

Charity Registration No. 1096086

Company Registration No. 04375649 (England and Wales)

9 LIVES FURNITURE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9 LIVES FURNITURE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Irvin Cohen Rosemary Hadfield M.B.E Dr Christopher Wood Andrew Blatherwick Caroline Jennings David Sharpe Sergio Mussi	(Appointed 3 August 2021)
Chair	Rosemary Hadfield M.B.E	
Treasurer/Secretary	Irvin Cohen	
Manager	Marie Frost	
Charity number	1096086	
Company number	04375649	
Registered office	25 Wharf Lane Rickmansworth Hertfordshire WD3 1HA	
Independent examiner	John Wilson FCA ATII Howard Wilson Chartered Accountants 36 Crown Rise Watford Hertfordshire WD25 0NE	
Bankers	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ	

9 LIVES FURNITURE

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9 LIVES FURNITURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charitable company's objects are to help residents of Watford, Three Rivers and the surrounding areas who are in conditions of need, hardship or distress by the provision of furniture and accessories and to provide vocational training, support and work experience for those who volunteer at the scheme.

The charity aims to achieve these objectives by:

- Collecting good quantity, donated furniture and other household effects which are no longer required by the owners and would otherwise be destined for landfill.
- Displaying furniture and household effects so that people in need can choose from these and have them delivered to their home if desired.
- Recruiting and supporting unemployed volunteers, specifically, but not exclusively, people recovering from mental health problems or who have a learning disability. The volunteers are offered training to enable them to gain confidence and learn skills that will prepare them for work.

We manage the work of the charity as two complementary activities – the furniture recycling showroom (and associated collection and delivery service) and the provision of training courses and work experience. The objectives for each activity for this year were:

Furniture Recycling:

- Increase sales to achieve the aim of making the furniture recycling business self-financing
- Maintain subsidised sales (50%) for those in need at current levels

Training Courses and Work Experience:

- Train students in furniture restoration
- Maintain volunteer programme to fill driver's mate and showroom assistant positions
- Assist 5 students and volunteers to move into further employment or volunteering roles
- Raise grant income to cover the cost of the courses

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

The Trustees have considered the Charity Commission guidance on public benefit. The charity relies on grants and income from furniture sales to cover its operational costs. In setting the level of charges for furniture the Trustees give careful consideration to the accessibility of products for those on low incomes.

9 Lives Furniture has two main areas of activity:

- The collection of donated second-hand furniture and household goods and the sale and delivery of these goods from our Rickmansworth showroom, at 50% discount to those in need and at full price to the general public.
- Providing training and work experience to unemployed adults, including those with a learning disability or recovering from mental ill health. Training courses are provided in furniture restoration (in the workshop) and many volunteering / work experience roles (in the showroom), as drivers or driver's mates on the delivery van, in the office and in the workshop.

As well as the furniture restoration course, we also have a weekly volunteers' day in our workshop, where previous students and other volunteers upcycle items of donated furniture to sell in the showroom.

9 LIVES FURNITURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Our volunteers as always have been superb. Unfortunately due to several of our volunteers being extremely vulnerable some have not yet been able to return due to Covid.

Our special thanks go to:

- Administration: Diane Back and Sue Oakley.
- Craft Group: Mary Jones.
- Drivers' Mates: Quentin Cobham, Greg Hirst, David Sharpe, and Andrew Blatherwick.
- Showroom: Steph Busby, Ed Stanley, Wendy Rennoldson, Anne Thorniley, Catharine Payne, Ann Graham, Annette Timms, Ian Wyatt, Anne-Marie Duran and Andrew Thorniley.
- Refurbishment: Phillip Silverton, Nicola Dunlin and John Riding.

We do have a bank of 30 volunteers (excluding the trustees"), not all have been able to return due to Covid restrictions.

All of the Trustees have also worked in the showroom this year.

Our volunteers work unstintingly for the benefit of the charity, helping with furniture removal, administration, working in the showroom, furniture restoration and cleaning. The Trustees too are volunteers and our thanks go to them, who so ably lead the organisation, and to all those who donate household goods.

