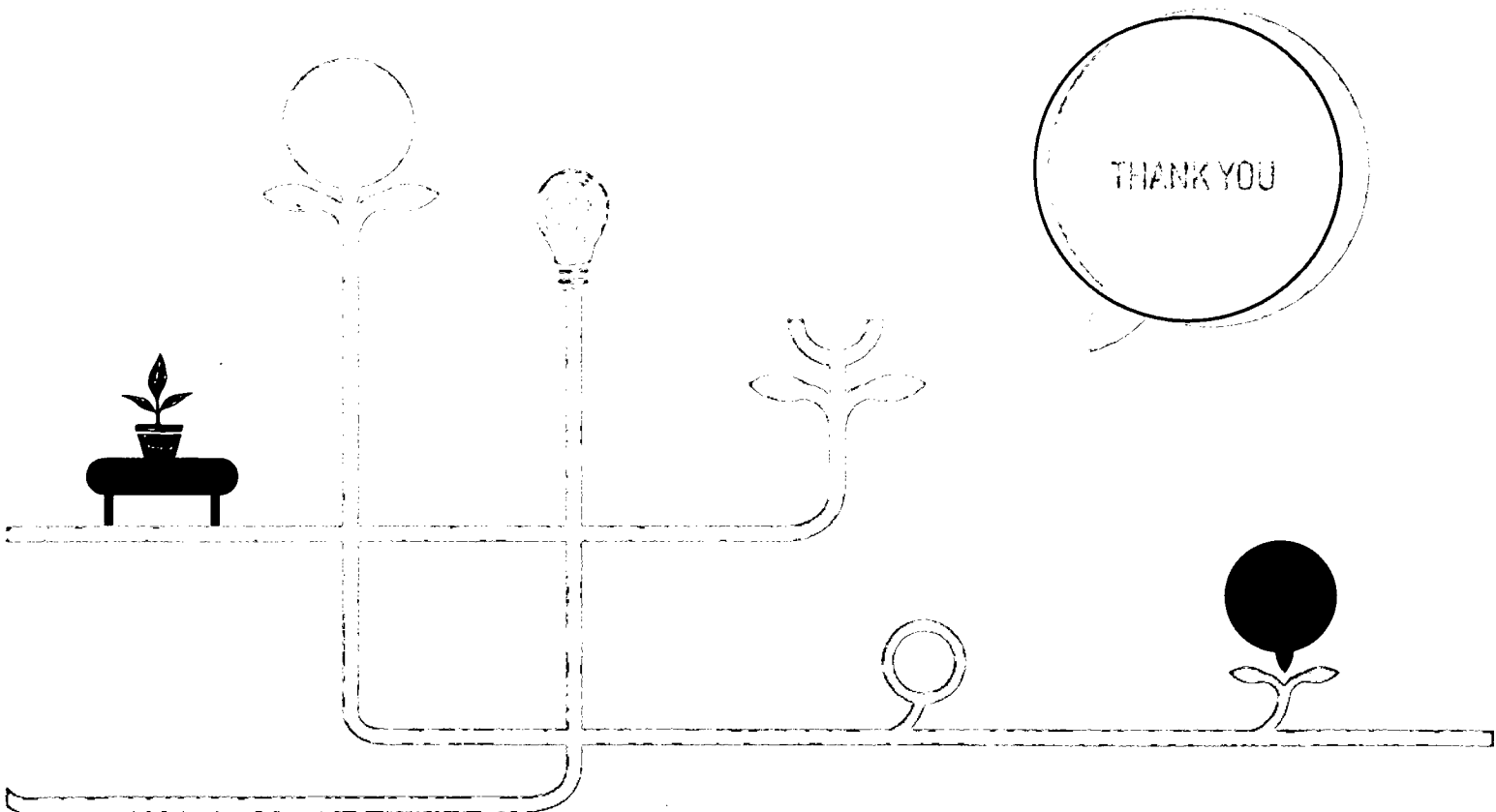
# STRATEGIC REPORT





# WELCOME AND ACKNOWLEDGMENTS

This is the eighth integrated report from FRC Group. It tracks our progress through the group's 32nd year of service, a year we are immensely proud of. This report looks at the financial year of April 2020 – March 2021, a year which brought massive challenges and hurdles due to the COVID-19 pandemic. Our FRC Group team were strong, resilient and more determined than ever to continue to deliver a service that helped the people we exist to serve. It was a year of struggles and hardship for many – but also a year of success. We could not have achieved this without our people and for that we are truly thankful.



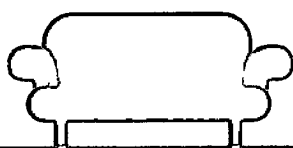
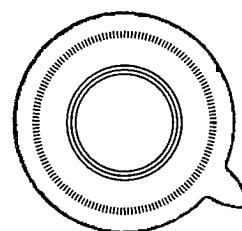
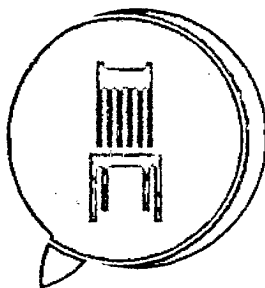
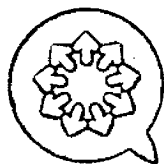


Our approach to reporting this year has been different. Each year we aim to give a comprehensive view of all of our achievements in the year and also to acknowledge any areas that haven't quite gone to plan. We strive to fully demonstrate the impacts of our operations and programmes, both intended and unintended, on all of our stakeholders and to highlight our targets for creating more impact in the following year.

In response to business needs following the Covid-19 pandemic, our ability to produce such a detailed review as previous years in 2020-21 was impaired. Our report for 2019-20 was shorter, including less case studies and background information but our focus remained the same. It is greatly important to FRC Group that we continue to examine our performance, to understand the outcomes achieved for our stakeholders during the year and to use this information to improve, creating more impact in the areas that most benefit in the future.

This more focused approach to our reporting has been necessary, but it has also provided us with an opportunity to evaluate how we can take this way of thinking, and apply it to the measurement of our social value going forward. In 2021-22 we will be using this more targeted method of measurement to simplify our reporting, and allow us to focus less on the measurement and more on the management of our impact.

Combining this methodology with the results of our study, The Value of Essential Furniture, carried out in conjunction with Liverpool City Council and More Than Outputs, we are provided with an updated measure that gives us real insight into how we and the organisations we work with are supporting those in need of essential items of furniture. This renewed insight will inform and improve our decision making as a social business and much better aligns these decisions with our core mission to end furniture poverty.



# OVERVIEW OF 2020/21

2020/21 is year none of us will ever forget, when the World Health Organisation (WHO) declared Covid-19 a pandemic. Since the first case of infection was reported in China in December 2019, millions of people across the world have died. Beginning as an unexplained, pneumonia-like illness, it brought most of the world to a near-standstill for the last year. However, at FRC Group, we refused to standstill and we also worked hard to keep our people safe and to support their welfare through the pandemic. We knew the impact that the pandemic would have on those people most in need of our services, and we worked tirelessly to ensure that where we could legally and safely operate, we did.

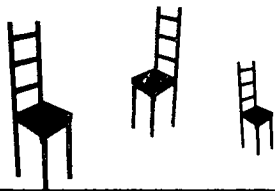
In this report, we look at our performance during a year that changed the world forever. Ending furniture poverty remains the beating heart of FRC Group. This year we have worked to raise awareness of furniture poverty, to educate people about the potential solutions and, ultimately, to ensure that everyone has access to the essential furniture and goods they need to lead a secure life.

Last year, in response to business needs following the Covid-19 pandemic, our ability to produce such a detailed review of the financial year 2019-20 was impaired and we produced a much a shorter report. However, feedback from our stakeholders who read the report, told us that the shorter report was easier to read and easier to understand our impact. Therefore, this year, we continue on our journey towards trying to provide a more succinct report which examines our performance, and to use this information to improve and create more impact in the future.

Due to the Covid-19 pandemic, we struggled to be on plan with all of our stakeholder feedback programmes, but used feedback received in previous years to deliver our services, and to improve our offering.

A huge progression this year has been our ability to use the results of our study on The Value of Essential Furniture. This renewed insight has informed and improved our decision-making and social value measurement processes, all with the view to continue on the road to end furniture poverty.

This year we:



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Donated free furniture to people who need it to the financial value of **€68,369** (2019-20: £79,283)

**This includes**

- Crisis donations – **€46,518**  
(2019-20: £55,775)
- Safety Net – **€4,678**  
(2019-20: £11,735)
- North Tyneside Furniture Scheme – **€6,933**  
(2019-20: £12,458)
- Donated beds & mattresses – **€10,240**  
(2019-20: £11,050)

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After the first lockdown, we reopened our store for Crisis donations and donated furniture to the value of **€61,436** (2019-20: £78,560)

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Gave discounted furniture to **1,832** customers through Bulky Bob's Furniture World. (2019-20: 3204)

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Total number preloved sales to BBFW customers  
Liverpool **2068** (2019-20: 4,141)  
Oldham **252** (2019-20: 197)  
North East **0** (2019-20: 0)

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Delivered free furniture to **466** families in crisis situations (2019-20: 551).

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We delivered **3** Free Furniture Community Events (2019-20: 0)

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Delivered **99** items of free furniture through our new contract in North Tyneside (2019-20: 182)

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Bulky Bob's completed **42,484** collection requests on behalf of councils (2019-20: 56,744)

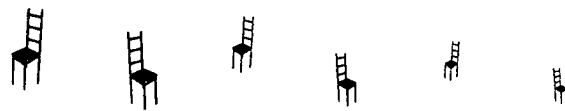
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Reused & recycled **1486** tonnes of furniture, appliances and other bulky waste (excluding mattresses) (2019-20: 1,664)

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Bulky Bob's recycled in the region of **2501** mattresses (based on average weights) (2019-20: 8,335)

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**87.5** tonnes of mattresses were diverted from landfill (2019-20: 292)

During 2020/21 we UltraCleaned **538** mattresses. (2019-20: 931)

**Of these:**

**191** were gifted to people in furniture poverty (2019-20: 200)

**312** were sold at low cost to families living on low incomes (2019-20: 651)

**34** were sold to distributors who sold them at low cost to their own customer living on low incomes (2019-20: 80)

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Financial value of donated mattresses and bed bases **€10,240** (2019-20: £11,050)

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We sold a total of **158** low cost reuse PCs & laptops to schools and community groups. (2019-20: 0)

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Through Furniture Resource Centre Limited we made **24,540** deliveries of furniture to people's homes (2019-20: 22,121)

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We distributed **55,308** items of essential furniture. (2019-20: Not recorded)

We worked with **15** trainees (2019-20: 21)

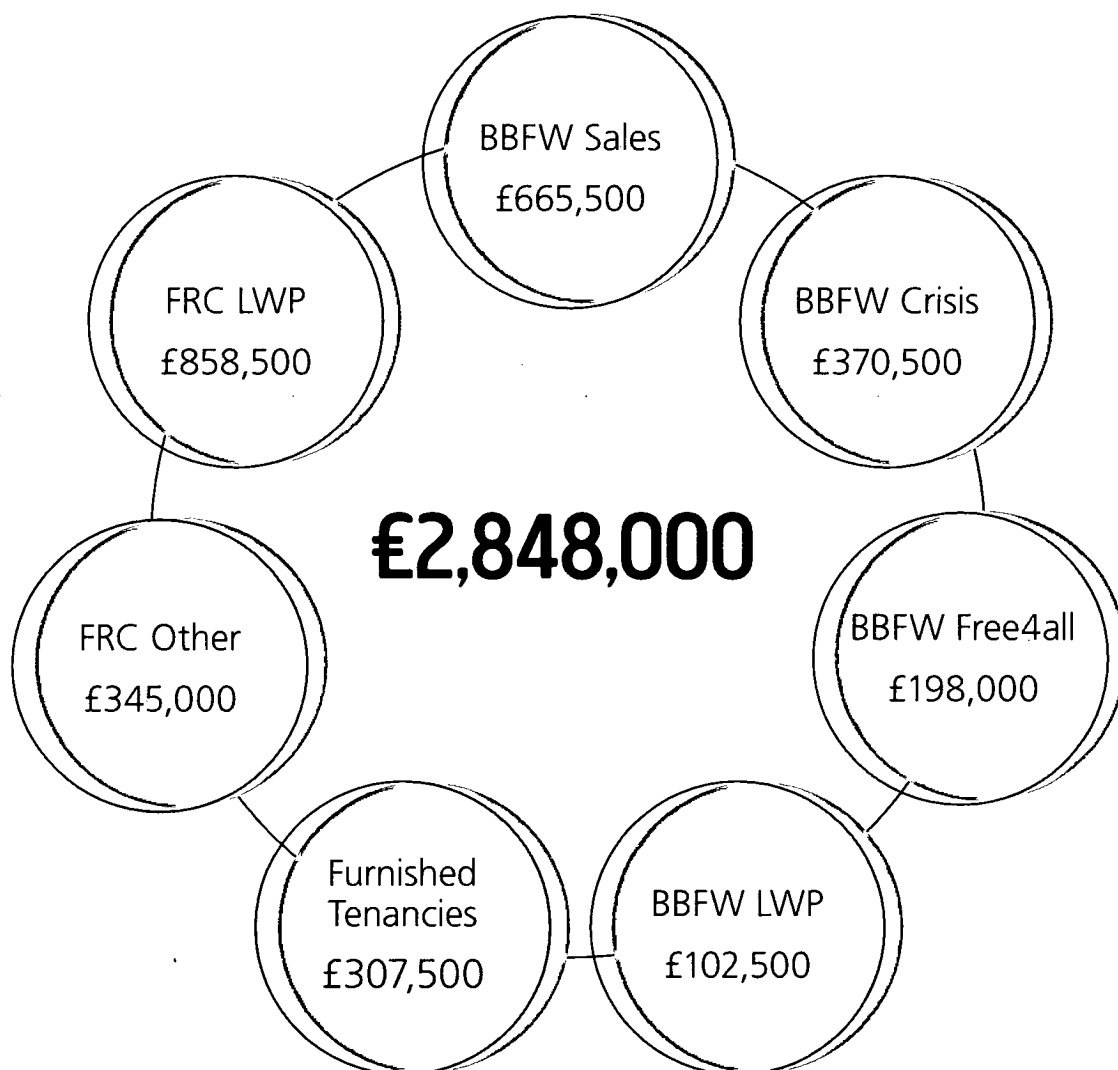
We worked with **5** kickstarters (2019-20: N/A)

We worked with **1** apprentice (2019-20: 0)

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# SOCIAL VALUE

Social Value is the quantification of the relative importance that people place on the changes they experience in their lives. At FRC Group we measure the social value we create in all of our furniture related activity.





# COMPANY INFORMATION

AS OF 31 MARCH 2021

## Company Number

2296329 (England and Wales)

## Charity Number

700731

## Directors

N Wilson

E Bichard

L Dixon

J Hines

J Nicholls

J Vernon

E Leach (Appointed 3 March 2021)

## Secretary

A Rowan

## Chief Executive

S Doran

## Registered Office

Atlantic Way

Brunswick Business Park

Liverpool

L3 4BE

## Bankers

NatWest Bank

2-8 Church Street

Liverpool

L1 3BG

## Auditors

Crowe U.K. LLP

The Lexicon

Mount Street

Manchester

M2 5NL

## Solicitors

Brabners

Horton House

Exchange Flags

Liverpool

L2 3YL

## Strategic Decision-Making

FRC Group's Board of Trustees sets the strategic direction at an annual planning meeting that establishes the priorities for the year ahead.

The board is informed at its regular meetings of progress against these agreed strategic priorities.

When issues arise during the year that require the board's agreement to a strategic-level response, they are discussed at the next scheduled board meeting or, if necessary, at a specially convened meeting.

The board has three sub-committees which meet as required: Finance, Measuring Social Value and Remuneration. These committees make recommendations to the full board in their areas of specialism.

We also record 'responsiveness' and detail the changes that have been made to policies, procedures, services or products in relation to feedback. Responsiveness is one of the cornerstones of accounting for social value and we record it to drive change.

### Trustees

The directors of FRC Group's charitable companies are their trustees for the purpose of charity law and throughout this report are collectively referred to as directors and are listed on page 14. The directors are appointed by the members at the Annual General Meeting but can be co-opted between AGMs by the board pending election. Before being co-opted, prospective trustees are invited to observe meetings to learn more about the charity and to meet the other trustees. During this induction process, the candidate meets the chair of trustees and the senior management team, and visits different parts of the business to meet staff. Trustee training takes place whenever training needs are identified.

## Meeting Our Objectives

To ensure that our work always delivers the right benefits for our stakeholders, we constantly monitor and assess activities and outcomes throughout the year.

This helps us both to focus on desired outcomes and consider whether as much social and financial value as possible is being created in all areas of our work.

Regular monitoring means we can continually improve outcomes by adjusting our ways of working and developing new approaches where necessary.

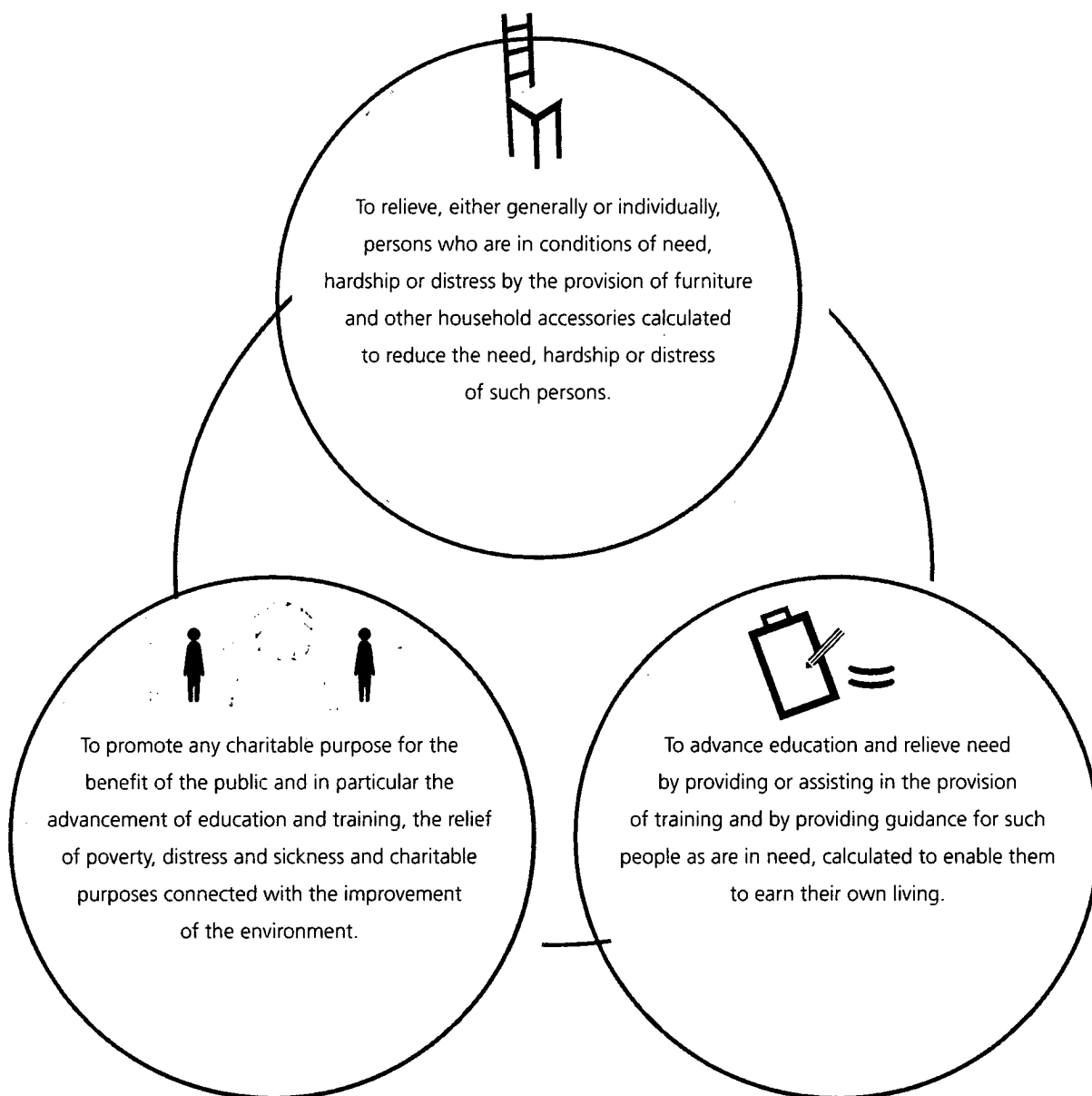
Our financial and social performance is reviewed each quarter at board meetings. This report summarises our annual results in the form of financial statements and quantitative and qualitative social value data.

For instance, recent training has covered the principles used to calculate the social value that FRC Group generates. A Scheme of Delegation agreed between the trustees and the senior management team details which decisions the senior management team are authorised to take and which must be referred to the trustees. Decisions can be taken by trustees by email if a decision is needed before the next scheduled trustee meeting. All of the directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are shown in note 10 to the accounts.



# OUR AIMS, OBJECTIVES AND ACHIEVEMENTS

FRC Group is a collection of social businesses run by Furniture Resource Centre Limited, a registered charity. The purposes of the charity are set out in the company's memorandum of association as follows:





In the day-to-day running of the organisation, we use these words to describe what we do:

FRC Group's vision is of a society where people can obtain good quality, affordable furniture without experiencing the devastating impacts of furniture poverty – no bed to sleep on or unmanageable debts.

