

FRC GROUP

INTEGRATED REPORT:
SOCIAL AND
FINANCIAL VALUE
2013-14



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Cover image shows Alan Scott, a Launch Pad participant gaining experience using a fork lift truck

WELCOME

It is my pleasure to welcome you to this our first integrated report covering both the financial performance and the corresponding social value that we have created during 2013/14. Bringing these two 'bottom lines' together in our external report gives our stakeholders the panoramic view of these issues that we use to manage performance internally. Reporting in this way has been an ambition for several years and we have work in progress to continue to improve the level of detail that we are able to use and report in future years.

2013/14 has been a very busy year for everyone. FRC Group celebrated its 25th year in fitting style. Our longstanding social businesses have produced our highest turnover for 12 years and everyone at FRC Group has worked hard to bring our businesses back to profit – with negligible grant funding. At the same time we have created more social value in our social programmes – such as improving the number of Launch Padders who achieve their goals to 94% and donating 'pre-loved' furniture free of charge to a record 928 families.

While all of this has been going on we have also been hard at work developing our next venture, a social enterprise that will launch in 2014/15 and disrupt the 'rent to own' market for furniture and appliances. Social value and financial returns are intrinsically linked in our new business and I look forward to sharing our first results with you in our next report.

Special thanks must go to two prestigious institutions that have supported FRC Group this year by seconding experts in their fields to work with us. Both Lloyds Banking Group and Liverpool John Moores' University have made lasting strategic contributions to FRC Group's future development and we are grateful for their commitment and passion for the social change we create.

Shaun Doran, FRC Group Chief Executive

ACKNOWLEDGEMENTS

Our heartfelt thanks to all the people who have played a part in producing this report:

All the people who make FRC Group a great place to work; our staff, trainees, Launch Pad participants and volunteers, including our board of trustees.

All the people who collect and analyse the data in the report, particularly Helen White, Shirley Spofforth, Mick Hart, Laura Squires, Tony Rowan, Collette Williams, Luke Rice, Jenny Scully, Colin Davies, Tommy Fisher, Joan Stockton, Claire Donovan, Janet Baker, Kerry Ratcliffe, Tom Aitken, and Carol Cassidy.

BDO LLP who assured the report. BDO's statements can be found on pages 55 to 56 and 62 to 63.

Archetype who designed the report.

Deana Kay who took the photographs.

Special thanks go to Adam Richards, FRC Group's Interim Impact Manager who compiled the data, wrote the social value aspects and integrated the report in May 2014.

COMPANY INFORMATION



Company Number	2296329 (England and Wales)
Charity Number	700731
Directors	G J Morris E Bichard C Watson J Vernon J Hines J Nicholls L Dixon (Appointed 24 April 2013)
Secretary	A Rowan
Chief Executive	S Doran
Registered office	Atlantic Way Brunswick Business Park Liverpool L3 4BE
Bankers	The Co-operative Bank plc 3rd Floor PO Box 101 1 Balloon Street Manchester M60 4EP
Auditors	BDO LLP Chartered Accountants 3 Hardman Street Spinningfields Manchester M3 3AT
Solicitors	Brabners Horton House Exchange Flags Liverpool L2 3YL

DIRECTOR'S REPORT

The Directors present their report and consolidated financial statements for the year ended 31 March 2014. Detailed financial accounts can be found from page 58.

OUR AIMS, OBJECTIVES AND ACTIVITIES



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

- To relieve, either generally or individually, persons who are in conditions of need, hardship or distress by the provision of furniture and other household accessories calculated to reduce the need, hardship or distress of such persons.
- To advance education and relieve need by providing or assisting in the provision of training and by providing guidance for such people as are in need calculated to enable them to earn their own living.
- To promote any charitable purpose for the benefit of the public and in particular the advancement of education and training, the relief of poverty, distress and sickness and charitable purposes connected with the improvement of the environment.

The aims of the charity are to improve the lives of economically disadvantaged and socially excluded people, through the provision of decent quality furniture to improve living conditions, and through the recruitment and training of long term unemployed individuals, in order to assist them into finding sustainable employment. It is also intended to continually reduce the damage to the environment by increasing the reuse and recycling of bulky household waste. The aims fully reflect the purposes that the charity was set up to further.

FRC Group's mission is "to run businesses to create profits and opportunities to change the lives of people in poverty and unemployment". We want to be Great for People by getting good quality furniture to people who need it, and by creating training

and work experience opportunities for long-term unemployed people and socially excluded groups.

The social business brands within FRC Group are;

Furniture Resource Centre (FRC) is a "One-Stop Service" selling furniture, appliances, carpets, window coverings, small electrical and starter packs (bedding, crockery etc). Its customers provide furnished accommodation for people who need furniture to make their house into a home. Customers include Housing Associations, local authorities, charities, private care homes and construction companies. Delivering to customers throughout the UK, Furniture Resource Centre provides a seamless project management service from interior design and product specification to delivery and installation, and finally the removal and recycling of packaging and any old furniture / appliances being replaced. The products supplied through Furniture Resource Centre are brand new, contract standard items, which furnish properties of all shapes and sizes from individual tenancies, through to shared living sites such as sheltered accommodation units.

Bulky Bob's is a collection, reuse and recycling service for domestic bulky household waste. Operating contracts for local authorities, the items collected from householders are predominantly furniture that is no longer wanted. The Bulky Bob's model maximises the volume of items that are reused and recycled, to prevent good quality items and useful materials from going into landfill.

Bulky Bob's Furniture World is the part of Bulky Bob's which sells good quality 'pre-loved' furniture. Bulky Bob's Furniture World is a high street store in Liverpool, and in Oldham it is located in the depot near the town centre. In

both Liverpool and Oldham, Bulky Bob's Furniture World is also taken out 'on the road' when 'pre-loved' furniture is taken out to community venues. The aim is to reuse as many of the items collected though Bulky Bob's as possible. Everyone is welcome to shop at Bulky Bob's Furniture World, and low-income households are encouraged through a pricing structure which offers them discounts. Donations of furniture are also provided to those people referred by a trusted partner such as a local authority, or the Citizen's Advice Bureau. These packages are provided to those in crisis situations whereby no other support is available to them.

Ensuring our work delivers our aims

We monitor our activities and outcomes throughout the year to ensure that our work is creating benefits for our stakeholders – the people who matter to FRC and to whom FRC matters. This approach not only keeps us focussed on our stated purpose, but also considers whether we are creating as much social and financial value through our activities as we can. We review our financial and social performance each quarter, and the annual results are published in this report which includes both financial statements and social value data – both quantitative and qualitative.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Achievements and Performance - How our activities deliver public benefit

All FRC Group's charitable activities focus on the provision of furniture and the provision and advancement of training and education, and are undertaken to further the charitable purpose for the public benefit. The following sections of this report outline the reasons for integrating the financial and social accounts, highlights the methodology, and explain the main activities and stakeholders of FRC Group affected.

WHY PRODUCE AN INTERGRATED REPORT?

Furniture Resource Centre is a social business and registered charity and is the parent company in the group of businesses known collectively as FRC Group. As such, social purpose is at the heart of everything it does. The social mission is to run businesses that create profits and opportunities to improve the lives of people living in poverty and unemployment.

The Group have always had confidence in the fact that social value is created, but there is also the belief that there is a need to measure and communicate those things that are considered important. FRC Group has reported on its social impacts for over a decade, and is proud of its reputation of being an organisation that leads in the measurement of social impacts.

It is not just about externally demonstrating successes. There is also the need to be honest and transparent, demonstrating strengths, and areas for improvement. It is also about making things better, and by measuring social impacts, performance has been improved. This has ultimately delivered more social value to key stakeholders.

It is part of the Group's culture to keep

pushing to improve the understanding of impacts and value, so this year the decision was taken to fully integrate the financial and social accounts. This is a brave decision, and demonstrates the commitment to delivering social and financial value through FRC Group's social businesses.

What is Material Social Impact at FRC Group? What is Material to our Stakeholders?

Material social value, or what is important to FRC Group and its stakeholders, is about being clear that some issues are more significant than others. This is based on their level of importance to stakeholders and to FRC Group, the link to FRC Group's social mission and the relationship we have to stakeholders. By applying a judgement about how important the issues are, and considering how important they are to our key stakeholders (as defined in our stakeholder engagement policy on pages 44 to 49) and our social mission, we are able to determine what is material. Our reporting focusses on the material issues linked to our business activities and social purpose as defined by our stakeholders. This assessment of materiality results in a report which devotes most coverage to issues such as providing furniture to low-income families and training for long-term unemployed people which are the issues at the heart of our social mission and are also most relevant to our key stakeholder groups. Hence we report on the outcomes achieved by our trainees, the availability of furniture and who it goes to, and the satisfaction levels of furniture recipients. This illustration summarises FRC Group's approach to each of the AA1000 AS (2008) principles.

Materiality - deciding what is important to both FRC Group and our stakeholders

- Maintaining overall focus on the social mission "to run businesses that create profits and opportunities to change the lives of people living in poverty and unemployment";
- Formalised systems of governance that ensure social value is embedded within the organisation. Achieved through Board's formal Social Value sub-committee, and each level of FRC Group;
- Social Value metrics allow measurement and comparison of social and financial impacts;
- By asking stakeholders what matters most to them.

Inclusivity - including stakeholders to understand their views and take them into account

- Material stakeholders engaged with through annual schedule of stakeholder engagement. Priority of stakeholders defined by:
 - The significance of the role FRC Group's work has in their lives;
 - How the groups relate to FRC Groups' charitable objectives or to how we do business;
 - The practicality of, and resources involved in engaging with them;
- Honest, two-way communication with all organisational members.

Responsiveness - responding to our key stakeholders through our decisions, actions and performance, as well as how we communicate with stakeholders

- Closeness to stakeholders allows for quick decisions to manage social and financial impacts;
- Use of social value measurement systems to maximise social returns;
- Publication of audited reports demonstrating our accountability and performance;
- Continued stakeholder engagement with key stakeholders to ensure FRC Group remains responsive to their needs.

Methodology

The timescale of this report matches the dates of the financial year, covering 1 April 2013 to 31 March 2014. It brings together the data gathered throughout the year to understand the financial performance and social impacts created.

Qualitative and quantitative information is collected from all parts of the organisation and feedback is gathered from the people who matter to FRC Group and to whom FRC Group matters – the stakeholders. For full details of the stakeholder consultation carried out this year see, page 50.

Financial elements within 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 AA1000 AS (2008), those of inclusivity, materiality and responsiveness. FRC Group has consistently applied external standards to social value measurement as it provides additional validity and trust in the processes undertaken. The approach to measurement of performance is embedded at all levels of FRC Group. At the top, the Board has a formal sub-committee on Social Value, which reports at each Board meeting about the results achieved and opportunities for improvement. Senior managers are all expected to report quarterly on social and financial performance indicators and each team of staff is involved in some way in data collection, analysis and reporting. By integrating this work into all levels, FRC Group is demonstrating a commitment to proving the value created, and that improving performance is a permanent feature of the Group's approach to business. You don't just have to take their word for it, the reports have been independently audited, and there is a large debt of gratitude to Adrian Henriques for all of his hard work over the years. Adrian has worked with FRC Group to ensure that what is claimed can always be supported by robust systems and processes. Without him, FRC Group would not be at the current stage of measuring and

reporting, where this year it is able to present a fully integrated report that is independently audited by BDO, and assurance has been provided.

The report is published on FRC Group's website www.frcgroup.co.uk which provides a wide range of contextual information about the work conducted. All previous stand alone social value reports are on the 'Proving It' page of the website.

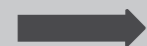
To show how the performance in this report compares with targets and priorities for the year, these symbols are used to indicate:

Statement of Compliance

The Directors who were in office at the date of approval of the financial statements and Director's report confirm that the information provided within the Director's report relevant to social value performance meets the principles of inclusivity, materiality and responsiveness per AA1000 AS.



= Met or exceeded target



= Made some progress but still aim for more. For numerical targets, this symbol indicates achievement of at least 90% of the performance target



= Missed the mark and will plan to improve performance

Where there was no specific target these symbols are used to show how performance compares with previous years



= Equalled, or improved on the previous year's performance



= Achieved at least 90% of the previous year's performance



= Missed the mark and will plan to improve performance



= Data assured (see page 55 for more detail)

FRC GROUP'S STAKEHOLDERS – the people we matter to and who matter to us



Stakeholders are all the people who matter to FRC Group and the people that FRC Group matters to.

Great for People

The key stakeholders are the targets of the overriding social mission, namely those people living in poverty and unemployment.

- Driving Change trainees – previously long-term unemployed people on training programmes
- "Launch Padders" – unemployed people with little or no work experience, people with disabilities, or ex-offenders seeking meaningful community activity on the Launch Pad programme
- Bulky Bob's Furniture World customers receiving discounts – people in receipt of benefits, pensioners, students, and people referred from other support agencies
- People referred to Bulky Bob's Furniture World in Liverpool and Oldham for free of charge furniture donations in crisis situations
- Tenants of Housing Associations, sheltered properties, and forms of emergency accommodation that FRC Group delivers furniture packages to
- The people who benefit from the work of the furniture reuse charities we work with – Bulky Bob's has relationships with other furniture and appliance reusers to ensure that as many of the reusable items as possible are made available to people who need them.

There are also stakeholder groups that are more aligned with how FRC Group does business. In our operations we want to be:

- **Great for the Planet** by managing businesses to reduce environmental harm
- **A Great Place to Work** by listening to what employees say about working at FRC Group, and creating an environment in which people can develop their personal and professional skills
- **Great to do Business with** by providing first class service to all customers, asking for feedback from suppliers and customers, and acting on the information they provide.

Our stakeholders related to these themes are:

Great for the Planet

- People living locally to where FRC Group operations are working – general public affected by local environmental impact from vehicles, buildings, and operations, and from reuse and recycling activities
- The global community and future generations – everyone is affected by the global environmental impacts of the business.

A Great Place to Work

- Staff – permanent employees of FRC Group
- Trainees – people employed on fixed term training contracts on the Driving Change programme
- Launch Padders - people working

on a voluntary basis or taking part in an unpaid work placement

- Trustees – voluntary Board members who provide governance for FRC Group.

Great to do Business with

- Furniture Resource Centre customers – the Housing Associations and other customers who buy furniture and related items
- Bulky Bob's customers – the local authorities that contract FRC Group to provide collection, reuse and recycling services for furniture and white goods
- The householders who receive the Bulky Bob's collection service in Liverpool, Oldham and Warrington
- Bulky Bob's Furniture World customers – all the people who shop in Bulky Bob's Furniture World
- Suppliers – the companies who supply FRC Group with goods and services
- The other furniture reuse charities that Bulky Bob's works with by supplying them with reusable items
- Funders and supporters of FRC Group – the organisations who provide funding, advice, corporate engagement and pro bono support to FRC Group.

FRC Group's Stakeholder Engagement Policy on pages 44 to 49 describes in detail the relationships with different groups of stakeholders, and identifies how engagement with different groups of stakeholder is prioritised. A summary of the stakeholders engagement carried out this year is on pages 50 to 53.

OVERVIEW OF 2013-14

2013/14 was a year of positive financial performance, increasing understanding of social impacts, and the continued development of new business opportunities. The board of trustees, management, staff, trainees and placements have all worked hard throughout the year to contribute to an organisation that is reporting strong profitability, and received Social Enterprise UK's Social Impact Champion 2013 Award.

Across the social enterprise sector, there are more and more examples of social businesses delivering at least double bottom line performance, and their resilience during recent tough economic times is well documented (see for example, Social Enterprise UK's State of the Social Enterprise Sector Survey, 2013). It is hoped that the Public Services (Social Value) Act 2012 will start to provide even greater opportunities for businesses such as FRC Group to further demonstrate the ability to provide positive social and financial value. Currently, it remains to be seen as to the extent of the Act, but FRC Group will continue to work with partners to deliver excellent services that are financially sustainable and create positive social impacts for key stakeholders.

This was one of FRC Group's best years ever in terms of financial performance. The Group's reliance on grant funding has over the last three years steadily reduced to its current level of only 3.1% of total revenue. Despite this reduction in funding, FRC Group's revenue is this year at its highest for a number of years at £5,353,301, and its surplus before corporation tax increased to £457,651. FRC Group is a group of social businesses and as such social impacts must remain at the heart of activities. It is therefore essential to ensure that activities contribute to the social mission, and the increase in surplus creates an increase in social value where applicable.

Social value and how to measure and use that information remains a priority at FRC Group. As a social business, there is a responsibility to make decisions that are guided by both social and financial impacts. The Social Value Board sub-committee has continued to meet frequently to ensure that activities remain true to the values, and continue to be able to demonstrate strong commitment to social value creation. With the commitment of the Board and members of staff, FRC Group are now at a stage where formal approaches to measuring and reporting the social value of various activities are embedded and decisions are informed by social metrics.

During the year, when it became clear FRC Group would be returning increased surplus, the commitment to social value was again demonstrated by holding a 'Social Value Dragons Den.' This event saw three pitches to the Board, all to increase social value in different business areas. All three pitches were so strong that resources were made available to support each proposal. This resulted in a further 2 Driving Change training positions being created, 1 Launch Padder being provided with extended fork-lift truck training (with at least 3 more next year), and promotional materials will be developed for the "Furnishing Homes, Furnishing Lives" campaign.

Furniture Resource Centre's sales team have successfully capitalised on the focus on deeper relationships with social housing groups, and sales have significantly increased on previous years' performance. After a particularly challenging previous year resulting in a re-structuring of FRC's team, it was rewarding to re-employ three members of the team that had been made redundant in the previous year. In total FRC made 6,420 deliveries of furniture throughout the year, which is an amazing increase of 89% to 2012/13 (3,389). ▲

As part of the "Furnishing Homes, Furnishing Lives" campaign, the FRC team held two conferences to inform housing providers of the benefits of offering their tenants a furnished property. The focus of the first conference was an opportunities in Merseyside for existing and potential customers, and the second targeted national housing organisations. At these events, the FRC team presented advice and assistance, ran workshops and invited specialist guest speakers to provide information on specialist areas such as revenue maximisation, housing benefit eligibility, and the impact of welfare reform on Housing Associations and their tenants.

Following on from the conferences, FRC has, by identifying both the financial and social returns to customers and their tenants, worked in partnership with one Housing Association to extend their large-scale furnished tenancy scheme by offering this valuable service to other Housing Associations. A further new Housing Association customer has also been secured, and their large-scale furnished tenancy programme commenced in April 2014.

