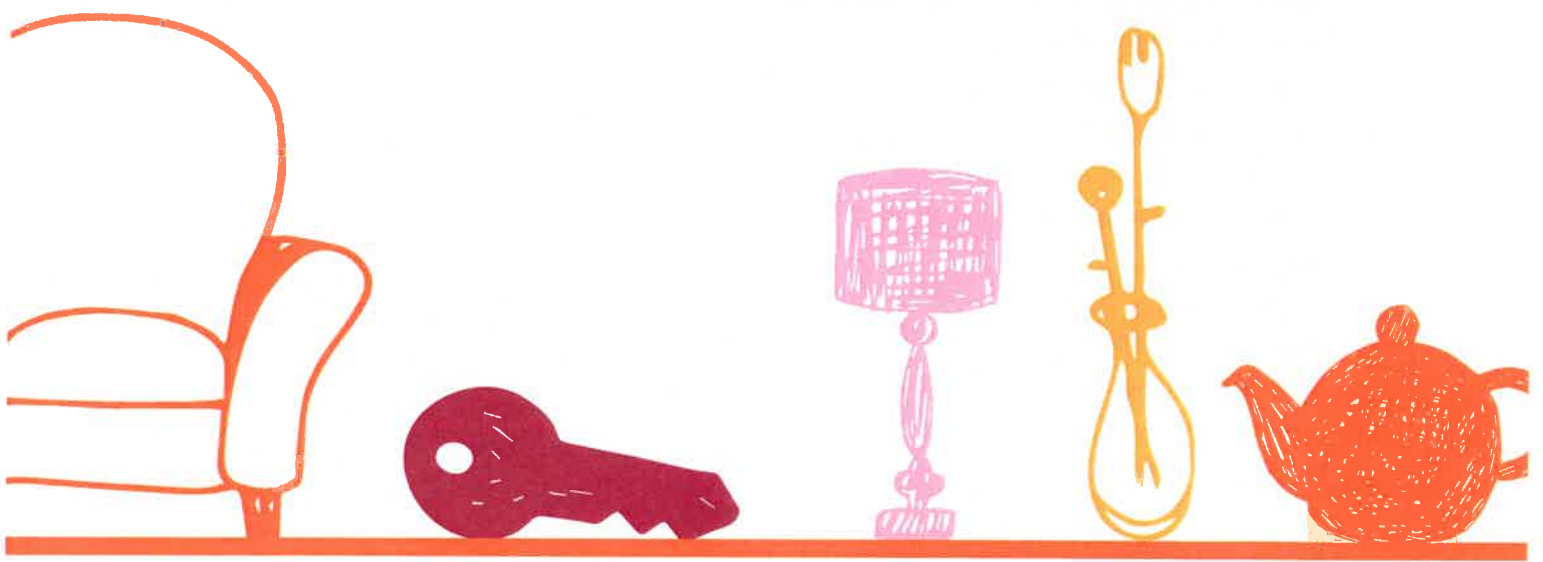
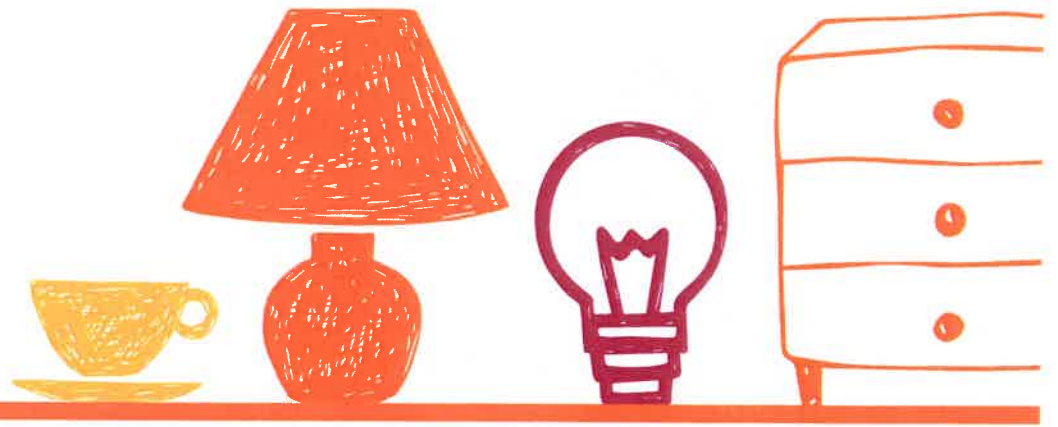


FURNITURE RESOURCE CENTRE LIMITED

Integrated Report
Social and Financial
Value 2018–2019



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Glossary

Our mission

To reduce and ultimately eradicate furniture poverty.

End Furniture Poverty

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

Our objectives are:

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

Our values:

- Bravery
- Creativity
- Passion
- Professionalism

Furniture Resource Centre Limited

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

Buckingham Interiors

Provides interior design and specialist contract furniture to sheltered housing schemes across the UK.

Bulky Bob's

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

Bulky Bob's Furniture World

Sells the good quality pre-loved furniture collected by the Bulky Bob's collection teams.

Bulky Bob's General Waste and Office and Commercial Waste Services

Offers confidential shredding, paper and card collections, IT equipment collections, office furniture collections and waste audits.

Safety Net

Provides packages of essential furniture items, including sofas, beds, cupboards, household items and white goods such as cookers and fridges. People are referred to the scheme by the council, the Citizens Advice Bureau and others, often when they have exhausted the other forms of welfare support that are available in Liverpool.

Amazing Mattresses

Mattress reuse operation through ultra-cleaning second hand mattresses, helping families struggling to afford mattresses.

10 Essential Items

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

Driving Change

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

ViPs (Volunteers, Interns, Placements and Students)

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

Data assured, this will be an icon to show which data points have been audited.





Strategic Report



Welcome & Acknowledgements

This is the sixth integrated report from FRC Group. It tracks our progress through the group's 30th year of service, a record we are tremendously proud of.

We continue to develop and improve how we report both our financial performance and the social value of our work. In the current climate support for families in the UK continues to decline and more people than ever are living in poverty and facing hardship. This means that we have to work even harder to offer creative solutions to help those we exist to serve. However, our mission to end furniture poverty is at the heart of everything we do and we are clear about the steps that we need to take to make a difference to people's lives. During 2018–2019, we have stuck to our plan and, despite a challenging environment, we have delivered a strong performance both in social value and solid and sustainable financial performance.

As always, we passionately thank everyone who contributed to another successful year. Particular thanks go to our amazing team of staff, trainees and volunteers who daily live and breathe our values – Bravery, Creativity, Passion and Professionalism. This amazing team work hard together, achieving great things on the road to our goal to end furniture poverty.

We offer our earnest thanks to all the people who have played a part in producing this report: all those who make FRC Group a great place to work – our staff, Driving Change trainees, ViPs and our board of trustees; our data collectors and analysts, and particularly Carol Cassidy, Claire Donovan, James Frost, Josie McKeown, Laura Smith, Mick Hart, Maria Comer, Rachel Lloyd, Rachel Duty, Jacqui Millington, Luke Rice, Adam Richards, Shirley Spofforth, Peter Stewart, Paul Colligan, Joan Stockton, Tony Rowan and Collette Williams;

BDO LLP, who assured the report. BDO's statements are on pages 100 to 103 and 107 to 109;

Nonconform, who designed the report;

ProseWorks, our copywriters and proofreaders;

Deana Kay, who took the photographs; and report authors Collette Williams and Tony Rowan, aided by contributions from the team.

This report marks the completion of FRC's third decade of service, and we want to acknowledge the debt we owe to all those who have played a part in our success over the past 30 years: past staff, trainees, volunteers, board members, customers, partners and funders. We hope we have made you feel proud to have played a part in the achievements of the FRC Group, and we will strive to build on the foundations you have laid.

Highlights of 2018–2019

Ending Furniture Poverty is at the heart of everything that FRC Group does.

We have worked to raise awareness of furniture poverty, to educate people about the potential solutions and, ultimately, to ensure that everyone has access to the essential furniture and goods they need to lead a secure life.

Launched new initiatives to combat furniture poverty:

Safety Net 

Amazing Mattresses 

Beds for Kids 

Baby goods and bikes 

Started New social value measurement project 

Donated free furniture to people who need it to the financial value of £77,510

This includes:

Crisis donations

£36,694



Safety Net

£2109



30th Year Furniture Give-away

£6241



North Tyneside Furniture Scheme

£19,507



Donated mattresses

£9910



Beds for Kids

£3049



Gave discounted furniture to

2722 

customers through Bulky Bob's Furniture World.

Created discounts for customers of

£86,433 

through Bulky Bob's Furniture World and Deliveries.

Delivered free furniture to

496 

families in crisis situations.

Ran 'Beds for Kids' Christmas campaign ... donated free of charge -

42 Beds



44 Mattresses



44 Bedding sets



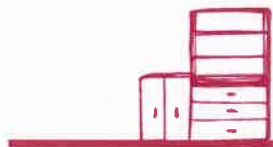
47 Duvet & pillow sets



to families across the Liverpool area during Christmas 2018.



Delivered **113** items of free furniture through our new contract in North Tyneside.



Ran **1** community furniture event giving away free furniture.



Supported **24** Driving Change places.



Delivered **66** accredited qualifications.



Launched Workshop 1 and Workshop 2 to create more opportunities for our VIPs programme for volunteers, interns, placements and students.



Worked with **26** VIPs across the year (volunteers, interns, placements and students).



Through Furniture Resource Centre we made **11,798** deliveries of furniture to people's homes.

Buckingham Interiors

100% ★

of survey respondents said customer service was excellent or good.

100% ★

of respondents rated order processing as excellent or good.

100% ★

of respondents rated after-sales care as excellent or good.

Bulky Bob's



Bulky Bob's completed

59,912

collection requests on behalf of councils.