Our mission is to reduce and ultimately eradicate furniture poverty. We campaign to raise awareness of furniture poverty and create practical solutions to get furniture to people who need it. Our work also helps create sustainable employment and better futures for people.

To deliver on these objectives, FRC Group is made up of the following businesses / initiatives:

End Furniture Poverty, Furniture Resource Centre Limited, Buckingham Interiors, Bulky Bob's for Business, Bulky Bob's Furniture World, Bulky Bob's Office and Commercial Waste Services and Reuse IT.

### Statement of Public Benefit

FRC Group ensures that its aims and objectives are achieved through a variety of ways as detailed in the Creating Social Value section of this report on pages 30 to 44.

This includes lobbying and campaigning for the eradication of furniture poverty, providing furniture packages to a variety of customers, giving furniture free of charge to people in need and also by the provision of a training programme for formerly long-term unemployed people or people on low income. The trustees therefore confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

### Structure, Governance and Management Governing Document

Furniture Resource Centre Limited is a charitable company limited by guarantee and does not have any share capital.. It was incorporated on 14 September 1988 and registered as a charity on 17 November 1988. The company is governed by its Memorandum and Articles of Association dated 8 August 2014.

### Related Parties

Bulky Bob's 2015 is a charity with Furniture Resource Centre Limited as its sole member. The assets, liabilities and trade of Bulky Bob's Limited was transferred to Bulky Bob's 2015 with effect from 1 April 2017 with the charity commencing trading from that date. Bulky Bob's 2015 provides services, mainly to local authorities, for the collection and recycling of bulky household waste. Bulky Bob's 2015 provides training and employment opportunities for people from long term unemployment and low paid jobs whilst protecting the environment through the reuse and recycling of collected items.

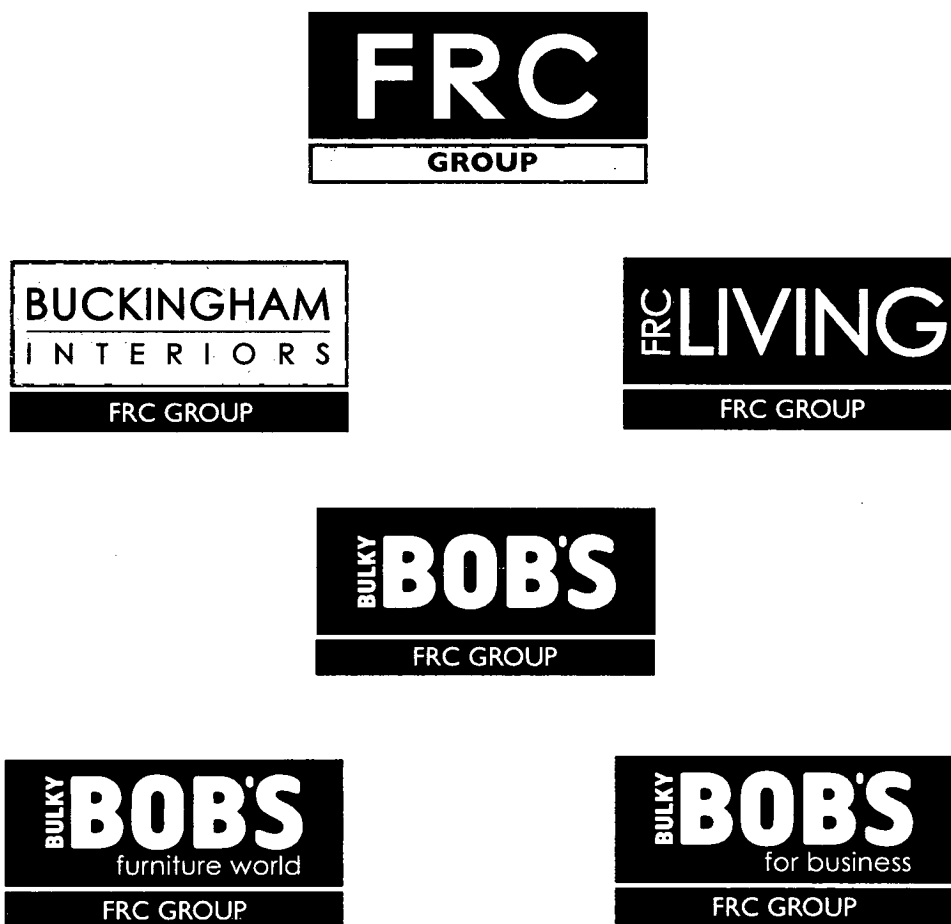
Bulky Bob's Office and Commercial Waste, trading as Bulky Bob's for Business commenced trading on 2 May 2017 and provides an office and commercial bulky furniture item, IT and mattress collection service, collecting, reusing and recycling waste items from businesses. Bulky Bob's Office and Commercial Waste changed its name from FRC Developments on 15 June 2017. Bulky Bob's Limited is a wholly owned subsidiary of Furniture Resource Centre Limited and provided bulky household waste collection services to local authority customers. The assets, liabilities and trade of Bulky Bob's Limited were transferred to Bulky Bob's 2015 on 1 April 2017 and Bulky Bob's Limited ceased trading on that date.

### Investment powers and policy

The company has the power to invest monies not immediately required in investments, securities or property as may be thought fit.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

The structure of FRC Group is as follows:



**END FURNITURE  
POVERTY**



# METHODOLOGY

Report covers  
1 April 20 to  
31 March 21.

FRC Group's financial and  
social impacts from all parts  
of organisation.

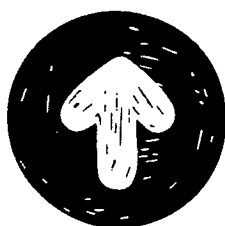
Feedback from FRC Group's  
stakeholders is also collected,  
although the collection of  
data was limited this year  
due to the Covid-19 pandemic.  
Full details of this stakeholder  
consultation starts on page 50.

Report is published on  
FRC Group's website  
(frcgroup.co.uk)

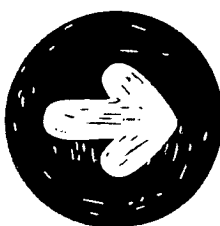
The annual report is  
independently audited  
so that our performance  
measurement is supported  
by robust systems and  
processes. The auditors  
of this report, Crowe U.K.  
LLP, have provided  
assurance.

The financial elements of this  
report are compiled and written  
in accordance with applicable  
law and United Kingdom  
Accounting Standards (United  
Kingdom Generally Accepted  
Accounting Practice), and the  
social elements are written in  
accordance with the principles  
of the AA1000 AS (2008): those  
of inclusivity, materiality and  
responsiveness.

To communicate clearly how performance in this report compares to targets and priorities agreed for the year, the following symbols are used:



Met or exceeded target.



Made some progress but needs  
to improve further. For numerical  
targets, this symbol indicates  
achievement of at least 90%  
of the performance target.



Missed the mark and will  
plan to improve performance.

# SOCIAL VALUE REVIEW 2020-2021

We completed our study on the social value created when distributing the essential items of furniture.

Social value is the quantification of the relative importance that people place on the changes they experience in their lives. End Furniture Poverty had previously developed the definition of furniture poverty above to assist in defining what the 'essential furniture' items are that a household needs to have in order to be in furniture security.

The items on this list are:

- Bed, bedding and mattress
- Table and chairs
- Sofa and/or easy chairs
- Wardrobe/drawers
- Carpets in living rooms and bedrooms
- Curtains or blinds
- Washing machine
- Refrigerator and freezer
- Cooker/oven
- TV
- PC

This study allowed us to measure the social return on the investment on furniture items, to identify the most valuable outcomes and to design a simple monitoring system (or calculator) to measure the value created by providing essential furniture going forward.

Our research told us of the changes that happened as a result of receiving furniture. Recipients told us that they were:

- Feeling Safer
- Had more freedom and increased independence
- Were able to provide for the family
- Had improved mental health
- Worried less about money
- Had improved relationships
- Felt less isolated
- Has improved physical health
- Felt proud of Liverpool

In 2020-2021 we distributed **55,308** essential items of furniture to people and created a social value of **£2,848,000**.

Items	Total 2020-21 Value Created	Total 2019-20 Value Created	Commentary on differences	2021-22 Target	Plans to achieve target
1. BBFW Sales	£665,500	£1,308,500	Extended periods of store closure due to Covid restrictions severely impacted results.	£1,752,500	Return to normal sales level expected due to removal of Covid-19 restrictions. Planned increase in items made available for sale from restoration activities.
2. BBFW Crisis	£370,500	£509,000	Restrictions and social distancing measures reduced our capacity to safely administer similar volumes of referrals.	£586,000	Return to normal sales level expected due to removal of Covid-19 restrictions. Planned increase in items made available for sale from restoration activities.
3. BBFW Free4All	£198,000	£0	No events took place in 2019-20.	£59,000	One off in-store events due to essential retail closures not expected to repeat but smaller scale events planned.
4. BBFW LWP	£102,500	£176,500	Restrictions and social distancing measures reduced our capacity to follow up on, and safely administer, similar volumes of awards.	£116,000	Increase on 20-21 expected due to removal of Covid-19 restriction but offset by expected reduced awards.
5. FT (EFP)	£0	Not recorded	N/A	£0	Activity unpredictable, can take many years to establish, so no planned value in this category.
6. FT (Existing)	£307,500	Not recorded	N/A	£305,000	Maintain activity as in prior year, no significant change expected.
7. FRC Other	£345,000	Not recorded	N/A	£418,000	Expected to increase slightly in line with sales expectations but no significant change.
8. FRC LWP	£858,500	Not recorded	N/A	£637,500	Reduction in awards anticipated in 2021/22, following higher than usual levels in previous year.
9. Buckingham Interiors	£0	N/A	N/A	£0	N/A
<b>Total</b>	<b>£2,848,000</b>	<b>£1,994,000</b>		<b>£3,874,500</b>	

# FINANCIAL REVIEW

## 2020 – 2021



### Financial Performance

2020-21 saw a continuation of the growth experienced in recent years with total group income increasing for the fourth consecutive year and up 7.0% on 2019-20 to £13.17m. Expenditure increased by 7.5% compared to 2019-20, leaving a group net surplus of £301,188 (2019-20: £338,494).

Whilst the Covid-19 pandemic has presented many challenges to organisations and individuals, the overall financial performance of the group has not been significantly impacted due to the essential nature of the majority of the group's services, which have continued throughout the majority of 2020-21.

### Principal Funding Sources

The principal source of funding for the charity and group is the revenue generated from the sales of high-quality furniture, fittings and accessories to social landlords and local authorities. In addition to this, revenue is generated through contracts with local authorities for the collection of furniture, from the sale of 'pre-loved' furniture, from the sale of waste collection services and also through grant income.

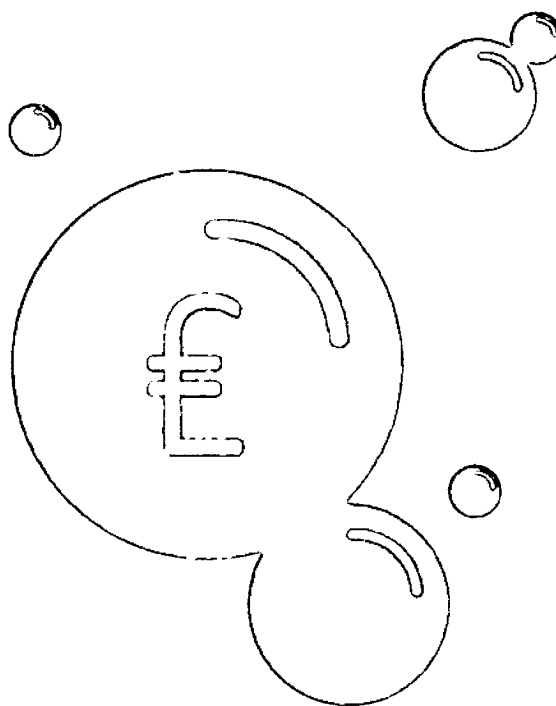
### Grants and Donations

The group continues to expand the social impact it creates through the effective use of the grants and donations it receives. During 2020-21, grants and donations were received from Made Smarter and the Government's Kickstart training scheme along with Covid-19 Financial support from the Government's Coronavirus Job Retention Scheme, Liverpool City Council and Wirral Council. In addition, a donation was also received towards our Bulky Bob's Furniture World retail store. 1.7% of our income was from grants.

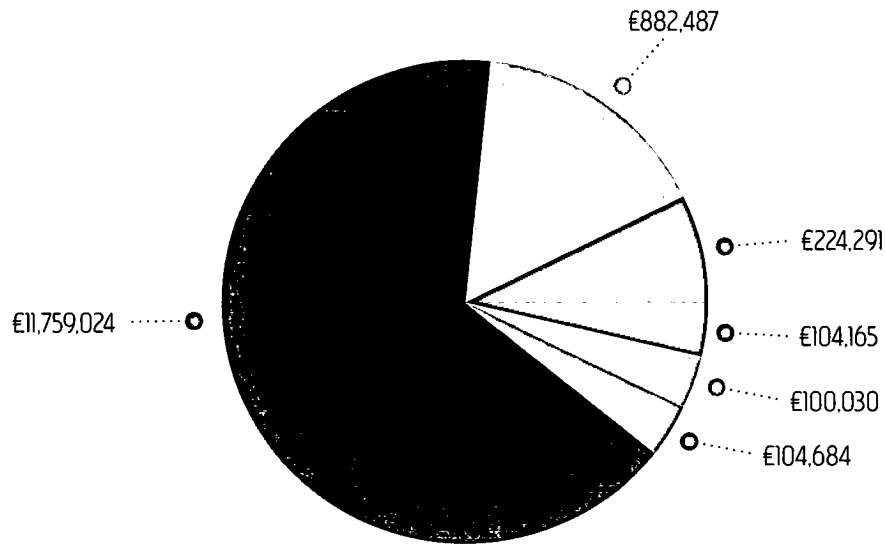
### Reserves Policy

The trustees have considered the level of free reserves (those funds not tied up in fixed assets and restricted funds) required by the group to be at least six months' operational expenditure plus sufficient cash for future plans, which amounts to at least £3,800,000. In the trustees' view, this level of reserves should provide adequate financial stability and enable the group to continue to meet its charitable objectives for the foreseeable future.

In arriving at this figure, the trustees have considered potential future changes in income streams and likely future cash flow requirements. The trustees will continue to monitor the Reserves Policy at least annually in trustee meetings. At 31 March 2021, consolidated free reserves of £2,321,652 were held, which is £1,478,348 short of the required consolidated total of £3,800,000. Restricted reserves amount to £8,810 and total reserves of £2,870,570.

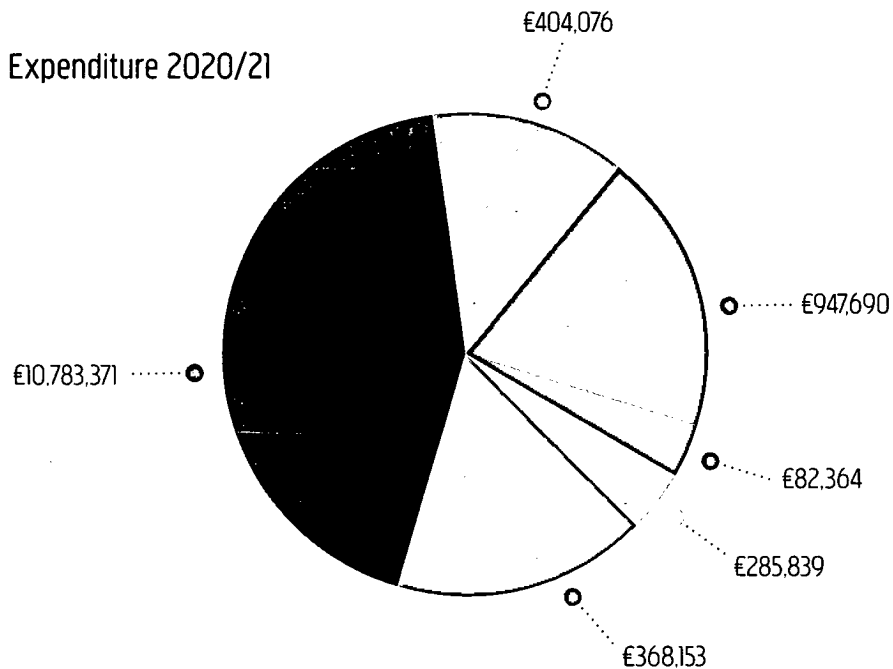


## FRC Group Income 2020/21



- Provision of furniture and furniture packages
- Provision of other recycling services
- Provision of bulky household waste collection and recycling services
- Donations and legacies (grants and donations received)
- Charity Shop Sales
- Other charitable income

## FRC Group Expenditure 2020/21



- Provision of furniture and furniture packages
- Provision of other recycling services
- Provision of bulky household waste collection and recycling services
- Other expenditure
- Charity Shop Sales
- People Development

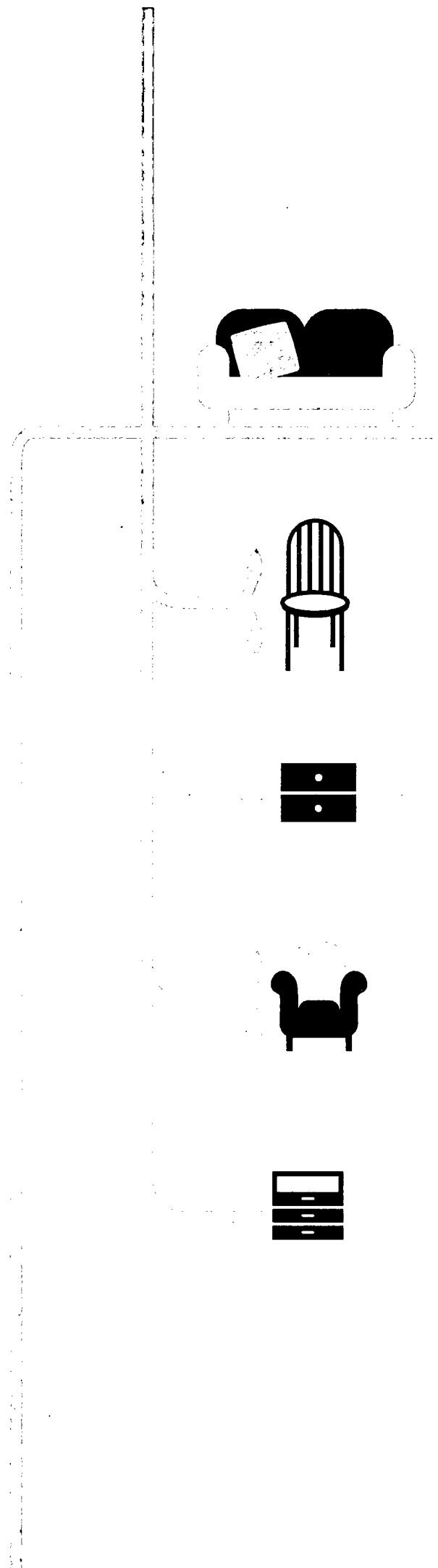
## Plans for the future

We will continue to grow our customer base in Furniture Resource Centre, particularly through the provision of furniture to social landlords and Local Authorities and through large scale refurbishments of shared living environments. We are implementing SAP Business One as our core system to facilitate our business processes and this will further improve our efficiency and the high level of customer service already provided. Our aim is to remain the leading provider of furniture to furnished tenancy providers and to continue to grow our customer base as we continue to work towards our mission of ending furniture poverty. We are also working to introduce preloved furniture into our offer to customers who traditionally purchase new furniture.

At Bulky Bob's Furniture World, our retail outlet, we will continue to provide a wide range of essential furniture at affordable prices to disadvantaged groups such as those on relatively low income. We will also strive to reach more people with free or affordable furniture through increasing our links with referral agencies and raising the profile of the store. Ways of making greater use of the good quality affordable furniture collected will continue to be investigated with more innovative processes introduced.

The Reuse-IT business in Bulky Bob's for Business will continue to grow and provide affordable refurbished PCs to schools, charities and other organisations with 20% of PCs being given away free of charge to people who can't afford a new PC.

We will continue to work with long-term unemployed people and people on relatively low income through our training programme so that our assistance continues to reach those most in need.





## Risk

Each quarter, we fully review the commercial and social impact risks faced by the group.

Each risk is rated and we consider what mitigating actions are available. Key residual risks to which the group is exposed are set out in the following table.

RISK	MITIGATION
Retention of key contracts.	Focus on world-class customer service and value for money for customers.  Introduction of innovative ideas to contracts.  Growth of other contracts and businesses to possibly take the place of any contracts not retained.
Negative impact of Brexit e.g. supplier price increases higher than anticipated or shortages of certain stock items.	Dual sourcing of key stock items.  Building up supplies.
Stock supply issues due to Covid-19 pandemic causing manufacturing and export delays.	Dual sourcing of key stock items.  Building up supplies of various stock lines to ensure continuity of supply in the event of shortages.
Availability of pre-loved furniture.	Identification of alternative sources of pre-loved furniture.  Continued development of innovative ideas to refurbish pre-loved furniture e.g. mattress cleaning machine.

The directors are satisfied that reasonable steps have been taken to identify all commercial and social impact risks to which the group is exposed and that action has been taken to mitigate these risks where necessary.

## Trends and Factors

The continuing economic downturn and the impact of the Covid-19 pandemic has left more people in furniture poverty – the inability to afford or access the basic household goods that establish a decent quality of life. To address this issue, FRC Group runs its End Furniture Poverty campaign which aims to research furniture poverty, increase understanding of this hidden but widespread issue and encourage organisations to adopt practical solutions to furniture poverty. The goal is to ensure that everyone in society can afford or access the furniture they need for a decent quality of life.