In April 2013 the Discretionary Social Fund, administered by the DWP was replaced by discretionary localised provision, as part of the 2010 Government White Paper 'Universal Credit: welfare that works.' This was identified by FRC Group as an opportunity to further address the social aims by combining professional credibility and high service standards to deliver a tailored response to meet the needs of those in greatest need of furniture. From September 2013, working with Liverpool City Council (LCC), FRC Group has delivered furniture packages to those in crisis as part of the Liverpool Citizens Support Scheme. As a result 337 packages of furniture have been delivered on behalf of LCC, and similarly in Oldham working with the Metropolitan Borough Council, 135



furniture packages have been delivered to people in crisis through the Local Welfare Provision programme.

Bulky Bob's has continued to see a reduction in the quantity and quality of items collected that are suitable for selling through Bulky Bob's Furniture World. However, Bulky Bob's "On the Road" events have ensured that people in greatest need of furniture continue to be reached, by taking furniture to community events. In total, Bulky Bob's operations have completed over 50,000 collections of unwanted furniture and appliances from people's homes. Striving to reuse and recycle as much of the material as possible, in total 2,093 tonnes of furniture and appliances were diverted from landfill. Overall, although collections and the total tonnage diverted from landfill have reduced slightly, the percentage of collected waste that is diverted from landfill has improved as increasing ways to reuse and recycle the items are developed.

FRC Group has continued to invest in the programmes that have a meaningful difference in people's lives. The Driving Change programme has seen 15 trainees receive salaried twelve-month on the job training, and 178 people have participated in the Launch Pad programme. The timing of the next recruitment onto the programme meant that only two trainees left the Driving Change programme during the reporting period. The Driving Change trainees who had started during 2012/13. Of the two trainees that did leave us in the year having completed the programme, one was successful in securing sustainable employment.









This year saw some big changes to Bulky Bob's Furniture World store on London Road, Liverpool. Long serving members of staff Colin Davies and Tommy Fisher both retired with 25 and 13 years service respectively. Everyone at FRC Group wishes them both all of the best

for the future and they left large shoes to fill. However, Joan Stockton, the new store manager, along with her team are more than up to the challenge.

The high-street retail offer that will be launched in 2014/15 has continued to be developed. With significant support from Lloyds Banking Group and supported by other members of staff, the work of the Interim Managing Director and Commercial Director has secured the support of significant financial partners. The completed business plan is ambitious and achievable, and is forecasted to deliver significant social value and sustainable financial performance, in line with FRC Group's underlying social aims and objectives. Increasing profit has not been, and will not be at the expense of social value. In fact, FRC Group have worked hard to ensure that increases in profit stimulate even greater social returns.

FRC Group Performance 2013-14






The table below provides a summary of some areas of key performance. The financial results will be discussed in greater detail from page 58, although an overview of our financial performance, information surrounding permanent staff and carbon footprint are discussed later in this section.

	INCOME £000 	% INCOME FROM GRANTS 	% INCOME FROM SALES 	SURPLUS / DEFICIT FOR THE YEAR £000 	AVERAGE NUMBER OF EMPLOYEES 	CARBON FOOTPRINT (CO ₂ EQUIVALENT EMISSIONS IN TONNES) 
09/10	5177	3.8	96.2	5	86	344
10/11	5031	7.7	92.3	120	92	307
11/12	4718	2.7	97.3	(264)	85	294
12/13	3969	2.2	97.8	(214)	75	210 
13/14	5353	3.1	96.9	458	70	194 

Performance Staff Team

This year three people rejoined FRC Group's permanent staff team after leaving as part of last year's redundancies. Additionally, two other people joined the permanent team as an IT systems administrator and store manager for Bulky Bob's Furniture World (Liverpool) were employed. Two people left FRC Group's permanent staff team, both retiring after valued long service. FRC Group conducts exit interviews with people when they leave to collect their views on the organisation as an employer. This year, exit interviews were carried out with both people that left, and they provided positive feedback about FRC Group as an employer.

As part of FRC Group's culture, it is ensured that the views of staff are heard and management communicate openly and honestly. As well as regular 'Low-downs,' where the chief executive and other members of the senior management team provide a review to all staff, colleague of the month and Values Awards are used to share success and communicate with members of the Group. This year the staff survey was repeated, inviting all permanent staff members to participate. 41 members of the permanent team responded to the questionnaire, which based on the 45 members at the time of surveying is a response rate of 91%. Overall the responses are very positive and are compared to 2012/13 alongside.

- 40 out of 41 (98%) staff members say they know what is expected of them at work (2012/13, 100%) 
- 35 out of 41 (85%) say they have the materials and equipment needed to do their job (2012/13, 91%) 
- 30 out of 41 (73%) say they have the opportunity to do what they do best every day (2012/13, 89%) 
Only 1 member of staff responding that they have no such opportunities
- 36 out of 41 (88%) say they have friends at work (2012/13, 88%) 
- 28 out of 40 (70%) say their co-workers are committed to doing quality work (2012/13, 88%) 

Although the results from this year are slightly lower than last year, the reasons why are fully understandable. Following on from the redundancy process, most people in the business had to carry out their duties in a slightly different way, due to losing a team member. This is reflected in the scores, which are lower, but still show overall positive results. The People and Learning Manager will be working towards ensuring these scores remain high, and that people are settled and understand their roles. This year, will see the reintroduction of birthdays meals (staff meal together with CEO in their birthday month) as a way of allowing staff and senior

managers to spend quality time together in an informal and relaxed atmosphere. This investment has been invaluable in the past as it encourages team building and friendships across the different layers and functions of the business. Culture is crucial to delivering positive social change and doing business in the way it is intended. Core values – Bravery, Creativity, Passion and Professionalism – are FRC Group's beliefs in action. They are visible in the behaviour of employees and how the business acts. The values are used to attract, recruit and reward staff; and these values are

evident in the business decisions made by our Board, chief executive and senior management team. Every year FRC Group celebrate with staff and reward those colleagues that best demonstrate the values in their work. This year the awards went to Philip Atkinson (Passion), James Frost (Professionalism), Michael Owen (Bravery) and Verity Timmins (Creativity). The employee of the year was Laura Squires, our Management Accountant. The Head of Finance highlighted why Laura was a deserving winner;

“During a year of difficulty for many departments in the company, the [work of the] Finance department has been especially challenging. Laura displays a courage and hardworking attitude which instils confidence in her team. She has been brave to face the challenges head on.

Laura’s department has gone through so much change in the last 6 months. Laura has had to see colleagues and friends leave. During this period her responsibilities have increased, which she does in less time. Laura is always so professional in every aspect of her job and is a valued member of her team. Laura deserves this as she is one of the most professional employees at FRC.”

Carbon Footprint

FRC Group has an Environmental Management System to control the environmental impacts of its business activities. The most significant aspects the system controls are the carbon footprint of the vehicle fleet and premises, waste and recycling and the impacts of the supply chain of FRC.

FRC Group’s carbon footprint is calculated from the use of gas and electricity in buildings and the use of fuel by the vehicle fleet. Standard carbon conversion factors published by Defra in the Environmental Reporting Guidelines, updated most recently in 2013¹ are used to calculate the environmental impacts.

FRC Group’s overall carbon footprint was equivalent to 194 tonnes, and in order to compare this to previous years, 2012/13 results were converted to the most recent conversion rates. This indicated that like-for-like there was a reduction of 13 tonnes of CO₂ emissions. ▲

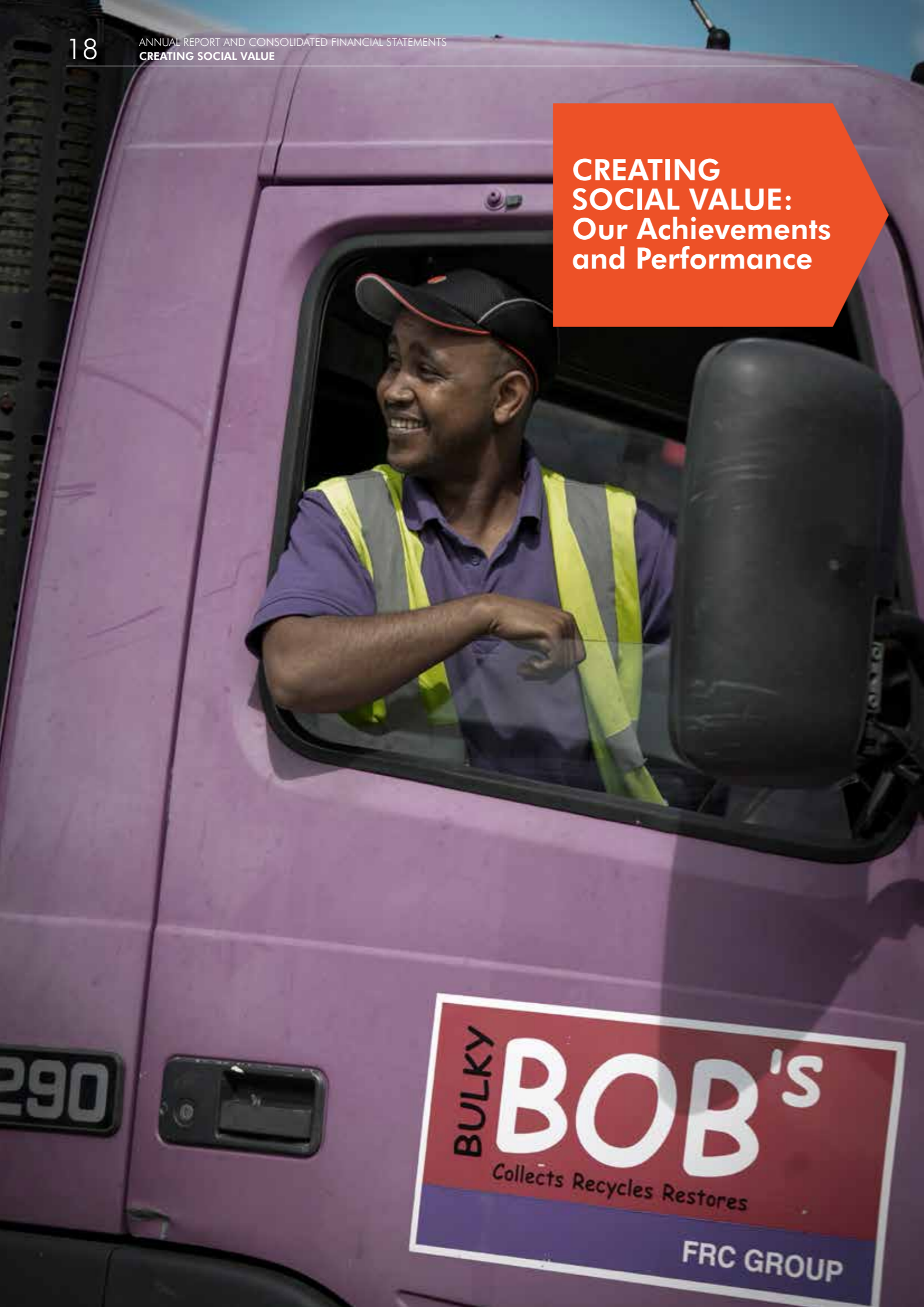
Use of the “Cloud” IT system continues to help FRC Group manage energy use, with reductions in the amount of electricity sourced from the grid reducing year on year. ▲ Also, the solar panel system, whilst not as productive as 2012/13, still generated 40% of energy needs as it did last year, ▲ and saved over 7 tonnes of CO₂ emissions. ▼

Health & Safety

Health and safety is taken seriously by FRC Group and it is important for all stakeholders; staff, trainees, Launch Padders, customers, suppliers and the general public. This year saw 45 accidents in total, down from 62 in 2012/13. ▲ Unfortunately, the number of serious accidents (those classed as RIDDOR reportable) increased from 5 in 2012/13 to 7 in 2013/14. ▼ As a result of the accidents it has been ensured that all necessary processes were reviewed and risk assessments updated, and in some cases staff members have been retrained to help avoid these occurring again in the future.

¹ <http://www.ukconversionfactorscarbonsmart.co.uk/>





**CREATING SOCIAL VALUE:
Our Achievements
and Performance**

The following sections of this report provide a detailed discussion of the different activities of FRC Group that contribute to the social aims and objectives. The first section; Furnishing Homes: Great for People Living in Poverty, outlines activities to ensure that those in greatest need are able to access good quality furniture. The second section; Great for Unemployed People, highlights the work with long-term unemployed people and those excluded from the job market. Wherever possible quantitative results have been provided to support the statements, and honest comparison to the previous year's performance is made to understand how the impact has changed over the years.

FURNISHING HOMES: Great for People Living in Poverty



Helping low-income families to furnish their homes to a good standard was the original social purpose of Furniture Resource Centre when it began operating as a group of volunteers in 1988. This remains at the very centre of FRC Group today, although both the scale and style of the work to achieve this has changed significantly.

Within FRC Group, it is Bulky Bob's and specifically Bulky Bob's Furniture World retail operations that work primarily to achieve this social goal of getting much needed furniture directly to low-income families. This chapter explains how this is done, current and historic performance, and plans for the future. It also considers the important role of the Furniture Resource Centre business in getting furniture to people living in poverty via customers such as Housing Associations and sheltered accommodation providers.

In Oldham and Liverpool, Bulky Bob's donates and sells furniture to low-income families through its Bulky Bob's Furniture World operations. In Liverpool, Bulky Bob's Furniture World is a city centre store located in an area of the city that attracts many low-income shoppers. In Oldham, Bulky Bob's Furniture World is co-located with our main Bulky Bob's operation on a trading park just a few minutes walk from the town centre. In both locations, Bulky Bob's is open to customers to browse the stock of pre-loved furniture that is available for purchase, and to be donated to those people who are eligible.

Bulky Bob's Furniture World is a place where anybody is very welcome to shop. The stores target low-income customers through the pricing strategy, rather than by excluding higher-income shoppers. In contrast to some charities, which run second hand furniture shops to raise as much money as possible for their cause, Bulky Bob's Furniture World achieves its social purpose by selling the furniture at low prices. These low prices are available to any shopper, but discounts are offered to attract specific low-income groups, of 10% and 20% off standard prices, as well as free delivery to those receiving the 20% discounts.

Bulky Bob's Furniture World offers people in the most urgent need a free pre-loved furniture package which is donated and delivered at no cost to the individual. To reach these people, Bulky Bob's takes referrals from a growing

range of trusted referral partners. These are frontline organisations working with people in difficult circumstances. Typical circumstances in which someone would receive a 'crisis package' might be a family that have fled from a domestic violence situation, someone who has been living in furnished hostel accommodation and is now able to move into an independent property but does not have the means to buy the furniture they need, or someone without insurance who has lost their belongings in a fire.

This rapid response service is designed to help people avoid getting into punitive debts by using either loan sharks or 'pay-weekly' furniture stores. Bulky Bob's donates a package of items suited to the individuals or family. This is done through the use of a voucher which people can take to Bulky Bob's Furniture World to use as 'payment' for their goods. The voucher has no financial value, but it allows people to visit the store, select suitable items from the pre-loved furniture available and have a normal shopping experience.

This year, Bulky Bob's has been successful in raising funds to support the donations of furniture through our crisis support scheme. In total, Bulky Bob's Furniture World in Liverpool and Oldham has donated furniture which could have earned more than £50,000 in sales income had it been sold rather than donated. In Oldham this year a project was also piloted in partnership with Greater Manchester Waste to divert unsold donations to charity shops away from landfill. This involved

providing small items free of charge to customers when they visited the store, and again helped to further address the aim of providing people with low-incomes with improved opportunities to turn their house into a home. FRC Group received contributions from two supportive funders. In Liverpool, the Merseyside Recycling and Waste Authority (MRWA) gave £20,000 through its Community Fund and the JP Getty Foundation, for the second consecutive year provided funding of £10,000.

As a result of continuing uncertain times and the levels of low incomes continuing to stagnate locally and nationally, people are replacing their furniture less often. As a result, there has been a reduction in the quantity and quality of pre-loved furniture donated, and a reduction in the number of customers using Bulky Bob's Furniture World stores over recent years. However, regardless of income, FRC Group believes that everyone has the right to purchase good quality items to help furnish their home, and despite these challenging times, Bulky Bob's Furniture World continues to provide the people of Liverpool and Oldham on low-incomes with good quality furniture.

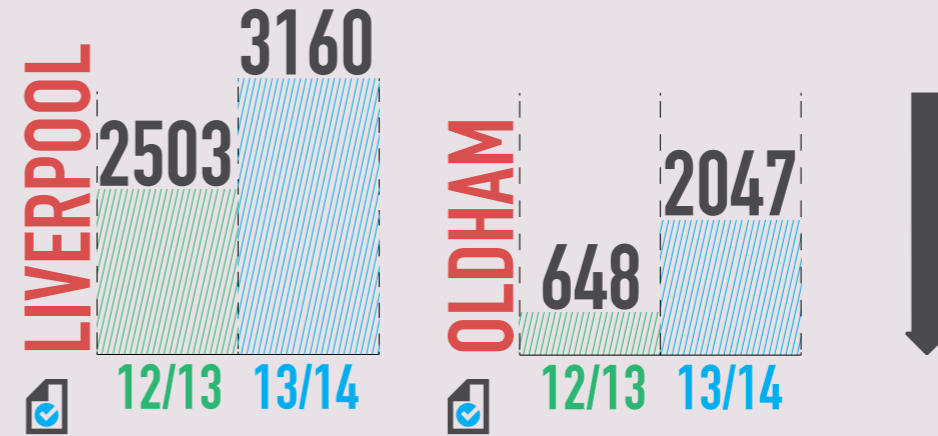
In 2013/14 90% (↑) of shoppers at Bulky Bob's Furniture World received some form of discount (✓), which is a slight increase from the previous year, and demonstrates a consistency in the targeting of those in greatest need of furniture. In recent years there has also been a decline of those customers that receive the 20% in-store discount after referral by a trusted referral agent. The drop in customers receiving the 20% discount has however been compensated through efforts with Liverpool City Council and their Liverpool Citizens Support Scheme (LCSS), and Oldham Metropolitan Borough Council's Local Welfare Provision scheme. Providing new furniture to those in need via contracts with local authorities has significantly increased the number of items that have been donated to people free of charge. In addition to providing new furniture packages to those individuals and families referred as part of the local authority schemes, each customer was also provided with a voucher entitling

them to a further three small essential pre-loved furniture items. In Liverpool alone, free furniture was delivered to 858 people (✓), which is almost double the previous year's performance, and is something to be incredibly proud of.