Reused

2035

tonnes of furniture, appliances and other bulky waste.



Recycled in the region of

13,143

mattresses (based on average weights).



460

tonnes of mattresses were diverted from landfill.



Company Information



as of 31 March 2019...

Company Number 2296329 (England and Wales)
Charity Number 700731

Directors
N Wilson
E Richard
J Vernon
J Hines
J Nicholls
L Dixon

Secretary A Rowan

Chief Executive S Doran

Registered office
Atlantic Way
Brunswick Business Park
Liverpool
L3 4BE

Bankers
NatWest Bank
2-8 Church Street
Liverpool
L1 3BG

Auditors
BDO LLP
Chartered Accountants
5 Temple Square
Temple Street
Liverpool
L2 5RH

Solicitors
Brabners
Horton House
Exchange Flags
Liverpool
L2 3YL



Trustees' skills and experience



Nigel Wilson is chair of FRC Group and joined the Board of Trustees in 2014. Nigel became the Chief Executive Officer of the Sunderland-based Gentoo Group housing association on 2 January 2019. He had previously been CEO at Wythenshawe Community Housing Group in Manchester for six years, and Chief Executive of Wythenshawe's Parkway Green Housing Trust.

Nigel has more than 30 years' experience of the housing sector and began his career as a customer-facing housing officer, working his way to leadership positions through a variety of roles in tenant participation, resident engagement, new business and housing regeneration. He was drawn to the sector by his early experiences as a tenant and housing activist.

He has a wealth of boardroom experience gleaned from a range of roles across various boards and committees, most recently as chair of JV North, a consortium of 12 housing associations in north-west England.

Given his long career in this sector, it is no surprise that Nigel has a deep sense of social purpose. He is passionate about social investment, community involvement, building new affordable housing and developing those he works with – but ultimately he's passionate about making a positive difference to people's lives.

Nigel sees partnership working as a key component in the successful delivery of positive change. In his work with Gentoo, he is very keen to explore how the organisation can work closely with other businesses and key stakeholders in the city of Sunderland and the wider north-east of England to keep the existing ambitious plans for the region's growth and regeneration moving forward.



Erik Bichard has served on FRC Group's board since 2002. His entire career has been devoted to the field of sustainable change. He began his working life as an environmental planner and then held positions with two sustainability consultancies. He then became Executive Director of the UK National Centre for Business & Sustainability and later took the role of Chief Executive with Sustainability Northwest. He became Professor of Regeneration and Sustainable Development at the University of Salford, where he turned his focus to developing and implementing the concept of sustainable return on investment.

Erik has been a sustainability adviser to Co-operatives UK and Liverpool City Council. He is joint founder of the pioneering consultancy RealWorth, which advises on the importance and value of social and environmental change in the built environment. He is a regular expert contributor to print, radio and television coverage of sustainability issues and is the author of academic papers, book chapters and two books, *Positively Responsible* and *The Coming of Age of the Green Community*. He is currently a member of the Royal Town Planning Institute, a Fellow of the RSA, a member of the Council of the Merseyside Civic Society, and a Visiting Fellow at the University of Liverpool's Heseltine Institute.



Jeff Vernon BA (Hons) FCA MBA AMCT has served on the board of FRC Group since 2005. Jeff is the Director of Finance & Banking at Rathbone Investment Management, which is a leading provider of discretionary investment and wealth management services. He qualified as an accountant and gained his MBA during his seven years with Royal Insurance (now Royal SunAlliance). He joined Rathbones in 1999.



Dr John Hines has served on the FRC Group board since 2008. John has been Global R&D Director at SC Johnson Professional for nine years, where he has led delivery to market of award-winning innovations in healthcare and industrial & institutional skincare.

After gaining his DPhil in Chemistry at Oxford, John joined Unilever R&D in the UK where he worked across home and personal care and on innovations for global brands including Dove, Skip and Axe. He headed a leading materials technology consulting business before taking up his current role.



Jeremy Nicholls has served on the board of FRC Group since 2009. He is a director and one of the founders of Social Value International, a membership organisation for individuals and organisations that support the principles and standards of including social and environmental value in accounting practice. He trained as a chartered accountant and spent the early years of his career as Finance Director for Tanzania Railways.

Jeremy works part time with the Impact Management Project and is Professor of Social Value at Staffordshire University. He is also a non-executive director of the Social Investment Business (a social investor) and the Social and Human Capital Coalition. He chairs the British Standards Institute's social value committee and is a member of the expert panel of Accounting for Sustainability, the IRIS advisory committee and the UK Social Value Taskforce.



Lesley Dixon has served on the FRC Group board since 2013. Lesley is the CEO of PSS, a national social enterprise that works to identify people in need and find new and practical ways to help them get the most from life.

Her early career experience includes nine years as Chief Executive of Leeds University Union and General Manager roles at the University of London and Kings College Unions. She is a former Vice Chair of the national mental health charity Mind and former Commissioner at the Liverpool Fairness Commission. Lesley is a Chartered Manager, a fellow of the Chartered Management Institute and holds an honorary doctorate from the University of Leeds.



Christopher Watson retired from the FRC Group board this year after 17 years of invaluable service. Chris has more than 30 years' experience of research, teaching and consultancy in housing, urban policy and international urban development. His most recent work addresses the renewal of older housing in Europe and the importance of good housing for better health.

From 1987 to 1992, Chris was Director of the Centre for Urban and Regional Studies at the University of Birmingham, and Chair of Birmingham's Mercian Housing Association from 1999 to 2005. He is a member of the Asia-Pacific Network for Housing Research and of the European Network for Housing Research, and is a co-ordinator of the ENHR Working Group on Housing in Developing Countries.

We want to thank Chris for his contribution to the FRC Group, for his input on its direction and policy and particularly for his human approach to people and problems. FRC Group would not be where it is today if not for Chris' support, guidance and encouragement.

Strategic decision-making

FRC Group's Board of Trustees sets the strategic direction for the organisation at an annual planning meeting that establishes the priorities for the year ahead. The board is informed at its regular meetings of progress against these agreed strategic priorities. When issues arise during the year that require the board's agreement to a strategic-level response, they are discussed at the next scheduled board meeting or, if necessary, at a specially convened meeting. The board has three sub-committees which meet as required: Finance, Measuring Social Value and Remuneration. These committees make recommendations to the full board in their areas of specialism.

FRC Group integrated reporting

FRC Group practice is at the forefront of social value reporting. We believe strongly in the need to measure and communicate how our activities improve the lives of those coping with poverty and unemployment. For more than two decades we have reported on our social impacts; this is our sixth year of producing an integrated financial and social value annual report. This report builds on our knowledge and experience, bringing together our successes and areas where we need to improve. It offers an honest and clear account of the social and financial achievements of the past year across FRC Group's activities.

Developing our reporting

The results reported here come from a range of quantitative and qualitative data collected from across the organisation by FRC Group's social value measurement system. This information is analysed to monitor and manage our social value performance. We create social value models for different areas of our activity and use these to set a social value creation budget. We can evaluate actual performance against that budget. In 2018–2019, we have produced social value budget models for Driving Change and Bulky Bob's Furniture World Liverpool.

Our social value models follow the Principles of Social Value set out by Social Value UK. We make assumptions about what would have happened without our intervention and what could have happened if the needs we met had been satisfied in some other way. The aim is to make sure our assessment of our social value is based on the changes actually experienced by clients as a result of our interaction with them.

The report includes diagrams to illustrate the main areas of value creation and the types of value used in these models. We have also used some of the data arising from our modelling to increase the level of detailed statistics given in these different sections.

Our ultimate aim is to develop social value budgeting models across all of our material activities and to produce an overall social value statement that can sit alongside our financial statement. The intention is to gradually increase the amount of detail from the social value models we use in the Directors' Report. While social value measurements have been developed for internal decision-making in the first instance, we will continue to explore how they might feed into external reporting.

The social value budget and reporting process is aligned with the financial reporting processes, from budgeting and forecasting to real-time actuals reporting and external reporting. Additional information meets the strategic report requirements demanded of many organisations since October 2013. While these regulations do not apply to FRC Group due to our size, we have accepted the strategic report guidance as good practice and so we now include:

- disclosures on diversity for staff, the senior management team and our Board of Trustees;
- information about the skills and experience of board members;
- additional narrative about how strategic decisions are made.



Meeting Our Objectives

To ensure that our work always delivers the right benefits for our stakeholders, we constantly monitor and assess activities and outcomes through the year. This helps us both to focus on desired outcomes, and consider whether as much social and financial value as possible is being created in all areas of our work. Regular monitoring means we can continually improve outcomes by adjusting our ways of working and developing new approaches where necessary. Our financial and social performance is reviewed each quarter at board meetings. This report summarises our annual results in the form of financial statements and quantitative and qualitative social value data.

Trustees

The directors of the FRC Group's charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as directors. The directors who have served throughout the period covered by this report are introduced on pages 44 to 77.

The directors are appointed by the members at the Annual General Meeting but can be co-opted between AGMs by the board pending election. Before being co-opted, prospective trustees are invited to observe meetings to learn more about the charity and to meet the other trustees. During this induction process, the candidate meets the chair of trustees and the senior management team, and visits different parts of the business to meet staff. Trustee training takes place whenever training needs are identified. For instance, recent training has covered the principles used to calculate the social value that FRC Group generates.

A Scheme of Delegation agreed between the trustees and the senior management team details which decisions the senior management team are authorised to take and which must be referred to the trustees. Decisions can be taken by trustees by email if a decision is needed before the next scheduled trustee meeting.

All of the directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are shown in note 12 to the accounts. FRC Group is a collection of social businesses run by

Furniture Resource Centre Limited, a registered charity. The purposes of the charity are set out in the company's memorandum of association as follows:

- 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.