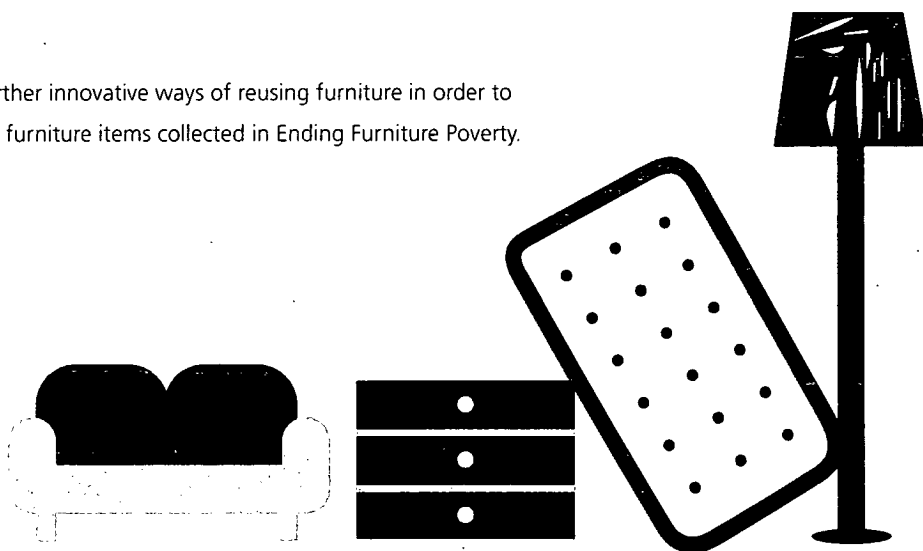
The continuing economic downturn has also resulted in a reduction in the budgets of various customers despite increases in demand for furniture caused by the Covid-19 pandemic. As a result, the demand for more cost-effective furniture has increased, which the group is addressing through continued innovation in finding ways to offer good quality refurbished furniture at a more affordable price.

The long economic downturn and Covid-19 pandemic has put more people in less well-paid work than they might have aspired to in the past. This trend has been a key motivation behind FRC Group's Driving Change programme, which offers salaried employment and training to the long-term unemployed and those in low-paid or otherwise insecure jobs. Its aim is to equip people to move on to more secure, higher paid work and give those relatively disadvantaged people an opportunity to move out of poverty.

## Research and Development

FRC Group continues to investigate new and innovative ways of re-using furniture items collected. This has included developing the world's first bespoke mattress cleaning machine, which cleans structurally sound mattresses to a high standard, ready for reuse. This machine was launched in 2020-21 and can clean mattresses that may otherwise have been broken down for recycling before they're sold in our Bulky Bob's Furniture World store and in other retail outlets.

Work is continuing in identifying further innovative ways of reusing furniture in order to maximise the reuse of the pre-loved furniture items collected in Ending Furniture Poverty.





# CODE OF GOVERNANCE STATEMENT

The board continue to work towards fully adopting the Charity Commission Code of Governance with those areas for improvement identified following an internal review and also an external review in December 2020. The following is a summary of those areas of compliance against the Code along with areas for improvement.

## Organisational Purpose

The charity produces an annual impact report which is audited under the AA1000AS framework and is included in the annual integrated report. In addition, the charity quantifies the social value generated from its activities in order to ensure that this is as intended. The governing document was last reviewed in 2014 and is timetabled or review again during 2021/22. Work is ongoing in relation to the sustainability of the charity's income base.

## Leadership

The charity has a very strong values culture with the board regularly seeing evidence as to how well this values culture is integrated in the group. Board discussions focus on strategic issues with the role of the board being a 'critical friend' when providing feedback to staff, with staff encouraged to bring issues to the board for discussion. The board has a good understanding of current group structure and why this is important, having previously received expert advice from a charity lawyer. Terms of reference for all committees were updated in 2021 along with job descriptions for the role of chair and trustee. Whilst regular meetings take place between the Chair and CEO, formal appraisals are also being introduced. Attendance of trustees at the various meetings is monitored and is good with all trustees attending a majority of the meetings.

## Integrity

The board ensures that the charity operates ethically and with integrity at all times, are keen to use the Charity Commission Code of Governance as a tool to assist with improving governance in the charity and have also adopted the Nolan Principles as a code of conduct. The board manage conflicts of interest well and have agreed a formal Conflict of Interest Policy. In addition, a register of interests is maintained for all trustees and senior staff.

## Decision Making, Risk and Control

A Scheme of Delegation has been agreed between the board, committees and senior staff, which was last reviewed in 2021. Key policies and procedures are to be circulated to the board annually along with recommendations for changes. The board actively monitors performance against a range of targets and a risk matrix is maintained, which is reviewed by trustees at least twice a year. A meeting takes place each year between at least one trustee and the auditors with no staff present in order to obtain honest feedback following the conclusion of the annual financial audit.



## Board Effectiveness

The board meets five times a year with further committee meetings also taking place. Each board meeting has a theme with the themes being finance (discussing and agreeing the annual financial and social value budget), people, social value and commercial. Other agenda items are discussed at these meetings but the theme allows for greater time to discuss that particular topic. The fifth annual board meeting has a varied agenda, which is agreed in advance. Ways of monitoring the effectiveness of the board are to be discussed. Discussions take place with potential new trustees in order to ensure that they understand the time commitment necessary and they are then invited to attend two meetings as an observer before being invited to join the board if they wish to. A third of trustees retire by rotation every three years and there is no maximum length of office although this is currently being reviewed with a maximum length of office being considered for introduction. A programme of learning and development for trustees is not currently in place but is to be discussed with a suitable programme then implemented.

## Diversity

A skills matrix has been produced which identified gaps for trustees in certain areas. Suitable trustees have been recruited with applications for trustees from diverse backgrounds encouraged. The board do not currently have any specific diversity objectives but this is to be considered by the board.

## Openness and Accountability

Stakeholders have been identified with their feedback sought as part of the production of the annual impact report. This feedback is reviewed by the board and ways of increasing this range of feedback are to be investigated. The salaries of all staff are agreed by the Remuneration Committee and are set using a CIPD job evaluation tool and Salary Search by Croner – the UK's most comprehensive online salary database to benchmark roles.

## Fundraising

The charity did not actively fundraise from individuals during the year but did engage with charitable funding organisations and the Government for the receipt of charitable grants. The charity has not signed up for any voluntary fundraising standard or schemes and no complaints regarding fundraising were received.

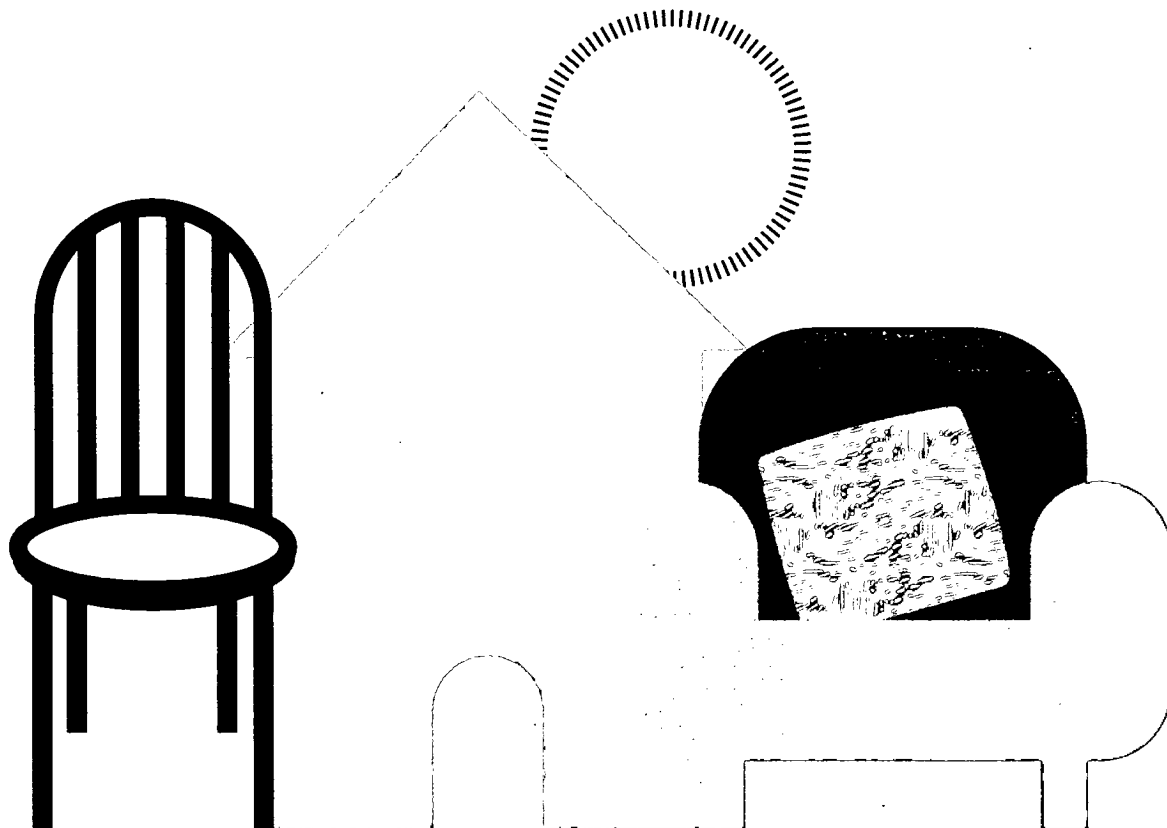
## Appointment of Auditor

The directors decided to appoint a new auditor for the year ended 31 March 2021 onwards and so Crowe U.K. LLP were appointed as auditor following a tender process.

# CREATING SOCIAL VALUE

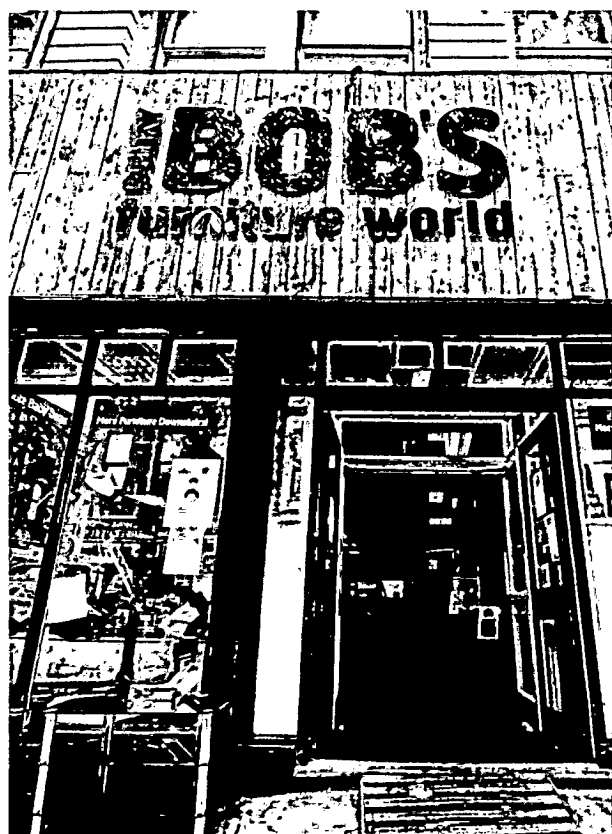
In the next section of this report you can read in more detail progress on each of our objectives.

- To understand and highlight the reality of living in furniture poverty
- To lobby and campaign for the eradication of furniture poverty
- Developing and running successful social businesses that tackle furniture poverty
- Training people out of poverty
- Using our core skills to develop and run successful commercial businesses, using the profits to create social value across FRC Group



## To understand and highlight the reality of living in furniture poverty

End Furniture Poverty has two main objectives, to understand and highlight the reality of living in furniture poverty, and to lobby and campaign for the eradication of furniture poverty. The two objectives are closely intertwined with in-depth research forming the backbone of our work, raising awareness of the issue and promoting practical solutions which we then use as part of our lobbying and campaigning activity.



### No Place like Home

Our major research project for 2020/21 was an examination of the provision of furniture in social housing. The project helped to refine our understanding of the reality of living in Furniture Poverty, and to better understand the barriers to social landlords providing more furnished tenancies. Our research reveals that only 2% of social rented properties are let as furnished or partly furnished (i.e. floor coverings/curtains) in comparison to 29% of private rented properties.

### Key Findings

The social housing sector houses some of the poorest and most vulnerable people in our society, a situation compounded by austerity and the pandemic.

Furniture provision can have a positive impact on tenants' lives. We found that living without furniture and appliances has a negative impact on tenants' mental, social, and financial wellbeing.

Tenants and social landlords currently rely on a highly uneven patchwork of options for acquiring furniture, which includes local welfare assistance, high cost credit, and friends and family.

Barriers to the creation of furnished tenancies, include a lack of awareness and understanding of relevant policy, a perceived 'poverty trap', financial pressures facing the sector, and the need to convince their respective management structures that providing furniture is financially viable.

Furniture provision is likely to increase tenancy sustainability as it remedies the harmful effects of living without the essential items of furniture and appliances.

## Local Welfare Assistance Research

Our research into the provision of furniture in social housing revealed that less than 2% of social housing properties are let as furnished, and it also revealed that there is currently an inadequate patchwork of support. In light of this, we took the decision to delay our planned review of the Essential Items list and bring forward a research project looking at the provision of furniture through Local Welfare Assistance Schemes, (LWAS), a vital lifeline of support for people living in Furniture Poverty.

Our analysis of the data revealed that 25 local authorities in England have closed their LWAS schemes leaving one in five people unable to access crisis support. Several more local authorities also no longer offer furniture through their LWAS which means one in four people in England cannot access furniture through a LWAS. We also discovered that some upper tier local authorities were telling us, and previous researchers, that crisis schemes were being provided by their district councils. However, because we had approached every local authority, we were able to demonstrate that this is not the case, further highlighting the gaps in support.

We had planned to publish this report, The Postcode Lottery of Crisis Support in March 2021, however we had also been in discussions with the BBC about producing a film examining Furniture Poverty and they wanted to use the publication of the report as a news hook so we agreed to delay publication until April 2021.

## Performance against targets 2020–2021



Review essential items list.



Publish Furnished Tenancies Research.



Publish Social Return on Investment analysis on the 10 essential items.



Explore the provision of furniture for hard-to-reach groups such as rough sleepers and ex-offenders.



Understand the social value we create under this objective.

## Priorities / Targets for 2021 – 2022

- Publication of LWAS Research
- Publication of Furniture Poverty Research
- Publication of LWAS 2021/2022 Research Update
- Review Essential Items List





## To lobby and campaign for the eradication of furniture poverty

We know that Furniture Poverty is ultimately about poverty, it's about people not having enough money to live on, an inadequate welfare system, rising housing costs, insecure housing, and too many insecure poorly paid jobs. Providing someone with the essential furniture items that they so desperately need is a vital first step, but it is not going to solve all of their problems. Therefore, End Furniture Poverty works closely with a wide range of groups, organisations and charities to try to collectively tackle the root cause of Furniture Poverty – poverty itself.

We joined the End Child Poverty Coalition in early 2021 and were invited to be a signatory of a letter sent to Boris Johnson and another letter published in the Guardian newspaper, asking for child poverty to be put at the heart of the Government's Covid-19 recovery planning.

### Partnership Working

We sit on a number of key bodies:

- Liverpool's Poverty Action Group
- Liverpool City Region's Social and Solidarity Economy Reference Panel
- The Children's Society
- The Grant-Makers Alliance
- End Child Poverty Coalition
- Oldham Coordinated Crisis Support Project

### Digital Presence

**47K** visitors to our website, a **230%** increase on the previous year



Our Twitter following rose from 1174 to **1562** followers



Our mailing list subscribers increased from 948 to **1171**



### Speaking Events

We have been invited to speak at a variety of different events, conferences, webinars and other forums over the past year.

Two speaking events for homelessness charities

Homes for Cathy

Covid-19 Frontline Worker Forum discussion with Frontline Network

Centrepoin online forum for homelessness support

Housemark Scotland event with their Tenancy Sustainability Group

Foundations event

Scottish Housing Network Local Authority Hub

The Association of Charitable Organisations



## Grant Makers Alliance

Our membership of the Grant Makers Alliance is proving extremely valuable. The grant giving sector offer crucial support to people living in Furniture Poverty as many of them provide essential furniture items. Our membership of this group ensures that all the members are reminded that their resources should not be diverted to other sources of support and keeps the focus on furniture provision.

Together we are working on an extensive data project and we plan to use data to reach out to local authorities, Government, other charities, social housing providers and the reuse sector to raise awareness of the importance of furniture provision and explore the possibility of targeted local projects, providing additional support to people living in Furniture Poverty.

## White Goods 12-Month Warranty Campaign

We had planned to launch this campaign in 2020 however as many of the preloved furniture providers were forced to temporarily close due to Covid-19, and sadly some of them closed, it was clear that it was not the right time. We hope to return to this in 2021/2022 when the sector is back to full strength and ready to consider introducing or extending their white goods warranties.

## Asset Stripping by Social Landlords

As with the White Goods Warranty campaign, we took the decision to postpone this work until 2021/22 as social landlords were dealing with Covid-19 challenges and handling preloved furniture would not be viewed positively in the circumstances.

## Performance against targets 2020–2021



Deliver White Goods 12-Month Warranty campaign.



Deliver campaign to reduce asset stripping by social landlords.



Research the provision of furniture for former rough sleepers and work with partners to develop solutions.



Increase End Furniture Poverty mailing list by 20%.



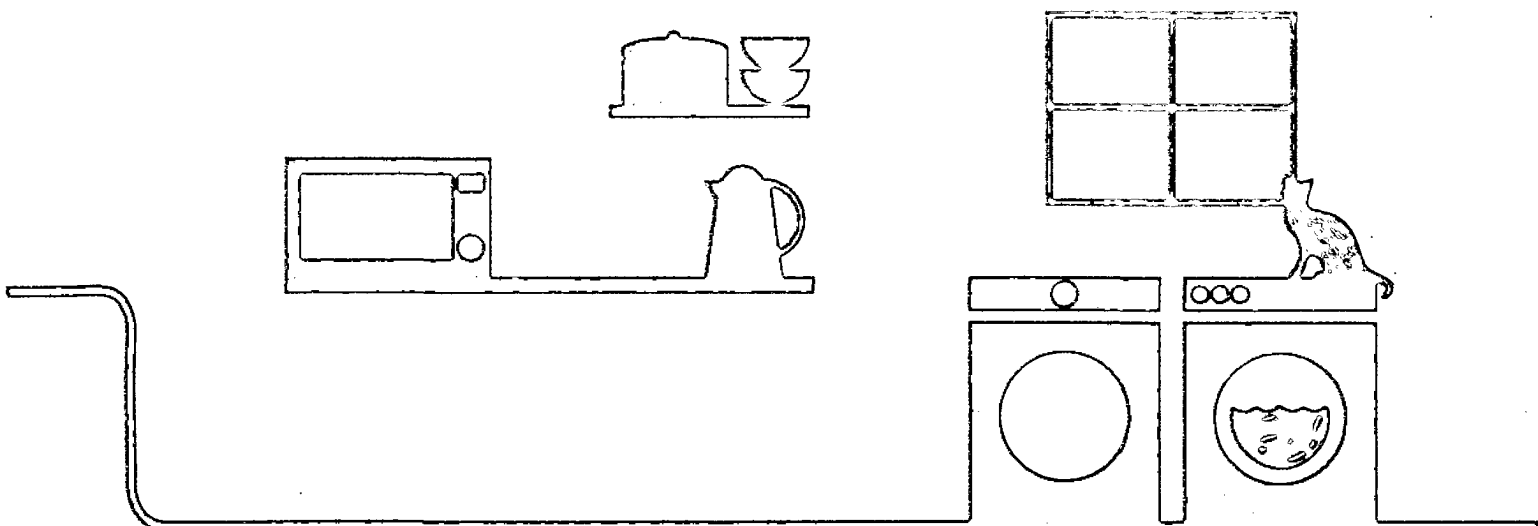
Increase End Furniture Poverty social media following by 30%



Understand the social value we create under this objective.

## Priorities / Targets for 2021 – 2022

- Deliver the data project as part of the Grant Makers Alliance
- Deliver a campaign to promote furniture reuse with social landlords to tackle asset stripping.
- Deliver the White Goods 12-Month Warranty campaign
- Increase End Furniture Poverty mailing list by 20%
- Increase End Furniture Poverty social media following by 30%



## Developing and running successful social businesses that tackle furniture poverty

At FRC Group, all of our businesses are social enterprises and registered charities that exist to tackle furniture poverty. Although all of our businesses are social enterprises, they create social value in different ways. In this section, we look at the businesses that create inherent social value.

### Furniture Resource Centre Limited

Our year has been dominated by the impact of Covid-19 on how we deliver products and services to our local authority and social housing provider customers and the impact of Covid-19 on our supply chain.

We operated as an essential service throughout all lockdowns and area restrictions. Following the first lockdown announcement, we swiftly adapted our pre-delivery and delivery processes to help ensure that we could complete Covid-19 safe deliveries for both our staff and customers. During the year we made 24,540 deliveries of essential furniture to people's homes. This is an increase of 11% on 2020/21.

Our strong stock holding and dual supply procurement approach ensured that we were able to ensure continuity of supply on the majority of lines throughout the year. Stock availability was vital to our customers who were supporting the most vulnerable at a time of real crisis.