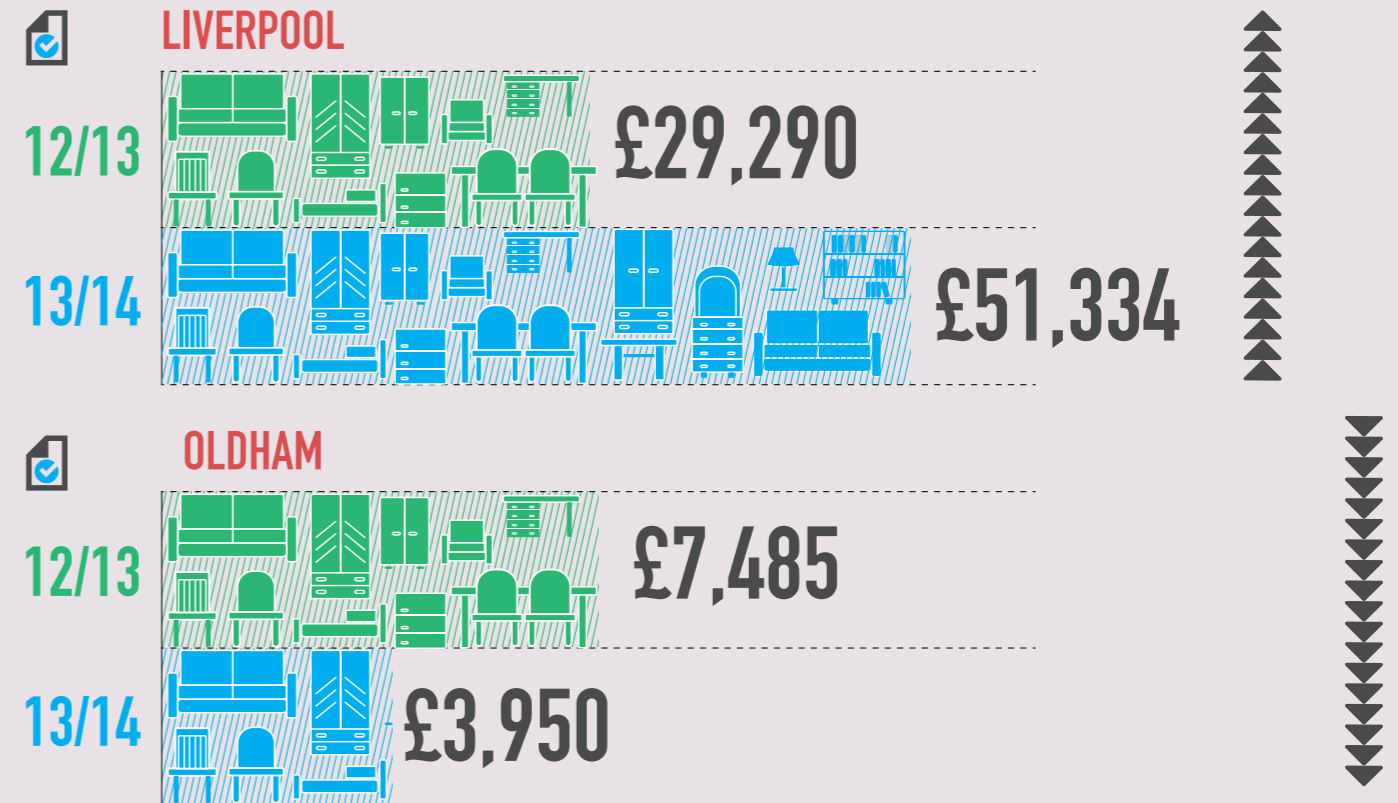
Last year it was reported that there had been an increase in the number of shoppers at Bulky Bob's Furniture World who were not classed within the "low-income" shopper categories. This year the number has remained static and accounts for 10% of the customer base. Although there are some customers that are traders/landlords, or others looking for a bargain, it is a firm belief that a significant majority of those customers that do not receive any in-store discount could still be considered low income individuals and families.

THE YEAR IN FIGURES

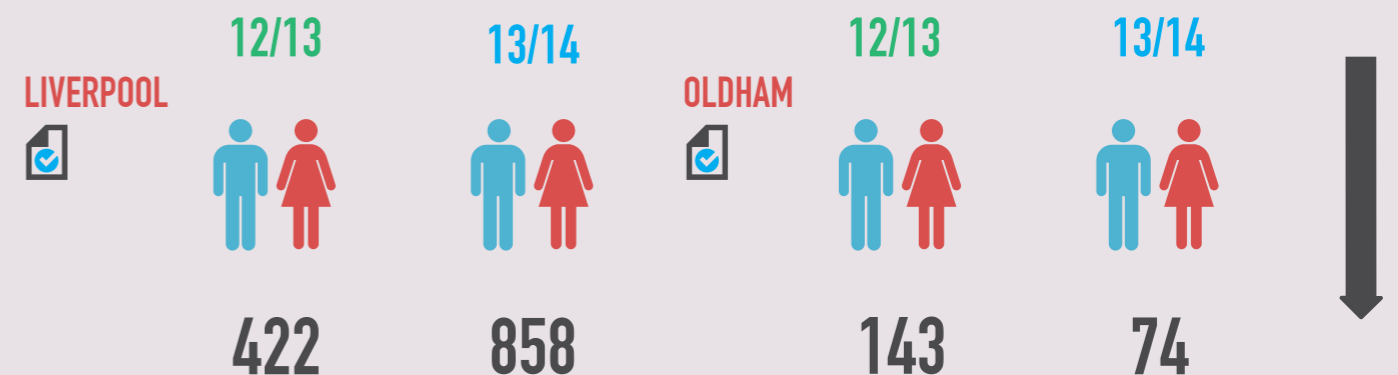
NUMBER OF SALES OF PRE-LOVED FURNITURE MADE TO BULKY BOB'S FURNITURE WORLD CUSTOMERS



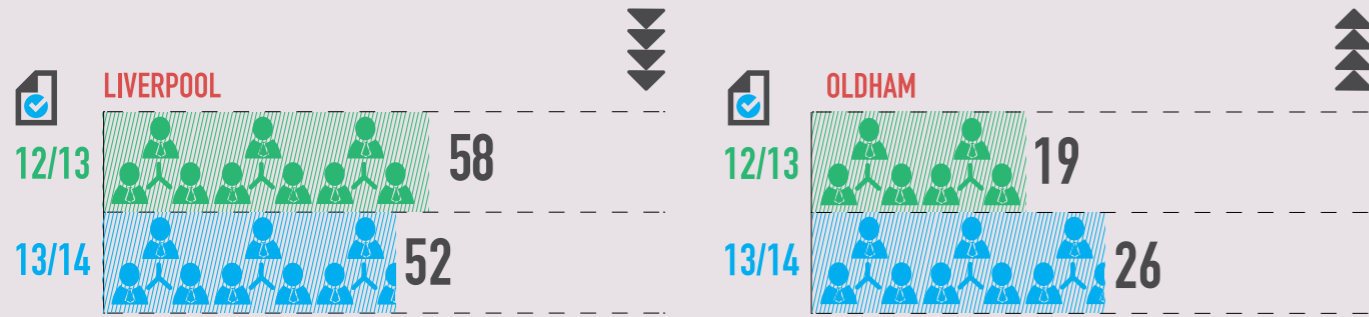
VALUE OF ITEMS DONATED TO CRISIS CUSTOMERS



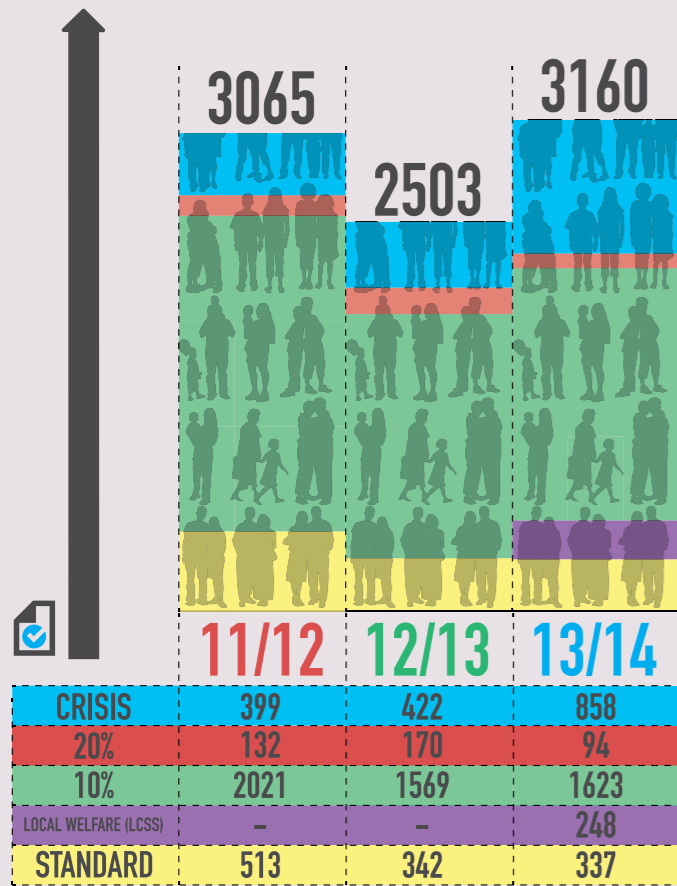
NUMBER OF PEOPLE IN CRISIS GIVEN FREE BASIC FURNITURE ITEMS



NUMBER OF AGENCIES REFERRING PEOPLE IN CRISIS SITUATIONS



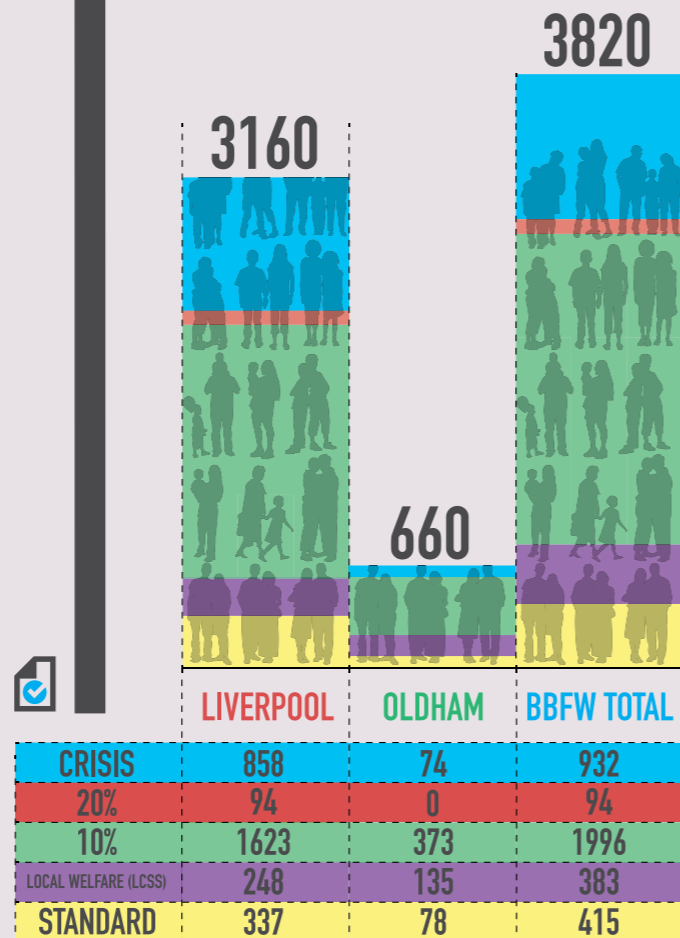
SALES TO BULKY BOB'S FURNITURE WORLD LIVERPOOL CUSTOMER GROUPS



The target for 2013/14 was for 3,000 sales to be made at Bulky Bob's Furniture World outlets. This target was exceeded.

During three months there were inconsistencies in the data collected to show the number of 20% discounted sales that were made. We have decided not to include the data for those three months. Consequently the 94 sales with 20% discount relates to data for 9 months of 2013/14.

2013/14 SALES TO BULKY BOB'S FURNITURE WORLD CUSTOMER GROUPS



What our customers think of Bulky Bob's Furniture World



A customer survey is conducted each year, asking the people who matter most what they think of the Liverpool store. This year, the results once again demonstrate overwhelmingly positive feedback on the store's general appearance, friendliness of the staff and collection of stock. They also consistently report that items would cost considerably more to buy elsewhere, and would take longer to find, or save money to buy the same type of items elsewhere. Below is a selection of comments from some of the customers:

- "It would have taken me a good few months to save money or pay off anywhere else"
- "Preferred location of old store. Also the stock was better in previous store"
- "The value is you have items that are affordable for people. It allows people to buy items they may not have been able to own"
- "[I] am on a low income and it makes it easier for me to know I can come into the shop and be able to afford the items"
- "Always looks good and always find what I look for. Easy place to find"
- "Very good on all fronts. Like pricing structure. Accessible to those in need"
- "A little out of the way. Lighting could be better"
- "Cheap, affordable, good quality"
- "Hit and miss stock, but changes regularly"
- "I like coming to Bulky Bob's. I always pop in every week to see what bargains I can see and staff are always on hand to help me out if I need it"
- "Layout is very good. Always find what [I] came to look for. Staff are lovely, chatty, helpful. They make me feel welcome in [the] shop"
- "I can't afford to go anywhere else"
- "I can't afford to go anywhere else"
- "I would not get anywhere cheaper what I get from Bulky Bob's"
- "Would come back to Bulky Bob's again. Staff are helpful, lovely and nice bunch of people to be around"
- "The stock they have at BFW is different. Would not really see anywhere else and the prices are very good if you're on a very low income, staff give you a nice welcome and [are] helpful."

Community Events

This year, as a result of the increased levels of external funding, Bulky Bob's has taken furniture to more community events in order to provide even more people with the opportunity to access good quality pre-loved furniture. These events are held either as Bulky Bob's "On the Road" events, or are part of an existing community event. This year Bulky Bob's have taken part in 13 community events in Liverpool and one in Oldham. In Liverpool seven Bulky Bob's "On the Road" events took place, one furniture give-away and teams also helped collect foodbank donations over the Christmas period.

In August, Bulky Bob's and the Beautiful North organised a "Free For All" event in Stanley Park in North Liverpool. Over 250 items of furniture were given away to local families by Bulky Bob's, while a wide range of partners from the Beautiful North offered entertainment in the form of donkey rides, music, and face painting, as well as lots of advice and support on health, housing and welfare issues.

Helen White, Bulky Bob's Operations Manager, said: "Last year's Free For All was such a huge success, we are delighted that the Beautiful North were keen to help us to make this an annual event. Everyone at Bulky Bob's and the Beautiful North, plus lots of partners, worked so hard to help local families get hold of much needed furniture items and in these challenging times, we believe the event made a real difference to people's lives."

Councillor Steve Munby, Cabinet Member for Neighbourhoods, believes the event will help to change lives. He explained: "With the Coalition cuts, so many families are suffering and really struggling to make ends meet. When it's a choice between food and furniture, of course food wins so the Free for All event will have helped families to have something to sit on and to eat off, and hopefully have made their lives a little easier. The Beautiful North is a great initiative, run by a range of partners, and they have all worked so hard to make North

Liverpool a better place to live and work. Thank you to them and a big thank you to Bulky Bob's for all their hard work on the day".

What Difference does Bulky Bob's Furniture World Make?

This year, referral partners in Liverpool and Oldham who have referred people for donations of packages of furniture were surveyed. An email based questionnaire was sent to 81 referral partners, with responses from 20. Some of those surveyed provided additional voluntary comments, some of which are included below:

"I would also like to give a HUGE pat on the back to James at FRC who efficiently deals with all my FRC orders from the Council and also to Joan, the lovely lady who works in the Bulky Bob shop. Nothing is too much trouble for her" SF, Your Housing Group

"The quality of the furniture provided to my clients has been excellent. One or two tenants have not been happy but that is more about their unrealistic expectations than anything else. I have used this service since June 2013 and have assisted many, many vulnerable people in need of furniture assistance. This service has been a god send for me and it is the envy of my colleagues who work in other areas and do not have such a service. The Bulky Bob's voucher scheme is administered so well, things are sorted within days" SF, Your Housing

"I like to add that I was so impressed by the service provided I did feel compelled to email my thanks and compliments to the manager, on what an efficient, kind and flexible staff team she has, and also to applaud the uniqueness of the service" SD, Citizen Advocacy Liverpool

"Please continue to help these women and children to be able to become safe, independent and feel that they have belongings of their own and that no perpetrator can take from them" MW, Liverpool Domestic Abuse Service (Health Energy Advice Team)

"Your service is invaluable" SB, Contour Homes

"I would to take the opportunity to thank you and all the staff at Furniture Resource Centre for your continual help and support" JC, Plus Dane Housing

The responses to questions asked are highlighted below:

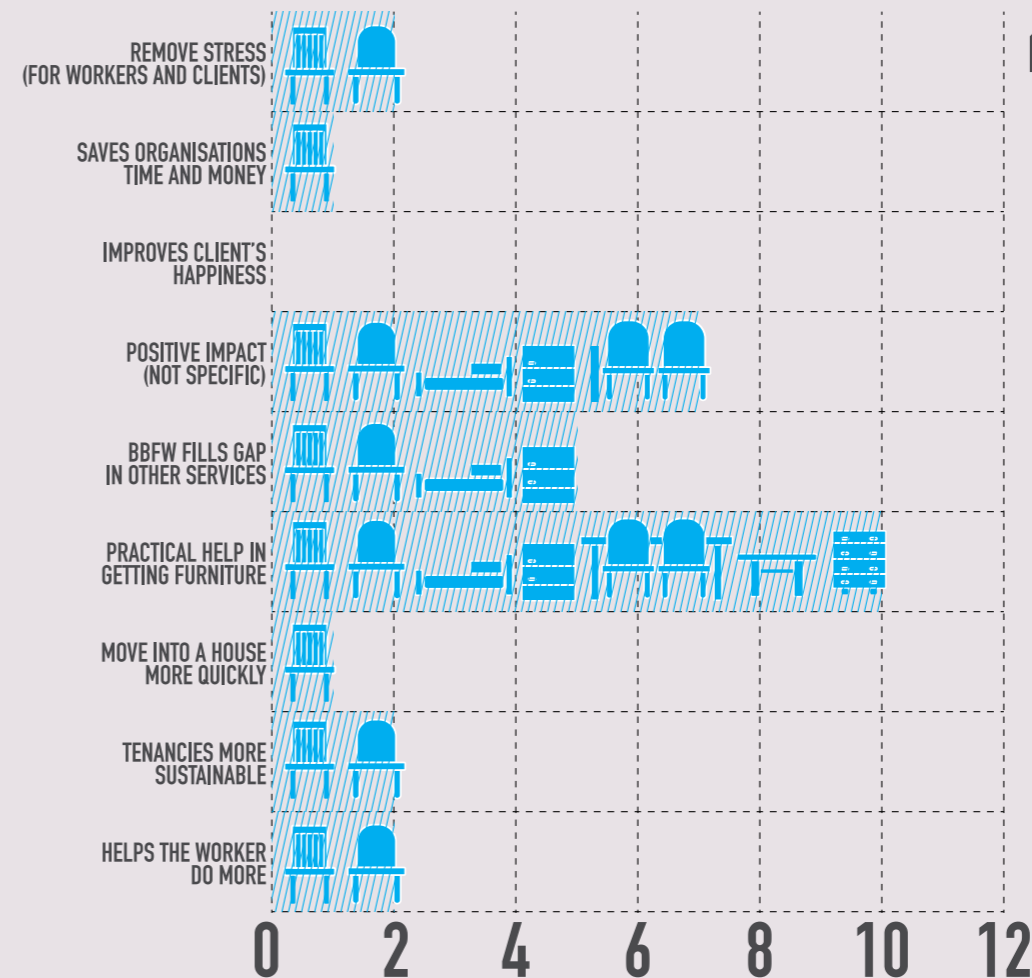
Asking the referral partners what they thought about the quality of the furniture provided, 65% responded that the furniture was Excellent or Good, and no responses considered the items to be of poor quality

WHAT DO YOU THINK OF THE FURNITURE YOUR CLIENTS RECEIVE?