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

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

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

Our Aims, Objectives & Achievements

Our objectives are:

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

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

End Furniture Poverty is FRC Group's campaigning arm. It aims to raise awareness of the problems of furniture poverty and to encourage an increase in the uptake of practical solutions. It is branded as End Furniture Poverty within FRC Group.

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

This One-Stop Service supplies furniture, appliances, carpets, window coverings, small electrical appliances and starter packs of items such as bedding and crockery across the UK. This includes a full project management service of product specification, delivery and installation, the removal and recycling of packaging and of any old furniture or appliances being replaced. All Furniture Resource Centre Limited products are new contract-standard items suitable for properties of all types, from individual tenancies to shared living accommodation such as hostels.

Buckingham Interiors provides interior design and specialist contract furniture to sheltered housing schemes across the UK, helping providers to minimise voids and attract new residents. This is a bespoke service that offers design and planning choice and flexibility whatever the size, scope or budget of the project. We also deliver a detailed consultation programme for residents and staff, a full project management service which can start before building or refurbishment work begins, and full after-sales support.

Bulky Bob's provides a bulky household waste collection service to local authorities, collecting unwanted items from homes and assessing them for reuse and recycling. The items collected are mainly furniture, and the Bulky Bob's team ensures that all items suitable for reuse are either given away or sold at a low price to those who need them, with the added environmental benefit of minimising waste going to landfill.

Bulky Bob's Furniture World are the shops which sell the good quality pre-loved furniture collected by the Bulky Bob's collection teams. One is a high street store in Liverpool and the other a sales area in our Bulky Bob's depot in Oldham. In both areas we also run Bulky Bob's On the Road events, taking the pre-loved furniture out to local communities to either sell at low prices or give away for free. While anyone can shop at Bulky Bob's Furniture World, those on low incomes are supported further with additional price discounts. Bulky Bob's Furniture World also works with a large number of referral agencies and charities to provide free furniture packages to those in crisis who have nowhere else to turn.

Bulky Bob's Office and Commercial Waste Services offers confidential shredding, paper and card collections, IT equipment collections, office furniture collections and waste audits.

Statement of Public Benefit

FRC Group ensures that its aims and objectives are achieved through a variety of ways as detailed in the Creating Social Value section of this report on pages 44-78. This includes lobbying and campaigning for the eradication of furniture poverty, providing furniture packages to a variety of customers, giving furniture free of charge to people in need and also by the provision of a salaried training programme for formerly long-term unemployed people or people on low income. The Trustees therefore confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

Structure, Governance & Management

Governing Document

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

Related Parties

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

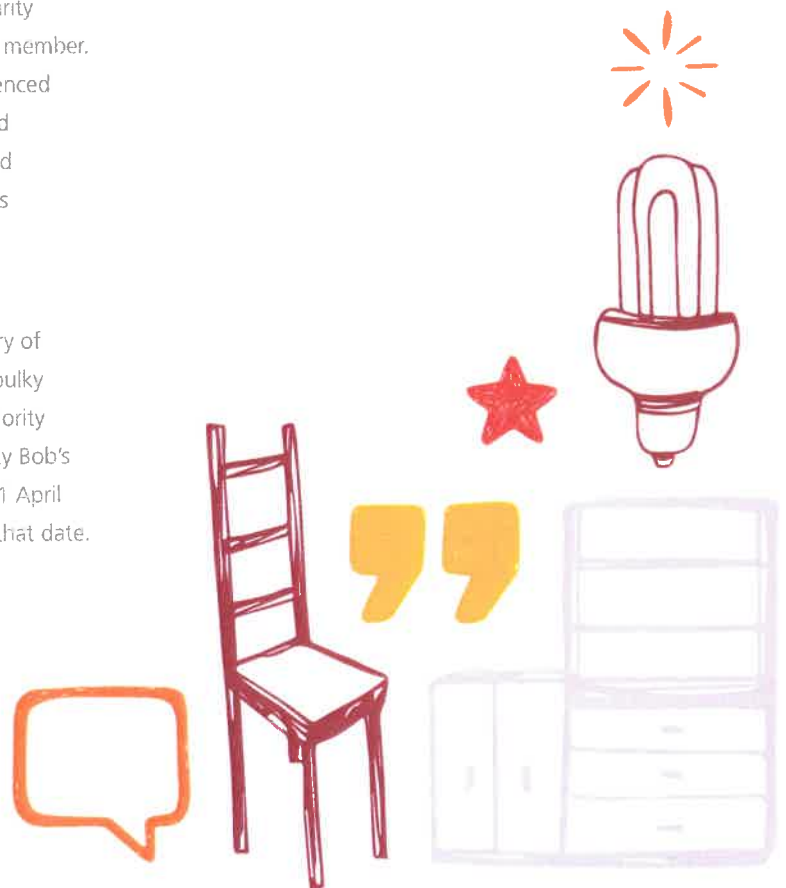
Bulky Bob's Office and Commercial Waste is a charity with Furniture Resource Centre Limited as its sole member. Bulky Bob's Office and Commercial Waste commenced trading on 2 May 2017 and provides an office and commercial waste collection service, collecting and recycling waste items from businesses. Bulky Bob's Office and Commercial Waste changed its name from FRC Developments on 15 June 2017.

Bulky Bob's Limited was a wholly owned subsidiary of Furniture Resource Centre Limited and provided bulky household waste collection services to Local Authority customers. The assets, liabilities and trade of Bulky Bob's Limited were transferred to Bulky Bob's 2015 on 1 April 2017 and Bulky Bob's Limited ceased trading on that date.

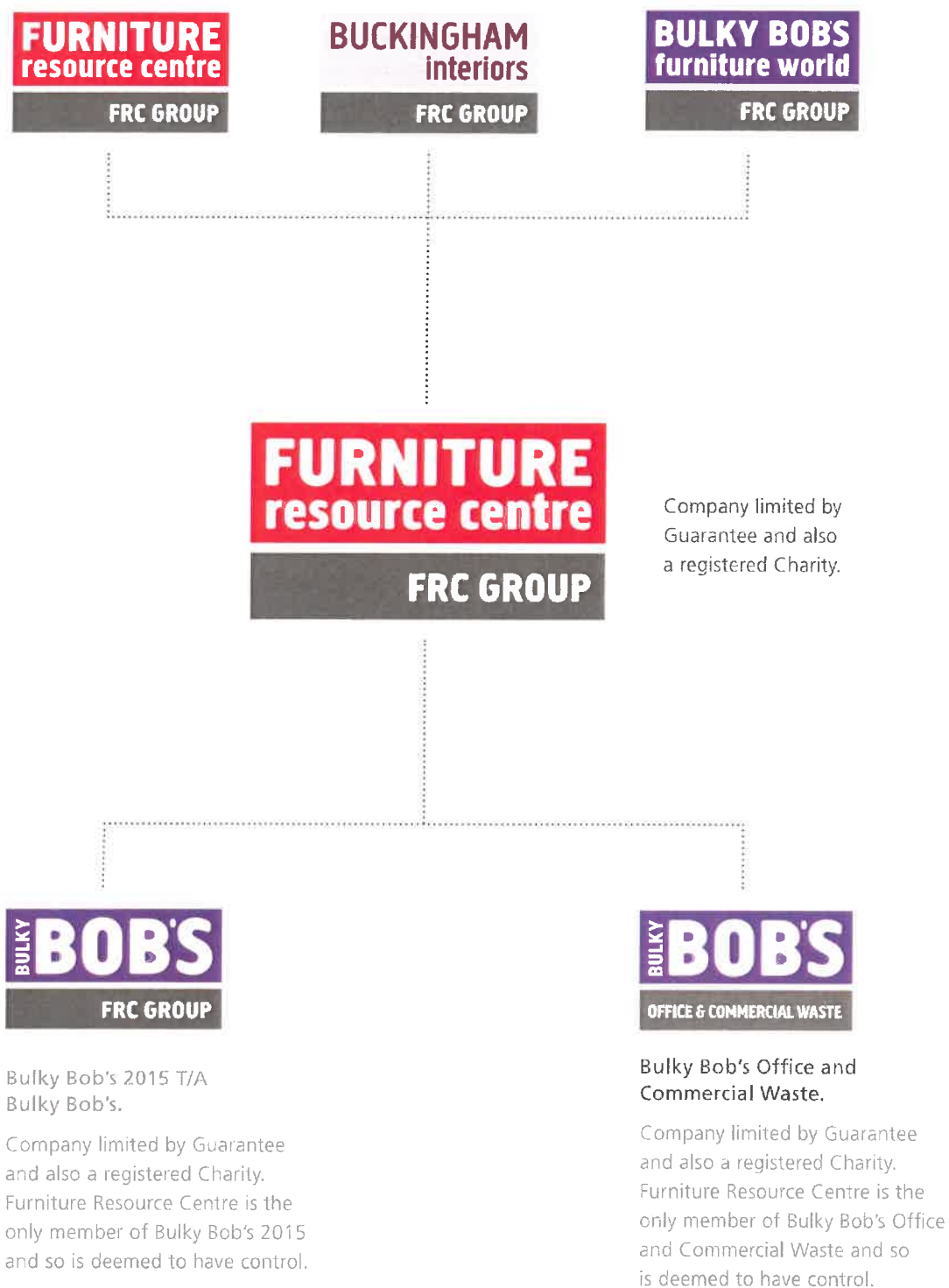
FRC Trading Limited is a wholly owned subsidiary of Furniture Resource Centre Limited and its income is derived from private sector customers for logistics services and from a variety of customers for consultancy services around social business. As FRC Trading Limited hadn't traded for several years and as there were no plans for it to trade again in the future, the company was voluntarily struck off on 8 May 2018 and so ceased to exist on that date.

Investment powers and policy

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



The structure of FRC Group is as follows:



Methodology

This report covers the period 1 April 2018 to 31 March 2019 and brings together the data gathered during this time about FRC Group's financial and social impacts. All parts of the organisation have contributed qualitative and quantitative information. Feedback from FRC Group's stakeholders is also carefully collated – these are the people who matter to FRC Group and to whom FRC Group matters. Full details of this stakeholder consultation are on page 78.