Achievements and performance

2020/21 for the charity has been a very unsettled period due to the Covid situation. The business had to officially close in line with government guidelines three times over the year. Staff were furloughed three times. The Charity paid 100% of the staff wages for the 1st two periods of lockdown. Between January 2021 and April 2021 the Charity paid 80% of staff wages. In addition we have received government /local authority funding as ongoing support.

The number of donors of furniture was obviously well down as we only traded for 23 weeks and with Covid restrictions preventing us from collecting any furniture only 363 pieces were donated over the year.

Grant income allowed us to continue our popular training course one day a week for students with learning disabilities or recovering from mental ill health. Since we started to provide training courses at 9 Lives Furniture over 534 students have attended the courses we offer. Due to Covid the courses had to cease each time the charity had to lockdown creating a lot of disruption to students. 4 students attended courses this year. This means that we have been unable to train as many people as we had expected, but we are grateful that our funders have been so sympathetic to us. Despite the issues being faced, our restoration group did, however, meet.

We have a second supervised workshop day where volunteers work on upcycling furniture to be sold in the showroom.

9 LIVES FURNITURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

We continue to promote the charity's activities through:

- Facebook,
- Instagram
- Twitter
- Website
- Selling of chalk paints

In terms of volunteers:

- We continue to offer Duke of Edinburgh scheme placements for students.
- We continue to benefit from new volunteers who assist in the showroom.

We are grateful for grants and donations this year from:

- HDH Wills Trust
- Albert Hunt Trust
- Soufer Trust
- Government Covid funding
- Douglas Arter Foundation
- W3RT
- Watford Community Housing
- Garfield Weston
- Co-Operative Community Fund
- Neighbourly Trust
- Beatrice Laing

Waste reduction

The collection and provision of furniture continues to keep large bulky items out of landfill. This year over 944 items of furniture and over 1000 small household items – equating to over 10,834 tonnes - were diverted from landfill, providing much needed support to households in need.

Premises

The premises comply with the Disability Discrimination Act and the building has access to the ground and first floor for wheelchair users. We also have portable hearing loops and visual aids.

We earned a small amount of interest on the funds held on deposit.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

A summary of the charity's financial position is attached.

Our sources of income are as follows:

- Sales of donated goods, including discounted sales for those in need and increased charges for upcycled furniture
- Grants and donations
- Furniture delivery charges (we do not charge for collection)
- Gift Aid on the sales of donated goods
- Bank interest

Key areas of expenditure are:

- Rent and running costs for the furniture showroom, workshop and offices (all in the same building) to provide premises for the display and purchase of furniture, workshop for the training courses and volunteering opportunities
- Salaries and staff costs for the full time manager, part time showroom team leaders, tutors and driver to run the work of the charity
- Van running costs to operate the collection and delivery service
- Professional costs – preparation of the accounts
- Marketing costs – ongoing publicity to promote the work of the charity and attract customers to the showroom
- Purchasing paint for resale in the shop

Covid-19

9 Lives Furniture, along with all other non-essential retailers, had to close our shop for the duration of the lockdown. This meant that we only had 23 weeks of trading available during the period. This was done, in line with Government Guidance, for the safety of customers and our staff.

In addition, the charity was able to qualify for and be subsidised by the Government's Job Retention Scheme for all staff who had to be were furloughed.

Whilst this was a difficult time for all our staff and volunteers, many of whom rely on 9 Lives for their social interaction, Marie Frost and the staff have done an amazing job planning and preparing for the re-openings Covid measures have been put in place to enable 9 Lives to open and the shop to trade safely: hand sanitiser at the entrance, a one way system for customer flow, fewer people allowed in the shop at one time, screens at the till and card transactions only with no cash. The collection and delivery van was suspended for the initial period after opening as it was deemed not safe for staff and volunteers to enter people's houses and handle furniture that may carry the virus. We promoted our re-opening and initially had a surge in donations as people had been clearing their houses during lockdown but a booking system was implemented and any stock donated quarantined for 48 hours before being handled by staff or put on sale.

The financial implications of the shut down were very serious for 9 Lives and the Trustees had to look very closely at our financial situation to ensure we were able to continue to survive and then reopen to trade again. We reduced all non-essential costs, received a small reduction in rent for the period, and a lot of work has gone into raising donations from trusts, companies, local and national government to enable the charity to stay solvent and look to the future. We thank all our funders for their invaluable support without which we would not have survived. We know from the local authority that the need for 9 Lives is greater than ever with more families facing financial hardship with unemployment rising and no or reduced income for many with companies closed. It has also been a very difficult time for people with learning difficulties and mental ill health where they are more vulnerable at times like this.