Furniture Resource Centre Limited distributed 55,308 items of essential furniture to people in need.

### Performance against targets 2020–2021



Retain existing contracts.



Bring on new customers/contracts.



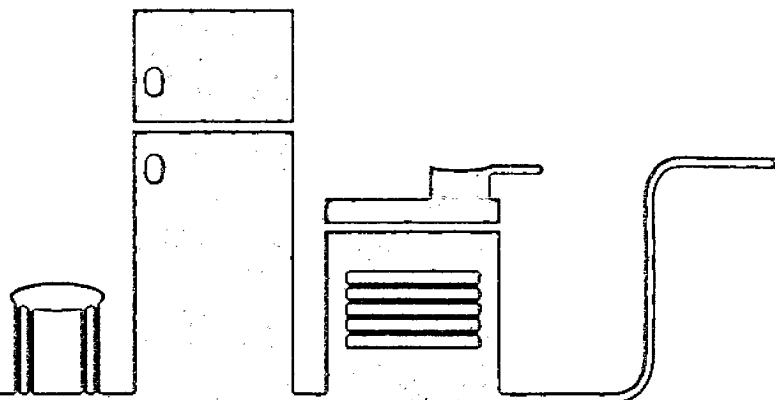
Explore new markets relevant to FRC products and services.



Continue to develop our range and offer sustainable products.

### Priorities / Targets for 2021–2022

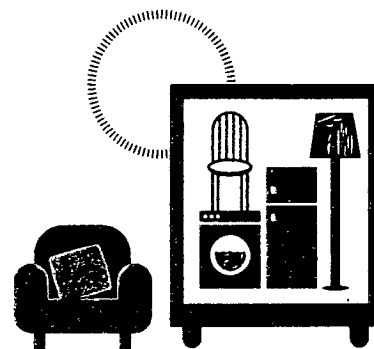
- Retain existing contracts
- Bring on new customers/contracts
- Explore new markets relevant to FRC products and services
- Continue to develop our range and offer sustainable products
- Increase sales team capacity to drive increase in sales



## Bulky Bob's

Bulky Bob's, our bulky household collection service is still driven by our mission to end furniture poverty 21 years on. 2020-2021 was an extremely unusual year for Bulky Bob's and highlights of the year are detailed below.

### Bulky Bob's Collection services



Collections suspended in April and May due to covid-19.

Collections resumed in June with full Covid-19 precaution measures in place.

Fewer collections were scheduled due to Covid-19.

Even though collections resumed in June, Bulky Bob's Furniture World remained closed throughout the quarter.

This meant that there was no outlet for any items of great quality, reusable furniture that were collected – and we did not want to dispose of these. We rented a warehouse from Liverpool Council for a short-term period on preferential rates to allow the storage of these items.

The sortation function was transferred to a site and yard at Vandries Street in order to separate the 'dirty' functions from the remanufacturing activities which require a clean and orderly operating environment.

As with any move of this nature, there were anticipated and unanticipated challenges that needed addressing. The site is now working well and allows for a greater and more single-minded focus on reuse and recycling.

We ceased servicing Bolton Council from the Oldham site.

12 month extension to Bulky Bob's Oldham Contract.

Year	2018-2019	2019-2020	2020-2021	Commentary
Collections on behalf of Local Authorities	59,512	56,744	42,484	Reduced due to period of inactivity at start of initial lockdown and effect of distancing on number of collections that could be completed each day
Reused & recycled tonnes of furniture, appliances and other bulky waste	2,035	1,956	1574	In line with reduced collections



## Supply of refurbished items through Bulky Bob's

A significant element of our plan has been the introduction of refurbished products into the supply chain – bed bases, mattresses and white goods. This development was placed on hold during lockdown but is now once again a priority for the Bulky Bob's team.

Bulky Bob's started refurbishing bed bases.

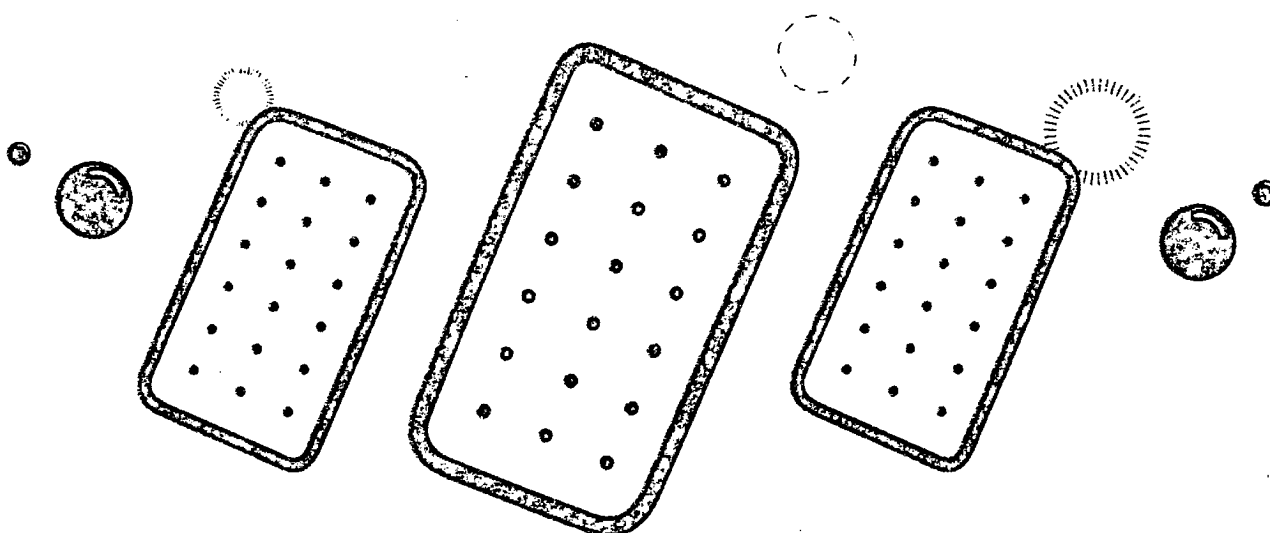
Liverpool City Council agreed to start purchasing refurbished bases from FRC from September.

In December the first phase of the installation of our 'world's first' mattress cleaning line – Mattilda – was completed.

The final build was delayed by suppliers and will now see the machine fully operational in 2021-2022. This will be a gamechanger and will clean mattresses with increased speed, efficiency, consistency and in higher volumes.

This is a significant step forward for FRC Group, the reuse world and people living in furniture poverty and is a testament to FRC Group's ability to identify and understand the terrible life reality for people in desperate need of furniture and to show leadership in identifying and introducing solutions.

Year	2018-2019	2019-2020	2020-2021	Commentary
Number of Mattresses	1,265	8,335	2,501	Downtime in cleaning operations due to installation of machine coupled with period of inactivity whilst staff furloughed has impacted reuse & recycling significantly.
Tonnes Mattresses diverted from landfill	440	292	87.5	
Mattresses Cleaned	-	941	538	
Financial Value of	-	£4,820	£4,680	



## Bulky Bob's Furniture World

Closed in April and May and reopened partway through June 2021.



On reopening, footfall is reduced in Liverpool and Oldham. Additionally, the measures taken to protect staff and customers requires more staff in store than normal and this has led to the store being closed on Saturdays.



Perversely, Covid-19 has also impacted upon the demand for free furniture. At a time when there is more need for support for people in vulnerable situations, fewer referrals were made to the store by front line agencies.



Lockdown restrictions threatened our ability to operate however, we used our learning from the first lockdown and were able to implement solutions quickly.



We allowed Crisis & LWP customers to select furniture in store for free delivery through an appointment system. This allowed us to adhere to restrictions for non-essential retail, manage the flow of people in store safely, and most importantly ensure that people in need of these essential items were able to access them during this period.



We ran a 3 day 'Free4All' furniture giveaway event in Liverpool to help manage surpluses of furniture that had built up from earlier in the year and from large commercial collection jobs. This was very well attended and we were able to giveaway 197 items of essential furniture.



When non-essential retail was no longer allowed to remain open, we were able to take the giveaway model and run alongside crisis & LWP to offer appointments for people to come into store and select free of charge items of essential furniture.



When lockdown restrictions lifted at the beginning of December, we were able to deliver one final Free4All event in Q3 at 'The Commy' in Speke. We were able to provide essential items of furniture to 54 households at this event.

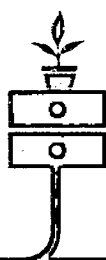





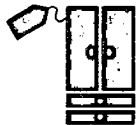






To prepare for reopening in Liverpool in April 2021 we:



Developed and agreed a marketing plan, moved Workshop 2 out of the basement into Gildart Street, set up a new workshop in Gildart Street, created a new volunteer area on the shop floor and created additional sales space by opening up the basement as an additional shop floor.

In all, despite the challenges faced by BBFW a quick response and change in our approach to getting furniture to those who need it most meant that performance was very positive. We exist to end furniture poverty, and we are proud that our teams found creative ways to ensure that we were still able to help those most in need.



YEAR	2018 / 2019	2019 / 2020	2020-2021	
Total Number of sales to BBFW customers				
Liverpool	2748	4141	2369	
Oldham	227	197	344	
North East	Not reported	101	58	
Sales to BBFW Customer Groups				
Crisis – Liverpool	224	395	305	
Crisis – Oldham	109	55	103	
Crisis – North East	Not reported	101	58	
20% Discount – Liverpool	48	28	19	
20% Discount – Oldham	0	0	0	
10% Discount – Liverpool	1617	2500	1320	
10% Discount – Oldham	168	97	149	
LWP – Liverpool	556	534	247	
LWP – Oldham	0	45	97	
Standard – Liverpool	295	684	424	
Standard – Oldham	0	0	0	
Financial value of crisis referrals				
Liverpool	£29,809	£52,411	£37,021	
Oldham	£6,885	£3,364	£10,025	
North East	£19,507	£12,458	£6,933	

### Commentary






Retail sales impacted by closure of store/warehouse for sales to public. However, resource was reallocated where possible to ensure furniture was donated instead. Closure of non-essential retail also made way for Free for All events that we previously expected would not be possible in the year.

## Training people

Our Driving Change programme runs across all our businesses, training people who were previously unemployed or in precarious employment to gain the skills, behaviours and qualifications to move on to higher-paid work. The programme is described in more detail on page 42.

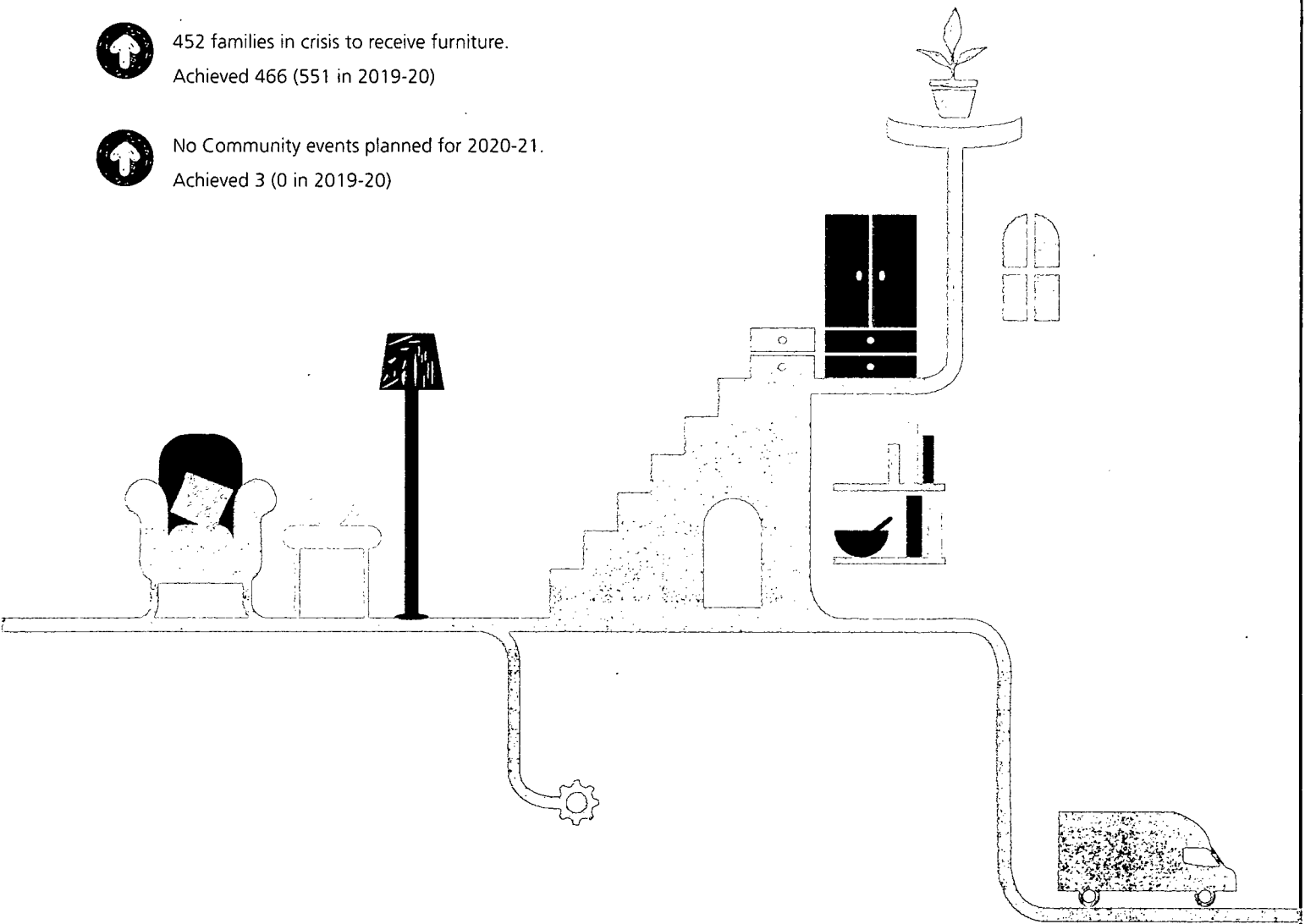
This year, we didn't meet our sales targets due to the closure of retail during national lockdown. However, we still found a way to get furniture to those most in need, and met and exceeded our targets in relation to free furniture donations.

## Performance against targets 2020-2021

-  Complete creation of a social value model based using the 10 Essential Items list as the basis of measurement.
-  5,300 customer sales in Bulky Bob's Furniture World. Achieved 2369 (4,439 2019-20)
-  4,705 of Bulky Bob's Furniture World customers to receive discounts. Achieved 1954 (3755 in 2019- 20)
-  452 families in crisis to receive furniture. Achieved 466 (551 in 2019-20)
-  No Community events planned for 2020-21. Achieved 3 (0 in 2019-20)

## Priorities/Targets for 2021-22

	2021-22	
	Items	Customers
All BBFW Customers	9065	3130
Retail sales	6764	2843
Crisis Donations	1260	427
Community Events	158	31
LWP Preloved	883	282







## Training people out of poverty

### Driving Change

Driving Change is our training and employment programme. It aspires to move people into higher-paid employment when they have finished their FRC Group training. Driving Change recruits both long-term unemployed people and those in vulnerable employment such as zero-hours contracts and low wages. The programme focuses on behaviours and skills and is tailored to each individual so that they gain the experience that will allow them to move on to better paid, more secure roles. We recruit people who already have driving licences and their main training objective is the LGV Class 2 licence.

This year, our programme was severely impacted by Covid-19. We were unable to move as many people into jobs as in previous years due to the pandemic, furlough and an inability to liaise with employers. We were also unable to book training due to the closure of training sites and services for the majority of the lockdown period.

### Driving Change Programme 2020 – 21

- 15 people took part in Driving Change.
- We had 10 Driving Change places
- 4 x Bulky Bob's, 4 x FRC and 2 x Manchester Warehouse
- 8 people left during the year
- 2 of all leavers went into jobs
- Liaised with 0 employers due to Covid-19 restrictions

### Performance against targets 2020–2021

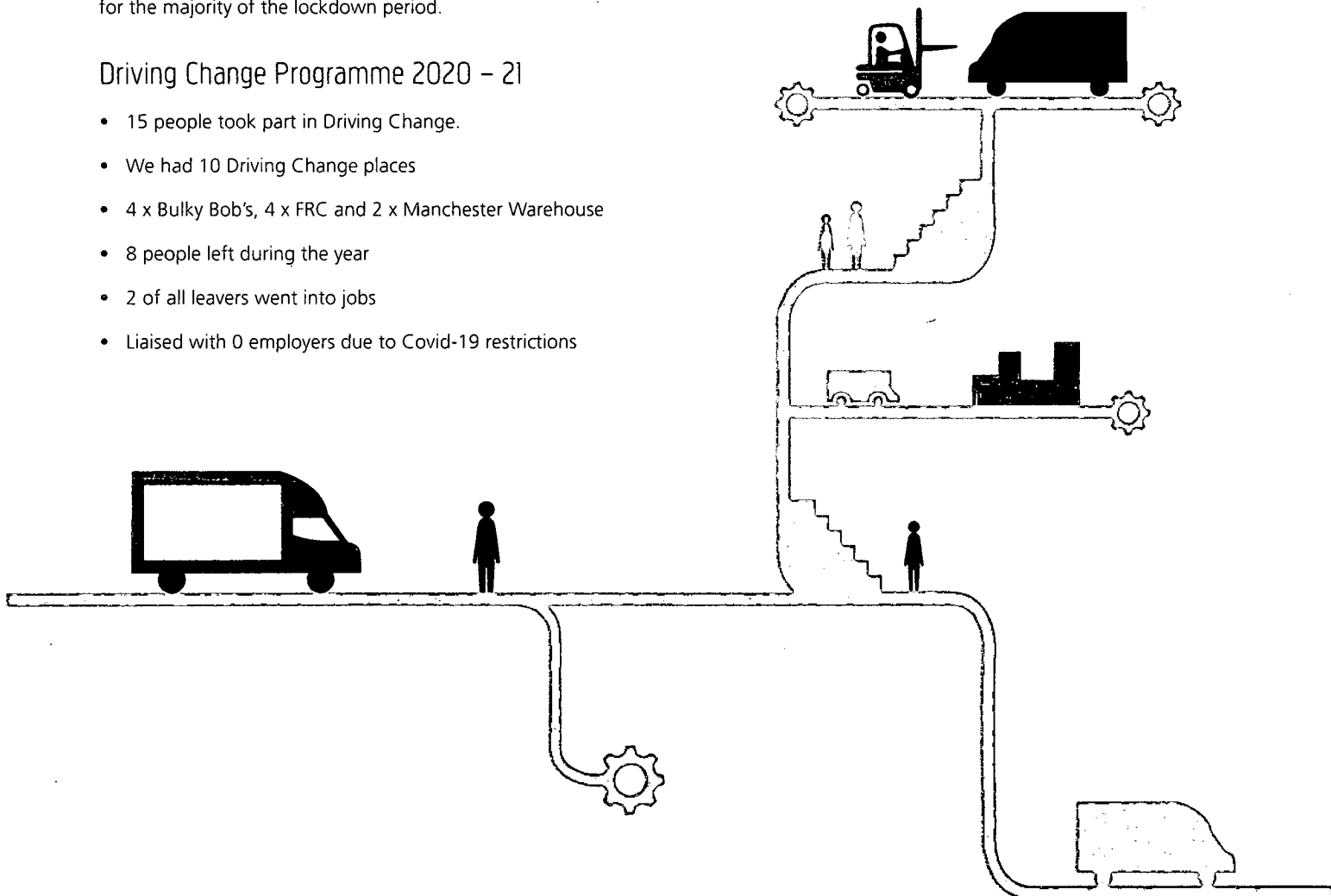


70% of people completing Driving Change will go into employment, training or further education.

We only achieved 25% of leavers into jobs this year. This has been severely impacted by Covid-19 and we expect this number to increase as Covid-19 restrictions ease.

### Targets for 2020–2021 ViPs

- 70% of people completing Driving Change will go into employment, training or further education
- 100% working towards their LGV Class II Licence



## ViPs (Volunteers, Interns, Placements and Students)

ViP is our volunteering programme. Through this scheme, people can work towards their own goals or give to charity by volunteering their time and skills. Volunteering opportunities are available in all parts of FRC Group, however the majority of volunteers work in our Bulky Bob's workshop or in our store.

Our work with volunteers was another area impacted by the Covid-19 pandemic. In March 2020 we paused our programme and did not reopen fully until March 2021. It was a year where we missed our volunteers greatly and we were overjoyed to see them return. We continue to value the work of volunteers and provide an environment where they can gain new skills and experiences in non-mission critical work. Volunteers will always be an important part of the team at FRC Group and they play a huge role in shaping our culture.

### Performance against 2020-21 performance and targets



Recruit 5 cell leaders.



Recruit 10 ViPs.



Set up a ViP Consultation process.



Set up a social media campaign to aid recruitment.

### Targets for 2020-2021 ViPs

- Recruit 3 cell leaders.
- Recruit 8 ViPs
- Set up a social media campaign to aid recruitment.

## Apprenticeships

Apprenticeships combine practical training in a job with study. Our apprentices earn a wage, work alongside experienced staff, get time for training and study related to the role. This year we introduced one apprentice in Finance.

### Performance against 2020-21 performance and targets

No targets were set for Apprentices in 2021.

### Targets for 2020-2021 ViPs

- Recruit 3 apprentices

## Kickstart

The Government's new Kickstart scheme was launched in the year and was a fantastic opportunity for us to create 6-month placements for talented young people, and get Government support to do it! For each young person (aged 16-24) hired, the Government will pay the employees National Minimum Wage for up to 25 hours per week, plus employer National Insurance contributions and employer minimum pension contributions.