From the survey, information was also compiled that provides an insight into the difference that the crisis donations make for both the organisation and the individuals benefitting from the donations of furniture. The responses to these questions are highlighted below:

WHAT IMPACT HAS THE CRISIS FURNITURE DONATION SCHEME MADE TO THE WORK OF THE REFERRAL AGENCIES?



Each respondent was asked to use their own words to describe the impacts of the crisis furniture donations. Below are some of the quotes taken from the responses provided:

“The furniture provided by Bulky Bob’s enables these tenants to have a real chance of maintaining their tenancy and therefore helping people to settle in new homes and prevent homelessness reoccurring in a lot of cases” SF, Your Housing Group

“There are many barriers for women fleeing domestic abuse, we are always looking for charities or donations for clients, Bulky Bob’s has been great in helping our clients start to live a normal life” MW, Liverpool Domestic Abuse Service

“It gives parents the dignity to be able to provide a comfortable home for their children; I’ve seen firsthand how important this is to the parent’s wellbeing. It also takes a financial pressure off which again helps the parents wellbeing” SD, Liverpool Citizen’s Advocacy

“The impact on families is that they have some furniture to start making the house Win which they are living in a home, which is comfortable. It has given the families hope and pride in their home” AP, Liverpool City Council

“It’s a life saver for some one who has little/ nothing at all” SB, Keyring

“It reduces the financial strain on tenants that they haven’t got to save up for months for basic items, or worse, borrow money at expensive rates or even turn to loan sharks. The majority of the people that I work with are on benefits or very low incomes. By receiving furniture from Bulky Bob’s, it allows them to use their limited income to buy other essential items, again helping them to settle and maintain their tenancies” SF, Your Housing Group

“When people are in a desperate situation and have no or very low income they are often depressed and a single item or multiple items can improve their lives via improving their home” DO, Oldham’s Citizens Advice Bureau

“The service is invaluable to the work I do and I would struggle to support my clients with accessing furniture items if this service was not available. This makes my work so much easier and gives my clients confidence in the work I do” JC, Plus Dane Group

We also asked what difference the Bulky Bob’s Furniture World donations make to the people receiving them. The responses are summarised and highlighted below:

WHAT DIFFERENCE DOES A DONATION OF FURNITURE MAKE TO THE PEOPLE RECEIVING IT?



“They have been able to stay in their tenancies as they have been provided with essential items. They have been able to feel comfortable in their new homes much earlier than they would have done. The financial burden of having to buy such items has been lifted” SF, Your Housing Group

“The provision makes a huge difference to my customers as they have no other options” KM, First Choice Homes

“The difference between sleeping on the floor and sleeping on a sofa” DH, Contour Homes

“One family still speaks of the kindness of all the team, how helpful and supportive they all were, and also they were impressed with the quality of what was on offer. It made her feel valued and that she was important because of the quality of the service” SD, Liverpool Citizen’s Advocacy

“Increases their opportunity to gain some stability in their lives and make a home which helps support their chances of recovery and increases the opportunity to improve their physical and mental health” BC, Addaction Liverpool DIP

“This service has made a huge difference to the clients I work with; without this service many of my clients would not have had any items of furniture to move in to their new homes” JC, Plus Dane Group.

Furnishing Homes, Furnishing Lives

This year saw the launch of the “Furnishing Homes, Furnishing Lives” campaign. This has been the FRC’s reaffirmation of its role in the lobbying and promotion of Housing Associations for the provision of furnished tenancies. In previous years’ reports it was highlighted how any social value creation through furnished tenancies is the result of the work of the housing provider. Effectively, when a Housing Association customer provides furniture into a furnished tenancy or shared living setting such as a care home, FRC is one of a number of potential suppliers of goods and services. FRC Group’s perspective is that where the provision of furnished accommodation is the norm, it is not right for FRC to claim it has been instrumental in creating social value.

“Furnishing Homes, Furnishing Lives” is the campaign to stimulate the creation of new furnished tenancies, be it as extensions to existing schemes, or new projects. Where FRC Group have successfully campaigned for a Housing Association to offer furnished tenancies, it is legitimate for FRC Group to claim a vital role in the creation of social value. This will certainly be a challenge to measure, but in line with current approaches, this will be reported upon in future reports.

Having brought together key members of the sector to FRC Group’s head office for two conferences that discussed the potential for furnished tenancies, their financial and social impacts, and public policy implications, FRC Group are proud to report upon early successes. A large Merseyside Housing Association has extended their current scheme to act as a vehicle for other Housing Associations to engage with furnished tenancies.

FRC Group have also worked with a Housing Association in the West Midlands to develop their policies, processes and a social value model that allows them to capture and measure the social impacts of their activities. This Housing Association has also contracted to provide a large-scale furnished

tenancy package. Both this and the significant extension to the existing offering from the Merseyside Housing Association have been further sources of revenue for FRC Group, but equally important, it allows for furniture to be provided to even more people in need.

This year in partnership with Bibby Leasing, FRC has also been able to provide leasing options to housing organisations. This approach provides furniture packages to customers without the need to lay out any up-front capital, and is designed to allow more customers to improve shared accommodation, and provide furnished tenancies to their customers. Again, it is the belief that as a social business, the priority is to low-income stakeholders and those long-term unemployed, and such creative and professional business activities allow FRC Group to further achieve that aim.

Future Opportunities

2013/14 has seen the continued development of FRC Group’s new ‘rent to own’ social business venture as reported on in last year’s social impact report. The Group’s board, senior management team and team members have worked diligently to ensure that the new social business delivers effective social and financial value. In order to facilitate the business plan, social impacts were also forecast in line with financial projections. This double-bottom line approach has led to the completion of a robust plan for a new business that will enable FRC Group to create significantly more social value to low-income families and long term unemployed people.

The hard work of those responsible for the development of the concept has seen them complete the business plan and secure key strategic partnerships, and we look forward to introducing the concept before the next integrated report in 2014/15.

Comparison to Targeted Priorities for 2013/14

↑ 85% of Bulky Bob’s Furniture World customers to receive some form of in-store discount

↑ 500 people and families in crisis to receive donated furniture packages

↑ 3,000 customer sales in Bulky Bob’s Furniture World

↑ FRC to report on the creation of new furnished tenancies as a result of the Furnishing Homes, Furnishing Lives campaign in 2013/14

↑ Feasibility study to be completed on the new social business concept that is in development.

Priorities for 2014/15

- 85% of Bulky Bob’s Furniture World customers to receive some form of in-store discount
- 500 people and families in crisis to receive donated furniture packages
- 3,000 customer sales in Bulky Bob’s Furniture World
- Launch new high street retail social business, creating training and jobs for more long-term unemployed people and creating social value for low income customers
- Measure Bulky Bob’s Furniture World social impacts against the newly developed social metrics.

GREAT FOR UNEMPLOYED PEOPLE



In everything it does, FRC Group looks for ways to create opportunities for long-term unemployed people to receive training, gain work experience and build their skills and confidence so that they are better prepared to move into employment. This chapter describes the social value that has been created through our Driving Change and Launch Pad programmes.

These programmes offer a diverse range of opportunities for long-term unemployed people to develop the skills, attitude, qualifications, and experience that are needed to succeed in the jobs market. The programmes continue to be refined and improved to create more social value by achieving better results and working with more people.

Funding our work

FRC Group is committed to providing a high quality experience to everyone who engages with training. In recent years, government policy has moved towards short term, light touch interventions to help people into employment. This approach is at odds with FRC Group’s demonstrable success in transforming lives through intensive and sustained contact.

An outcome of the change in government policy has been that external funding for FRC Group’s training is significantly reduced. For both Driving Change and Launch Pad, FRC Group’s revenues is the largest source of funding. It was reported last year that external funding to support the training programme was the lowest it had been for five years. This year, some small amounts of funding available to employers delivering apprenticeships and grants from charitable trusts have been received, and Regional Growth Fund funding of £60,000 has supported the Driving Change programme. A number of Launch Pad participants

have had their place on Launch Pad part funded through the Government’s Mandatory Work Activity programme, but the majority of funding is from FRC Group’s own revenue streams.

Despite the lack of funding available, FRC Group continues to invest in the training of long term unemployed people, and as reported, in 2014/15 we will see the extension of the Driving Change programme to provide even more opportunities.

Driving Change 2013-14

Driving Change is a 12-month programme which offers previously long-term unemployed people a fixed term employment contract, and the opportunity to obtain a range of qualifications to prepare them for work in the logistics industry. The Driving Change trainees work towards a number of transferable and industry specific qualifications, with the most attractive and impactful being the Large Goods Vehicle Class 2 license. During the 12-months of the Driving Change programme, trainees build up a record of work experience that they can demonstrate to future employers and crucially they build their confidence in the workplace.

The programme has run for more than 15 years, and for each cohort of trainees the exact nature of the programme has varied. To measure the performance of Driving Change in a comparable way, we have used an indicator which compares how people completing the programme perform in the job market compared with people of a similar age and length of unemployment. In order to measure reliable and meaningful information, the former trainees are surveyed for 18 months after the completion of their programme, although owing to the significant reduction of trainees leaving the programme to enter the job market,

meaningful comparison is not possible this year.

In 2013/14 eleven new trainees started in Liverpool and two in Oldham. Owing to key members of the People and Learning team being on maternity leave, this year all of the training contracts were extended. No trainees left the programme early, which is a fantastic result, although the usual figures relating to successful employment being secured after the programme subsequently appears reduced. The total number of qualifications gained also appears much lower than in previous years, although again this is a natural consequence of extending the training contracts. However, of the two trainees that completed the programme this year, (having started in the previous year), one has successfully found employment. Next year’s report will highlight the results of the current cohort in securing employment after their extended training contract is completed.



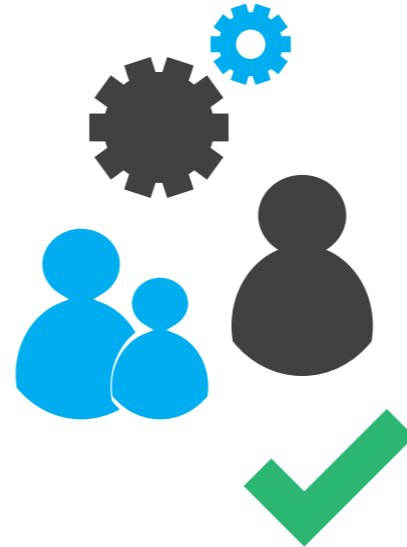
DRIVING CHANGE PROGRAMME



Fixed term employment contract



Salaried position paying the market rate



Real on the job training as part of the Bulky Bob's teams in Liverpool, Warrington and Oldham –trainees work everyday with real customers and taking on real responsibility



Transferrable skills and qualifications: First Aid, Health & Safety, Manual Handling, Environmental Awareness, Equal Opportunities, Job Search skills, Interview Skills training



Industry specific training:

For "Driver Trainees" who already have a car licence: Large Goods Vehicle Class II theory test, practical test, hazard perception test, tachograph training and drivers certificate of professional competence,

For "Loader Trainees" who do not have a car licence: Car Driving theory test, practical test,

For all trainees: Choice of specialist training – Fork Lift Truck licences in Counterbalance and Reach, HIAB (vehicle mounted loader crane) or ADR (transporting hazardous goods).



Developing Driving Change

As grant funding has reduced, the restrictions on who can apply for the Driving Change programme have been reduced. Therefore, for the second year, former Launch Padders were invited to take part in the recruitment process for Driving Change. All those invited to apply had to have been unemployed for at least the last six months.

This year all of the new Driving Change trainees were former Launch Padders. Ensuring that the programme continues to address the correct balance of people with the right level of 'need,' the needs analysis tool has also been effectively used. This has proven successful with no trainees leaving the programme prematurely (2012/13 54% completion rate), therefore maximising the value they will take from the experience. It is believed that the perfect completion rate for the training programme is a result of the trainees having a more informed understanding of the requirements of the programme, therefore being more prepared and ready for the challenge ahead.

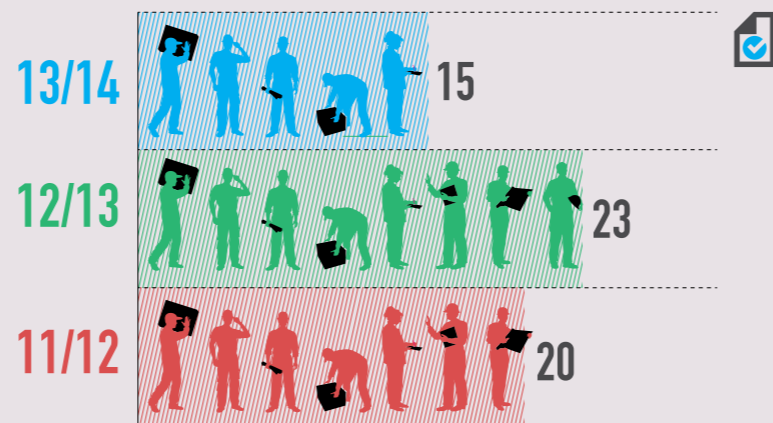
Launch Padders will continue to be invited to the Driving Change recruitment process, remaining mindful of our focus on those in greatest need. It is also of benefit, and is now included in the induction process of the Launch Pad programme, that opportunities to progress within FRC Group, with demonstrable impacts on employment, are highlighted.

Also, and just in time for this year's report, the Driving Change programme has been expanded to also offer two further trainee positions within FRC Group. This means that support, training and experience will be offered to a further two long-term unemployed people annually. This decision was made as soon as it was realised that FRC Group would be returning increased levels of surplus this year. As a social business it is a responsibility to maximise the social impacts of business activities. Therefore, with increasing financial resources, further opportunities to create social value have been created, and the first two

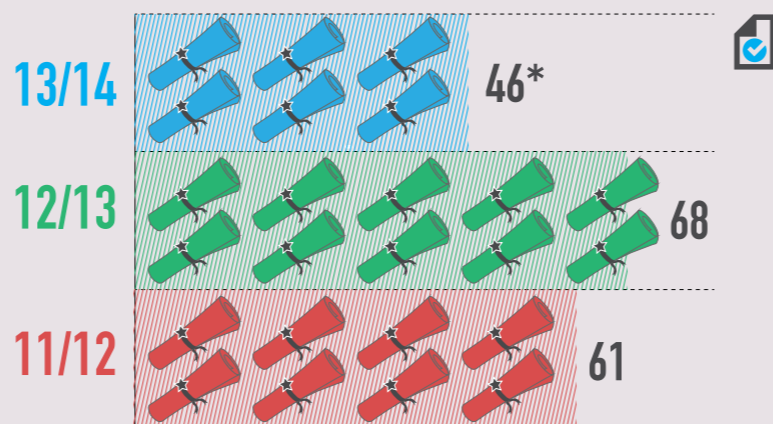
additional trainees had their induction in March, and started their salaried training in April 2014.

* NB This year had reduced numbers of trainees completing the programme owing to an extension to their training contract, this has affected the related employment statistics.

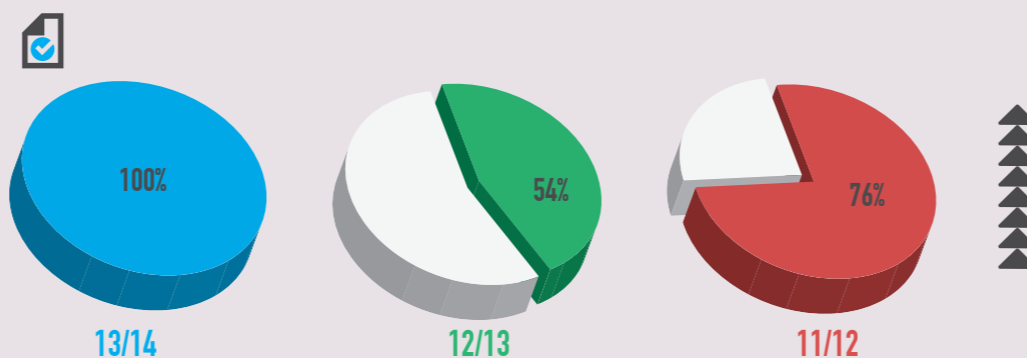
NUMBER OF PEOPLE WHO TOOK PART IN DRIVING CHANGE