9 Lives has survived thanks to our funding support and are now looking to the future in the shop, training more people with learning difficulties and mental illness and helping people responsibly dispose of unwanted pre-loved furniture.

9 LIVES FURNITURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

During the year the Trustees have considered what the charity's reserves are, in line with the Charity Commission Guidelines. The Trustees set a policy that reflects the need to maintain current operations whilst providing for future commitments.

It is the policy of the charity that unrestricted funds, which have not been designated for a specific use, should be maintained at a sufficient level to pay off staff and settle the rent to the break point in the lease.

The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in sales income and/or funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The level of reserves is monitored and reviewed four times a year.

Reserves that are not required for day to day activities are held in a separate interest bearing bank account.

During the year the Manager and Trustees have continued to assess the major risks to which the charity is exposed and have ensured systems are in place to mitigate exposure to the major risks.

The Trustees have no plans to make significant changes to the activities of the charity. Our focus for the foreseeable future is on rebuilding the level of furniture sales and securing grant funding for the training courses.

We aim to achieve this through:

- continued promotion of activities, including promoting the Emporium through homes and interiors magazines and local publications, websites and social media
- continuing to build our online / social media activity including selling items online
- flash sales to help maintain a reasonable turnover of stock
- fundraising programme to generate funding for our training courses
- continue to follow Covid 19 guidelines set by the Government

Structure, governance and management

9 Lives Furniture is a Registered Charity and a company limited by guarantee.

The Trustees, who are also the directors for the purpose of company law, who served during the year were:

Irvin Cohen

Rosemary Hadfield M.B.E

Jonathan Monk

(Resigned 8 June 2021)

Dr Christopher Wood

Andrew Blatherwick

Caroline Jennings

David Sharpe

Sergio Mussi

(Appointed 3 August 2021)

An application form to join the board of the 9 Lives Furniture is available for potential Trustees/directors. The board reviews this and potential candidates are invited to the premises in Rickmansworth for a full overview of the running of the scheme. All Trustees, who are also directors, are volunteers and unpaid.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

There is an annual business planning/training meeting for all Trustees and staff. Vacancies are advertised through the local Councils for Voluntary Services and in the local paper. Induction training (including working in the showroom) is given by the Chair and the staff to ensure a thorough understanding of the organisation. In addition, training on the role and responsibilities of a Trustee is available.

9 LIVES FURNITURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The charity has a Management Committee of eight (at the date of this report, we have seven) Trustees all of whom are volunteers. At any one time there are a minimum of three Trustees with no maximum. At each Annual General Meeting (AGM) any Trustee who has served for three years must retire from office but may offer themselves for re-election together with any new Trustees who have been co-opted by the Trustees since the last AGM. The Trustees delegate the day to day running of the charitable company's operations to the Manager.

Staffing is as follows:

- Manager (full time): Marie Frost
- Team Leaders (part time – run the showroom, manage collection and delivery service and showroom volunteers): Mel Griffiths, Jan Barber
- Drivers (part time – drive the van for the collection and delivery service and manage driver's mates): Alan Storer
- Tutor: Marie Frost

9 Lives Furniture is a member of the Furniture Re-Use Network - sharing best practice with other furniture re-cycling charities

Our manager also maintains relationships with a wide range and variety of organisations, including:

- Local voluntary services network – W3RT
- Recycling – WasteAware.
- Referrals of students and volunteers – Mencap, New Hope Trust, Northwick Day Centre, Ascend, Watford Community Mental Health Team, self referral.
- Referrals of customers in need – Citizens' Advice Bureaux, HertsHelp, Thrive Homes, Watford Community Housing, Paradigm Housing, self referral, Community Mental health team, Keyworkers.

The Trustees' report was approved by the Board of Trustees.