We recruited 5 Kickstarters in 2020 – 21

### Performance against 2020-21 performance and targets

No targets were set for Apprentices in 2021.

### Targets for 2020-2021 ViPs

- Recruit 15 Kickstarters



## Using our core skills to develop and run successful commercial businesses, using the profits to create social value across FRC Group

Using our skills to develop commercially successful businesses that create social value and using profits to support our social objectives is a key strategy for FRC Group. The main aim of these businesses is to create profit, although social value is created in these businesses through employment of trainees on the Driving Change programme and through the furniture we provide.

### Buckingham Interiors

Buckingham Interiors had a challenging start to 2020/21 due to the impact of the pandemic as older people living settings where closed to non-essential works. Installations we had scheduled for Q1 and Q2 pre-pandemic where put back to later in the year. Changes to Covid-19 restrictions in the latter part of the year resulted in an increase in Buckingham Interiors activity. We won repeat business from existing customers as well as the introduction of new customers and we ended the year positively with an increase of sales on the previous year.

We adapted and developed our processes to engage with Buckingham Interiors customers using Teams and Zoom to complete scheme tours and consultations. We engaged in online webinars and seminars as well as exhibiting at the virtual CIH Housing 2020 conference as means of networking with customers.

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### Performance against targets for 2020–2021



Retain existing customers.



Bring on new customers.



Explore new markets relevant to Buckingham Interiors products and services.



Continue to develop our range and offer.

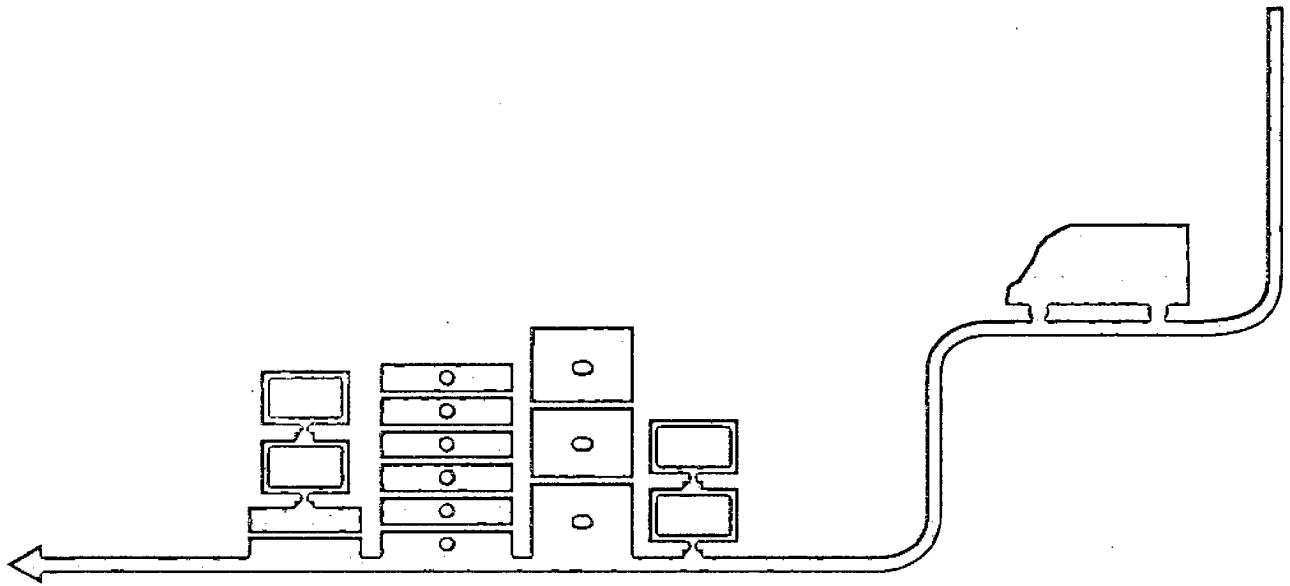


Sustainable products.

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### Targets/ Priorities 2021-22

- Retain existing customers and bring on new customers.
  - Explore new markets relevant to Buckingham Interiors products and services.
  - Continue to develop our range and offer.
  - Sustainable products.
  - Increase sales team capacity to drive increase in sales
-



## Bulky Bob's for Business

Bulky Bob's for Business provides collection and recycling services to local businesses, including the collection of unwanted furniture and PCs. Due to the large number of businesses not occupying their office space throughout 2020-2021 due to the Covid-19 pandemic, a decision was taken to cease the collection of paper waste in February 2021. In addition, the Covid-19 pandemic resulted in far fewer PCs being collected and refurbished than was hoped but this is expected to catch up during 2021-22. We sold a total of 158 low cost reuse PCs & laptops to schools and community groups.

As more businesses open following the Covid-19 pandemic, a greater number of PCs is expected to be collected for data wiping and refurbishment and this should lead to hundreds of PCs being made available for sale or donation to schools / colleges / charities and donated to individuals who can't afford a PC.

Collection and recycling of unwanted furniture is also expected to increase during 2021-22 as more businesses return to their workspace following the Covid-19 pandemic.

We will also continue to work on the introduction of refurbished products into the supply chain.

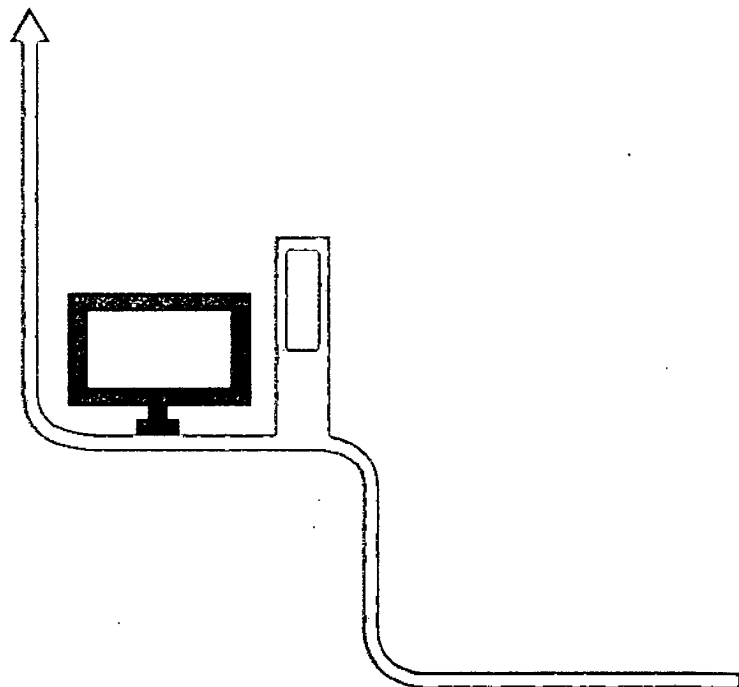
## Performance against Targets for 2020-21



Further the REUSE IT business.

## Priorities/Targets for 2021-22

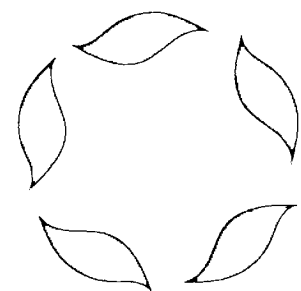
- Increase PC Collections
- Increase commercial furniture collections



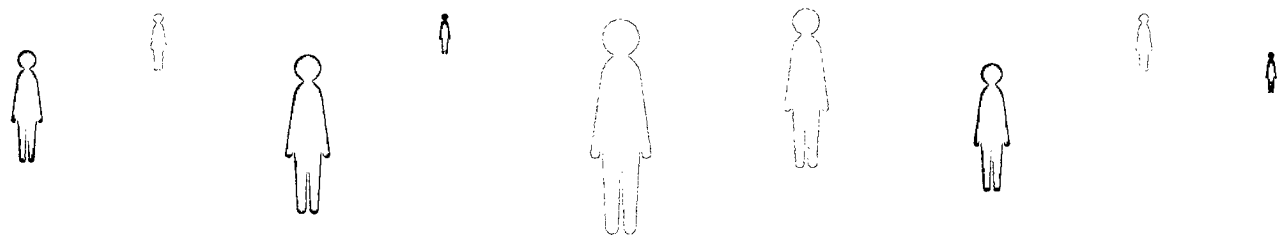
# PEOPLE

In a year like no other, we were determined to support our staff and our People and Culture Team led the way on this. During the year we:

- Fully supported our people, on any day of the week or at any time of the day needed
- Navigated the business through furlough, Covid symptoms, isolations and changing legislation
- Increased the salaries of our drivers – we didn’t press pause on this
- Increased our company pension contributions and introduced a death in service policy
- Introduced an employee assistance service
- Re-wrote our ‘Culture Code’ and trained all of our managers
- Introduced a new performance management system
- Found creative ways to bring people together – Christmas Party and Awards Film
- Introduced agile working
- Made the workplace safe and made people feel safe in the workplace



Equality	Ethnicity	Leadership	Board
	White British	100%	100%
	White Irish	0%	0%
	Caribbean/Mixed	0%	0%
	Other	0%	0%
Gender	Male	50%	71%
	Female	50%	29%
Disability	Yes	0%	0%
	No	100%	100%



# HEALTH AND SAFETY

At FRC Group we take health and safety extremely seriously and make this clear to all of our staff, trainees, volunteers, customers, suppliers and members of the general public. We have a Health and Safety Committee made up of key representatives from across FRC Group, including satellite sites. The group holds a number of external health and safety accreditations including:

- SMAS (Safety Management Advisory Services)
- CHAS (Contractor Health & Safety Assessment Scheme)

We have two trained health and safety advisers with NEBOSH (National Examination Board in Occupational Safety and Health)

During the period Furniture Resource Centre Limited were re-accredited with ISO9001

We use Litmos, (online training package) for health and safety courses.

37 accidents (compared to 38 in 2019–2020).  
Six were RIDDOR reportable (period of absence from work exceeding 7 days including weekends.)

A number of accidents related to manual handling injuries which is not unusual given the nature of the main operation. As a result of these accidents, we improved manual handling training for new starter inductions and continued to offer annual refresher training for all operational staff. We also improved our manual handling training with routine reminders for correct manual handling techniques and operational manual handling controls forming part of team.

We have also introduced a 'Train the Trainer' approach where team leaders are trained to train team members in manual handling techniques which will allow for more practical manual handling demonstrations. We continued to demonstrate our commitment to health and safety during the COVID-19 pandemic with the introduction of Special Covid-19 health and safety meetings to discuss and review risk assessments in line with government guidelines. Staff were kept updated through an all staff email and group text. We also continued with remote working across the business to prevent the spread of COVID-19. Restrictions have meant that we have had to find more creative ways to meet our health and safety training requirements.

Our targets for next year are to:

- Reduce the number of accidents across the group
- Introduce benchmarking

## Suppliers

FRC Group has a range of trusted suppliers, both local and national in order to provide the wide range of services and stock required. Preference is always given to using suppliers who are proactive in managing social and environmental change and new large suppliers must provide a range of information before being accepted as a supplier. In addition, FRC Group has signed up to the Prompt Payment Code to recognise the importance placed on its suppliers and its policy of always paying suppliers on time, especially small suppliers.

# CARBON FOOTPRINT

We monitor our environmental impact through FRC Group’s Environmental Management System which includes a number of controls. These include the carbon footprint of the vehicle fleet and premises, waste and recycling, and the impacts of the FRC Group supply chain. The generation of electricity from photovoltaic panels at our head office site saved 4.1 tonnes of carbon during 2020-21. Our Bulky Bob’s model also reduces carbon emissions through mattress and furniture reuse.

We base calculation of FRC Group’s carbon footprint on the vehicle fleet’s use of fuel and gas and electricity consumption in its buildings. The Department for Food & Rural Affairs publishes standard carbon conversion factors in its Environmental Reporting Guidelines and we use these to calculate our environmental impacts.

In 2020–21, FRC Group had a carbon footprint of 263 tonnes of CO2 emissions, compared to 341 tonnes of CO2 emissions in 2019–20.

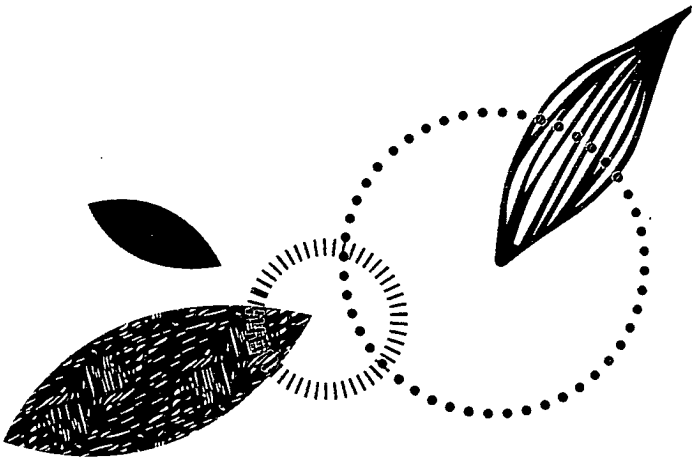
Despite the addition of 3 new sites during the year, we achieved around 23% lower level of emissions in 2020-21 compared to the previous year. This was driven largely by the effect of Covid-19 restrictions on our businesses.

Vehicle mileage was reduced in the year due to vehicles off the road in April & May of 2020, when our bulky household waste collections were paused. This reduced our fleet emissions by around 34% in these months and overall emissions for the year were around 92% of the levels in the previous year.

Utilities usage did see a higher increase due to the addition of new sites, but the impact is likely smaller than it may have been as office-based staff worked from home where possible for much of the year. Overall emissions for utilities, including offsite hosting of IT systems, were around 9% lower than 2019-20.

Total CO2 (Tonnes)	
2017-18	230
2018-19	265
2019-20	341
2020-21	263

Our calculations are based on government conversion factors from the Department for Business, Energy & Industrial Strategy.







# STAKEHOLDERS

FRC Group's Materiality and Stakeholder Engagement Policy, which can be found on our website at [www.frcgroup.co.uk](http://www.frcgroup.co.uk) explains the relationships between the different stakeholder groups and how the different relationships and levels of engagement are prioritised.

Our End Furniture Poverty campaign works to raise awareness of the issue of Furniture Poverty, carries out research to understand the consequences of Furniture Poverty and explores possible solutions. End Furniture Poverty lobbies for change, and works with partners to help get furniture to those who need it.

This is an overview of how we have engaged with our stakeholders this year:

## End Furniture Poverty

- We published our report 'Social Return on Investment Study into the Provision of Essential Furniture Items' using data we collected from recipients of furniture over a two-year period. Our research began with interviewing 25 furniture recipients over the phone. The interviews consisted of 10 questions, focused on finding out what had changed for the recipient as a consequence of receiving essential items of furniture. Their responses allowed us to draw up an Outcomes model which was used in the online quantitative survey. The online survey was sent out to a much wider group of LCSS recipients and we received 164 responses. The survey asked them about the outcomes and how the provision of furniture had changed their lives. We shared our findings with Liverpool City Council, it was sent out to the End Furniture Poverty mailing list of 1771 subscribers.
- We published our Furnished Tenancy report interviewing housing professionals from thirteen social landlords and also eight tenants. The findings of this research showed that not only are there only 2% of social housing properties let as furnished compared to 29% in the private rented sector, but also that social housing tenants are currently relying on an inadequate patchwork of support.

This led to our decision to bring forward our planned LWP research, which had originally been due to be carried out after an update of our Essential Items list. The Chartered Institute of Housing had expressed an interest in furnished tenancies in the past but had put their plans on hold due to the pressures of the pandemic, however the publication of our report reignited their interest and they invited us to present a detailed webinar to explain to their members how to create a sustainable furnished tenancy scheme. We continue to have conversations with social landlords who have read our report and are now considering creating furnished tenancy schemes.

- For our LWP research, we sent a survey out, through a Freedom of Information request, to 410 local authorities, (this is every local authority in the UK). This report revealed that 25 local authorities have now closed their LWP schemes leaving one in five people in the UK unable to access crisis support. Previously The Children's Society have carried out acclaimed research into LWP but since the publication of our report, they have now decided to use our report instead and we are part of a lobbying group due to meet with MPs to campaign for a Government review into LWP policy and budgets.
- For our Everybody Out research, looking at the provisions being made for homeless people during the pandemic and what was happening to them afterwards, we had survey responses from seven organisations, a mix of charities, local authorities and other providers, such as a probation officer. The results from this research made us realise just how hard it is for people living in furniture poverty who do not know which organisations may be able to help them so we decided to create our Finding Furniture Guides.

These guides explain which organisations can help, who is eligible for their help and how to apply. These guides have been shared far and wide and led to the DWP including our contact details on a list in every job centre in the UK so benefits staff can direct people to us for advice.

- Over 1,000 people got in touch with us for assistance this year, partly due to our inclusion on the DWP advice list, but also because of our increased profile in general. This was a mix of people in furniture poverty and support workers supporting those in furniture poverty. We had 294 emails asking for help and we estimate approximately 800 phone calls. We are now keeping detailed records of everyone who calls us and will be able to evidence this in 2021-22.

## Marketing

- Focus Group. A selection of contacts for all FRC Brands were invited to participate in a series of four focus groups held online on 20th January 2021. The aim:
- Obtain valuable feedback about FRC Group Brand
- Determine best alignment to End Furniture Poverty mission
- Obtain generic feedback from crucial contacts about the perceptions of the brands, brand name, brand design and brand value
- Discuss the suggested move to EFP Group as opposed to FRC Group

## Responsiveness

- We collected data on responsiveness from our Leaders

## Our people

- We carried out a staff survey
- We reviewed our trainees



Strategic Report Approved  
by the Board of Directors  
and signed on its behalf  
by Secretary A Rowan.

7th December 2021




# Appendix 1: Independent Limited Assurance Report to FRC Group

We have been engaged by the FRC Group to provide independent limited assurance on the selected aspects of the Furniture Resource Centre Limited Integrated Report 2020-21 as included on pages 10-51 ("the Report") for the year ended 31 March 2021.

## Our conclusion

On the basis of our procedures nothing has come to our attention that causes us to conclude that the selected aspects of the information included within the FRC Group's Integrated Report 2020-21 – Social Value Review 2020/21: Creating Social Value has not been prepared in all material respects in line with the Reporting Criteria. This conclusion is to be read in the context of what we say below.

## Selected information

The data included within the scope of our assurance report appears in the "FRC Group's Integrated Report 2020-21." This is information denoted with the .

## Professional standards applied and level of assurance

We conducted a limited assurance review in accordance with International Standard on Assurance Engagements 3000 – "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ('ISAE 3000') issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. It does not include detailed testing of source data nor the operating effectiveness of processes and internal controls.

Our review has also been conducted in line with the principles of the AA1000 Assurance Standard and AA1000 Accountability Principles.

## Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales ('ICAEW') Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK&I) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was conducted by an independent and multi-disciplinary team with experience in impact reporting and assurance.

## Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with FRC Group's broader reporting on both Social Value and Financial Impact. The absence of a significant body of established practice on which to draw, and hence to evaluate and measure non-financial information, allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

## Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, our procedures consisted primarily of:


- a) Interviews with FRC Group Management;
- b) Review of the FRC Group Approach to stakeholder engagement in the report and assessment of the outputs from the materiality process relating to stakeholder and FRC Group's engagement;
- c) Review of the FRC Group Approach to stakeholder engagement through interviews with employees responsible for managing engagement activities and review of selected associated documentation;
- d) Review of the approach of FRC Group in determining material issues to be included in the Report;
- e) Review of the coverage of material issues within the Report against the topics discussed by the FRC Group Board.
- f) In addition, we reviewed all the information relating to the impact of Advice work within the Impact Report to assess whether there are any apparent material misrepresentations, misstatements or inconsistencies with the data we have reviewed.

Specifically, for the disclosures on pages 12 and 20-21 our assurance is on the basis / limited to the following:

- a) Reviewed the approach to the application of both deadweight and attribution for the calculation.
- b) Re-performed the calculation undertaken by the FRC Group.
- c) Sample testing undertaken to support the calculation (no errors were noted on the basis of sample selection.)
- d) Our work does not extend to the provision of assurance for the values attributed to the social value calculated by the consultant.

## FRC Group's responsibilities

The Directors of the FRC Group are responsible for:

- a) Designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information as designated by the,  that is free from material misstatement, whether due to fraud or error;
- b) Establishing objective Reporting Criteria for preparing the selected information.

## Our responsibilities

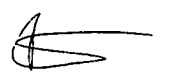
We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the FRC Group.

This report has been prepared to assist the FRC Group in reporting its Social Value. We permit this report to be disclosed in the FRC Group's Integrated Report 2020-21.

The procedures that we have performed are solely to assist you in reporting the Furniture Resource Centre's social impact. Our report is not to be used for any other purpose and is solely for your information.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the FRC Group, for our work, for this report, or for the opinions we have formed.



**Richard Evans**

For and on behalf of  
Crowe U.K. LLP

17 December 2021

# FINANCIAL REVIEW

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## Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting 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 charity will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Small Companies' Exemption

In preparing this directors' report, advantage has been taken of the small companies' exemption.

## Auditor

The directors decided to appoint a new auditor for the year ended 31 March 2021 onwards and so Crowe U.K. LLP were appointed as auditor following a tender process.

## Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by the Companies Act 2006) of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Board of Directors on 7 December 2021 and signed on its behalf by



**A Rowan**  
**Secretary**

**Date**  
**7 December 2021**



## **Independent Auditor's Report to members of Furniture Resource Centre Limited**

### **Opinion**

We have audited the financial statements of Furniture Resource Centre Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. 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 charitable company's affairs as at 31 March 2021 and of the group's 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 charitable company's or 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- The information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept; or
- The 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

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 56, 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 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

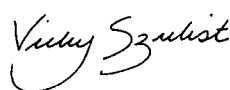
We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Health & Safety and Waste Carriers Regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reading minutes of meetings of those charged with governance and sample testing on revenue to supporting information.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT  
Date: 17th December 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Total Unrestricted Funds	Total Restricted Funds	Total Funds 31 March 2021	Total Funds 31 March 2020
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	4	153,121	71,170	224,291	63,801
Charitable activities	5	12,850,360	-	12,850,360	12,204,288
Investments		820	-	820	5,631
Other		99,210	-	99,210	38,634
<b>Total</b>		<b>13,103,511</b>	<b>71,170</b>	<b>13,174,681</b>	<b>12,312,354</b>
<b>Expenditure on:</b>					
Charitable activities	6	12,800,618	72,875	12,873,493	11,973,860
<b>Total resources expended</b>		<b>12,800,618</b>	<b>72,875</b>	<b>12,873,493</b>	<b>11,973,860</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>302,893</b>	<b>(1,705)</b>	<b>301,188</b>	<b>338,494</b>
<b>Balances brought forward at 1 April</b>		<b>2,558,867</b>	<b>10,515</b>	<b>2,569,382</b>	<b>2,230,888</b>
<b>Balances carried forward at 31 March</b>		<b>2,861,760</b>	<b>8,810</b>	<b>2,870,570</b>	<b>2,569,382</b>

The notes on pages 63 to 94 form part of these financial statements.

CONSOLIDATED AND CHARITY  
BALANCE SHEETS AT 31 MARCH 2021

	Notes	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12	7,500	52,500	7,500	52,500
Tangible assets	13	540,108	338,062	472,167	242,924
Investments	3	-	-	1	1
		547,608	390,562	479,668	295,425
<b>Current assets</b>					
Stock	14	996,342	755,553	992,945	754,764
Debtors	15	3,028,668	2,553,727	3,001,110	2,578,246
Investments	16	181,793	180,973	181,793	180,973
Cash at bank and in hand		585,237	687,858	514,022	583,602
		4,792,040	4,178,111	4,689,870	4,097,585
<b>Creditors: amounts falling due within one year</b>	17	(1,969,078)	(1,981,017)	(1,815,037)	(1,825,950)
<b>Net current assets</b>		2,822,962	2,197,094	2,874,833	2,271,635
<b>Total assets less current liabilities</b>		3,370,570	2,587,656	3,354,501	2,567,060
<b>Creditors: amounts falling due after more than one year</b>	17	(500,000)	(18,274)	(500,000)	(18,274)
<b>Net Assets</b>		2,870,570	2,569,382	2,854,501	2,548,786
<b>Funds</b>					
Unrestricted		2,861,760	2,558,867	2,845,691	2,540,310
Restricted	19	8,810	10,515	8,810	8,476
<b>Total Funds</b>	20	2,870,570	2,569,382	2,854,501	2,548,786

The notes on pages 63 to 94 form part of these financial statements.

Exemption has been taken from presenting an unconsolidated parent charity profit and loss account under section 408 of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on 7 December 2021 and signed on their behalf by:



N Wilson, Director  
Company Registration Number 02296329.  
A Charity registered in England and Wales (700731).

FURNITURE RESOURCE CENTRE LIMITED  
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		£	£
<b>Cash flows from operating activities:</b>			
(Reduction in cash) / cash generated from operations	25	(246,453)	518,665
Interest received		820	5,631
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(245,633)</b>	<b>524,296</b>
<b>Cash flows from investing activities:</b>			
(Purchase of) fixed assets		(338,322)	(272,008)
Sale of fixed assets		428	600
(Purchase of) cash investments		(820)	(144,805)
<b>Net cash (outflow) from investing activities</b>		<b>(338,714)</b>	<b>(416,213)</b>
<b>Cash flows from financing activities</b>			
Net cash inflows from borrowing		481,726	230,777
<b>Net cash inflow from financing activities</b>		<b>481,726</b>	<b>230,777</b>
<b>(Decrease) / Increase in cash and cash equivalents in the year</b>		<b>(102,621)</b>	<b>338,860</b>
Cash and cash equivalents at the beginning of the year		687,858	348,998
<b>Cash and cash equivalents at the end of the year</b>		<b>585,237</b>	<b>687,858</b>

The notes on pages 63 to 94 form part of these financial statements.

## 1 Accounting policies

### a) General Information

Furniture Resource Centre Limited is a private charitable company limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the company information page. The nature of the company's operating and financial activities are outlined in the Directors' Report.

### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The trustees confirm that the charity meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### c) Basis of consolidation

The financial statements consolidate the results of the charity, Bulky Bob's Office and Commercial Waste and Bulky Bob's 2015, charities for which it is the sole member and also its wholly owned trading subsidiary Bulky Bob's Limited. The results of these companies are consolidated on a line-by-line basis. A separate Statement of Financial Activities for the charity itself has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

### d) Going Concern

The financial position on pages 60 to 94 demonstrates that the group is operating within its available cash funds and has net current assets at the year end. As a result of the Covid-19 pandemic, the trustees reviewed detailed cash flow projections covering a range of scenarios and after careful consideration, were of a view that the charity has sufficient cash balances to continue to trade despite the difficult economic climate. As a contingency, the charity also secured a loan under the Coronavirus Business Interruption Loan Scheme, which was drawn down in December 2020.

After reviewing financial projections for the group and taking account of new contracts recently won, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The trustees have concluded that it is appropriate to prepare the accounts on a going concern basis.

### e) Incoming resources

Voluntary income and donations are accounted for as received by the group. All other income is accounted for on an accruals basis.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided). Income from charitable activities includes income received under contract (as the related goods and services are provided).

Investment income is recognised on a receivable basis. Income from grants receivable which support people development is credited to the income and expenditure account in the period to which the grants relate.

# FURNITURE RESOURCE CENTRE LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

### **f) Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis. Expenditure is directly attributable to specific activities and has been included in those cost categories:

Costs of generating funds are those costs incurred in the trading activities of the subsidiary companies that raise funds.

Charitable activities include expenditure associated with the supply of furniture and other household accessories to social landlords, the retailing of reused goods to economically disadvantaged groups, provision of bulky household waste collection services, logistics and other recycling services and the costs of providing training programmes to socially excluded groups. These include both the direct costs and support costs relating to those activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. property costs are apportioned on area utilised, ICT costs, staff costs, general office and depreciation are apportioned by income generated

### **g) Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

### **h) Operating leases**

Where the group is lessee, rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are included in 'resources expended' on a straight line basis over the term of the lease.

### **i) Investments**

Current asset investments concern cash held on deposit with a maturity date of less than one year from the maturity date. Investments are initially and subsequently measured at the amount of the cash deposit.

### **j) Tangible fixed assets and depreciation**

Tangible fixed assets for use by the group are stated at cost less depreciation subject to impairment review in accordance with FRS 102.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Improvements to leasehold property	10% on cost
Plant & machinery	10%-25% on cost
Fixtures, fittings and equipment	25% on cost
Computer equipment	20%-33% on cost

### **k) Goodwill**

On acquisition of a business, fair values are attributed to the assets, liabilities and contingent liabilities of the acquired business at the date of acquisition. Goodwill arises when the fair value of the consideration given for a business exceeds the fair value of the net assets. Goodwill is capitalised and amortised over its useful economic life. The useful economic life of goodwill is considered to be 2 years.



# FURNITURE RESOURCE CENTRE LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

### **l) Stocks**

Stocks of new and donated goods are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

### **m) Pension costs**

The charity and group operates a defined contribution pension scheme which all employees are eligible to join. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions in respect of the company's Group Personal Pension Plan are included in 'resources expended' for the year in which they are payable to the scheme.

### **n) Funds structure**

The group's funds consist of unrestricted and restricted amounts. The group may use unrestricted amounts at its discretion. Restricted funds represent income contributions which are restricted to a particular purpose, in accordance with the donor's wishes.

### **o) Financial Instruments**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). 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.

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 are recognised where the group 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.

### **p) Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group as lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful lives taking into account residual lives, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Debtors are provided against when there is objective evidence that the debt will not be recoverable.
- The charity is required to test, on an annual basis, whether any goodwill recognised has suffered any impairment. Estimation is required in determining the recoverable amounts giving consideration to its value in use.

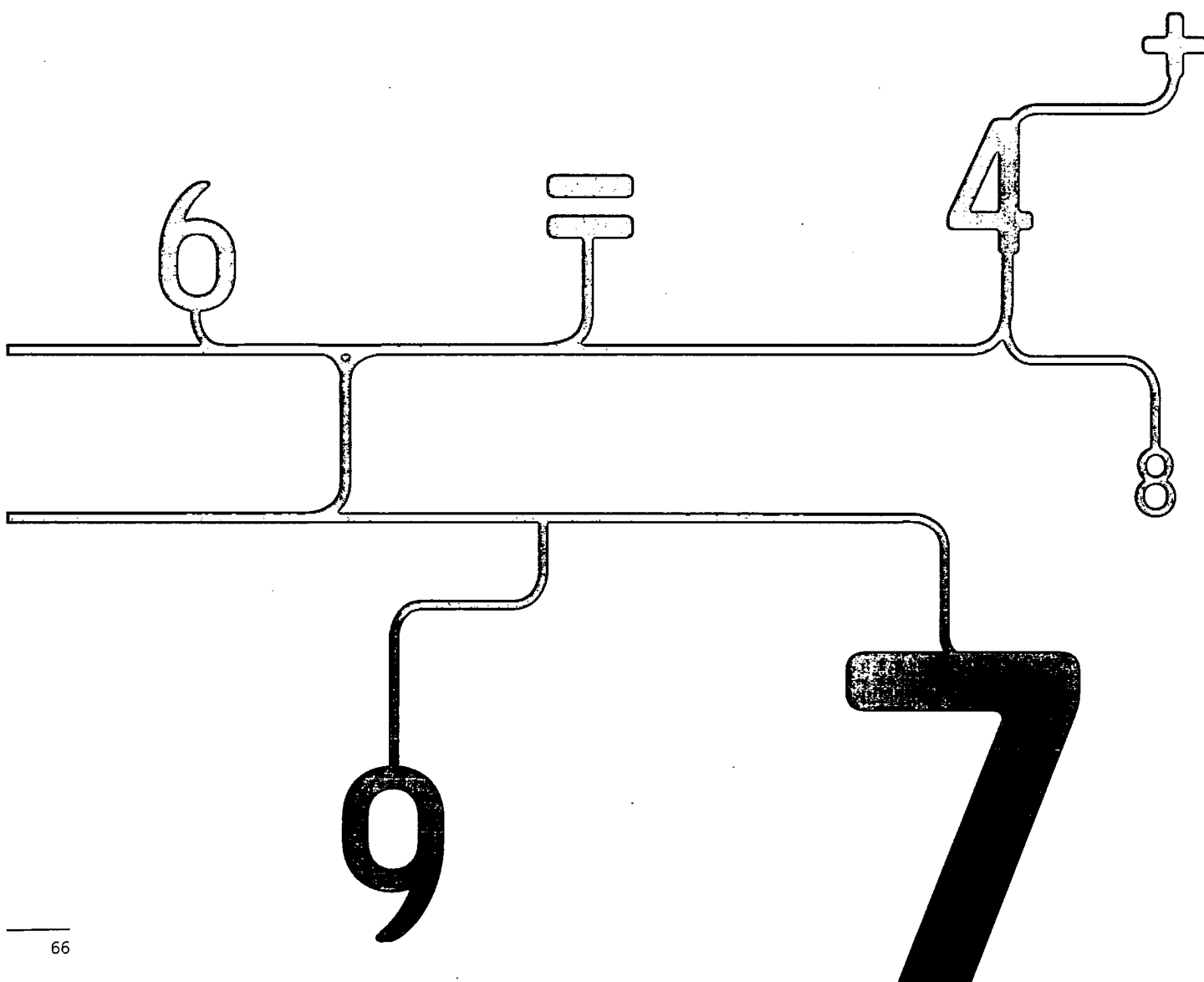
## 2 Financial activities of the charity

A summary of the financial activities undertaken by the charity is shown below.

	Unrestricted funds	Restricted funds	2021 Total Funds	Unrestricted funds	Restricted funds	2020 Total Funds
	£	£	£	£	£	£
Incoming Resources	12,217,500	168,280	12,385,780	11,477,081	25,675	11,502,756
Resources Expended	(11,912,119)	(167,946)	(12,080,065)	(11,116,870)	(34,910)	(11,151,780)
Net incoming / (outgoing) resources for the year	305,381	334	305,715	360,211	(9,235)	350,976

### Legal Status

The charity is a company limited by guarantee and has no share capital.  
The liability of each member in the event of winding up is limited to £1.



### 3 Subsidiary companies and other group charities

The financial activities shown in the consolidated financial statements include the results of Bulky Bob's 2015 and Bulky Bob's Office and Commercial Waste, charities for which Furniture Resource Centre Limited is the sole member. The results of the charity's wholly owned trading subsidiary, Bulky Bob's Limited is also included.

The information and financial data for each company is included below. The registered office of Bulky Bob's 2015, Bulky Bob's Office and Commercial Waste and Bulky Bob's Limited is the same as stated on the company information page of these accounts

#### (i) Bulky Bob's 2015

The charity is the sole member of Bulky Bob's 2015, a company limited by guarantee and registered in England. Bulky Bob's 2015 is also a registered charity (charity number 1167068) and operates contracts for various councils within the North West for the collection, reuse and recycling of bulky household waste and for the provision of training.

On 1 April 2017, the assets, liabilities and contracts of Bulky Bob's Limited were transferred to Bulky Bob's 2015 and Bulky Bob's Limited ceased trading on that date. At 31 March 2021, the capital and reserves of Bulky Bob's 2015 were £143,613 (2020: £135,891). The charity made a surplus of £7,722 in the year ended 31 March 2021 (2020: £4,574).

#### (ii) Bulky Bob's Office and Commercial Waste

The charity is the sole member of Bulky Bob's Office and Commercial Waste, a company limited by guarantee and registered in England. Bulky Bob's Office and Commercial Waste is also a registered charity (charity number 1168088) and provides an office and commercial waste collection service, collecting and recycling waste items.

At 31 March 2021, the capital and reserves of Bulky Bob's Office and Commercial Waste were in deficit by £127,542. The charity made a deficit of £12,250 in the year ended 31 March 2021 (2020: deficit of £17,055).

#### (iii) Bulky Bob's Limited (Company number 3759102)

The charity holds 1 £1 ordinary share in Bulky Bob's Limited, a company registered in England. This holding comprises the whole of the company's share capital. At 31 March 2021, the capital and reserves of Bulky Bob's Limited were £1. The company did not trade in the year ended 31 March 2021.

### 3 Subsidiary companies and their activities (continued)

A summary of the results of Bulky Bob's 2015 for the year is shown below

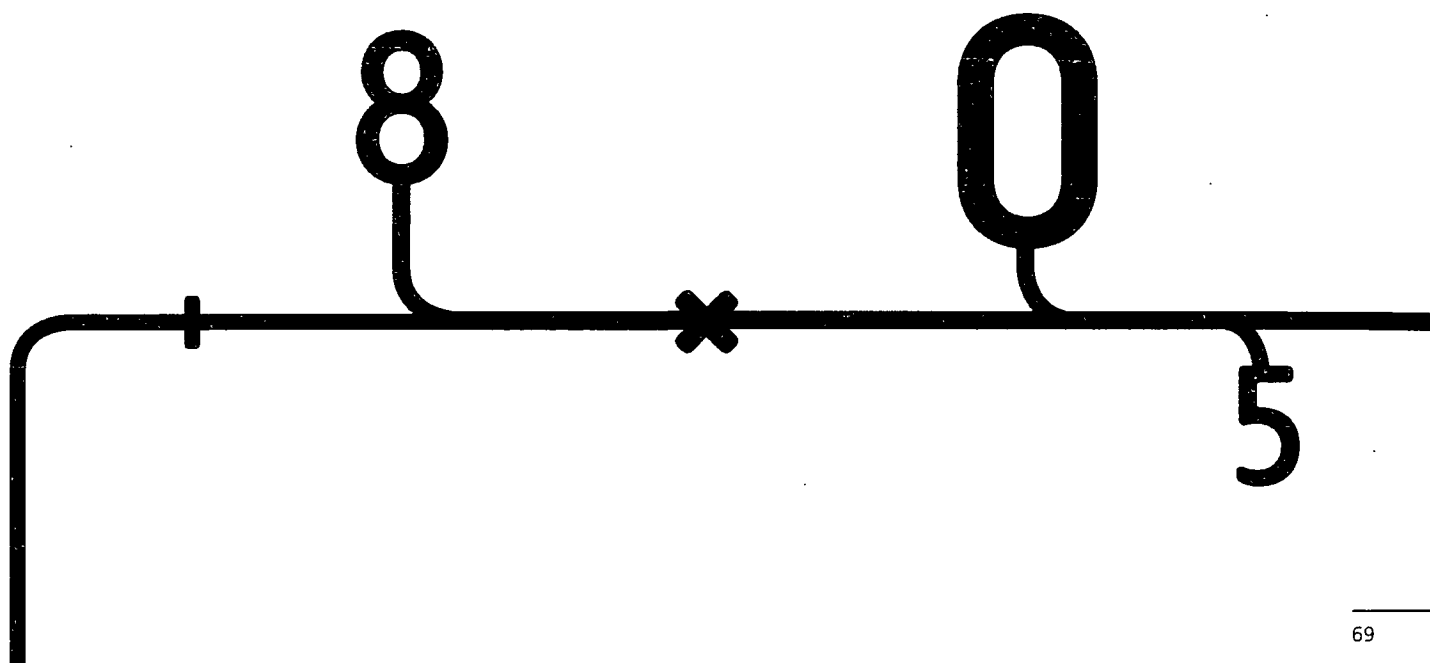
	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
Incoming Resources	1,302,890	9,435	1,312,325
Resources Expended	(1,293,129)	(11,474)	(1,304,603)
Net incoming resources for the year	9,761	(2,039)	7,722

A summary of the results of Bulky Bob's Office and Commercial Waste for the year is shown below.

	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
Incoming Resources	281,197	10,000	291,197
Resources Expended	(293,447)	(10,000)	(303,447)
Net incoming resources for the year	(12,250)	-	(12,250)

## 4 Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Sefton at Work	-	(1,228)	(1,228)	-	4,874	4,874
Made Smarter Grant	-	21,564	21,564	-	3,428	3,428
Charity Shop	-	50	50	-	200	200
Kickstart	-	5,784	5,784	-	-	-
Liverpool City Council Covid-19 support	-	35,000	35,000	-	-	-
Wirral Council Covid-19 support	-	10,000	10,000	-	-	-
Coronavirus Job Retention Scheme Grant	153,121	-	153,121	-	-	-
Knowsley Works	-	-	-	-	17,287	17,287
Donations for Bed for Kids Campaign	-	-	-	-	150	150
Liverpool City Council	-	-	-	-	28,862	28,862
MRWA Community Fund	-	-	-	-	8,000	8,000
Joseph Rowntree Foundation	-	-	-	-	1,000	1,000
Total donations and legacies	153,121	71,170	224,291	-	63,801	63,801



## 5 Income from Charitable activities

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Provision of furniture / furniture packages	11,759,024	-	11,759,024	10,978,100
Provision of bulky household waste collection and recycling services	882,487	-	882,487	833,477
Charity shop sales	104,165	-	104,165	185,645
Provision of other recycling services	104,684	-	104,684	206,866
Other income	-	-	-	200
Total charitable activities	12,850,360	-	12,850,360	12,204,288

## 6 Expenditure on Charitable activities

	Direct Costs	Support	Total 2021	Total 2020
	£	£	£	£
Provision of furniture / furniture packages	9,577,909	1,205,462	10,783,371	9,998,527
Charity shop sales	277,382	8,457	285,839	309,778
People Development	284,574	83,579	368,153	513,200
Provision of bulky household waste collection and recycling services	870,571	77,119	947,690	775,904
Provision of other recycling services	337,530	68,546	406,076	283,399
Other income	82,364	-	82,364	93,052
Total charitable activities expenditure	11,430,330	1,443,163	12,873,493	11,973,860

## 7 Allocation of support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Property costs are apportioned on area utilised, ICT costs, staff costs, general office and depreciation costs are apportioned by income generated.