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

FRC Group has consistently applied external standards to social value measurement as it provides additional validity and trust in the process. A consistent approach to measurement of performance is embedded at all levels of FRC Group. The board has a formal sub-committee which manages social value and reports results and opportunities for improvement to each board meeting. Each quarter, senior managers report on social and financial indicators and each team of staff has a contribution to make to data collection, analysis and reporting.

This organisation-wide approach at all levels demonstrates the commitment FRC Group has to demonstrating the value it creates and improving performance. The annual report is independently audited so that our performance measurement is supported by robust systems and processes. The auditors of this report, BDO, have provided assurance.

The report is published on FRC Group's website (frcgroup.co.uk), where readers can also find a wide range of information about past performance and future plans that will offer context to this report. Last year's report can be found on the website's Proving Our Impact page.





Met or exceeded target.



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



Missed the mark and will plan to improve performance.

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.



Overview of 2018-2019





We are extremely proud that this year marked our 30th year of operation. This has been a year of continued hard work, determination, learning and improving for FRC Group in which we have continued to work hard to help families living in poverty.

In total, we donated furniture to the financial value of £77,510 to families living in furniture poverty. We also provided discounts on furniture to the value of £86,433. To celebrate our 30th year we donated 28 essential furniture packs to families to the value of £6,241. It is thanks to the work of many, past and present, that FRC Group has grown from strength to strength since it was set up at the end of the 1980s. Here we still are, carrying forward the great work that our founders began.

It has been another very productive year at FRC Group. We produced an above-budget financial return despite working in a tough environment in which customers' budgets are still shrinking.

Austerity continues to affect lives of families on low incomes. By 2018, the government had implemented only 25% of its proposed reductions in welfare spending. The Resolution Foundation calculated that the proposed reduction in spending on working-age benefits amounted to £2.5 billion in 2018–2019 and £2.7 billion in 2019–20, with the households most affected being the poorest 20%. This will have a negative but manageable impact on our business as well as for people living in poverty.

This means that our focus must continue to be on helping those people living in poverty with no access to furniture. End Furniture Poverty will carry on researching, campaigning and influencing on the detrimental effect of furniture poverty. Our practical work over the last three decades has established best practice and our task now is to present the evidence we have gleaned from that first-hand experience to show that furniture poverty is a chronic problem rather than an acute one. We need to demonstrate the breadth of the issue and its real impact.

We also completed an acquisition, purchasing a contract to supply furniture to organisations in Greater Manchester, as well as transferring their staff across to Furniture Resource Centre Limited. We also continued on our journey to reduce our dependence on sales to public sector organisations.

The team at FRC Group, as ever, have been amazing. We are lucky to have such a great band of people who daily live and breathe our values of bravery, creativity, passion and professionalism. People make the difference and we continue to be thankful to all those who do all that is expected of them, and often much more, day in and day out.

We continued to work hard towards our company objectives, which are:

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

An overview on each of these objectives is given below; however, more information can be found on pages 44 to 77.

This year, the End Furniture Poverty campaign has continued to build on the work we have already done to define the '10 essential furniture' items that a household needs to be furniture secure. This year we were finally able to publish our research on the 10 Essential Items of Furniture and we felt it was important that our rationale and methodology should be publicly available to benefit others.

Work with our customer Liverpool City Council to conduct a Social Return on Investment analysis on the 10 Essential Items continues to make slow but steady progress. At Christmas 2018, we ran our Beds for Kids campaign once again. In total, we raised almost £1,992 and delivered 42 beds, 44 mattresses, 44 bedding sets, 47 duvet and pillow sets and a bonus cot bed complete with cot mattress and bedding.

This has been another busy year of exhibitions and conferences for End Furniture Poverty. We spoke at a round-table event at the National Housing Federation's Housing Summit, hosted a 'ConverStation' event at Reuse Network's conference and were invited to speak on a panel at 'From Poverty to Prosperity', a conference jointly hosted by GMPA and the Inclusive Growth Analysis Unit at Manchester University. We spoke on the difficulties faced by people with low and no income when navigating a difficult marketplace and trying to escape furniture poverty.

We launched two new initiatives, Safety Net and Amazing Mattresses. The Safety Net programme differs from our traditional referral system because it offers all 10 essential furniture items, including white goods and televisions, and tackles furniture destitution as well as furniture poverty. Since the launch of Safety Net, the scheme has helped 10 families by giving them 42 items of furniture and white goods between them to help ensure that they have all 10 essential items. Through Amazing Mattresses, we make ultra-clean mattresses available to families on low incomes. In the year we:

- sold 115 Amazing Mattresses at low cost through Bulky Bob's Furniture World, our retail outlet;
- sold 66 more through our distribution partner Crest (an established not-for-profit social enterprise in Conwy County);
- gave away 176 Amazing Mattresses to people on low incomes.



We also launched three projects to offer families on low incomes much-needed rugs, bikes and baby goods. We cleaned and sold on 94 rugs at low prices to low-income families through Bulky Bob's Furniture World. Through a partnership with the Salvation Army we sold reconditioned bikes and baby items, and through Bulky Bob's Furniture World we donated baby items including prams and cots. Our new and improved Driving Change salaried training programme continued. During the year, 92% of those working with FRC Group completed the programme and found employment. A key aim of Driving Change is to help FRC Group workers find higher-paid employment elsewhere and all leavers did indeed move into a higher-paid roles.

Our new Volunteers, Interns, Placements and Students programme – ViPs – continued and we introduced new work spaces Workshop 1 in Bulky Bob's Liverpool and Workshop 2 in Bulky Bob's Furniture World. These workshops give our ViPs a much better working environment and experience.

We continued to focus on our Culture Plan. This programme helps us not only make FRC Group a better place to work; it also guides us through the challenges we face when we acquire a new business and new staff with it. We continue to work hard to make FRC Group a workplace where staff can learn and develop, and through their continuing professional development enhance our service to customers. This year we awarded 667 Value Awards to staff whose approach to their work best reflected our core values of bravery, creativity, passion and professionalism.

We reviewed all staff salaries and, where necessary, increased pay to ensure workers were receiving the correct market rate using the Croner Reward pay benchmarking tool. This methodology ranks individual jobs in relation to 10 analytical factors and then compares salaries across businesses of similar sector, size and region.

As planned, we launched e-learning platform Litmos Heroes which gives all staff, trainees and volunteers access to online courses. Almost 80 courses were completed and we plan to expand on this in the next year. In this year's staff survey, 90% of all staff and volunteers said they were satisfied or very satisfied in their jobs.

During the year, we have had continued dialogue with our stakeholders. We also introduced a 'responsiveness' section in all Team Leaders' quarterly reports. The aim here is to encourage staff to respond to feedback rather than simply gather information. This way of working has encouraged managers to take responsibility for creating change within their areas.

We had a successful year of sales. We grew our customer base at Furniture Resource Centre Limited and Buckingham Interiors and made £1,041,981 of sales to new customers. We also won a number of tenders with local authorities and social housing providers, and a number of direct awards and mini-competitions through the frameworks we operate in. Our newly created 'project manager' post really improved the customer experience, while the 'buyer' role has helped to introduce more modern product ranges which appeal to a lot of our current customers and potential new customers.

We successfully tendered for and won a contract to provide furniture to Birmingham City Council, and took on 15 former David Phillips staff through the TUPE process. We also started work on taking over the Association of Greater Manchester Authorities (AGMA) social housing contract previously held by David Phillips. This again involved TUPE and the transfer of five more staff, and the setting up of new premises in Manchester. This was completed in May 2019 and will be detailed in next year's report.

In the North East Depot, we have seen the expected level of sales from the local authority councils we work with. We have also introduced a well-run and successful stock management scheme for North Tyneside products which makes excess stock available for donation to local charities supporting the most vulnerable.

It was also another busy 12 months for the Liverpool Citizens Support Scheme provided by Liverpool City Council and we continue to make steady progress on the social value it creates.

Increased sales led to 11,798 deliveries to homes over the year – a significant increase of 17% on the 10,040 deliveries in 2017–2018.

This year Bulky Bob's completed 59,912 collection requests on behalf of councils (compared to 58,439 in 2017–2018) and reused and recycled 2035 tonnes of furniture, appliances and other bulky waste. This level of collection and throughput is consistent with performance over the last two years.

Bulky Bob's has continued to recycle mattresses, and 12,651 were collected through our Liverpool Council bulky waste contract. This diverted 440 tonnes of mattresses from landfill and 357 ultra-clean mattresses were made available to families on low incomes.

In June 2018, Bolton Council issued a tender for its bulky household waste service. Bulky Bob's was awarded this contract, and its management through the Oldham site started in October 2018. It has continued to deliver a great service to Oldham residents and provide furniture to people in crisis.

Bulky Bob's Furniture World was improved this year. The premises were given a facelift, and in Workshop 2 our ViPs were able to hugely improve the standard, quality and choice of items that we can now make available to our customers.

2018–2019 was a testing year for BBOCW, our office and confidential waste arm. We continued to service the customers who came to us as part of the acquisition of CARA recycling and we have worked hard to better understand their needs and transform and improve our processes.

Over the next year we will continue to improve the quantity, quality and range of essential furniture offered at affordable prices to disadvantaged groups such as those on low incomes, and increase the number of furniture donations we make to those in most need through further development of our 'Safety Net' programme. We will continue to develop our 'Amazing Mattresses' business which cleans and refurbishes structurally sound mattresses for people who need them most. We plan to add PCs to the range of commercial waste collected by Bulky Bob's Office and Commercial Waste.

Our aim is to remain the leading provider of furniture to furnished tenancy providers while continuing to grow our customer base by exploring new markets in the social housing sector.