Rosemary Hadfield M.B.E

Trustee

Dated: 2 October 2021

9 LIVES FURNITURE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of 9 Lives Furniture for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9 LIVES FURNITURE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF 9 LIVES FURNITURE

I report to the Trustees on my examination of the financial statements of 9 Lives Furniture (the charitable company) for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

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

Independent examiner's statement

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

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

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

John Wilson FCA ATII

Howard Wilson Chartered Accountants
36 Crown Rise
Watford
Hertfordshire
WD25 0NE

Dated: 2 October 2021

9 LIVES FURNITURE

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

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income and endowments from:							
Donations and legacies	3	104,032	8,020	112,052	17,937	13,875	31,812
Charitable activities	4	42,828	-	42,828	73,479	-	73,479
Investments	5	28	-	28	103	-	103
Other income	6	270	-	270	361	-	361
Total income		147,158	8,020	155,178	91,880	13,875	105,755
Expenditure on:							
Raising funds	7	-	-	-	634	-	634
Charitable activities	8	78,615	30,701	109,316	80,529	32,922	113,451
Total resources expended		78,615	30,701	109,316	81,163	32,922	114,085
Net incoming/(outgoing) resources before transfers		68,543	(22,681)	45,862	10,717	(19,047)	(8,330)
Gross transfers between funds		(14,931)	14,931	-	(4,036)	4,036	-
Net income/(expenditure) for the year/ Net movement in funds		53,612	(7,750)	45,862	6,681	(15,011)	(8,330)
Fund balances at 1 April 2020		85,164	11,345	96,509	78,483	26,356	104,839
Fund balances at 31 March 2021		138,776	3,595	142,371	85,164	11,345	96,509

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		-		8,000
Current assets					
Stocks	13	1,753		669	
Debtors	14	9,452		13,098	
Cash at bank and in hand		134,374		87,957	
		<u>145,579</u>		<u>101,724</u>	
Creditors: amounts falling due within one year	15	<u>(3,208)</u>		<u>(13,215)</u>	
Net current assets			142,371		88,509
Total assets less current liabilities			<u>142,371</u>		<u>96,509</u>
Income funds					
Restricted funds	17		3,595		11,345
Unrestricted funds			138,776		85,164
			<u>142,371</u>		<u>96,509</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 2 October 2021

Irvin Cohen
Trustee

Rosemary Hadfield M.B.E
Trustee

Company Registration No. 04375649

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

9 Lives Furniture is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Wharf Lane, Rickmansworth, Hertfordshire, WD3 1HA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "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)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Transfers between funds are used where there is an overspend on a particular fund beyond the amount originally funded where the charity has agreed to meet the costs from its unrestricted funds, or where the conditions relevant to the fund have been met and it has previously been agreed with the funder that any remaining funds can be retained by the charity towards its charitable activities.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Assets given for use by the charitable company are recognised when receivable.

Income from the sale of donated goods are accounted for when earned. The value represents the transactional price of the items sold.

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit or independent examination fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	over period of lease
Computers	25% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	11,159	-	11,159	10,941	-	10,941
Grants	92,873	8,020	100,893	6,996	13,875	20,871
	<u>104,032</u>	<u>8,020</u>	<u>112,052</u>	<u>17,937</u>	<u>13,875</u>	<u>31,812</u>
Donations and gifts						
Donations and legacies	4,711	-	4,711	2,033	-	2,033
Gift Aid receivable	6,448	-	6,448	8,261	-	8,261
Fundraising	-	-	-	647	-	647
	<u>11,159</u>	<u>-</u>	<u>11,159</u>	<u>10,941</u>	<u>-</u>	<u>10,941</u>

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

(Continued)

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Grants receivable for core activities						
Three Rivers DC	25,000	-	25,000	-	-	-
Souter Trust	3,000	-	3,000	-	-	-
Lottery Fund	10,000	-	10,000	-	-	-
Garfield Weston	10,000	-	10,000	-	-	-
Watford & Three Rivers Trust	1,520	-	1,520	-	-	-
HMRC grant	35,304	-	35,304	3,446	-	3,446
Hertfordshire Community Foundation	-	-	-	-	4,875	4,875
The Edward Gostling Foundation	-	-	-	-	2,500	2,500
Beatrice Laing	2,500	3,000	5,500	-	3,000	3,000
Other	5,549	5,020	10,569	3,550	3,500	7,050
	<u>92,873</u>	<u>8,020</u>	<u>100,893</u>	<u>6,996</u>	<u>13,875</u>	<u>20,871</u>

Included in 2020/21 other grants received are Albert Hunt Trust, Watford Community Housing and Neighbourly Trust.