	Provision of Furniture and furniture packages	Charity Shop Sales	People Development	Provision of bulky household waste collection and recycling services	Provision of other recycling services	2021 Total	2020 Total
Support Cost	£	£	£	£	£	£	£
Property cost	250,737	-	83,579	-	-	334,316	355,961
Staff costs	511,653	4,532	-	47,721	52,608	616,514	542,767
Vehicle costs	-	-	-	-	5,371	5,371	1,107
ICT costs	95,387	845	-	-	-	96,232	70,784
Governance	29,111	258	-	2,894	2,231	34,494	26,434
General office	237,604	2,105	-	26,504	8,336	274,549	345,694
Depreciation	80,970	717	-	-	-	81,687	88,108
	1,205,462	8,457	83,579	77,119	68,546	1,443,163	1,430,855

## 8 Governance costs

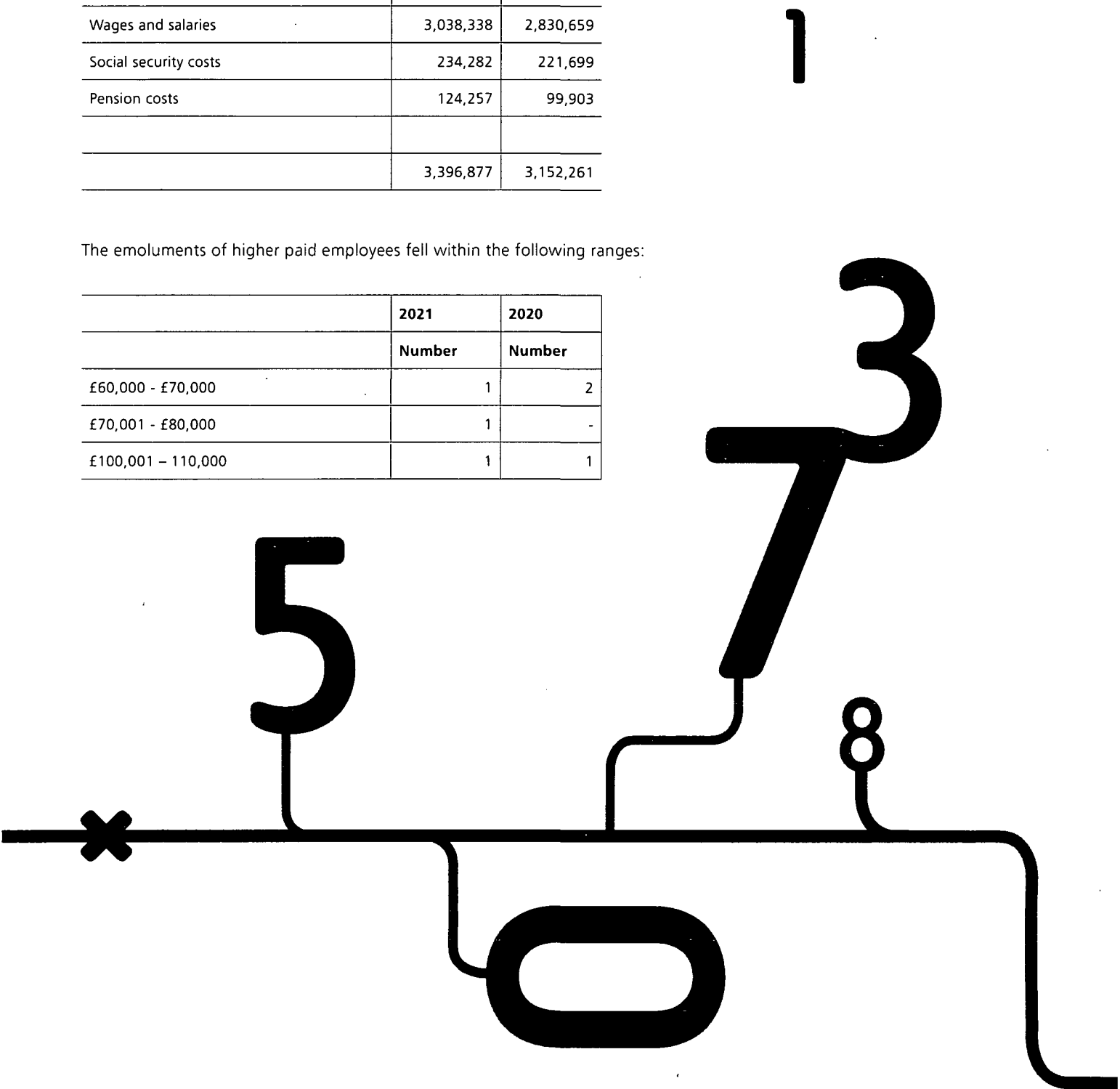
	2021	2020
	£	£
Social Audit	5,000	7,875
Audit and accountancy	24,209	34,994
Directors' insurance	5,285	4,179
	34,494	47,048

### 9 Analysis of staff costs and the cost of key management personnel

	2021	2020
	£	£
Staff costs:		
Wages and salaries	3,038,338	2,830,659
Social security costs	234,282	221,699
Pension costs	124,257	99,903
	3,396,877	3,152,261

The emoluments of higher paid employees fell within the following ranges:

	2021	2020
	Number	Number
£60,000 - £70,000	1	2
£70,001 - £80,000	1	-
£100,001 – 110,000	1	1





## 9 Analysis of staff costs and the cost of key management personnel (continued)

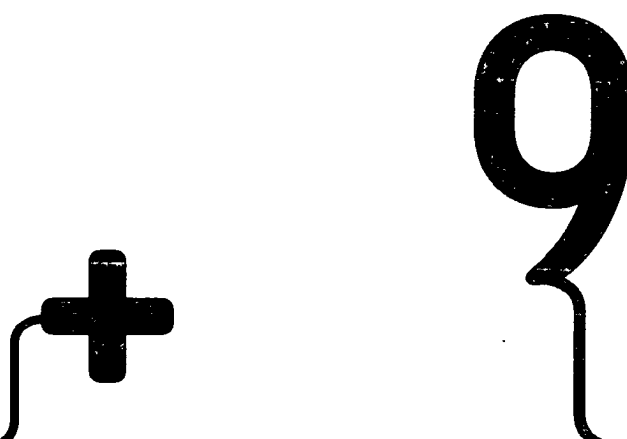
3 employees had emoluments (excluding pension contributions) of more than £60,000 in the year (2020: 3).

The key management personnel of the charity and group comprise the trustees, Chief Executive Officer, Director of Finance and Social, Director of FRC and the Director of People and Culture. The total employee cost of the key management personnel was £354,756 (2020: £343,811).

During the year, redundancy costs of £1,544 (2020: £6,000) were paid by the group.  
Redundancy costs of £772 were paid by the charity (2020: £nil).

The average number of employees analysed by function, was:

	2021	2020
	Number	Number
Provision of furniture and furniture packages	57	51
Training	9	12
Retail	6	5
Bulky Bob's – collection, recycling and reuse of unwanted furniture	22	21
Bulky Bob's Office and Commercial Waste	4	4
Management, Finance, Administration and ICT	11	11
End Furniture Poverty	2	2
	111	106



## 10 Trustee Remuneration & Related Party Transactions

No trustee received any remuneration during the year ended 31 March 2021 (2020: £nil).

No travel costs were reimbursed to trustees in the year (2020: £nil).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2020: £nil).

## 11 Net incoming / (outgoing) resources for the year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
This is stated after charging/(crediting):				
Auditors' remuneration: Audit services	18,000	21,250	12,000	15,250
Non-audit services	5,000	21,619	5,000	21,619
Depreciation and amortisation	180,068	164,878	141,420	139,670
Loss on disposal	780	51,438	-	51,438
Operating lease rentals:-				
Other	805,028	722,097	585,726	558,991
Rents receivable on property sub-lease	-	4,000	-	4,000

## 12 Intangible Assets

	Group		Charity	
	Goodwill	Total	Goodwill	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2020	97,600	97,600	90,000	90,000
At 31 March 2021	97,600	97,600	90,000	90,000
<b>Amortisation</b>				
At 1 April 2020	45,100	45,100	37,500	37,500
Charge for the year	45,000	45,000	45,000	45,000
At 31 March 2021	90,100	90,100	82,500	82,500
<b>Net book value</b>				
At 31 March 2021	7,500	7,500	7,500	7,500
At 31 March 2020	52,500	52,500	52,500	52,500

All intangible fixed assets are used for or to support charitable purposes.

Goodwill of £90,000 arose on the acquisition of contracts on 25 June 2019 from a competitor organisation to supply furniture to customers, predominantly in the Greater Manchester region. This goodwill is amortised over a 2 year period.

## 13 Tangible fixed assets

Group	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Assets Under Construction	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2020	933,193	192,144	226,748	404,050	-	1,756,135
Additions	14,177	122,489	22,391	53,557	125,708	338,322
Disposals	-	(12,527)	(2,337)	-	-	(14,864)
At 31 March 2021	947,370	302,106	246,802	457,607	125,708	2,079,593
<b>Accumulated Depreciation</b>						
At 1 April 2020	800,061	115,567	184,852	317,593	-	1,418,073
Charge for the year	24,705	31,401	30,909	48,053	-	135,068
Disposals	-	(12,114)	(1,542)	-	-	(13,656)
At 31 March 2021	824,766	134,854	214,219	365,646	-	1,539,485
<b>Net book value</b>						
At 31 March 2021	122,604	167,252	32,583	91,961	125,708	540,108
At 31 March 2020	133,132	76,577	41,896	86,457	-	338,062

All tangible fixed assets are used for or to support charitable purposes.

## 13 Tangible fixed assets (continued)

Charity	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Assets Under Construction	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2020	916,095	93,232	208,273	387,819	-	1,605,419
Additions	9,637	126,164	12,066	52,088	125,708	325,663
Disposals	-	-	-	-	-	-
At 31 March 2021	925,732	219,396	220,339	439,907	125,708	1,931,082
<b>Accumulated Depreciation</b>						
At 1 April 2020	796,892	76,751	179,341	309,511	-	1,362,495
Charge for the year	22,780	4,039	25,167	44,434	-	96,420
Disposals	-	-	-	-	-	-
At 31 March 2021	819,672	80,790	204,508	353,945	-	1,458,915
<b>Net book value</b>						
At 31 March 2021	106,060	138,606	15,831	85,962	125,708	472,167
At 31 March 2020	119,203	16,481	28,932	78,308	-	242,924

All tangible fixed assets are used for or to support charitable purposes.



## 14 Stock

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Finished goods	996,342	755,553	992,945	754,764

Stock recognised as an expense in the year for the group was £7,626,843 (2020: £6,984,877) and for the charity was £7,611,725 (2020: £6,984,088).

## 15 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,759,941	2,340,582	2,594,558	2,078,745
Prepayments	234,188	189,215	196,878	160,472
Amounts due from subsidiary undertakings	-	-	175,137	315,149
Other debtors	34,539	23,930	34,537	23,880
	3,028,668	2,553,727	3,001,110	2,578,246

The amount due from subsidiary undertaking includes a balance of £175,137 (2020: £157,369) due from Bulky Bob's Office and Commercial Waste. The balance is due on demand and incurs interest at a rate of 4% per annum, compounded daily. All other amounts due from group undertakings are interest free and due on demand.

The impairment loss recognised in the SOFA for the year in respect of bad and doubtful trade debtors was £nil (2020: £nil).

## 16 Investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash held on deposit	181,793	180,973	181,793	180,973
	181,793	180,973	181,793	180,973

The amount shown under cash held on deposit above relates to cash held in fixed term deposits maturing prior to 31 March 2022.

## 17 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	1,165,179	1,072,731	1,086,196	1,032,138
Amount owed to subsidiary undertaking	-	-	19,152	-
Other taxation and social security	399,786	206,311	363,835	173,045
Other creditors	66,668	127,058	63,154	123,571
CAF Venturesome loan	-	212,503	-	212,503
Accruals and deferred income	337,445	362,414	282,700	284,693
	1,969,078	1,981,017	1,815,037	1,825,950

Loan due after more than one year.

CBILS loan	500,000	-	500,000	-
Amount owed to subsidiary undertaking	-	18,274	-	18,274
CAF Venturesome loan	500,000	18,274	500,000	18,274

The CAF Venturesome loan relates to a loan of £400,000 received from CAF Venturesome on 24 May 2019 in order to fund the acquisition of contracts from a competitor organisation to supply furniture to social landlords in the Greater Manchester region. The loan was repaid in full on 26 August 2020.

The CBILS loan relates to a loan of £500,000 received on 16 December 2020 from the Government's Coronavirus Business Interruption Loan Scheme. Interest is payable on the loan at a rate of 1.88% above base rate with repayments commencing January 2022 and the final repayment being due December 2026. The loan is secured by a fixed and floating charge over the assets of the charity.

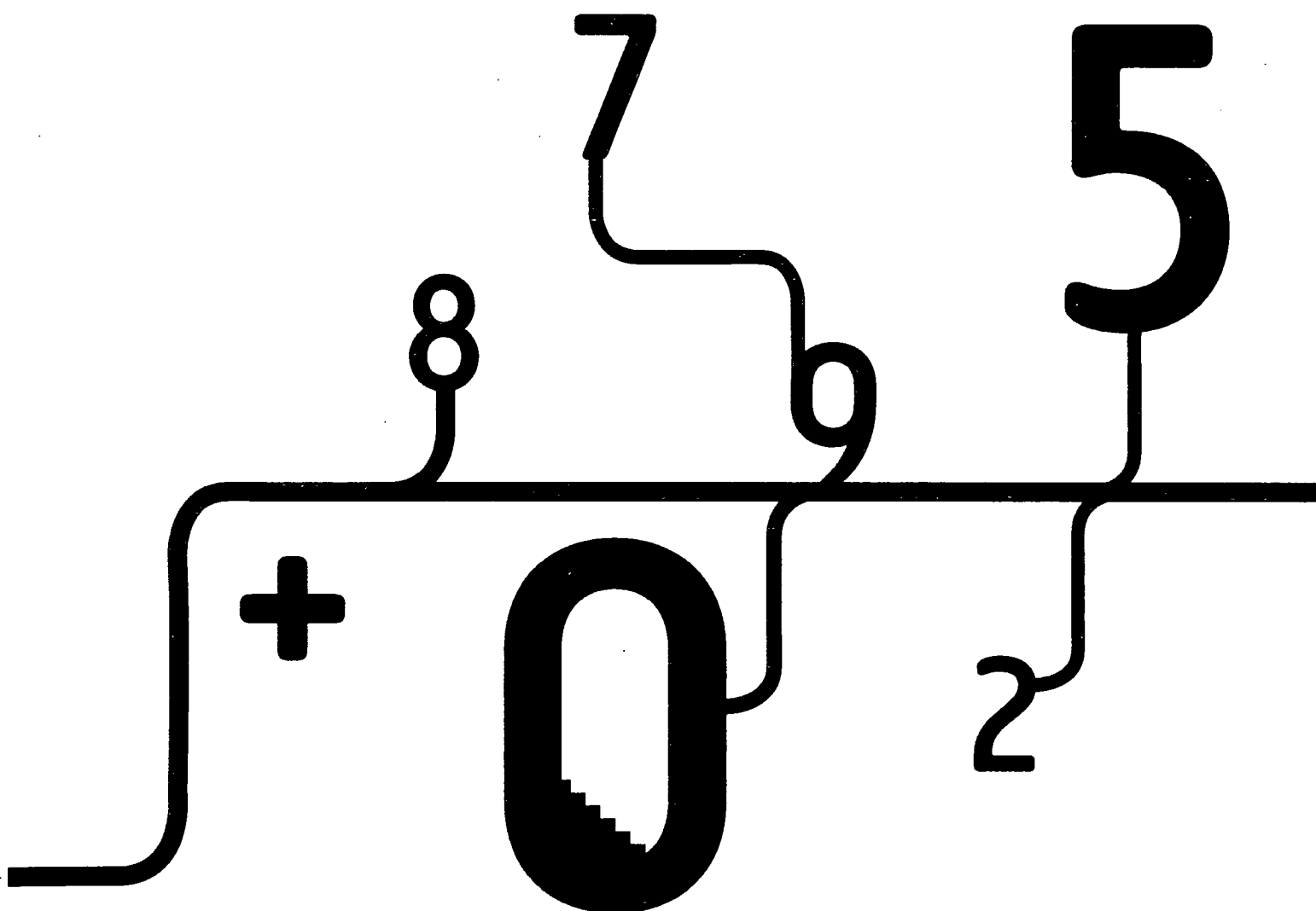
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## 18 Deferred Income

Deferred income comprises income received in advance of delivery of service.

	Group	Charity
	£	£
Balance at 1 April 2020	51,516	-
Amount released to incoming resources	(496,513)	-
Amounts deferred in the year	457,303	-
Balance at 31 March 2021	12,306	-



## 19 Restricted Funds

Group		Balance at 1 April 2020	Movement in resources		Balance at 31 March 2021
			Incoming	Outgoing	
		£	£	£	£
Community Sustainable Energy Programme	(i)	2,256	-	(2,256)	-
Low Carbon Buildings Programme	(i)	4,385	-	(4,385)	-
Foundation	(i)	1,835	-	(1,835)	-
Kickstart	(iii)	-	5,784	(5,784)	-
Liverpool City Council Covid-19 funding	(iv)	-	35,000	(35,000)	-
Wirral Council Covid-19 funding	(iv)	-	10,000	(10,000)	-
Sefton at Work	(iii)	-	(1,228)	1,228	-
Made Smarter Grant	(ii)	2,039	21,564	(14,793)	8,810
Charity shop donation	(v)	-	50	(50)	-
		10,515	71,170	(72,875)	8,810

## 19 Restricted Funds (continued)

Charity		Balance at 1 April 2020	Movement in resources		Balance at 31 March 2021
			Incoming	Outgoing	
		£	£	£	£
Community Sustainable Energy Programme	(i)	2,256	-	(2,256)	-
Low Carbon Buildings Programme	(i)	4,385	-	(4,385)	-
Foundation	(i)	1,835	-	(1,835)	-
Kickstart	(iii)	-	3,806	(3,806)	-
Liverpool City Council Covid-19 funding	(iv)	-	35,000	(35,000)	-
Made Smarter Grant	(ii)	-	12,879	(4,069)	8,810
Charity shop donation	(v)	-	50	(50)	-
		8,476	51,735	(51,401)	8,810

Those funds with balances at 31 March 2021 or 31 March 2020 represent funds received and used for the following purposes.

- (i) Partial funding for solar panels at the property occupied by the charity
- (ii) Funding for the development of mattress cleaning machinery received by Bulky Bob's 2015 but transferred to Furniture Resource Centre Limited on 31 March 2021 along with the mattress cleaning machinery

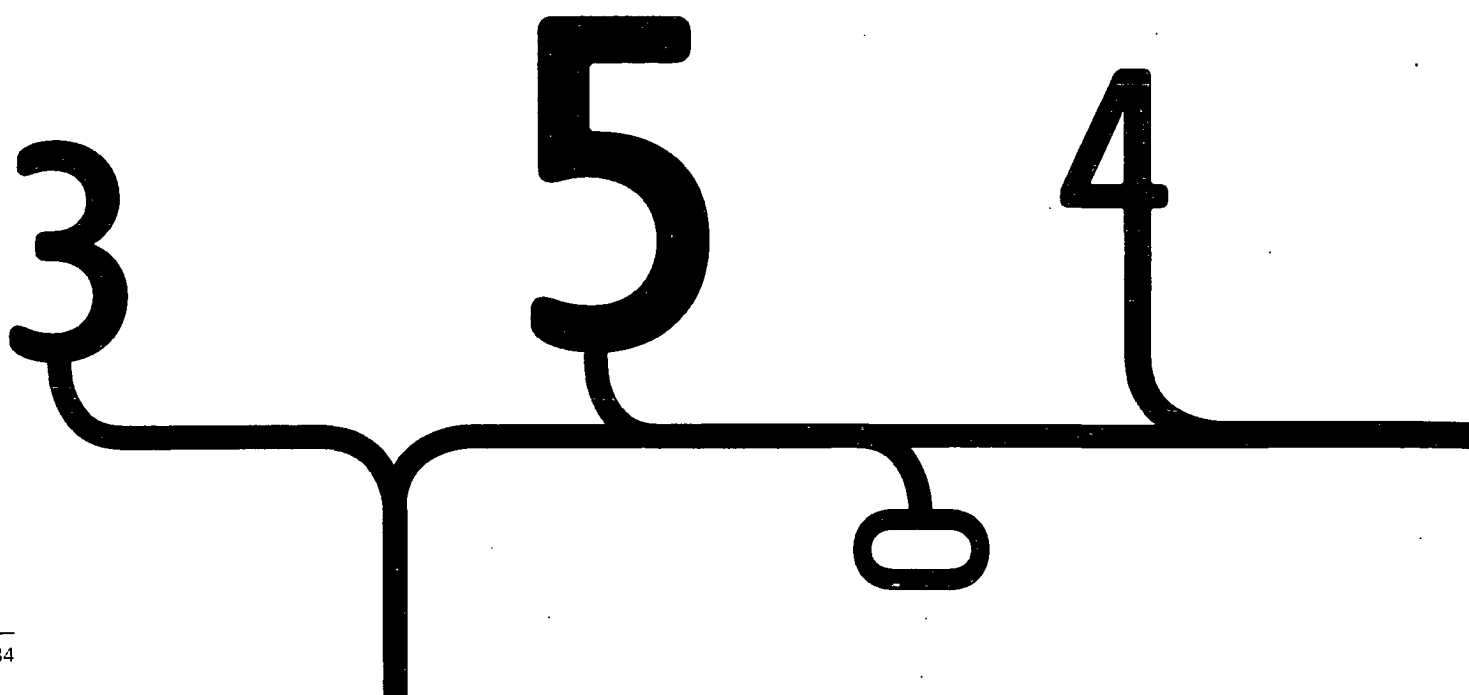
Those funds which were received and defrayed in the year were received for the following purposes.

- (iii) Funding for staff development and training
- (iv) Funding for organisations affected by the Covid-19 pandemic
- (v) Funding for charity shop

## 19 Restricted Funds (continued)

Movement in restricted funds for the year ended 31 March 2020 are shown below.