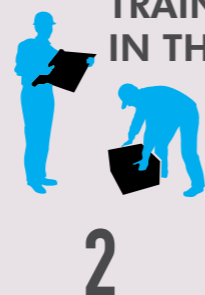
TOTAL NUMBER OF QUALIFICATIONS GAINED BY DRIVING CHANGE TRAINEES



TRAINEES COMPLETING THE PROGRAMME



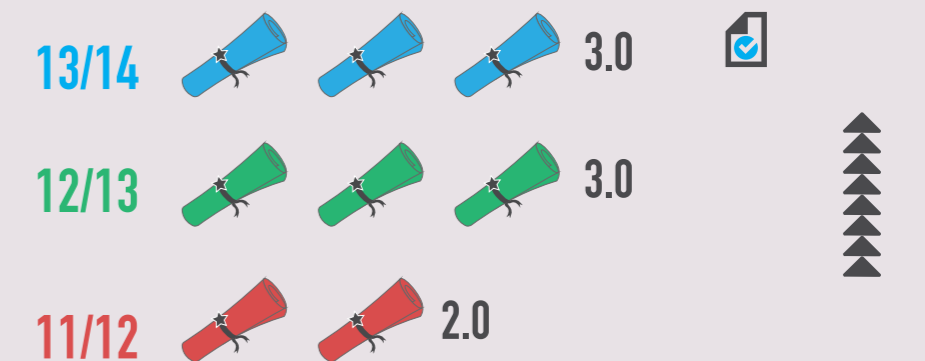
NUMBER OF TRAINEES LEAVING IN THE YEAR



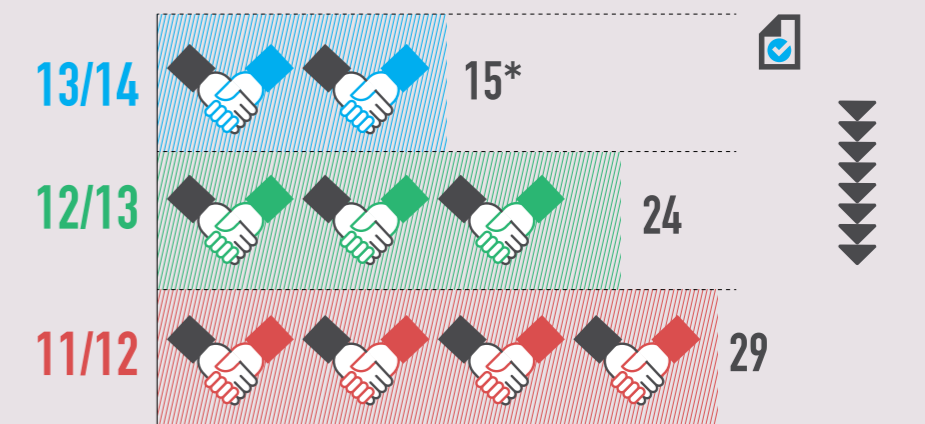
NUMBER OF TRAINEES WHO WENT INTO A JOB



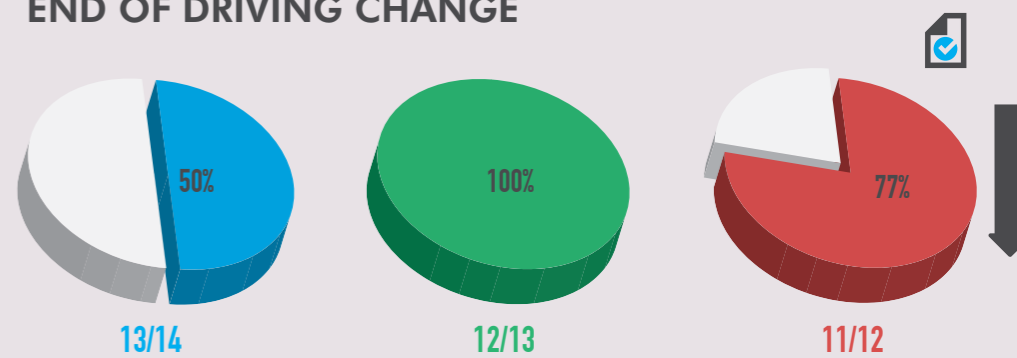
AVERAGE NUMBER OF QUALIFICATIONS GAINED PER TRAINEE



NUMBER OF TRAINING POSITIONS AVAILABLE



PERCENTAGE OF 'COMPLETERS' WHO WENT INTO JOBS, FURTHER EDUCATION OR TRAINING AT THE END OF DRIVING CHANGE



In their own words

Measuring the social value of Driving Change is not just about statistics. Throughout the year it is important to spend time listening to Driving Change trainees and hearing their stories about the difference being on Driving Change makes to their lives. It is also important to try and keep in touch with those past trainees who have recently left the programme to find out how they are getting on, and get their perspective on the impact of Driving Change.

Throughout the Driving Change programme, trainees have one-to-one reviews to discuss their progress and raise any queries or issues. Listening to trainees' stories, aspirations and their challenges helps to put the statistical data in context. From the feedback from trainees, there are three areas that have been very important to them:



Looking to the future

"[I can] support my daughter [and] give her a better life"
 "There aren't any other jobs that offer the training that was available to me"
 "I live a better life and more enjoyable"
 "I can save for my future; maybe to get my own place"
 "[It has] opened up a wider job market for me"
 "I have got my car license. This has made me feel really good, I look forward to getting my own car in the future"



Having a better financial situation

"I go out more and socialise with my friends"
 "Funded a 2 week holiday"
 "Stops me stressing out about food"



Feeling more positive about the here and now

"It's still good, I am enjoying the job"
 "It makes me feel sound/happy"
 "[I'm] very happy because I like my job, I am very pleased with my progress"
 "I work well in a team, am proactive and get involved in everything"
 "I enjoy working, even though I never used to, also being outside, working and earning money, you feel better, earning and learning"
 "Having got a job and training, things have really looked up, we have moved house, and we are able to do more with our children"

It is important to tell the stories of some of the trainees, and each trainee has their own personal story; here are just a couple of examples:

At 18, Allan is the youngest trainee on Driving Change. Having left school early with few qualifications, he was initially a volunteer on the Launch Pad programme. Following what was perhaps a steep learning curve initially, Allan successfully gained a place on Driving Change. After working towards his driving licence, which was passed first time around, Allan has continued to achieve all of his possible outcomes, including his Fork Lift Truck

Counterbalance and Reach. Everyone at FRC Group is really pleased for Allan, he is well liked and will be supported to find employment after the completion of his programme in the summer of 2014. Carl was also previously a Launch Padder, and joined as part of the DWP's mandatory Work Activity programme. Having enjoyed his time on Launch Pad, Carl volunteered and continued to really impress colleagues and team leaders with his motivated approach to working in the warehouse. After joining the Driving Change programme, Carl has continued to make a positive impression and is considered by his

supervisors and managers as someone who has supported some of the younger trainees in their roles. Through his own determination, and the support of FRC Group, Carl is now in a much stronger position to secure employment in a range of different areas. Next year's report will provide information on Carl and his cohort's outcomes after the Driving Change programme.

Launch Pad

Launch Pad is a flexible programme which offers people from a range of backgrounds the opportunity to gain skills and experience in a real work environment. The Launch Pad programme developed out of informal work placement opportunities that FRC Group has offered since 2006, and throughout the year opportunities were available across all areas of the FRC Group. In 2011 the programme was formalised, named "Launch Pad" and a full time coordinator was recruited to run the programme.

The programme has continued to grow and from numbers of 74 Launch Padders in 2011/12, 178 people took part in the programme in 2013/14. Launch Padders come from a variety of backgrounds, with varied motivations for involvement with the programme. Some participants are funded through the government's Mandatory Work Activity programme, others are supported by agencies assisting people to gain meaningful work and life experience, whilst others are individuals looking for voluntary experience. The nature of the programme means Launch Padders are at FRC Group for varied amounts of time, so it is important to ensure that the work carried out is not mission critical, although it is also essential that Launch Padders are provided with meaningful experience.

The numbers of Launch Padders means that the Placement Coordinator has had an extremely busy year with the absence of key personnel owing to maternity leave. Nevertheless, the Launch Padders all received an induction to the programme, are supported to gain experience in an area/role that suits their ambitions, and all placements undertake an initial 'Lift-off' review, and subsequent reviews to understand their progress and support them going forwards.

This year additional funding for our first Launch Padder to gain experience and qualifications has been provided. Launch Padders were invited to apply for 8 weeks additional Fork Lift Truck training. This additional experience will help people to strengthen their position

in the job market, and internal funding for a further three positions in 2014/15 is secured.

Throughout the year work has also been undertaken to better measure the impacts of the Launch Pad programme. The Placement Coordinator and her small team have worked incredibly hard to support the placements, and have maintained existing records and coordinated the creation of new and improved means of data capture. Maintaining contact with Launch Padders has consistently proven difficult, and this is important in order to provide meaningful information on the effectiveness of the programme. Therefore, for 2014/15 testing of new methods for maintaining contact with former placements after they complete the programme will be trialled.

As previously highlighted, this year all of the current Driving Change trainees are former Launch Padders. This has proven to be an attractive potential outcome for some of this year's Launch Padders. It is anticipated that there will again be stiff competition in the Driving Change recruitment process, with the Launch Padders vying for the positions alongside other long-term unemployed people. Further to this, some of those placements that join as part of mandated programmes, chose to return to the Launch Pad programme as volunteers. This provides the belief that the programme is providing Launch Padders with experience that is of value and will help people achieve their personal and employability outcomes.

Launch Pad works with a number of employment agencies and other organisations supporting people to gain valuable work and life experience. Below is a statement from the Prince's Trust about the work that the Launch Pad programme offers;

"LO enjoyed his placement there and was able to get into the routine of turning up on time and completing a full day's work effectively, he gained valuable experience of what it was like to be in a work environment and was even offered the opportunity after his placement to do some voluntary work for them. Throughout the process Shirley and the team kept him

motivated and he was proud of the fact that they had told him how well he had done. LO was also pleased that Shirley was able to share in his success of completing the whole Prince's Trust team programme by attending the final presentation evening. This placement gave LO something meaningful to put on his CV and motivation to find further employment.

It sometimes proves difficult for the Prince's Trust to get meaningful work placements so we value the opportunities that Bulky Bob's can provide. We are now in the process of confirming another placement for this team of a young person with mild learning difficulties as we know that he will get the understanding and support he needs from FRC." KR, Toxteth Team – Prince's Trust.

The statement below also demonstrates the varied backgrounds that our Launch Padders can have. The programme is designed to support all people, regardless of their background with varied social and employment-related needs;

"The work placements provided by FRC offers a tailored and sensitive work experience to our men who have been rescued from labour exploitation.

They have helped them get back into the routine of the work environment, teaching back to work skills, social skills for work and practical working skills. The support and encouragement the men have received has empowered and inspired them to believe they can work again." PC, Anti-trafficking manager, City Hearts

LAUNCH PAD

Launch Pad opportunities are designed to give the individual practical work experience either as a stepping stone towards employment or as a meaningful way to spend time for people who are not aiming to go into work

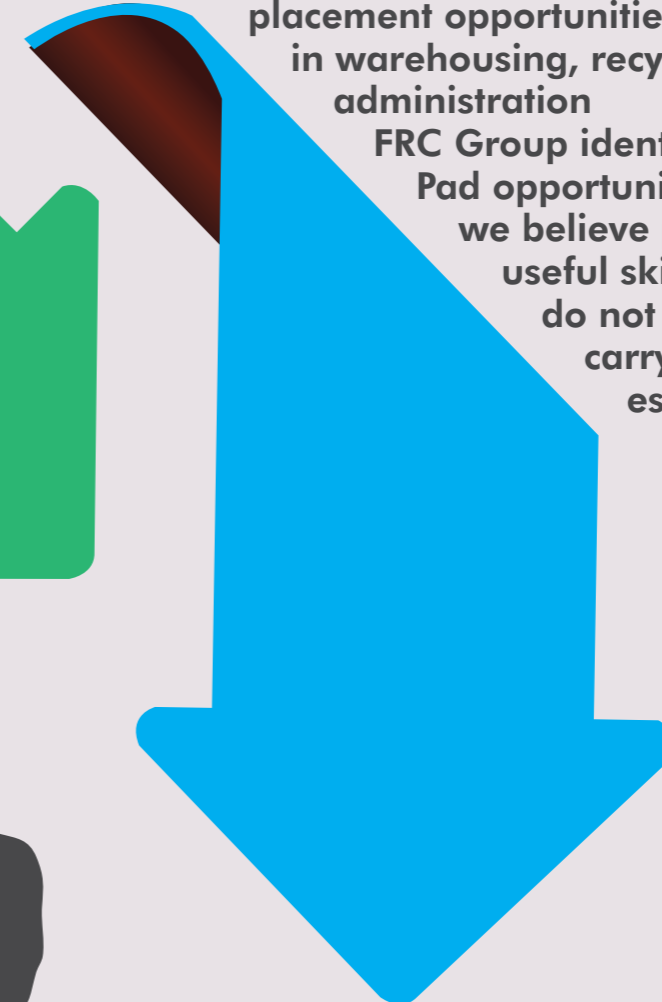


Structured placement opportunities to gain experience in warehousing, recycling, retail and administration



FRC Group identifies tasks for Launch Pad opportunities using criteria that we believe provide participants with useful skills and experience. We do not use unpaid labour to carry out core tasks that are essential to the running of our organisation.

Participants are volunteers or completing a work placement as part of a wider programme of activity designed to help them into work

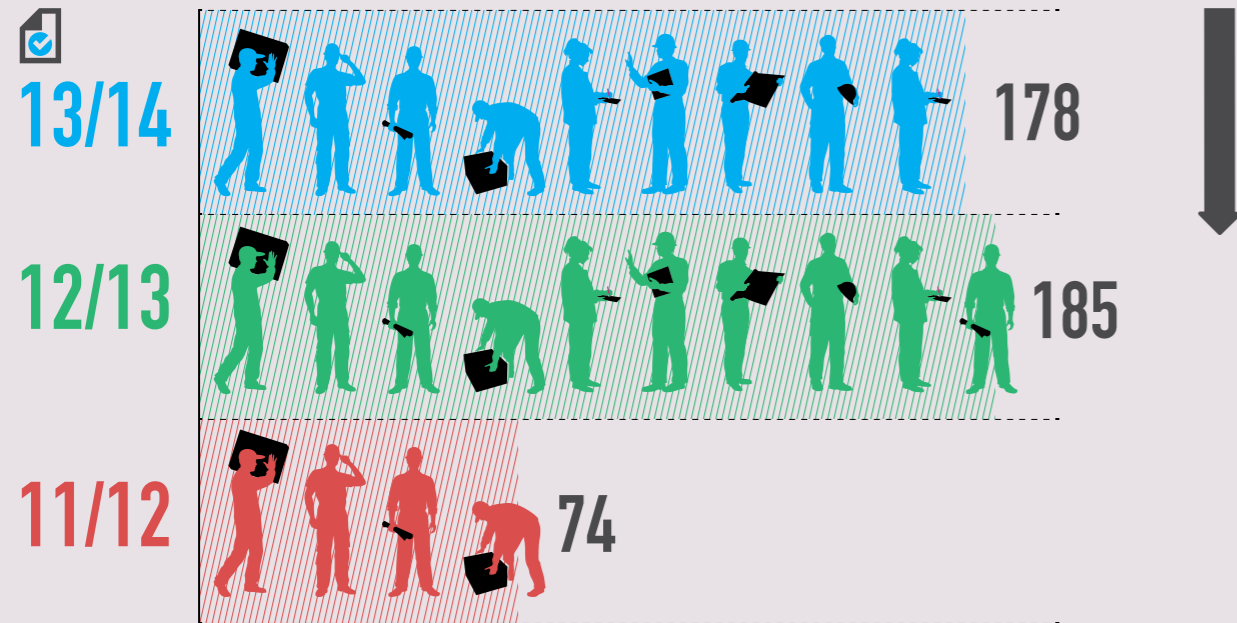


Flexible work placements across FRC Group



WHAT ARE LAUNCH PADDERS ACHIEVING?