We will continue to measure the social value we create through our work and plan to widen our measurement of what we do. We also want to expand on how responsive we are to our stakeholders so that we can ensure that material issues are heard and responded to. It has been a very successful year and we look forward to building on this success in 2019-2020.







Financial Review 2018-2019



Financial Performance



2018/19 was a year of real growth with income increasing by 24.6% from £6,735,048 in 2017/18 to £8,394,431 in 2018/19, mainly due to the growth in sales of new furniture to social landlords. Expenditure grew by 21.9% from £6,550,047 in 2017/18 to £7,987,276 in 2018/19, giving a net surplus of £407,155 in 2018/19, an increase of 120.1% from £185,001 in 2017/18.

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 the sale of waste collection services and also through grant income.

Grants and Donations

The Furniture Resource Centre Limited group continues to improve and expand the social impact that it creates through effective use of the grants and donations it receives.

During 2018/19, grants and donations were received from:

Sefton at Work
Knowsley Works
Liverpool City Council WEEE Local Project Fund
Liverpool City Council

In addition, donations were received from numerous individuals towards the Beds for Kids Campaign. We would like to thank all organisations and individuals for their generous support during 2018/19.

Reserves policy

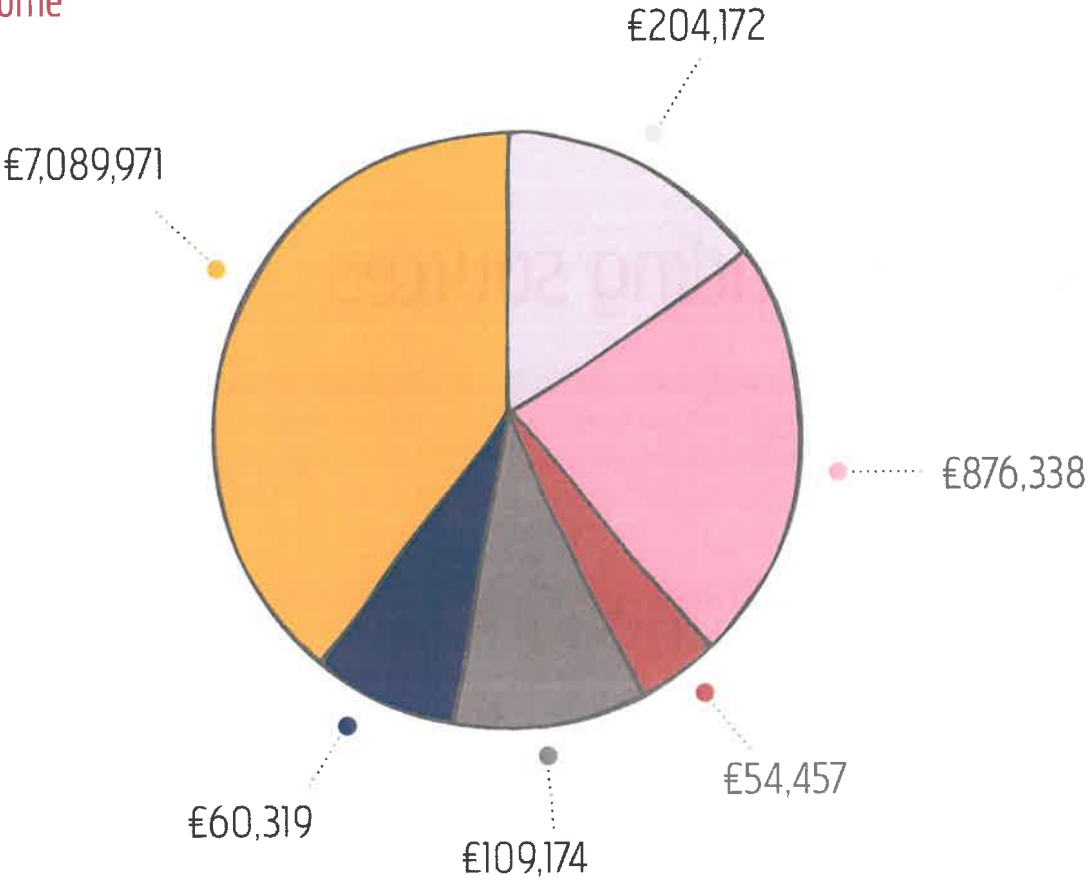
The trustees have considered the level of free reserves (those funds not tied up in fixed assets and restricted funds) required by the group to be at least six months' operational expenditure, which amounts to at least £2,400,000. In the trustees' view, this level of reserves should provide adequate financial stability and enable the group to continue to meet its charitable objectives for the foreseeable future.

In arriving at this figure, the trustees have considered potential future changes in income streams and likely future cash flow requirements. The trustees will continue to monitor the Reserves Policy at least annually in trustee meetings. At 31 March 2019, consolidated free reserves of £1,895,418 were held, which is £504,582 short of the required consolidated total of £2,400,000. Restricted reserves amount to £29,165 and total reserves of £2,230,888.

FRC Group Income 2018/19



Income

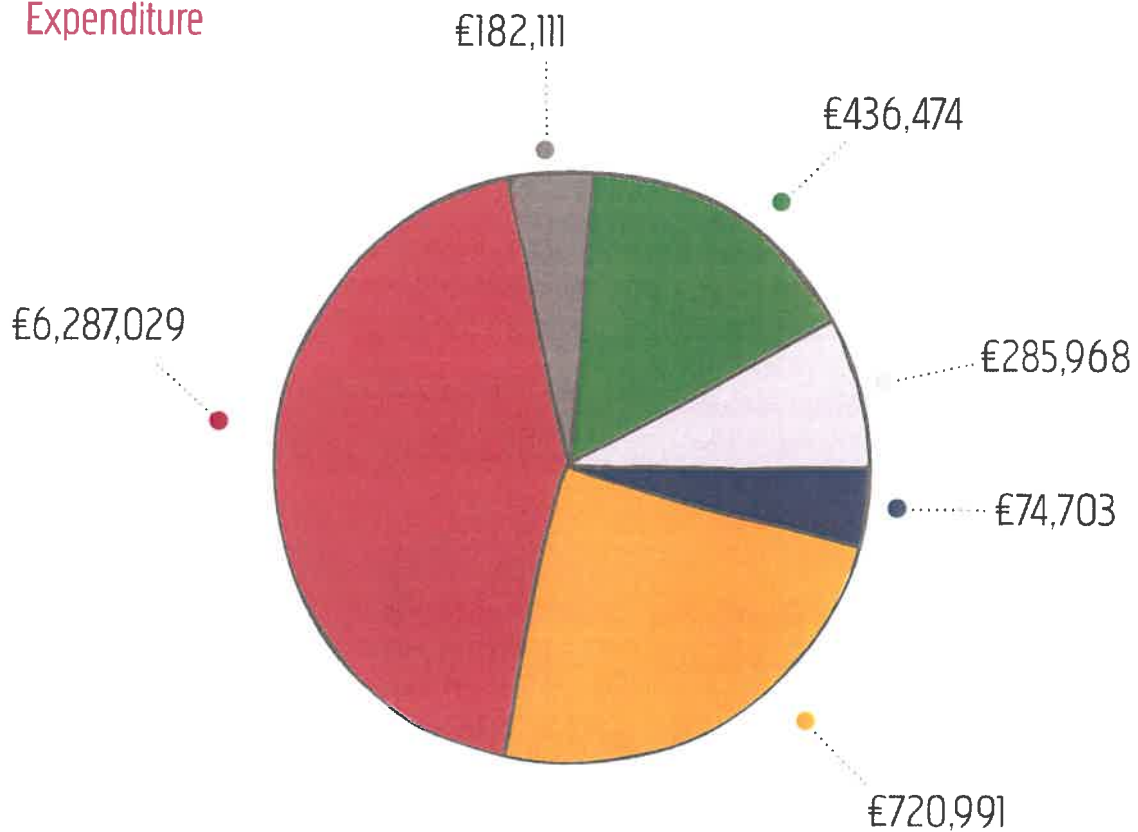


Total: €8,394,431

- Donations and legacies (grants and donations received)
- Provision of furniture and furniture packages
- Provision of bulky household waste collection and recycling services
- Charity shop sales
- Provision of other recycling services (mattress recycling income and Bulky Bob's Office and Commercial Waste income)
- Other income

PAGE	INCOME
119	Donations and legacies
48	Provision of furniture and furniture packages
51	Provision of bulky household waste collection and recycling services
53	Charity Shop sales
76	Provision of other recycling services

Expenditure



Total: €7,987,276

- Provision of furniture and furniture packages
- Provision of bulky household waste collection and recycling services
- Charity shop sales
- Provision of other recycling services (mattress recycling income and Bulky Bob's Office and Commercial Waste income)
- People development
- Other expenditure

PAGE	EXPENDITURE
48	Provision of furniture and furniture packages
51	Provision of bulky household waste collection and recycling services
53	Charity Shop sales
76	Provision of other recycling services
62	People Development

Plans for the future

Within Furniture Resource Centre we will continue to grow our customer base and to improve customer service in our furniture businesses. Our aim is to remain the leading provider of furniture to furnished tenancy providers while continuing to grow our customer base by exploring new markets in the social housing sector. To achieve this, we will continue to operate satellite sites in areas that are difficult to service from our Liverpool base, including a new warehouse and office space in Trafford Park, Manchester, which was opened in June 2019. We will continue to develop our Buckingham Interiors brand which provides furniture to sheltered accommodation and shared living schemes.

At Bulky Bob's Furniture World, our retail outlet, we will strive to further improve the quantity, quality and range of essential furniture offered at affordable prices to disadvantaged groups such as those on low incomes.

We will continue to develop our 'Amazing Mattresses' initiative which cleans and refurbishes structurally sound mattresses for people who need them most.