Group		Balance at 1 April 2019	Movement in resources		Balance at 31 March 2020
			Incoming	Outgoing	
		£	£	£	£
Community Sustainable Energy Programme	(i)	4,701	-	(2,445)	2,256
Low Carbon Buildings Programme	(i)	9,219	-	(4,834)	4,385
Foundation	(i)	3,791	-	(1,956)	1,835
Liverpool City Council – WEEE Local Project Fund	(iv)	11,454	-	(11,454)	-
Sefton at Work	(iii)	-	4,874	(4,874)	-
Knowsley Works	(iii)	-	17,287	(17,287)	-
Liverpool City Council	(iii)	-	28,862	(28,862)	-
Fundraising – Beds for Kids Campaign	(v)	-	150	(150)	-
British Council	(vi)	-	1,000	(1,000)	-
Made Smarter Grant	(ii)	-	3,428	(1,389)	2,039
MRWA Community Fund	(vii)	-	8,000	(8,000)	-
Charity shop donation	(viii)	-	200	(200)	-
		29,165	63,801	(82,451)	10,515



## 19 Restricted Funds (continued)

Movement in restricted funds for the year ended 31 March 2020 are shown below.

Charity		Balance at 1 April 2019	Movement		Balance at 31 March 2020
			Incoming	Outgoing	
		£	£	£	£
Community Sustainable Energy Programme	(i)	4,701	-	(2,445)	2,256
Low Carbon Buildings Programme	(i)	9,219	-	(4,834)	4,385
Foundation	(i)	3,791	-	(1,956)	1,835
Sefton at Work	(iii)	-	3,870	(3,870)	-
Knowsley Works	(iii)	-	6,552	(6,552)	-
Liverpool City Council	(iii)	-	13,903	(13,903)	-
Fundraising – Beds for Kids Campaign	(v)	-	150	(150)	-
British Council	(vi)	-	1,000	(1,000)	-
Charity shop donation	(viii)	-	200	(200)	-
		17,711	25,675	(34,910)	8,476

Those funds with balances at 31 March 2020 or 31 March 2019 represent funds received and used for the following purposes.

- (i) Partial funding for solar panels at property occupied by the charity
- (ii) Funding for development of mattress cleaning machinery

Those funds which were received and defrayed in the year were received for the following purposes.

- (iii) Funding for staff development and training
- (iv) Funding for refurbishment of pre-loved electrical goods
- (v) Funding raised to purchase and deliver beds for children without a bed of their own at Christmas
- (vi) Funding towards attending the Social Enterprise World Forum
- (vii) Funding for development of rug cleaning system
- (viii) Funding for charity shop

## 20 Analysis of net assets between funds

Group	Fixed assets	Net current assets	Creditors falling due after more than one year	2021 Total	Fixed assets (Restated)	Net current assets (Restated)	Creditors falling due after more than one year	2020 Total
	£	£	£	£	£	£	£	£
Restricted funds	8,810	-	-	8,810	10,515	-	-	10,515
Unrestricted funds	538,798	2,822,962	(500,000)	2,861,760	380,047	2,197,094	(18,274)	2,558,867
Net assets	547,608	2,822,962	(500,000)	2,870,570	390,562	2,197,094	(18,274)	2,569,382

The amount of £8,810 (2020: £10,515) included under Restricted Funds represents the following:

	2021 Total	2020 Total
	£	£
Net book value of solar panels, which was funded by grants	-	8,476
Mattress cleaning machinery, which was part-funded by grants	8,810	2,039
Total	8,810	10,515

## 20 Analysis of net assets between funds (continued)

Charity	Fixed assets	Net current assets	Creditors falling due after more than one year	2021 Total	Fixed assets	Net current assets (Restated)	Creditors falling due after more than one year	2020 Total
	£	£	£	£	£	£	£	£
Restricted funds	8,810	-	-	8,810	8,476	-	-	8,476
Unrestricted funds	470,858	2,874,833	(500,000)	2,845,691	286,949	2,271,635	(18,274)	2,540,310
Net assets	479,668	2,874,833	(500,000)	2,854,501	295,425	2,271,635	(18,274)	2,548,786

The amount of £8,810 (2020: £8,476) included under Restricted Funds represents the following:

	2021 Total	2020 Total
	£	£
Net book value of solar panels, which was funded by grants	-	8,476
Mattress cleaning machinery	8,810	-
Total	8,810	8,476

## 21 Commitments

### Operating leases commitments

At 31 March 2021, the commitments under non-cancellable operating leases are as follows:

	Land & buildings	Other	2021 Total	2020 Total
	£	£	£	£
<b>Charity</b>				
Expiry within:				
Under one year	271,703	85,200	356,903	341,979
Two to five years	373,199	38,111	411,310	468,252
Over five years	-	-	-	-
	644,902	123,311	768,213	810,231
<b>Group</b>				
Expiry within:				
Under one year	310,868	137,375	448,243	394,932
Two to five years	393,199	45,120	438,319	520,975
Over five years	-	-	-	-
	704,067	182,495	886,562	915,907

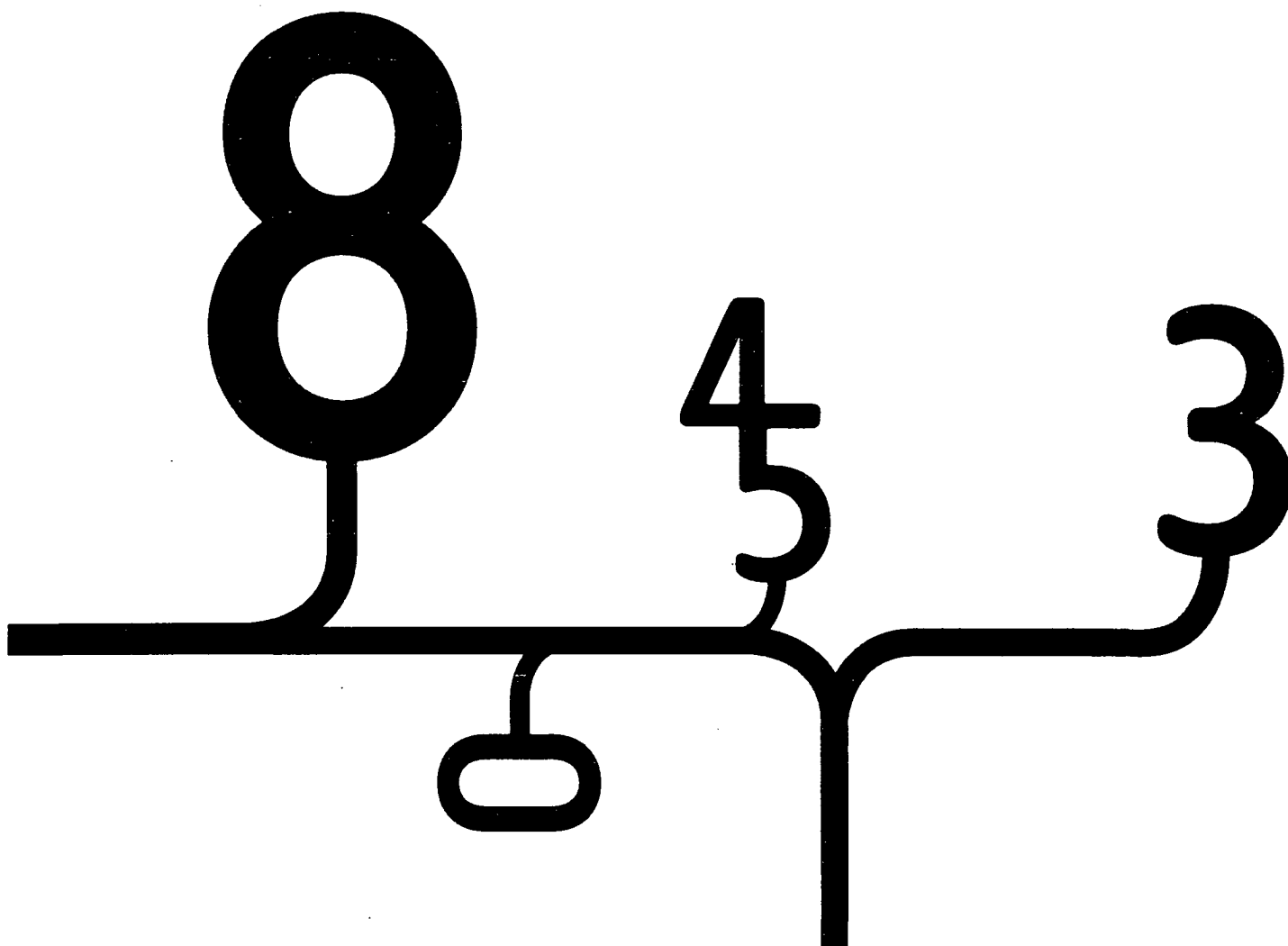


## 22 Pension commitments

The charity and group operates a defined contribution pension scheme which all employees are eligible to join. The assets of the scheme are held separately from those of the charity and group in an independently administered fund. Contributions are paid based upon the recommendations of a qualified actuary. The annual contributions under this scheme were as follows:

	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Pension contributions	124,257	103,536	99,903	86,433

Contributions amounting to £21,437 (2020: £20,615) were payable at the year end and are included in group creditors. Contributions amounting to £18,243 (2020: £17,629) were payable at the year end and are included in charity creditors.



FURNITURE RESOURCE CENTRE LIMITED  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

## 23 Related Parties

### Group Undertakings

In the year ended 31 March 2021, the following transactions took place between Furniture Resource Centre Limited and Bulky Bob's 2015, a charity for which Furniture Resource Centre Limited is the sole member.

#### Transactions from Furniture Resource Centre Limited to Bulky Bob's 2015:

- Recharge for staff costs: £38,825 (2020: £19,806)
- Recharge for shared services: £175,005 (2020: £193,609)
- Recharge for premises costs: £43,164 (2020: £43,164)
- Recharge for logistics costs: £95,541 (2020: £64,300)
- Recharge for general costs: £46,070 (2020: £33,177)
- Recharge for fixed asset purchases: £9,679 (2020: £6,631)
- Recharge for staff training costs: £4,205 (2020: £2,369)
- Donation: £374,000 (2020: £208,500)

#### Transactions from Bulky Bob's 2015 to Furniture Resource Centre Limited:

- Recharge for staff costs: £75,351 (2020: £122,798)
- Recharge for logistics services: £4,896 (2020: £9,125)
- Recharge for general costs: £29,983 (2020: £43,963)
- Recharge for staff training: £140 (2020: £1,350)
- Recharge for premises costs: £1,607 (2020: £314)
- Sale of fixed assets (mattress cleaning machinery): £122,073 (2020: £nil)
- Transfer of balance of Made Smarter Grant for purchase of mattress cleaning machinery: £12,879 (2020: £nil)

The amount owed by Furniture Resource Centre Limited to Bulky Bob's 2015 at 31 March 2021 was £19,152.

At 31 March 2020, Bulky Bob's 2015 owed Furniture Resource Centre Limited £157,780.

In the year ended 31 March 2020, the following transactions took place between Furniture Resource Centre Limited and Bulky Bob's Office and Commercial Waste, a charity for which Furniture Resource Centre Limited is the sole member.

#### Transactions from Furniture Resource Centre Limited to Bulky Bob's Office and Commercial Waste:

- Recharge for staff costs: £34,161 (2020: £13,745)
- Recharge for shared services: £29,188 (2020: £22,642)
- Recharge for premises costs: £nil (2020: £5,004)
- Recharge for logistics costs: £20,524 (2020: £12,731)
- Recharge for general costs: £17,551 (2020: £14,905)
- Recharge for fixed asset purchases: £1,930 (2020: £12,715)
- Recharge for staff training costs: £1,285 (2020: £195)
- Donation: £128,125 (2020: £nil)



## 23 Related Parties (continued)

### Group Undertakings

Transactions from Bulky Bob's Office and Commercial Waste to Furniture Resource Centre Limited:

- Recharge for staff costs: £nil (2020: £7,188)
- Recharge for logistics costs: £9,559 (2020: £7,792)
- Recharge for general costs: £12,653 (2020: £nil)

The amount owed by Bulky Bob's Office and Commercial Waste to Furniture Resource Centre Limited at 31 March 2021 was £175,137 (2020: £157,369).

In the year ended 31 March 2021, the following transactions took place between Bulky Bob's 2015 and Bulky Bob's Office and Commercial Waste. Both companies are charities for which Furniture Resource Centre Limited is the sole member.

Transactions from Bulky Bob's 2015 to Bulky Bob's Office and Commercial Waste:

- Recharge for staff costs: £75,101 (2020: £90,083)
- Recharge for logistics costs: £18,049 (2020: £15,135)
- Recharge for general costs: £33,928 (2020: £27,740)

Transactions from Bulky Bob's Office and Commercial Waste to Bulky Bob's 2015:

- Recharge for staff costs: £1,798 (2020: £1,478)
- Recharge for logistics costs: £3,508 (2020: £1,072)
- Recharge for general costs: £2,018 (2020: £2,066)

The amount owed by Bulky Bob's Office and Commercial Waste to Bulky Bob's 2015 was £3,638 (2020: £6,379).

There were no transactions between Bulky Bob's Limited and Furniture Resource Centre Limited, Bulky Bob's 2015 and Bulky Bob's Office and Commercial Waste in the years ended 31 March 2021 and 31 March 2020. Bulky Bob's Limited is a wholly owned trading subsidiary of Furniture Resource Centre Limited.

During the year, sales of £15,989 (2020: £nil) were made to Gentoo Group Limited, an organisation whose Chief Executive Officer and director is also a trustee of the charity.

## 24 Capital Commitments

There were no capital commitments at 31 March 2021 (2020: £nil).

## 25 Reconciliation of net incoming resources to net cash flow from operating activities

	Group	
	2021	2020
	£	£
Net incoming resources for the year	301,188	338,494
Depreciation and amortisation	180,068	164,878
Loss on disposal of assets	780	51,438
Financial income	(820)	(5,631)
(Increase) in stock	(240,789)	(317,892)
(Increase) in debtors	(474,941)	(32,639)
(Decrease) / increase in creditors	(11,939)	320,017
(Reduction in cash) / cash generated from operations	(246,453)	518,665

## 26 Net Debt Reconciliation

	1 April 2020	Cash Flows	31 March 2021
	£	£	£
Cash at bank and in hand	687,858	(102,621)	585,237
Bank Loans	(230,777)	(269,223)	(500,000)
Net Debt	457,081	(371,844)	85,237

## 27 Post Balance Sheet Events

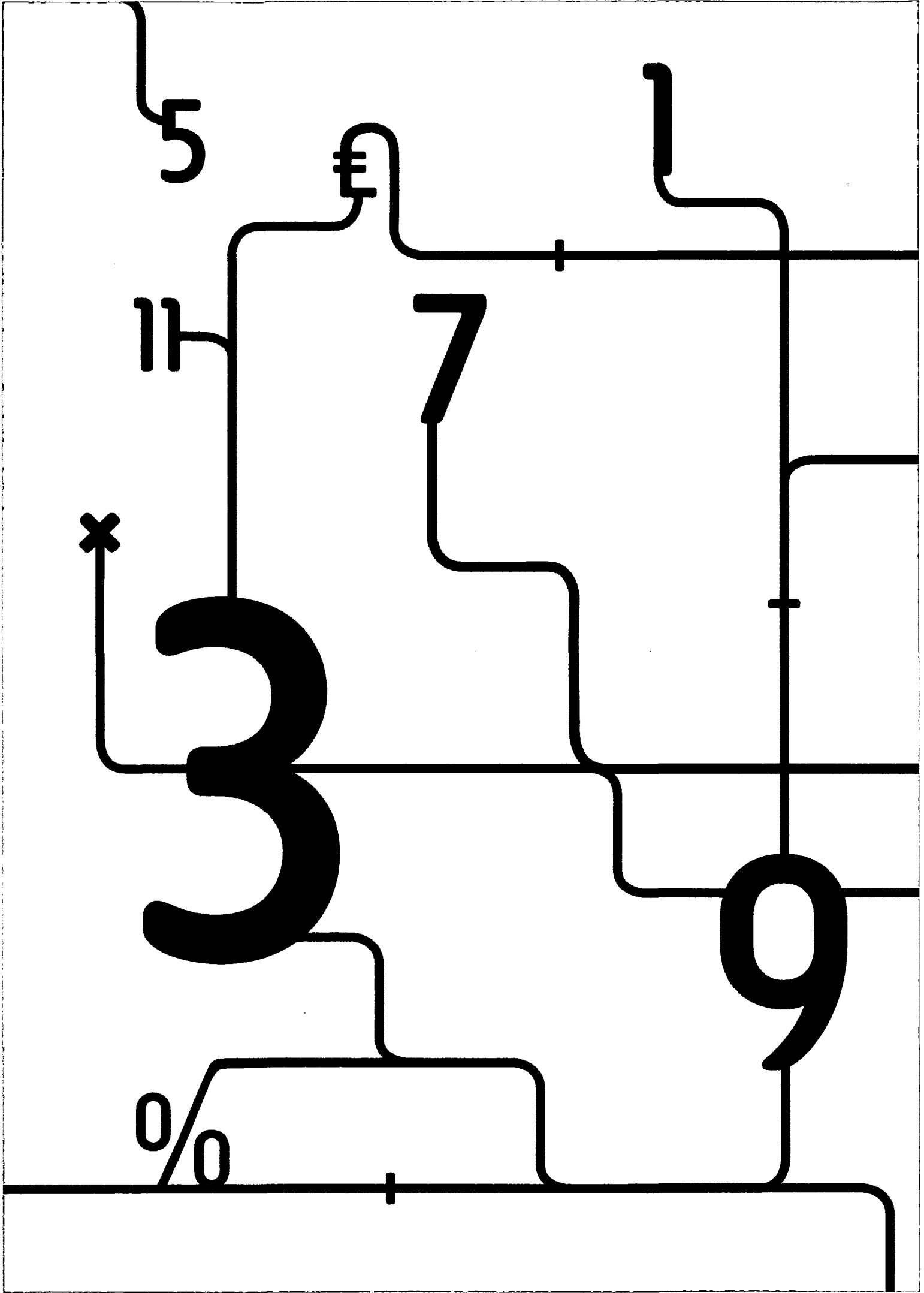
There were no post balance sheet events.

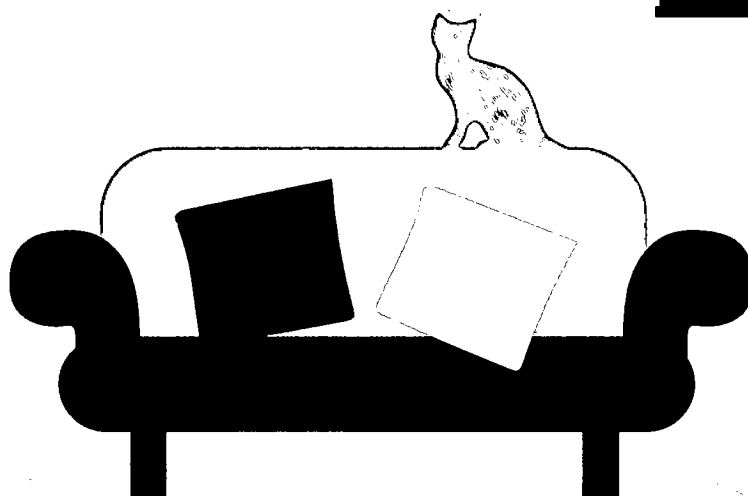
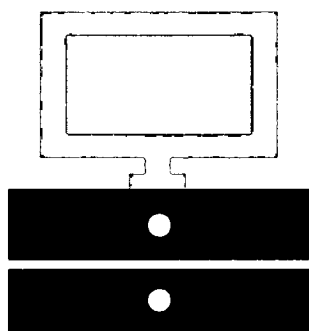
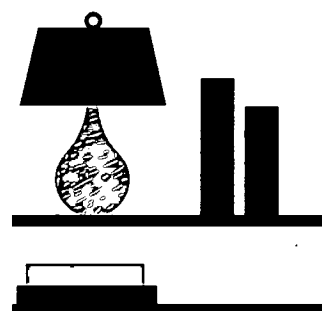
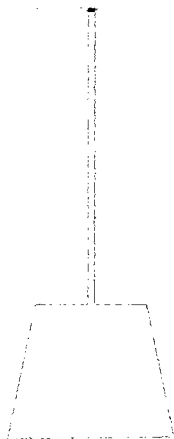
## 28 Ultimate Controlling Party

Furniture Resource Centre Limited has no controlling party.

## 29 Comparative SOFA Information

	Total Unrestricted Funds	Total Restricted Funds	Total Funds 31 March 2020
	£	£	£
<b>Income and endowments from:</b>			
Donations and legacies	-	63,801	63,801
Charitable activities	12,204,288	-	12,204,288
Other trading activities	-	-	-
Investments	5,631	-	5,631
Other	38,634	-	38,634
<b>Total</b>	<b>12,248,553</b>	<b>63,801</b>	<b>12,312,354</b>
<b>Expenditure on:</b>			
Raising funds	-	-	-
Charitable activities	11,891,409	82,491	11,973,860
<b>Total resources expended</b>	<b>11,891,409</b>	<b>82,491</b>	<b>11,973,860</b>
<b>Net resources before transfers</b>	<b>357,144</b>	<b>(18,650)</b>	<b>338,494</b>
<b>Taxation – UK corporation tax</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net incoming / (outgoing) resources</b>	<b>357,144</b>	<b>(18,650)</b>	<b>338,494</b>
<b>Balances brought forward at 1 April</b>	<b>2,201,723</b>	<b>29,165</b>	<b>2,230,888</b>
<b>Balances carried forward at 31 March</b>	<b>2,558,867</b>	<b>10,515</b>	<b>2,569,382</b>





**FRC**  
GROUP

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