4 Charitable activities

	2021 £	2020 £
Sales of donated and refurbished furniture	<u>42,828</u>	<u>73,479</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	<u>28</u>	<u>103</u>

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other Income	270	361
	<u>270</u>	<u>361</u>

7 Raising funds

	Total	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Advertising	-	634
	<u>-</u>	<u>634</u>
	<u>-</u>	<u>634</u>

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

	2021 £	2020 £
Staff costs	48,175	52,516
Depreciation and impairment	8,000	8,000
Other staff costs	-	180
Premises costs	30,249	32,704
Insurance	2,736	2,799
Repairs and maintenance	1,258	1,646
Office costs	1,992	2,716
Volunteer costs	52	557
Motor expenses	3,033	3,915
General expenses	281	618
Legal and professional	259	278
Accountancy fees	773	773
Other finance costs	1,227	974
Purchases	10,081	4,575

108,116 112,251

Governance costs - Independent Examiner's Fee 1,200 1,200

109,316 113,451

Fees paid to the Independent Examiner are in respect of examination services.

Analysis by fund

Unrestricted funds	78,615
Restricted funds	30,701
	109,316

For the year ended 31 March 2020

Unrestricted funds	80,529
Restricted funds	32,922
	113,451

9 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	8,000	8,000

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Direct charitable work	4	4
Management and administration	1	1
	<u>5</u>	<u>5</u>

Employment costs

	2021 £	2020 £
Wages and salaries	46,664	50,966
Social security costs	-	39
Other pension costs	1,511	1,511
	<u>48,175</u>	<u>52,516</u>

There were no employees whose annual remuneration was £60,000 or more.

12 Tangible fixed assets

	Leasehold land and buildings	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	29,851	21,635	32,000	83,486
At 31 March 2021	<u>29,851</u>	<u>21,635</u>	<u>32,000</u>	<u>83,486</u>
Depreciation and impairment				
At 1 April 2020	29,851	21,635	24,000	75,486
Depreciation charged in the year	-	-	8,000	8,000
At 31 March 2021	<u>29,851</u>	<u>21,635</u>	<u>32,000</u>	<u>83,486</u>
Carrying amount				
At 31 March 2021	-	-	-	-
At 31 March 2020	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>8,000</u>

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,753	669
	<u>1,753</u>	<u>669</u>

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	-	3,454
Prepayments and accrued income	9,452	9,644
	<u>9,452</u>	<u>13,098</u>

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		341	575
Deferred income	16	-	10,000
Other creditors		227	-
Accruals and deferred income		2,640	2,640
		<u>3,208</u>	<u>13,215</u>

16 Deferred income

	2021 £	2020 £
Other deferred income	-	10,000
	<u>-</u>	<u>10,000</u>

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £
Equipment Fund	1,000	-	-	-	1,000	-	-	-
Lottery Fund	7,353	-	(4,758)	-	2,595	-	-	-
Repairs Fund	1,000	-	(1,015)	15	-	-	-	-
Training Fund	-	13,875	(15,125)	1,250	-	6,500	(16,628)	10,128
Van	15,500	-	(7,750)	-	7,750	-	(7,750)	-
Drivers costs Fund	1,503	-	(4,274)	2,771	-	-	(4,803)	4,803
Staff wages fund	-	-	-	-	-	1,520	(1,520)	-
	26,356	13,875	(32,922)	4,036	11,345	8,020	(30,701)	14,931
								3,595

The Equipment Fund was established from donations received to meet the costs of equipment for the office and warehouse.

The Training Fund was established from donations and grants received in order to cost the cost of training courses, in particular furniture refurbishment.

9 LIVES FURNITURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible assets	-	-	-	250	7,750	8,000
Current assets/(liabilities)	138,776	3,595	142,371	78,950	9,559	88,509
	<u>138,776</u>	<u>3,595</u>	<u>142,371</u>	<u>79,200</u>	<u>17,309</u>	<u>96,509</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.