We plan to add PCs to the range of commercial waste collected by Bulky Bob's Office and Commercial Waste. Our new service to data-wipe, refurbish and recycle PCs commenced in September 2019 and will provide hundreds if not thousands of PCs each year to individuals and charitable organisations who cannot afford new PCs. We will also be looking for other ways in which we can add to our commercial collection and recycling work.

We will continue to work with the long-term unemployed and those in low-paid jobs and on low incomes so that our assistance reaches those most in need.



Risk

Each quarter, we fully review the commercial and impact risks faced by FRC Group. Each risk is rated and we consider what can be done to mitigate them. Key residual risks to which the group is exposed are set out in the following table.

RISK	MITIGATING ACTIONS
Retention of key contracts.	<p>Focus on world-class customer service and value for money for customers.</p> <p>Growth of other contracts and businesses to possibly take the place of any contracts not retained.</p>
Negative impact of Brexit; for instance, supplier price increases higher than anticipated or shortages of certain stock items.	<p>Dual sourcing of key stock items.</p> <p>Bulk purchase of white goods.</p>
Contractual changes for bulky household waste contracts leads to less availability of pre-loved furniture.	<p>Work with local authorities to help them to see the bigger picture – the impact pre-loved furniture can have on the lives of those most in need.</p> <p>Growth of new business ideas that also provide pre-loved furniture to those in need; for instance, 'Amazing Mattresses'.</p>
Loss of key contracts may result in reduced social impact generated; for instance, by creating fewer training opportunities for the long-term unemployed or people on low incomes.	<p>Growth and development of new business ideas that will provide training and development opportunities to those who need them.</p>

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

Trends and factors

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

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

Code of Governance Statement

The Board welcomed the introduction of the Charity Commission Code of Governance in 2017 and has performed a review in order to determine the level of compliance against the requirements of the Code. The following is a summary of those areas of compliance against the Code along with areas for improvement.

Organisational Purpose

The charity produces an annual impact report which is audited under the AA1000AS framework and is included in the annual integrated report. In addition, the charity quantifies the social value generated from its activities in order to ensure that this is as intended. The governing document was last reviewed in 2014 and will be timetabled for review again during 2019/20. Work is ongoing in relation to the sustainability of the charity's income base.

Leadership

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

Integrity

The Board ensures that the charity operates ethically and with integrity at all times, are keen to use the Charity Commission Code of Governance as a tool to assist with improving governance in the charity and are to also investigate adopting a suitable code of conduct. The Board manage conflicts of interest well and are to agree a formal Conflict of Interest Policy. In addition, a register of interests is to be maintained for all Trustees and senior staff.

Decision Making, Risk and Control

A scheme of delegation has been agreed between the Board, Committees and senior staff and this is periodically reviewed with the next review taking place in December 2019. Following this, a register will be maintained of all those significant instances where delegated power is exercised. Key policies and procedures are to be circulated to the Board annually along with recommendations for changes. The Board actively monitors performance against a range of targets and a risk matrix is maintained, which is reviewed at least twice a year. A meeting takes place each year between at least one Trustee and the auditors with no staff present in order to obtain honest feedback following the conclusion of the annual financial audit.



Board Effectiveness

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

Diversity

A skills matrix has been produced which identified gaps for Trustees with specialist skills in human resources and law. Suitable Trustees are actively being recruited and applications for Trustees from diverse backgrounds are encouraged. The Board do not currently have any specific diversity objectives but this is to be considered by the Board.

Openness and Accountability

Stakeholders have been identified with their feedback sought as part of the production of the annual impact report. This feedback is reviewed by the Board and ways of increasing this range of feedback are to be investigated. The salaries of all staff are agreed by the Remuneration Committee and are set using an external consultant to provide benchmark data showing the salaries of similar roles regionally.








Our People Highlights



Equality at FRC Group



Equality		Permanent Staff 	Senior Management Team 	Volunteers	Board of Trustees 
Ethnicity	White British	96%	100%	92%	86%
	White Irish	2%	0%	0%	0%
	Caribbean / Mixed	0%	0%	4%	0%
	Black Other	0%	0%	4%	0%
	Black British	2%	0%	0%	0%
	Undisclosed	0%	0%	0%	14%
Gender	Male	76%	50%	96%	86%
	Female	24%	50%	4%	14%
Disabled	Yes	1%	100%	65%	0%
	No	99%	0%	35%	100%

Recruitment and staff turnover



In 2018–2019, 34 new staff arrived at FRC Group and 15 left. Of the new starters, 15 were transferred to FRC Group under TUPE regulations, 13 were recruited to replace leavers, and six new roles were created.

Of the 15 people who left the business:

- two were under a performance review and left during the process;
- three staff were made redundant, two of whom had been transferred to FRC Group under TUPE;
- seven left for new jobs elsewhere;
- two retired;
- one left at the end of a fixed-term contract.



Pay policy for staff

Salaries of key management personnel are determined by the Remuneration Committee, which takes into account average salary rates for similar jobs elsewhere. The Trustees (who are also the Directors) and senior staff who have group-wide responsibility make up the key management personnel in charge of controlling, directing, running and operating the charity day to day. However, Trustees are not paid a salary and give their time freely. Details of Trustees' expenses are shown in Note 12 to the accounts.

Salaries for all posts are reviewed by the Trustees from time to time, again benchmarked against average salary rates for similar jobs in other companies. FRC Group had previously paid all permanent staff the Living Wage set by the Living Wage Foundation. During 2018–2019, it was decided that from 1 April 2019 we would pay our trainees the Foundation Living Wage too. All staff at FRC Group regardless of employment type are now paid at this level.

Average salary information is provided by external consultants.

Training and development

During the year, Litmos Heroes was introduced. This is an easy-to-use online learning platform offering courses on a range of subjects, making learning accessible to all staff. Almost 80 online courses were completed in subjects such as Budget like a boss, Effective leadership and Connecting with the customer. We will continue to encourage this professional development training and plan to give managers the ability to select courses and assign them to their teams. We also delivered face-to-face courses to staff covering a range of health and safety good practice and skills, including manual handling, first aid, mental health first aid, well-being workshops and forklift truck refreshers.

















Our values

Our mission statement sets out FRC Group's core values: bravery, creativity, passion and professionalism. This year we gave 667 Value Awards to staff to recognise behaviour which reflected these values. The highest number of awards was given for 'passion'.

Staff survey

In March 2019, we asked staff to tell us how they felt about working at FRC Group; 65 responded (compared to 50 in 2017–2018) to a set of 14 statements and one question that remains the same from year to year so that results can be compared across surveys. The following table compares the 2018–2019 results with those from the previous two years.



No.	Statement	2016/17	2017/18	2018/19	 
1.	I know what is expected of me at work.	81%	90%	98%	 8%
2.	I have the materials and equipment I need to do my work right.	82%	96%	82%	 14%
3.	My job makes good use of my skills and abilities.	80%	90%	85%	 5%
4.	I receive recognition or praise for doing good work.	88%	94%	69%	 25%
5.	My supervisor or my manager seems to care about me as a person.	78%	88%	87%	 1%
6.	There is someone at work who encourages my development.	69%	81%	65%	 16%
7.	At work, my opinions seem to count.	79%	85%	78%	 7%
8.	The mission/purpose of my company makes me feel my job is important.	79%	65%	84%	 19%
9.	My co-workers are committed to doing quality work.	59%	72%	89%	 17%
10.	I have friend/s at work.	100%	98%	94%	 4%
11.	Someone at work has recently spoken to me about how I am doing/progressing.	75%	85%	71%	 14%
12.	This last year, I have had opportunities at work to learn and grow. (This could include taking on challenging work or inductions and does not mean only a training course).	89%	96%	66%	 30%
13.	I feel encouraged to come up with new and better ways of doing things.	77%	88%	79%	 9%
14.	The Company does a good job of keeping employees informed about matters affecting us.	48%	80%	82%	 2%
15.	Considering everything, how satisfied are you in your job this year?	Very Satisfied	Satisfied	Not satisfied	Very satisfied or Satisfied – total
		33%	56%	11%	89%



For four of the 14 statements scores improved, and for 10 responses scores were less positive in the 2018-2019 survey. However, these were still good results. Many of these scores were still high and 30% more respondents took part in the survey than last year. The biggest decreases were in response to the following two statements:

"I have had opportunities at work to learn and grow. (This could include taking on challenging work or inductions and does not mean only a training course)."

Down by 30 percentage points

"I receive recognition or praise for doing good work."

Down by 25 percentage points

Although these results are disappointing, we can understand why this has happened. FRC Group has grown, setting up a Manchester base and taking over a large contract to serve Birmingham. This means that staff and managers have been working even harder and have been under pressure to meet the existing demands of the current day-to-day service, as well as setting up and servicing customers from a new base. We now have the right structure in place to ensure managers and staff are under less pressure and have more time. As a result, we expect the next survey to show improvement on these points.



Some responses pointed up real success.

The mission/purpose of my company makes me feel my job is important.

Up by 19 percentage points

We worked hard this year to communicate our 'End Furniture Poverty' message so that all staff were clear about our purpose and their part in it, so it is pleasing to see an increased score in this area.

To measure overall sense of satisfaction, staff members and volunteers answered the question:

Considering everything, how satisfied are you in your job?

- **11%** of respondents (three people) were 'Not satisfied' (6% in 2017–2018)
- **36%** were 'Very satisfied' (35% in 2017–2018)
- The remaining **54%** were 'Satisfied' (58% in 2017–2018)
- Overall, **90%** of all staff and volunteers surveyed this year were Satisfied or Very satisfied in their jobs, down three percentage points from last year.

We will continue to work hard on these areas in 2019 – 2020 to maintain these scores and will look deeper into the areas to increase scores across the board.



Pay ratios

New draft legislation requires larger companies to report on CEO / worker pay ratios. FRC Group is not large enough to be obliged to do this but we do so for transparency.