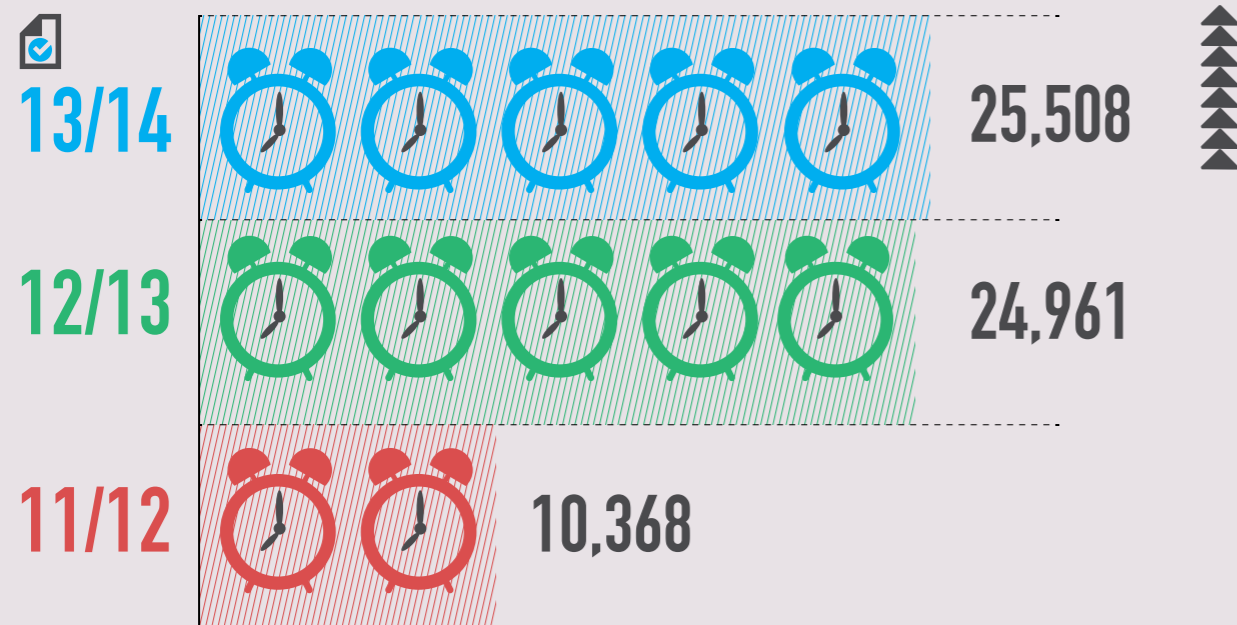
PEOPLE PARTICIPATING IN LAUNCH PAD THROUGH THE YEAR



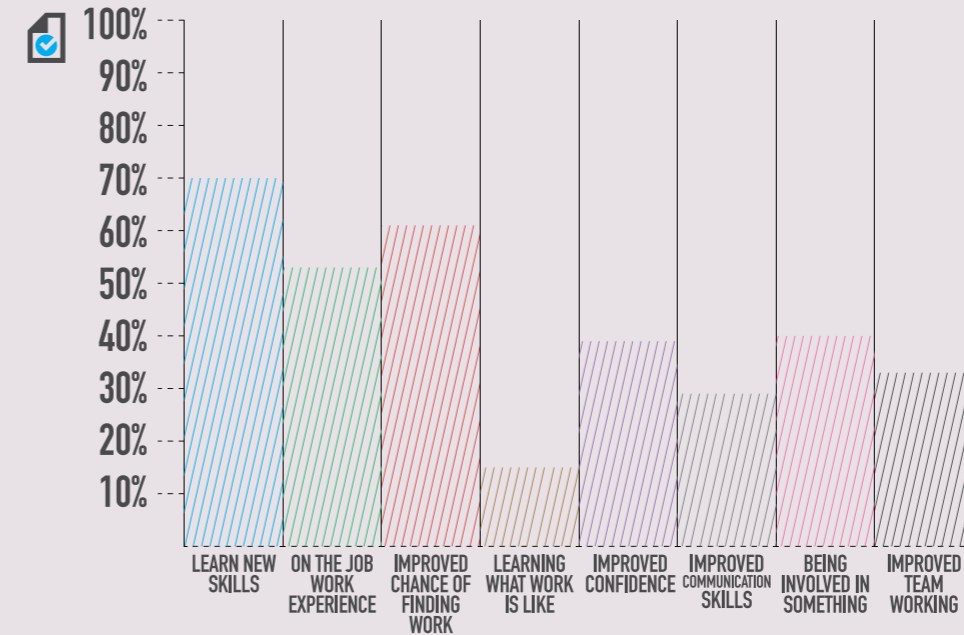
AVERAGE NUMBER OF DAYS WORKED



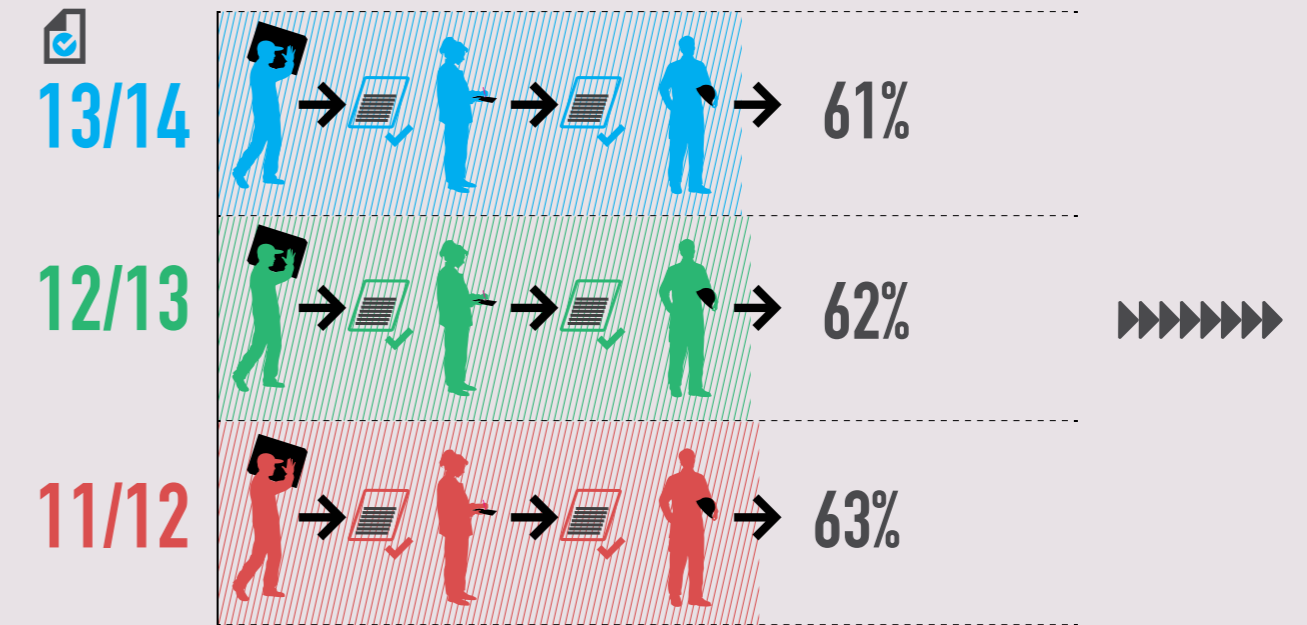
TOTAL HOURS OF WORK EXPERIENCE GAINED



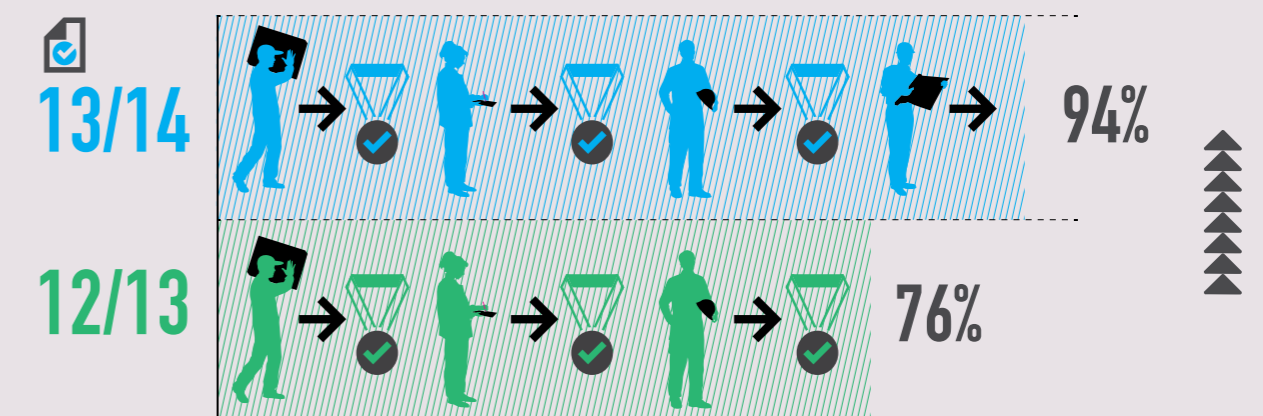
MAIN OBJECTIVES: WHAT DO LAUNCH PADDERS WANT TO GET OUT OF THE PROGRAMME?

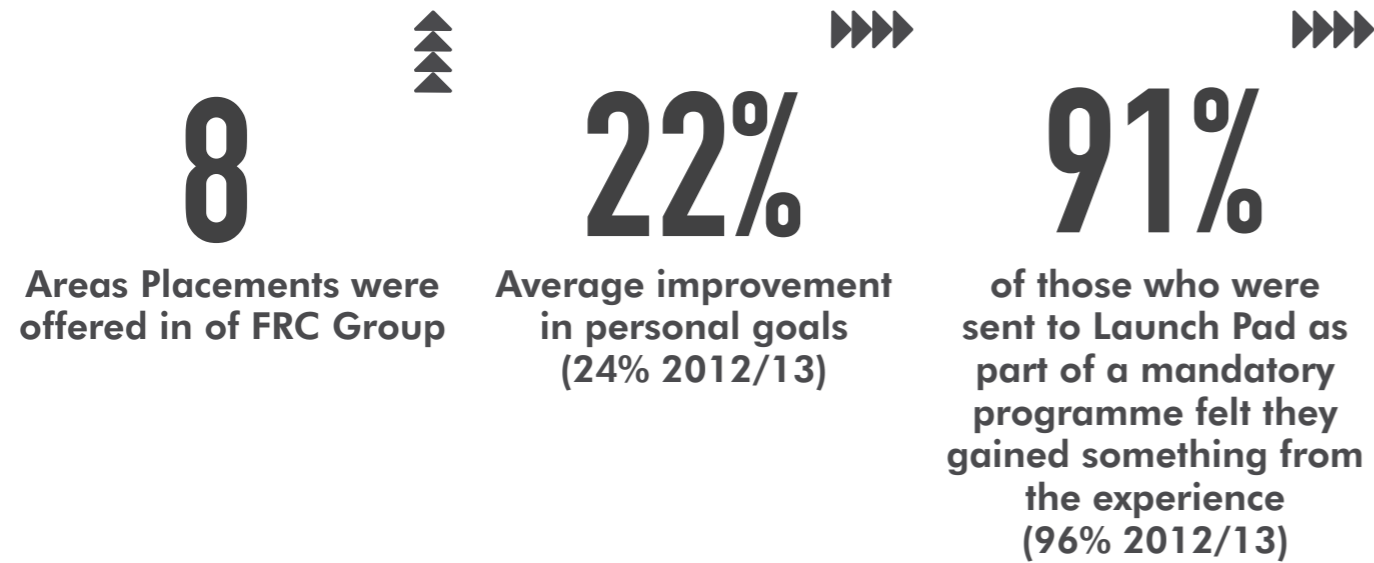


LAUNCH PADDERS WHO SAID THEY WERE WORKING TOWARDS EMPLOYMENT



LAUNCH PADDERS ACHIEVING THE PERSONAL GOAL THEY SET FOR THEMSELVES





In their own words

The statistics about Launch Pad provide an overview of the programme as a whole, but for each participant their own experience is very different. Below are two examples of Launch Padders and the journeys they have been on.

Alan's Journey

Alan was initially on the Launch Pad programme as part of the government's mandatory Work Activity programme. After the completion of the twenty day programme, Alan decided to return as a volunteer working in the Bulky Bob's warehouse. He was also the first successful applicant for Bulky Bob's new Fork Lift Truck training programme. In his own words, *"I feel I needed the kick/jump start in the right direction" and "I have improved my social skills to mix with new people after being the main carer for my younger brother for approximately 15 years."*

Since leaving school Alan had been a full time carer for his ill brother. As his brother recovered and was able to get a part-time job, Alan found his attempts to find a job of his own were met with rejection and frustration. Because he didn't have any experience, he couldn't get a job, and of course without a job, he couldn't get the experience he needed.

The scheme has provided Alan with the training and support he needed to get his full Fork Lift Truck licence and has completed an 8 week work placement in the warehouse to give him the vital on the job experience he needs to go on to get a full-time job. Within the

FRC, Alan has become a valued team player. He regularly stays long beyond the requirements of his training, has participated in events with external guests, and is just generally very well-liked.

Bulky Bob's will provide further Fork Lift Truck placement opportunities each year and as the first participant, Alan has set the bar very high for future trainees. He said:

"It was extremely hard when I was looking for job but now I believe that my future has started to look really good. This is a brilliant scheme and it's given me the chance to change my life for the better."

Jordan's Story

Jordan is a long-term volunteer, and has been a part of FRC Group for over 3 years. He is supported by Community Integrated Care to volunteer and is a valued team member, demonstrated by his recording-breaking number of Values Awards.

Jordan can always be relied upon, and no matter the occasion, he will always exemplify the values of FRC Group; whether it is stripping cables, speaking to guests and student visitors, or entertaining us all with his acting

abilities.

Whilst his desired outcomes may not be the same as Alan's, the Launch Pad programme and its team are able to offer support to Jordan and other long term volunteers achieve meaningful experience, where they feel part of a team, and are valued by their colleagues. There is no doubt that FRC Group is a stronger organisation for having people like Jordan working within the organisations. As Jordan says; *"I feel like I am part of a big family, and get Goosebumps"*.

Listening to each person through regular reviews with Launch Padders, the People and Learning team are able to understand how they are progressing and what is important to them. Some of these comments are grouped into key themes and included below. The majority of comments from placements were positive about the programme and the impacts on them, although it could never be claimed this is true for all of the people that come on the programme. It is also fair to say that not all enjoy the type of work, particularly working on stripping old mattresses, but based on the reviews conducted most report upon positive improvements in their personal objectives.



Feeling more positive about the here and now

"I feel I am a bit more patient. When you are at home by yourself you can get impatient and withdrawn. Being around other people puts into perspective that you aren't the only one"

"I never thought I would be able to answer the phone – I do and only sometimes ask for help"

"I am now beginning to feel more confident and I have also through FRC began driving lessons"
"I feel this has got me out of a rut"

"I have enjoyed being here and doing different things which has made me want to get involved more"

"It has got me back into a routine rather than sitting up all night. I now get up early"
"I used to be quite shy but whilst here I have built really good relations with other team members and I have opened up a little"

"I just loved being in the warehouse. [It] made me feel happy, just loving doing the tasks"



Learnt new skills and improved relationships

"I've learnt about recycling furniture. I've also learnt when to walk away and keep my emotions under control"

"My English I feel has improved, allowing me to participate in conversations"
"Learnt a routine to get up and into work"

"It gave me a regular routine, getting up and going to work at a certain time"

"I feel better answering the phone, I worry less about needing some help in understanding customers"

"I've learnt how to strip mattresses, learnt about recycling. I never thought that I would be able to work as a team, but I am"

"My confidence has really gone up, even my partner has noticed"

"I worked with a very diverse group of people on placement. I have gained some new friends"

"[enjoyed] working with a nice group of people and the camaraderie. I enjoyed it all, but not the heat"

"I found dropping the furniture into play challenging as it is very physical work and the team has to work hard"

"At first I was wary about undertaking a new task and meeting people, but the placement has made me feel more confident for new tasks in the future"

From time to time, our former Launch Padders also get in touch, informing us as to how things are going for them. Below is an example;

"Before I joined FRC Group, I was struggling to find work. Any work. So I decided to invest my time in voluntary work. My job adviser pointed out that FRC Group were taking on volunteers with in the warehouse."

When I visited the workplace, I got a shock. My CV had been noticed that I had finance qualifications and was offered to do voluntary work within the finance department which was a great opportunity as I want to work within finance. Three weeks later, I was invited to the new Baker Tilly office in Chapel Street by Tony. Here I met a few Chartered and Tax Accountants. This was a big moment as it helped solidify my choice on studying/working finance"

I was supposed to be at the FRC for 4-6 weeks, but ended up staying for 5 months because I enjoyed the work and the team that was involved. Since I left the FRC, I have been noticed more by employers, I feel more professional, my communication skill have improved, and has confidence in myself."



Employer Engagement

To support the Driving Change trainees and Launch Padders, the People and Learning team actively engage with employers to identify suitable vacancies and support the individuals to make their applications and prepare for interviews.

This year again owing to the Driving Change trainees having their training contracts extended, there has been reduced levels of employer engagement and successful applications from the trainees. It is expected next year to be able to report upon results that are back to the levels of previous years, as the trainees find sustainable employment when they leave the programme.

Nevertheless, the People and Learning team have engaged with 29 employers (↓) in order to assist those trainees that did leave early in the year and throughout the year for Launch Padders. One of the Driving Change trainees successfully found employment, and a number of Launch Padders successfully found work or went on to further training or education. Next year will provide more information on the number of applications and successes for both Driving Change and Launch Pad programmes.

Comparison to Targeted Priorities for 2013/14

▲ 11 Driving Change places available during the year

▼ 80% of people completing Driving Change will go into employment, training or further education *

▼ 200 Launch Pad participants during the year

▲ 80% of Launch Padders achieve their personal outcomes

▼ 40 employers engaged with to recruit Driving Change and Launch Pad participants *

*NB Owing to the extension of the Driving Change trainee contracts, this number was naturally lower than previous years

Priorities for 2014/15

- 11 Driving Change places available during the year
- 80% of people completing Driving Change will go into employment, training or further education
- 200 Launch Pad participants throughout the year
- 70% of Launch Padders achieve their personal outcomes
- 3 placements to complete the additional Fork Lift Truck experience
- 40 employers engaged with to recruit Driving Change and Launch Pad participants
- Measure the performance of Driving Change and Launch Pad programmes against the newly developed social metrics.





SUPPORTING DOCUMENTATION TO STAKEHOLDER ENGAGEMENT

FRC GROUP'S STAKEHOLDER ENGAGEMENT POLICY



This document describes FRC Group's approach to understanding, measuring and reporting the social value that is created by the work undertaken. It also explains the relationships between the stakeholder groups and how engagement and communication takes place with them.

The purpose of this statement is to explain how FRC Group sets the scope of its reporting on social value, how these relationships with stakeholders have been defined, and to document how to engage with them.

Introduction

FRC Group has published information about the social and environmental impacts of its work since 1998. These reports have drawn on the techniques and principles of social accounting and social return on investment, as well as using other methods such as Local Multiplier and Carbon Footprint.

The scope of early reports had a great commitment to transparency and were comprehensive reports covering all areas of activity within FRC Group. This approach treated all stakeholder groups equally and ensured an even coverage of each part of the organisation. However, this approach lacked clarity about the levels of importance of the different things that happen at FRC Group and the relationships with different types of stakeholders. This contributed to "mission creep," whereby everything was considered to have intrinsic social or environmental impact. The broad scope of these reports resulted in confusion about what are the priority areas.

These priorities are the parts of FRC Group's activities which are directly linked to the fulfilment of FRC Group's social objectives. Having reviewed the ways the earlier reports were structured, FRC Group has, since 2009, produced public reports which focus on the social impacts that are created. These are the principal objectives of the organisation as described in the overriding mission statement – "FRC Group runs businesses that create

profits and opportunities to improve the lives of people living in poverty and unemployment".

Post 2009, the focus in reporting has been driven by the social mission. This is not to say that the other elements of how run social businesses are run is not important. FRC Group manages its activities to meet its aims to be 'great for the planet', 'a great place to work' and 'great to do business with'. FRC Group engages with stakeholders relating to all these aspects of the organisation, can show improved performance in each area and gives importance to these elements of how we do business.

The focus on areas of social impact is to highlight the mission-related performance of what FRC Group is here to do. By prioritising the strands of work through which the social aims are achieved, the level of stakeholder engagement has also increased in this area; increased the detail to which measurement of social value that is created; brought about improvements in the way social value activities are managed to produce better results for people and improved systems for capturing, measuring and reporting social value data.

Social Value and Stakeholder Groups

FRC Group’s stakeholders are those people to whom FRC Group matters and who matter to FRC Group. The

stakeholders include individuals, organisations, communities of location and interest. FRC Group identifies its stakeholders not only by group and by their relationship with FRC Group, but also by their connection to the social mission and creation of social value. The table below describes the stakeholders and the relationship FRC Group has with

them: the organisation as described in the overriding mission statement – “FRC Group runs businesses that create

Social Mission Relationship	Thematic link to FRC Group Aims	Stakeholder Group	Relationship to FRC Group
Creating Social Value	Great for People	Trainees – previously long-term unemployed people.	Take part in “Driving Change” programme to gain skills, experience and employment in the logistics industry.
		Ex-trainees – people who have been on the training programmes in the past.	After “Driving Change”, ex-trainees find employment or receive further support from FRC Group to find work.
		Launch Padders – unemployed people with little or no work experience and people with physical or learning disabilities who are seeking personal development opportunities.	Take part in “Launch Pad” a flexible volunteering programme which provides basic skills and experience of the world of work. Launch Pad also offers meaningful activity in a mainstream diverse environment to people with physical or learning disabilities.
		Bulky Bob’s Furniture World customers receiving discounts – people in receipt of benefits, pensioners, students, people referred from other support agencies.	Customers buy good quality ‘pre-loved’ furniture from Bulky Bob’s Furniture World. They receive discounts in a tiered pricing structure which offers best value to those in lowest income groups.
		People in crisis receiving essential furniture items	Customers receive free packages of pre-loved furniture delivered to their homes.
		Staff from support agencies referring people for crisis support	Social support agencies such as homelessness organizations, domestic violence charities and Citizen’s Advice Bureaux make referrals for donations of pre-loved furniture packages.
		People who benefit from the work of the furniture reuse charities we work with.	Bulky Bob’s passes excess furniture to other furniture reuse organisations. Their customers benefit from the use of these items.