Research shows that CEO pay is falling year-on-year. The Chartered Institute for Personnel and Development (CIPD), in conjunction with the High Pay Centre think tank, found that remuneration for CEOs of FTSE 100 companies fell by 24 % in 2016; Deloitte found that the median pay of FTSE 100 CEOs fell by 19 % in 2017.

Despite this trend, the pay gap between those CEOs and their average employees remains extraordinarily high. According to the CIPD and the High Pay Centre, the ratio between CEO pay and average worker pay was 148:1 in 2015 and 129:1 in 2016, whereas 20 years ago it was just 45:1. CEO pay remains a hot topic both for investors looking for value for money, and for workers and campaigners hoping to improve corporate social responsibility.

The pay ratio report for FRC Group is set out in the following table.

Year	Measurement method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Dated April 2018	Option A. Companies determine total full-time equivalent total remuneration for all UK employees for the relevant financial year. Using this data, companies will rank the data and identify employees whose remuneration places them at median, 25th and 75th percentile. Three pay ratios are then calculated against CEO 'single figure' total remuneration.	6:1	5:1	5:1



Gender pay gap reporting

At FRC Group, we value all of our people and respect and appreciate the hard work they do daily to make FRC Group great. We are proud of our culture and embrace the differences that make us all special. Although we are not legally required to report on a gender pay gap, we welcome the opportunity because it help us understand our workforce and give everybody the same access to growth and development opportunities.

This gender pay gap information shows the difference in average pay between men and women, regardless of their role. The average UK gender pay gap is 8.6% in favour of men (Office of National Statistics). The pay gap is determined by six calculations that show the difference between the average (mean and median) earnings of men and women across an organisation:

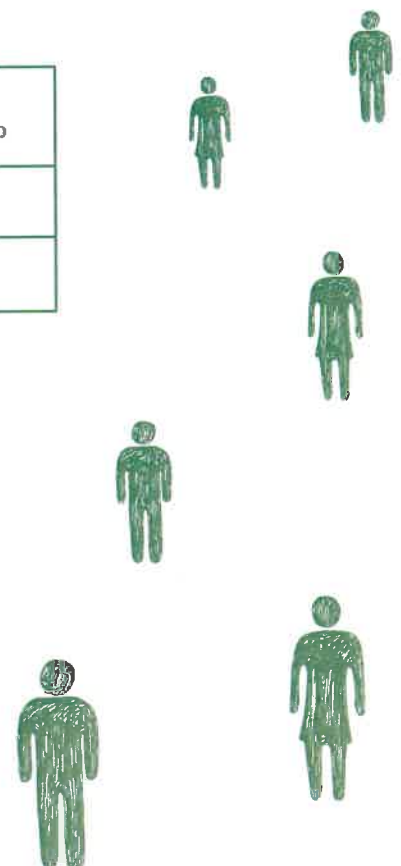
- Mean gender pay gap in hourly pay rate.
- Median gender pay gap in hourly pay rate.
- Mean bonus gender pay gap.
- Median bonus gender pay gap.
- Proportion of males and females in each pay quartile.
- Proportion of males and females receiving a bonus payment.

These calculations are based on FRC Group's staff, whether on permanent or temporary contracts, on a snapshot date of 1 April 2018.

On that date, FRC Group's workforce was made up of 90 employees, **24%** of whom were female and **76%** male. The following table shows that our gender pay gap by mean average is **28%** in favour of women, and by median is **23%** in favour of women.

Hourly rates by gender	Male	Female	Gender pay gap
Mean	10.23	14.27	-28%
Median	8.75	11.35	-23%

Pay quartiles	Female	Male
Lower quartile	5	95
Lower middle	17	83
Upper middle	19	81
Upper quartile	59	41



Within FRC Group, we only run a bonus scheme for the Furniture Resource Centre Limited Sales Team. The figures for 2018 were:

- 3% of all staff received a bonus payment
- 0% of staff who received bonus payments were male
- 14% of female staff received bonuses

For all roles at FRC Group, we pay the going rate for the role as advised by Croner Reward (a salary review system) regardless of gender. Men at FRC Group tend to enter at more junior levels which are traditionally perceived to be male roles, and have fewer opportunities for progression within the company – for instance, drivers. We are not attracting a mix of gender into traditionally male- or female-dominated roles and our lower skilled Living Wages jobs are dominated by men.

We would like to attract more women into traditionally male-dominated roles in the organisation, create more opportunities for men to progress from all levels, and review how we can offer greater exposure to a variety of work to assist in career development. We also know that lack of IT skills presents a barrier to progression for our male-dominated driving teams and we addressed this through training in 2018–2019.

The living wage

For all roles at FRC Group, we pay the going rate for the real Living Wage is the only UK wage rate that is voluntarily paid by over 5000 UK businesses who believe their staff deserve a fair day's pay for a hard day's work. It is higher than the government minimum.

In 2016 the government introduced the National Living Wage and although the Living Wage Foundation welcomed this pay rise for low-paid workers, it is not based on actual living costs.

During 2018–2019, we paid all staff at least the real Living Wage. On 1 April 2019 we made the decision to pay all staff, regardless of contract type, at least the rate set by the Real Living Wage Foundation.

Health & safety

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

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

We have two trained health and safety advisers with NEBOSH (National Examination Board in Occupational Safety and Health) qualifications and team leaders hold IOSH (Institution of Occupational Safety and Health) qualifications.

Furniture Resource Centre Limited recently passed the ISO9001 external audit with flying colours. This year we strengthened our approach to health and safety by developing awareness of mental health issues, with three staff members attending a mental health first aid (MHFA) course. We are also making better use of Litmos, our online training package, by directing staff members to health and safety courses appropriate for their individual job roles. All new office-based staff carry out the DSE (Display Screen Equipment) Awareness course as part of their induction.

This year there were 26 accidents (compared to 34 in 2016–2017). One was classed as a serious accident and RIDDOR -reportable as it was a back injury caused by slipping on ice and resulted in time off work.

Supplier sustainability

FRC Group is committed to working with suppliers who recognise their economic, social and environmental obligations to their stakeholders. We actively encourage suppliers to develop and embed corporate social responsibility (CSR) in their organisations if they do not already do so. Twenty suppliers account for **74.1%** of our total expenditure. Of these, **60.4%** currently have a CSR or Environmental report. This is reviewed annually by FRC Group.

*Reporting of Injuries, Diseases and Dangerous Occurrences.

Carbon Footprint

Carbon footprint (CO₂ equivalent emissions in tonnes)



FRC Group's Environmental Management System monitors our environmental impact and controls a number of key areas. These include the carbon footprint of the vehicle fleet and premises, waste and recycling, and the impacts of the FRC Group supply chain. The generation of electricity from photovoltaic panels at our head office site saved 53 tonnes of carbon during 2018–2019.

We are aware that some environmental issues, particularly relating to waste management and the supply chain, receive little attention in this report. Because we are a waste management company, the detailed data of some elements of the environmental impact of our waste management performance are viewed as commercially sensitive.

During 2018–2019, our Materiality Policy was under review to ensure that we are asking the right people the right questions when managing our environmental impact. We worked with Liverpool John Moores University's Low Carbon Eco-Innovatory to measure the embedded carbon saved by furniture reuse, and this project will continue into 2019/20.

Initial focus has been on measuring the net embedded carbon saved by the ultra-cleaning of mattresses for reuse to extend their useful lifespan. This work was completed in July 2019 and will be detailed in the next annual report.

We base calculation of FRC Group's carbon footprint on the vehicle fleet's use of fuel and, gas and electricity consumption in its buildings. The Department for Food & Rural Affairs publishes standard carbon conversion factors in its Environmental Reporting Guidelines and we use these to calculate our environmental impacts. In 2018–2019, FRC Group had a carbon footprint of 265 tonnes of CO₂ emissions, compared to 230 tonnes of CO₂ emissions in 2017–2018.

This is an increase of 37 tonnes over the previous 12 months and largely driven by a mix of factors:

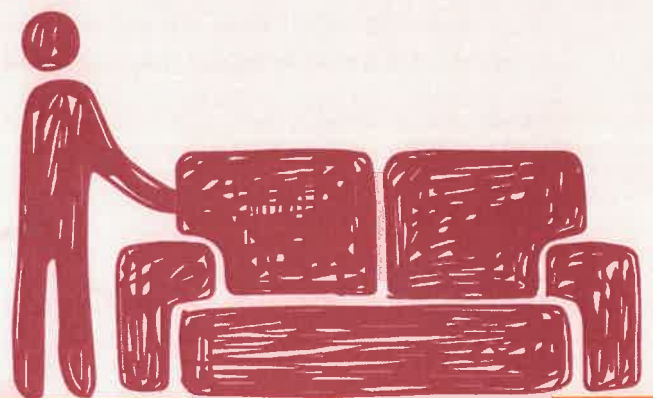
- the continued saving from the use of solar panels at our head office
- the energy efficient results of our external IT site
- an increase in vehicle mileage across the group is in line with increased sales and deliveries.

In 2019–2020 we will continue to review the environmental impact of our vehicles and consider what we can do to reduce this.





Creating Social Value



To understand and highlight the reality of living in furniture poverty



End Furniture Poverty is the campaigning arm of FRC Group. Reducing and ultimately eradicating furniture poverty is at the heart of everything that FRC Group does.

This year we published our research, 10 Essential Items of Furniture. We felt that it was important to make our rationale and methodology publicly available. While the research had already had obvious impact internally, it seemed an omission not to make it available to others who could benefit from it.

The report has proved to be a really useful tool in lobbying and advocacy work. Whenever the team meet with charities or housing providers, the report has been a useful takeaway and gives our partners concrete evidence to influence how they operate going forward. Crucially, the report is also setting a standard for the way a number of organisations talk about the furniture that households need. For example, national charity Turn2Us are currently researching the importance of furniture items to housing association tenants, using the Essential Items report as the basis for their survey. They have agreed to joint-publish their findings because our research is so integral to theirs. It is becoming clear that our research will be a catalyst for policy change.