Social Mission Relationship	Thematic link to FRC Group Aims	Stakeholder Group	Relationship to FRC Group
How we do business	Great for the Planet	People living locally to where FRC Group operations are working – general public affected by local environmental impact from our vehicles and building and our operations and from our reuse and recycling activities.	FRC Group’s activities have the potential to impact on local communities and businesses.
		The global community and future generations – we are all affected by the global environmental impacts of our business.	FRC Group’s activities contribute to global environmental concerns.
How we do business	A Great Place to Work	Staff – general public affected by local environmental impact from our vehicles and building and our operations and from our reuse and recycling activities.	FRC Group’s activities have the potential to impact on local communities and businesses.
		The global community and future generations – employees of FRC Group.	FRC Group plays a significant role in the lives of its employees. We aim to be a great place to work where people are valued, rewarded and recognised for their efforts. Everyone at FRC Group contributes to the work of the organization and the social and financial value that is created.
		Volunteers – people working in FRC Group on a long-term voluntary basis.	FRC Group provides opportunities for people to volunteer their time and skills. These people contribute to FRC Group’s achievements.
		Trustees – our Board members who provide governance as volunteers.	FRC Group provides opportunities for people to volunteer their time and skills. Our trustees play a role in providing strong governance and contribute to FRC Group’s achievements.



Social Mission Relationship	Thematic link to FRC Group Aims	Stakeholder Group	Relationship to FRC Group
How we do business	Great to do Business With	Furniture Resource Centre customers – the social housing providers who buy furniture and related items from us.	FRC’s customers receive great service, quality products and good value from FRC.
		The tenants who receive and use the furniture supplied by Furniture Resource Centre.	Social Housing tenants benefit from the use of the good quality furniture that FRC delivers. They receive excellent service from our delivery staff.
		Bulky Bob’s customers – the local authorities that contract with us to provide collection, reuse and recycling services for furniture and white goods.	Local authorities receive a first class service from Bulky Bob’s for collection, reuse and recycling of domestic bulky waste.
		Our suppliers – the companies who supply us with goods and services.	FRC Group builds strong relationships with suppliers.
		Furniture reuse charities we work with to supply reusable items.	FRC Group works with a number of furniture reuse organisations to provide them with excess reusable furniture. This supplements the furniture they already collect.
		Funders and supporters of FRC Group who provide funding, advice, corporate engagement and pro bono support.	FRC Group maintains long-term relationships with organisations that have supported our development.

How FRC Group engages with stakeholders to find out their priorities and views varies according to the different groups. Resources to carry out engagement activities and the pace of change in the interaction with different groups also have an impact on the pattern of interaction.

are seen as a higher priority for regular engagement. They are defined by a number of characteristics:

- The significance of the role FRC Group’s work has in their lives
- How the groups relate to FRC Group’s charitable objectives or to how we do business
- The practicality of, and resources, involved in engaging with them

Beginning in 2012/13, FRC Group established an annual schedule of stakeholder engagement to ensure that all groups have a regular opportunity to contribute. The distinction between those groups to be engaged with annually and those to be engaged with once every three years reflects the priority attached to certain groups as discussed above.

Certain groups within the stakeholders

Annual Engagement	Three Year Rotating Engagement Cycle	Comments
Driving Change Trainees – those on programme during the year and trainees who were on programme in the past three years Launch Pad participants – those on programme during the year Crisis Furniture Referral Partner agencies – to be consulted in their own right as a stakeholder group and as a proxy for the crisis furniture recipients Crisis Furniture Recipients FRC Group’s Staff and Volunteers	Year 1 (2013/2014)	
	Bulky Bob’s Furniture World customers	Achieved through customer survey
	FRC Group Board of Trustees	Informal feedback collected throughout the year and through Board meetings
	Local authorities contracting with Bulky Bob’s	Engagement has been informal throughout the year.
	Year 2 (2014/2015)	
	Furniture Resource Centre customers Residents using the Bulky Bob’s service Neighbourhood and community groups local to FRC Group’s premises and Bulky Bob’s operations	
	Year 3 (2015/2016)	
	Suppliers of goods and services to FRC and Bulky Bob’s Furniture reuse organisations working with Bulky Bob’s Social housing tenants receiving furniture through Furniture Resource Centre	

This Stakeholder Engagement Policy and the annual schedule of stakeholder engagement is overseen by the Social Value Committee of FRC Group’s Board. The Policy and annual schedule will be reviewed once a year to ensure it remains current.

Stakeholder Engagement Summary 2013-14

Social Mission Relationship	Social Mission Relationship	Stakeholder Group	Total number of stakeholders	Number of stakeholders consulted	Method	
Creating Social Value	Great for People	Trainees – previously long-term unemployed people.	15	15	All have regular one to one reviews and exit interviews	
		Ex-trainees – people who have been on the training programmes in the past.	2 trainees left during the year	16	Telephone survey, email and Facebook connections	
		Launch Padders – unemployed people with little or no work experience and people with physical or learning disabilities who are seeking personal development opportunities.	178	All Launch Padders had at least their initial 'Lift-Off' review		
		Bulky Bob's Furniture World customers receiving discounts – people in receipt of benefits, pensioners, students, people referred from other support agencies.	3,045	84	Customer survey	
		People in crisis receiving essential furniture items	858	7	These people were included in the customer survey	
		Staff from support agencies referring people for crisis support	78 agencies in total used Bulky Bob's	21 referral agents self-selected to take part in survey	Conducted a survey via email	
		People who benefit from the work of the furniture reuse charities we work with.	Unknown	No formal feedback collected	Conducted a survey via email	

Social Mission Relationship	Social Mission Relationship	Stakeholder Group	Total number of stakeholders	Number of stakeholders consulted	Method
How we do business	Great for the Planet	People living locally to where FRC Group operations are working – general public affected by local environmental impact from our vehicles and building and our operations and from our reuse and recycling activities.	Unknown	No formal feedback collected	
		Ex-trainees – people who have been on the training programmes in the past.	2 trainees left during the year	16	Telephone survey, email and Facebook connections
		The global community and future generations – we are all affected by the global environmental impacts of our business.	c. 7 billion	No formal feedback collected	
How we do business	A Great Place to Work	Staff – employees of FRC Group.	55	All 5 senior manager were consulted through "Look Both Ways" appraisals 41 responded to employee survey	
		Volunteers – people working in FRC Group on a long-term voluntary basis.	1	1	Included in the "Look Both Ways" process
		Trustees – our Board members who provide governance as volunteers.	6	6	Informal feedback collected throughout the year & Board meetings



Social Mission Relationship	Social Mission Relationship	Stakeholder Group	Total number of stakeholders	Number of stakeholders consulted	Method
How we do business	Great to do Business with	Furniture Resource Centre customers – the social housing providers who buy furniture and related items from us.	Confidential - In such a defined market place (social housing providers) the number of customers we deal with is commercially sensitive information	No formal feedback collected	
		The tenants who receive and use the furniture supplied by Furniture Resource Centre.	Not collated	No formal feedback collected	
		Bulky Bob's customers - the local authorities that contract with us to provide collection, reuse and recycling services for furniture and white goods.	4	4	Informal engagement through regular contract meetings
		The householders who receive the collection service from Bulky Bob's	c. 50,000	No formal feedback collected	
		Bulky Bob's Furniture World Liverpool customers - all the people who shop in Bulky Bob's Furniture World.	3,160	84	Customer survey
		Our suppliers – the companies who supply us with goods and services.	Confidential - This information is deemed to be sensitive as FRC Group has previously suffered commercially from information disclosed about suppliers	No formal feedback collected	
		Furniture reuse charities we work with to supply reusable items.	Confidential - This information is deemed to be sensitive as FRC Group has previously suffered commercially from information disclosed about partners	No formal feedback collected	
		Funders and supporters of FRC Group who provide funding, advice, corporate engagement and pro bono support.	Confidential - This information is deemed to be sensitive as FRC Group has previously suffered commercially from information disclosed about partners	No formal feedback collected	



SOCIAL VALUE ASSURANCE STATEMENT



INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF FURNITURE RESOURCE CENTRE LIMITED



BDO LLP (“BDO”) were engaged by Furniture Resource Centre Limited (“FRC Group”) to provide assurance over selected aspects of social impact reported in the Directors Report, included within the FRC Group Integrated Report: Social and Financial Value 2013-14 as set out on pages 6 to 49 (“the Report”) for the year ended 31 March 2014.

Which assurance standards did we use?

We conducted our work in accordance with ISAE 3000 and by reference to a Type 1 assurance engagement under AA1000AS [2008].

We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants (“the Code”) which requires among other requirements that the members of the assurance team as well as the assurance firm are independent of the assurance client. BDO has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

What was included in the scope of our engagement?

We have performed our work to reach a limited level of assurance as defined by ISAE 3000 (which is equivalent to a moderate level of assurance under AA1000AS). Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance (such as a financial audit) and therefore a lower level of assurance is provided.

A. BDO have performed work on the nature and extent of the organisation’s adherence to the AA1000APS [2008].

B. Key Performance data presented in the Directors Report as indicated by ; “Selected Information”

The scope of our work was restricted to the Selected Information presented in the Report and does not extend to information in respect of earlier periods or to any other information in the Annual Report and Accounts or the website.

Responsibilities

The directors of FRC Group are responsible for:

- Designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- Establishing objective Reporting Criteria for preparing the Selected Information that, where relevant, meet the principles of Inclusivity, Materiality and Responsiveness in the AA1000APS.

Our responsibility is to independently express our conclusions based on the work performed, in relation to the above scope.

This report, including our conclusions has been prepared solely for the Directors of Furniture Resource Centre Limited as a body in accordance with the agreement between us, to assist the Directors in the reporting Furniture Resource Centre Limited’s social impact. We permit this report to be disclosed in the Directors’ Report section of the FRC Group Integrated Report: Social and Financial Value 2013-14 (the Annual Report and Consolidated Financial Statements for the year ended 31 March 2014) and the “proving it” section of the website www.frcgroup.co.uk/proving_it.php to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and the Furniture Resource Centre Limited for our work or this report except where terms are expressly agreed between us in writing.

What did we do to reach our conclusions?

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary in relation to the above scope. In order to form our conclusions we undertook the steps outlined below:

A. In respect of FRC Group's alignment with AA1000APS [2008] principles of inclusiveness materiality and responsiveness we performed the following activities:

- Interviewed a selection of FRC Group management.
- Reviewed FRC Group's approach to stakeholder engagement in the report and assessed the outputs from the materiality process relating to stakeholders and FRC Group's engagement.
- Reviewed the FRC Group approach to stakeholder engagement through interviews with employees responsible for managing engagement activities and reviewed selected associated documentation
- Reviewed the FRC Group process for determining material issues to be included within the Report
- Reviewed the coverage of material issues within the Report against the topics discussed by the FRC Group Board.

B. In considering the risk of material misstatement of the key performance data presented in the report we:

- Made enquiries of FRC's management
- Evaluated the design of the key structures, systems and processes and controls for managing, recording and reporting the Selected Information
- Performed limited substantive testing on a selective basis of the Selected Information
- Assessed the disclosure and presentation of the Selected Information
- Conducted a site visit to the key site at Atlantic Way to test the source data, to evaluate the design and implementation and test the operating effectiveness of controls at a local level

What are our conclusions?

Based on the work performed and the scope of our assurance engagement described above:

A. Nothing has come to our attention to suggest that the description of FRC Group's alignment with AA1000AS [2008] principles of Inclusivity, Materiality and Responsiveness is not fairly stated.

B. Nothing has come to our attention that indicates the Selected Information presented in the report has not been prepared in all material respects with the methodology as set out in page 9 of the report.

BDO LLP observations and areas for improvements

1. Formal approval of stakeholder policy and planned engagement; materiality policy approval and discussions of material issues by the Social Value Committee, should be clearly documented in minutes.
2. Stakeholder engagement to be formally planned (timing, mode, activity and sampling) and monitored throughout the year.
3. Prepare written documentation of all procedures and systems.
4. Implement in year sample checks on data collection systems.
5. Ensure systems are implemented to collate and store documentary evidence during the year for all KPIs which are to be reported, in particular for telephone calls and quotes and other information collected by email correspondence.
6. Materiality policy is formalised and includes measures for:
 - a. An evaluation of the relevance of the identified issues based on suitable and explicit criteria that are credible, clear and understandable as well as replicable, defensible and assurable; and
 - b. Determination of the significance of the identified issues using criteria and thresholds that are credible, clear and understandable as well as replicable, defensible and assurable.

7. Application of materiality for issues considered is documented in stakeholder engagement plans and included in the social impact report.
8. Where issues are considered material and impact has not yet been assessed for example the global environment, develop methodology to engage and report on the impact.

For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom



FINANCIAL REVIEW



The Directors report that group surplus before corporation tax was £457,651 this year, with total incoming resources increasing to £5,353,301 (2012/13: £3,966,363).

The increase in group income in 2013/14 compared to 2012/13 is mainly due to the successful winning of contracts for the provision of furniture to economically disadvantaged people through the Local Welfare Provision schemes run by Local Authorities.

The charity's wholly owned trading subsidiary, Bulky Bob's Limited, had another consistent year, successfully operating its major contracts against the contract criteria.

Principal funding sources

The principal source of funding for the charity 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 sales of 'pre-loved' furniture from our retail outlet and also through grant income, generated to support our Intermediate Labour Market (ILM) training programmes.

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.

The directors, having regard to the liquidity requirements of the business and to the reserves policy, have agreed to operate a facility with the bank whereby group funds are aggregated for the purposes of achieving the most favourable interest rates without the need to have a minimum balance in individual current accounts in order to negate bank charges.

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, which amounts to at least £1,158,629. 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 2014, reserves of £654,472 were held, which is £504,157 short of the required total of £1,158,629.

Grants and Donations

The Furniture Resource Centre group continues to improve and expand the social impact that it creates through effective use of the grants and donations it receives. In particular, it would not be possible to provide the present variety of quality training without this income.

During 2013/14 grants were received from:

ICRF
Trident Housing Association
Calico Housing Association
J P Getty
MRWA
Liverpool City Council (Regional Growth Fund)
Big Lottery Fund

We would like to thank all organisations and individuals for their generous support during 2013/14.

Plans for future periods

We will continue to improve our customer service in our Furniture Resource Centre's One Stop Service business and through the provision of furniture to Local Authorities under the Local Welfare provision schemes. Our aim is to remain the leading provider of furniture to furnished tenancy providers whilst continuing to develop our customer base by exploring new markets in the social housing sector.

We will strive to improve our offer through our retail outlet, Bulky Bob's Furniture World, in order to improve the quantity and quality of 'pre-loved' goods being made available at affordable prices to disadvantaged groups such as those on low incomes. We will continue to develop our work forging relationships with more referral agencies, increasing the number of donations we make to those in most need.

We will continue to provide and increase opportunities for socially excluded groups, specifically targeting our assistance in the areas of long term unemployment. In order to achieve this, we will provide paid best practice experience in a working environment, quality training and assistance in helping people back into full time employment.

We will examine our resource and methods for supporting our trainees to achieve fulltime employment at the end of their training period to combat the additional difficulties being felt in the UK's current economic situation.

In our efforts to increase opportunities for individuals from socially excluded groups who will not necessarily benefit from our training programmes, we will actively develop a meaningful placement programme to provide on the job work experience as a step towards future employability.

We will continue to develop our 'rent to own' social enterprise, which will deliver new ways of getting good quality affordable furniture to people in need.



Structure, Governance and Management

Governing Document

The Furniture Resource Centre is a 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 26 August 1988 as amended by Special Resolutions dated 26 October 1994, 21 February 1996, 20 September 2002 and 29 November 2002. Also amended by a Change of Name dated 7 November 1994.

Trustees

The Directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as Directors. The Directors serving throughout the year are set out on page 5.

The Directors are appointed by the members at the Annual General Meeting. The board may appoint a member to serve until the next AGM.

All of the Directors give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

Furniture Resource Centre will continue to review its induction training programme for all future trustees, alongside a training and development programme for all existing trustees. Under the programme, new trustees will be briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making processes, the business plan

and the recent financial performance of the charity. The programme will be bespoke in that it will take into account FRC's approach to measuring social and financial performance.

The Directors and staff would like to thank Graham Morris OBE for his excellent contribution as Chair of the Boards of all FRC Group companies since December 1998. During this time, Graham has provided expert guidance and insight which has helped FRC become one of the most successful social businesses in the country. Graham will be sorely missed as he leaves the Board of all FRC Group companies in August 2014 after nearly sixteen years' service.

Risk Management

In conjunction with the Charity Commission guidelines, risk management is now embedded as part of the group's decision making process and risk is re-assessed on a regular basis and action taken where necessary in order to mitigate any risks to which the group is exposed.

Key risks identified:-

- Potential reduction in overall marketplace for provision of furniture to Public Sector customers in line with current pattern of public spending reductions.
- Retention of key contracts.
- Stability of supply chain.

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

Organisational Structure

The board of directors meet approximately five times per year to administer the charity. Four of these meetings are held at key quarter dates to provide a regular review of all areas of current performance, whilst one other meeting is specifically reserved for planning and review of the charitable aims, objectives and activities, looking at the success of each key activity and the benefits they may have brought to those groups of people we are set up to help.

There are sub-committees covering finance and measuring social value. Shaun Doran, CEO, is appointed by the directors to manage the day to day operations of the charity.

Related Parties

Bulky Bob's Limited is a wholly owned subsidiary of Furniture Resource Centre Limited. It provides services, mainly to Local Authorities, for the collection of bulky household waste. Bulky Bob's actively promotes the work of the charity providing training opportunities for people from long term unemployment and other socially excluded groups whilst protecting the environment through the reuse and recycling of collected items.

FRC Trading Limited is a wholly owned subsidiary of Furniture Resource Centre Limited and its income is derived from private sector customers for logistics services and from a variety of customers for consultancy services around social business.

Homemaker Solutions Limited is a new company set up by Furniture Resource Centre Limited during 2013/14.

Homemaker Solutions Limited was registered as a charity during May 2014 with Furniture Resource Centre Limited being its sole member.

The above companies gift aid / donate the majority of their profits to the charity.

Directors' Responsibilities

The directors are responsible for preparing the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- prepare information about the social, community and environmental issues relevant to the charities' field of work .

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

In compliance with Section 417 of the Companies Act 2006, the directors are responsible for ensuring the business review considers information about social, community, environmental matters and the company's employees. This information is detailed in the Director's Report.

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

In accordance with the Companies Act 2006 section 172 (1) the directors, in promoting the success of the company, should have regard to the impact of the company's operations on the community and the environment. The directors demonstrate this duty through the impact of FRC Group on its stakeholders as set out in the directors' report. The directors are responsible for:

- Designing, implementing and maintaining internal controls over information relevant to the preparation of the director's report that is free from material misstatement. Whether due to fraud or error;
- Establishing objective reporting criteria for preparing the directors' report that, where relevant meets the principles of inclusivity, materiality and responsiveness of the AA1000 AS

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006. BDO LLP has indicated its willingness to remain in office.

Statement as to disclosure of information to auditors

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 of which the auditors are 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 and signed on its behalf by

A Rowan
Secretary
Date:

Independent Auditors' Report To The Members Of Furniture Resource Centre Limited

We have audited the financial statements of Furniture Resource Centre Limited for the year ended 31 March 2014 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's directors and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's directors and 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 charity and the charity's directors and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014, and of the group's incoming resources and application of resources, including its 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 and the Charities Act 2011.



Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or
- the exemption from the requirements to prepare a strategic report.

For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

FURNITURE RESOURCE CENTRE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31st MARCH 2014

	Note	Unrestricted Funds	Restricted Funds	Total Funds 31st March 2014	Total Funds 31st March 2013
	£	£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary Income</i>					
Grants and donations	4	1,616	165,941	167,557	16,667
<i>Activities for generating funds</i>					
Commercial trading operations		1,121,781	-	1,121,781	1,266,238
<i>Investment income:</i>					
Bank interest		1	-	1	1
<i>Other income:</i>					
Other income		46,644	-	46,644	25,827
		1,170,042	165,941	1,335,983	1,308,733
Incoming resources from charitable activities:					
One Stop Service Packages / LWP Sales		3,860,120	-	3,860,120	2,452,726
Charity Sales		116,480	25,000	141,480	153,581
People Development		12,544	3,174	15,718	51,323
		3,989,144	28,174	4,017,318	2,657,630
Total incoming resources		5,159,186	194,115	5,353,301	3,966,363
Resources expended					
Cost of generating funds					
Commercial trading operations		617,454	59,743	677,197	811,273
Charitable activities					
<i>One Stop Service Packages / LWP Sales</i>		3,513,410	82,096	3,595,506	2,803,799
<i>Charity Sales</i>		145,402	25,000	170,402	220,196
<i>People Development</i>		309,003	3,774	312,777	326,278
<i>Homemaker</i>		80,591	33,326	113,917	-
	6	4,048,406	144,196	4,192,602	3,350,273
Governance costs	7	25,851	-	25,851	18,798
Total resources expended		4,691,711	203,939	4,895,650	4,180,344
Net resources before transfers		467,475	(9,824)	457,651	(213,981)
Taxation - UK corporation tax	11	(26,275)	-	(26,275)	(16)
Net incoming / (outgoing) resources		441,200	(9,824)	431,376	(213,997)
Balances brought forward at 1st April		244,123	76,331	320,454	534,451
Balances brought forward at 31st March		685,323	66,507	751,830	320,454

Continued operations

All of the group's activities in the above two financial years are derived from continuing operations.

Total recognised gains and losses

The group has no recognised gains or losses other than the net outgoing resources for the above two financial years.

FURNITURE RESOURCE CENTRE LIMITED
CONSOLIDATED BALANCE SHEETS AT 31st MARCH 2014

COMPANY NUMBER
2296329

	Notes	Group		Charity	
		2014 £	2013 £	2014 £	2013 £
Fixed assets					
Tangible assets	12	94,751	121,614	73,416	87,297
Investments	3	-	-	2	2
		94,751	121,614	73,418	87,299
Current assets					
Stock	13	125,677	95,084	125,677	94,671
Debtors	14	1,117,707	586,211	970,727	436,054
Cash at back and in hand		430,750	220,155	324,084	200,570
		1,674,134	901,450	1,420,488	731,295
Creditors:					
amounts falling due after one year	15	(1,009,055)	(702,610)	(862,197)	(526,409)
Net current assets		665,079	198,840	558,291	204,886
Creditors:					
amounts falling due after one year	16	(8,000)	-	-	-
Net assets		751,830	320,454	631,709	292,185
Funds					
Unrestricted		685,323	244,123	565,202	215,854
Unrestricted	18	66,507	76,331	66,507	76,331
Total Funds	19	751,830	320,454	631,709	292,185

The notes on pages 66 to 79 form part of these accounts.

The financial statements have been prepared in accordance with the special provisions for small companies under the Companies Act 2006.

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

G Morris
Director
Date:

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006.

Basis of consolidation

These financial statements consolidate the results of the Furniture Resource Centre Limited and its wholly owned trading subsidiaries, Bulky Bob's Limited and FRC Trading Limited. The results of the subsidiaries are consolidated on a line by line basis. A separate statement of financial activities is not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Going Concern

The financial position on pages 64 to 79 demonstrates that the group is operating within its available cash funds and has net current assets at the year end. The Trustees believe the charity is well placed to manage its business risk despite the difficult economic climate.

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.

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).

Investment income is recognised on a receivable basis.

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

Income from grants receivable which support people development, is credited to the income and expenditure account in the period to which the grants relate.

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, expenditure associated with the retailing of reused goods to economically disadvantaged groups and the costs of providing training programmes to socially excluded groups. These include both the direct costs and support costs relating to those activities.

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Accounting policies (continued)

Resources expended (continued)

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, eg property costs are apportioned on staffing levels; staff, ICT, general office and depreciation are apportioned by income generated.

Irrecoverable VAT

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are included in 'resources expended' as incurred.

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 11.

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	33% on cost

Stocks

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

Pension costs

The company 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 company in an independently administered fund. Contributions are paid based upon the recommendations of a qualified actuary.

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.

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.

Cashflow Statement

The trustees have taken advantage of the exemption in FRS1 from including a cash flow statement on the grounds that the group is small.

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

2. Financial activities of the charity

A summary of the financial activities undertaken by the charitable company is set out below:

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Incoming resources	4,420,718	134,371	4,555,089
Resources Expended	(4,071,383)	(144,195)	(4,215,578)
	-----	-----	-----
Net incoming / (outgoing) resources for the year	349,335	(9,824)	339,511
	-----	-----	-----

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 their activities

The financial activities shown in the consolidated financial statements include the results of the charity's wholly owned trading subsidiaries; Bulky Bob's Limited and FRC Trading Limited. The information and financial data for each company is included below.

(i) Bulky Bob's Limited

The charity holds 1 £1 ordinary share in Bulky Bob's Limited, a company registered in England. At 31 March 2014, the capital and reserves of the subsidiary were £116,355. The subsidiary made a profit before corporation tax of £118,390 in the year ended 31 March 2014.

Bulky Bob's Limited 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.

(ii) FRC Trading Limited

The charity holds 1 £1 ordinary share in FRC Trading Limited, a company registered in England. This holding comprises the whole of the company's share capital.

At 31 March 2014, the capital and reserves of the subsidiary were £3,767. The subsidiary made a loss of £250 in the year ended 31 March 2014.

FRC Trading Limited provides consultancy services in respect of advice on best practice within the Social Enterprise sector.

(i) Homemaker Solutions Limited

During the year, the charity set up Homemaker Solutions Limited, a company registered in England. This company will continue the objectives of Furniture Resource Centre Limited in getting good quality affordable furniture to people in need. Homemaker Solutions Limited did not trade during 2013/14.

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

3. Subsidiary companies, joint venture companies and their activities (continued)

A summary of the results of all the trading companies is shown below;

	Bulky Bob's Limited	FRC Trading Limited	Homemaker Solutions Limited
	£	£	£
Turnover	1,121,781	-	-
Cost of sales	(76,035)	-	-
	-----	-----	-----
Gross profit	1,045,746	-	-
Distribution costs	(594,942)	-	-
Administrative expenses	(393,074)	(250)	-
Grants receivable	60,660	-	-
	-----	-----	-----
Operating profit/(loss)	118,390	(250)	-
Other income receivable	-	-	-
Gift Aid to Furniture Resource Centre	-	-	-
	-----	-----	-----
Profit/(loss) on ordinary activities before taxation	118,390	(250)	-
Taxation – UK corporation tax	(26,275)	-	-
	-----	-----	-----
Retained profit/(loss) for the year	92,115	(250)	-
	-----	-----	-----

The above income and expenditure headings include amounts that are eliminated on consolidation in the Consolidated Statement of Financial Activities.

4. Voluntary income

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
MWDA	916	-	916	3,245
ICRF	-	72,872	72,872	-
Trident	-	33,326	33,326	-
Liverpool City Council RGF	-	59,743	59,743	13,422
Event donation	700	-	700	-
	-----	-----	-----	-----
Voluntary income	1,616	165,941	167,557	16,667
	-----	-----	-----	-----

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014**5. 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 staffing levels; staff, ICT, general office and depreciation are apportioned by income generated.

	One Stop Service / LWP	People Development	Charity Sales	Homemaker	2014 Total	2013 Total
Support Cost	£	£	£	£	£	£
Property cost	73,799	73,799	-	-	147,598	150,085
Staff costs	208,704	850	7,678	53,496	270,728	277,967
ICT costs	84,306	343	3,102	-	87,751	88,067
General office	54,800	224	2,015	2,094	59,133	51,663
Depreciation	6,383	26	235	-	6,644	8,389
	427,992	75,242	13,030	55,590	571,854	576,171

6. Analysis of charitable expenditure

	One Stop Service / LWP	People Development	Charity Sales	Homemaker	2014 Total	2013 Total
Direct Costs	£	£	£	£	£	£
Costs of sales	2,345,233	-	16,255	-	2,361,488	1,602,392
Staff costs	511,418	214,845	75,551	42,596	844,410	870,149
Vehicle costs	149,979	-	10,022	-	160,001	145,462
Trainee costs	-	16,586	-	-	16,586	12,293
Property costs	-	-	48,564	-	48,564	48,768
Office costs	151,661	6,103	6,743	15,731	180,238	82,767
Depreciation	9,223	1	237	-	9,461	12,266
Loss on disposal	-	-	-	-	-	5
Support costs (note 5)	427,992	75,242	13,030	55,590	571,854	576,171
	3,595,506	312,777	170,402	113,917	4,192,602	3,350,273

7. Governance Costs

	2014	2013
	£	£
Social audit	9,500	5,000
Audit and accountancy	14,955	12,420
Directors insurance	1,396	1,378
	25,851	18,798

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014**8. Analysis of staff costs**

	2014	2013
	£	£
Staff costs:		
Wages and salaries	1,299,644	1,433,085
Social security costs	107,620	118,843
Pension costs	32,578	28,082
	1,439,842	1,580,010

The following number of employees had emoluments in excess of £60,000 in the year:

	2014	2013
	Number	Number
£80,001 to £90,000	1	1
£70,001 to £80,000	-	-
£60,001 to £70,000	-	-
During the year the following amounts were paid to Group Personal Pension Scheme	2014 £	2013 £
Pension contributions to Group Personal Pension Scheme	9,609	4,694

The average number of employees analysed by function, was:

	2014	2013
	Number	Number
One Stop Service packages / LWP Sales	22	20
Training	14	12
Retail	6	5
Bulky Bob's	19	21
Management and administration of the charity	9	17
	70	75

9. Trustee Remuneration & Related Party Transactions

Travel costs amounting to £252 (2013: £199) were reimbursed to 1 (2013: 1) trustee during the year.

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 (2013: Nil).

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

10. Net outgoing resources for the year

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
This is stated after charging/(crediting):				
Auditors' remuneration: Audit services	11,454	12,180	12,081	6,135
Non-audit services	3,500	240	-	-
Depreciation	29,099	34,099	16,117	20,798
(Profit)/Loss on disposal of fixed assets	180	(156)	180	59
Operating lease rentals:-				
Plant & Machinery	-	-	-	-
Other	246,320	246,363	176,978	177,021
Rents receivable on property sub-lease	20,900	18,750	20,900	18,750

11. Taxation

Analysis of tax charge

	Bulky Bob's Limited	FRC Trading Limited	Homemaker Solutions Limited	Total 2014	Total 2013
	£	£	£	£	£
(i) Current					
UK corporation tax on profits for the year	26,275	-	-	26,275	2,204
Adjustments in respect of previous periods	-	-	-	-	(2,188)
Total UK corporation tax	26,275	-	-	26,275	16

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

11. Taxation (continued)

(ii) Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20% (2013 :20%). The differences are explained below:

	Bulky Bob's Limited	FRC Trading Limited	Homemaker Solutions Limited	Total 2014	Total 2013
	£	£	£	£	£
Profit on ordinary activities before tax	118,390	(250)	-	118,140	877
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20%	23,678	-	-	23,678	175
Depreciation for the year in (deficit)/excess of capital allowances	2,597	-	-	2,597	2,072
Profit on disposal of tangible fixed assets	-	-	-	-	(43)
Expenditure not allowable for tax purposes	-	-	-	-	-
	26,275	-	-	26,275	2,204

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

12. Tangible Fixed assets

Group	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2013	794,668	176,659	106,296	150,692	1,228,315
Adjustment	1	-	184	(7,422)	(7,237)
Additions	-	-	-	2,416	2,416
Disposals	-	-	(1,126)	(835)	(1,961)
	-----	-----	-----	-----	-----
At 31 March 2014	794,669	176,659	105,354	144,851	1,221,533
	-----	-----	-----	-----	-----
Accumulated Depreciation					
At 1 April 2013	701,093	153,750	104,431	147,427	1,106,701
Adjustment	-	16	(369)	(6,884)	(7,237)
Charge for the year	14,594	1,239	10,336	2,930	29,099
Disposals	-	-	(1,126)	(655)	(1,781)
	-----	-----	-----	-----	-----
At 31 March 2014	715,687	155,005	113,272	142,818	1,126,782
	-----	-----	-----	-----	-----
Net book value					
At 31 March 2014	78,982	21,654	(7,918)	2,033	94,751
	-----	-----	-----	-----	-----
At 31 March 2013	93,575	22,909	1,865	3,265	121,614
	-----	-----	-----	-----	-----

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

Charity	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2013	758,303	94,530	103,707	148,008	1,104,548
Adjustment	1	-	184	(7,422)	(7,237)
Additions	-	-	-	2,416	2,416
Disposals	-	-	(1,126)	(835)	(1,961)
	-----	-----	-----	-----	-----
At 31 March 2014	758,304	94,530	102,765	142,167	1,097,766
	-----	-----	-----	-----	-----

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

12. Tangible Fixed assets (continued)

Charity	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Accumulated Depreciation					
At 1 April 2013	677,932	92,550	101,842	144,927	1,017,251
Adjustment	-	16	(369)	(6,884)	(7,237)
Charge for the year	10,958	1,092	1,137	2,930	16,117
Disposals	-	-	(1,126)	(655)	(1,781)
	-----	-----	-----	-----	-----
At 31 March 2014	688,890	93,658	101,484	140,318	1,024,350
	-----	-----	-----	-----	-----
Net book value					
At 31 March 2014	69,414	872	1,281	1,849	73,416
	-----	-----	-----	-----	-----
At 31 March 2013	80,371	1,980	1,865	3,081	87,297
	-----	-----	-----	-----	-----

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

13. Stock

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Finished goods	125,677	95,084	125,677	94,671
	-----	-----	-----	-----

14. Debtors

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	932,003	401,804	824,233	285,960
Prepayments	178,923	177,985	105,962	80,916
Amounts due from subsidiary undertakings	-	-	34,151	62,756
Other debtors	6,781	6,422	6,381	6,422
	-----	-----	-----	-----
	1,117,707	586,211	970,727	436,054
	-----	-----	-----	-----

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014**15. Creditors: amounts falling due within one year**

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Trade creditors	663,711	392,474	629,509	338,924
Corporation tax	26,294	2,204	-	-
Other taxation and social security	134,322	80,427	93,583	23,749
Other creditors	60,779	141,019	31,991	111,644
Accruals and deferred income	123,949	86,486	107,114	52,092
	-----	-----	-----	-----
	1,009,055	702,610	862,197	526,409
	-----	-----	-----	-----

16. Creditors: amounts falling due after one year

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Accruals and deferred income	8,000	-	-	-
	-----	-----	-----	-----
	8,000	-	-	-
	-----	-----	-----	-----

17. Deferred Income

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

	Group	Charity
	£	£
Balance at 1 April 2013	21,780	6,358
Amount released to incoming resources	(87,680)	(71,959)
Amounts deferred in the year	88,575	87,275
	-----	-----
Balance at 31 March 2014	22,675	21,674
	-----	-----

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014**18. Restricted Funds**

		Balance at 1 April 2013 £	Movement in resources		Balance at 31 March 2014 £
			Incoming £	Outgoing £	
Riverside Housing Association	(i)	3,208	-	601	2,607
CSEP	(ii)	19,372	-	2,445	16,927
LCBP	(ii)	38,331	-	4,834	33,497
Foundation	(ii)	15,420	-	1,944	13,476
Big Lottery Fund	(iii)	-	3,174	3,174	-
Liverpool City Council RGF	(iii)	-	59,743	59,743	-
J P Getty	(iv)	-	5,000	5,000	-
MRWA	(iv)	-	20,000	20,000	-
ICRF	(v)	-	72,872	72,872	-
Trident Housing Association	(vi)	-	16,663	16,663	-
Calico Housing Association	(vi)	-	16,663	16,663	-
		-----	-----	-----	-----
		76,331	194,115	203,939	66,507
		-----	-----	-----	-----

Those funds with balances at 31 March 2014 or 31 March 2013 represent funds received and used for the following purposes.

- (i) Funding for Retail training position
- (ii) Partial funding for solar panels at property occupied by the charity

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

- (iii) Partial funding for training long-term unemployed people
- (iv) Funding for the provision of furniture to people in need
- (v) Funding for the charity to achieve ISO 9001 quality accreditation
- (vi) Funding for the development of the charity's Homemaker project

19. Analysis of net assets between funds

Group	Fixed assets £	Net current assets £	Total £
Restricted funds	63,900	2,607	66,507
Unrestricted funds	30,851	654,472	685,323
	-----	-----	-----
Net assets	94,751	657,079	751,830
	-----	-----	-----

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

19. Analysis of net assets between funds (continued)

Charity	Fixed assets	Net current assets	Total
	£	£	£
Restricted funds	63,900	2,607	66,507
Unrestricted funds	9,518	555,684	565,202
Net assets	73,418	558,291	631,709

The amount of £63,900 included under Restricted Funds represents the net book value of the building improvement work carried out and the vehicle, solar panels, furniture and computer equipment purchased which was funded by grants.

20. Commitments

Operating leases commitments

At 31 March 2014, the annual commitments under non-cancellable operating leases are as follows:

	Land & Buildings	Other	2014 Total	2013 Total
	£	£	£	£
Charity				
Expiry within:				
Under one year	-	17,876	17,876	9,764
Two to five years	-	11,558	11,558	36,014
Over five years	126,640	-	126,640	126,640
	126,640	29,434	156,074	172,418
Group				
Expiry within:				
Under one year	-	17,876	17,876	9,764
Two to five years	-	60,636	60,636	85,092
Over five years	146,904	-	146,904	146,904
	146,904	78,512	225,416	241,760

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

20. Commitments (continued)

	2014		2013	
	Group £	Charity £	Group £	Charity £
Pension contributions	32,578	32,578	28,082	28,082

21. Related Parties

Group Undertakings

The Company has taken advantage of the exemptions available not to disclose transactions with other group undertakings under FRS 8, as subsidiary undertakings are 100% owned subsidiary undertakings and publicly available consolidated financial statements are prepared.

22. Capital Commitments

There were no capital commitments at 31 March 2014 (2013: £nil).