We pledged to revisit the research every two years following its completion in 2017 to ensure that it remained relevant and up-to-date in this ever-changing world. So, in the coming year, we will be carrying out that review and we already believe that extensions to the list are needed. A key example is a list of essential items for a family with a baby. We have held exploratory talks with PSS, a local charity that offers support to mothers and babies, to discuss which items they view as essential, such as cots or pushchairs. We have already started offering pre-loved baby goods at Bulky Bob's Furniture World.

There may also be a need for a list for families with older children, or for the elderly. We will follow the same methodology used for the original list and use the findings to both understand and communicate the reality of living in furniture poverty, and to lobby and campaign for the eradication of furniture poverty.

The research we carried out into the 10 essential items has demonstrated that providing a fridge to a family in crisis may solve the immediate problem but will not make the overall issues go away.

We have established best practice and our goal is to prove that furniture poverty is a chronic problem, not an acute one. We aim to demonstrate the breadth of furniture poverty and its real impact, and to prove that a comprehensive and holistic approach to the issue is necessary if we are to address its root causes and provide long-term solutions.

We will continue to influence to get the message across. We will work with housing associations, councils and grant givers to ensure that they understand the chronic nature of furniture poverty. We will be focusing on the scope of the problem and its potential solutions, some of which will be tackled in our proposed projects for the year ahead.

We plan to research the provision of furnished tenancies. We believe they could provide a comprehensive solution to furniture poverty for many; yet while furnished properties are the norm in the private rental sector, that is certainly not the case in the social housing sector. We want to establish what the barriers are to the provision of furnished tenancies for social landlords and then we will develop a strategy to overcome those barriers.

We will explore the development of a consortium approach that can bring together all the agencies that support those living in furniture poverty in one place. This could bring more efficiency to current systems and so free up resources to help more people in furniture poverty, and could also encourage the provision of all of the essential furniture items such as flooring and window coverings.

We have been working in partnership with Liverpool City Council to conduct a Social Return on Investment (SROI) analysis on the 10 essential items. We have made slow but steady progress towards this, working with Tim Goodspeed from More than Outputs. After first agreeing scope and a work plan, we are working together to obtain contact details of people who had received furniture packages from the council's Liverpool Citizen's Support Scheme.

Our campaign group End Furniture Poverty took the lead on the first round of telephone interviews with furniture recipients and in all we made over 100 phone calls and were able to complete the survey with 25 recipients.

Each survey took around 20 minutes and was designed to establish some defined changes that people experienced due to having essential furniture items. From the findings, we have been able to collect some really powerful stories about the difference that the essential items can make to people's lives.

The next stage will be to run a larger survey to help attribute a value to each of the 10 essential items and for computers/laptops. This is especially exciting for the End Furniture Poverty group. Data is an invaluable tool in the work that we do. Being able to provide an SROI value for each of the 10 items will be a potent tool for lobbying and campaigning. When, for example, we are trying to persuade housing associations to provide furnished tenancies as a solution to furniture poverty, SROI values will give us solid statistics to underpin our advocacy. They will also strengthen our case for the need to improve provision of carpets and curtains, the hardest-to-access essentials.

We will report on this more fully in next year's integrated report.

Priorities/Targets for 2019–2020

- Review essential items list.
- Complete Social Return on Investment analysis on the 10 essential items.
- Continue to build our network of referral partners.
- Carry out detailed research study into provision of furnished tenancies.
- Understand the social value we create under this objective.





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To lobby and campaign for the eradication of furniture poverty



End Furniture Poverty is the campaigning arm of FRC Group. Reducing and ultimately eradicating furniture poverty is at the heart of everything that FRC Group does. This has been another busy year of exhibitions and conferences for End Furniture Poverty. We were able to secure free exhibition stands at both the Chartered Institute for Housing's 2018 Conference in Manchester (the largest housing conference in Europe) and at the Reuse Network conference. At Housing 2018 we launched the essential items report, a useful talking point for visitors to the stand. Feedback was universally positive. The Reuse Network event was an excellent opportunity to meet reuse organisations from across the country as we look to build more partnerships and identify best practice.

The End Furniture Poverty team were also invited to speak at a number of conferences. We spoke at a round-table event at the National Housing Federation's Housing Summit on the effectiveness of furnished tenancies in tackling furniture poverty, and hosted a 'ConverStation' event at the Reuse Network conference on the End Furniture Poverty campaign and how reuse organisations could get involved or play their part in reducing furniture poverty. Work we had done with Greater Manchester Poverty Action (GMPA) on the poverty premium led to an invitation to join a panel at From Poverty to Prosperity, a conference jointly hosted by GMPA and the Inclusive Growth Analysis Unit at Manchester University. We spoke of the difficulties people on low and no income have navigating a difficult marketplace and escaping furniture poverty. We have since had some follow-up conversations and meetings with GMPA.

We relaunched the End Furniture Poverty newsletter this year with a newly designed email template and the ambition to send out genuinely interesting monthly newsletters that people would read. Central to this was a refreshed approach to the End Furniture Poverty website, where we have been publishing weekly blogs on the issue of furniture poverty and a whole host of related topics, ranging from solving homelessness to the poverty premium.

Like many other organisations, we found that our mailing list contracted significantly after the introduction of the GDPR regulations in May 2018. Since then we have steadily regrown the list and it has almost doubled in size in six months. Our email work consistently out-performs the industry average in both open rate and click rate. Meanwhile, traffic to the website is consistently higher since the introduction of our blog. Our following on Twitter has doubled since last year and our tweets consistently attract more interaction than in the past, offering a varied and engaging selection of content.

It is so important that we publicise the good work we know we are doing and we hope to continue improving these numbers.

There are a number of key campaigns that we are focusing on in the coming year. With all of these projects, we will begin by researching the extent of the problem so we can understand what the appropriate solutions are at a local, regional and national level. Once we have reached this understanding, we can formulate potential solutions and establish the best way to deliver them.

In some cases it will be campaigns delivered by us; with others we will work in partnership with relevant organisations. We will use a variety of communication mediums to raise awareness of our campaigns, from direct interaction to the use of social media channels.

Where the research leads to clear evidence that lobbying could be effective, we will first ensure that we have an extremely clear 'ask'. What do we want to change? Where we do develop robust evidence that we require political commitment or change, we would then devise a lobbying strategy for that particular campaign.

In the coming year, we plan to research the provision of furnished tenancies. We believe they could provide a comprehensive solution to furniture poverty for many; yet while furnished properties are the norm in the private rental sector, that is certainly not the case in the social housing sector. We want to establish what the barriers are to the provision of furnished tenancies for social landlords and then we will develop a strategy to overcome those barriers.

We will also be delivering a campaign to encourage more furniture reuse organisations to offer 12-month warranties on pre-loved white goods. In 2018–2019, we worked with Crest, a partner organisation based in North Wales, to encourage them to increase their warranties for pre-loved white goods from three to 12 months. We believe that this would provide valuable peace of mind for those on low incomes who need them and who might otherwise be tempted to take on high-cost credit to buy new products with a longer warranty. The results from our trial with Crest have been extremely positive, with increased sales and greater customer satisfaction. We will be using these results to reach out to all furniture reuse organisations across the country, asking them to increase their warranties to what we believe should be the industry standard.

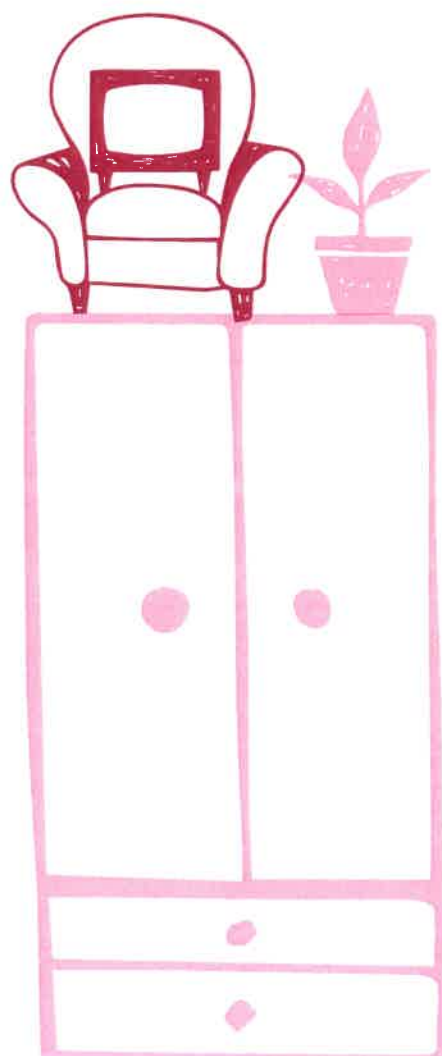
We are also developing a ground-breaking digital project which could transform consortium working and better utilise the resources available to help people in furniture poverty, along with other smaller projects under consideration.

The term ‘furniture poverty’ has now entered the mainstream and the work of End Furniture Poverty has had a significant impact on the national awareness of the issue. End Furniture Poverty has been cited in two national reports in 2019, the Financial Conduct Authority’s report on Alternatives to High Cost Credit, and the #LivingWithout report published by Turn2Us.

End Furniture Poverty will continue to ensure we are the leading voice in the UK on tackling furniture poverty, responding to emerging policy, and commenting on all associated issues to ensure that the spotlight does not fade.

Priorities/Targets for 2019–2020

- Deliver White Goods 12-Month Warranty campaign.
- Increase End Furniture Poverty mailing list by 20%.
- Increase End Furniture Poverty social media following by 30%.
- Understand the social value we create under this objective.



Developing and running successful social businesses that tackle furniture poverty



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

Furniture Resource Centre Limited



We had a busy year working with Liverpool Citizens Support Scheme, which helps people in crisis to get food and other necessities including furniture and household essentials. It was fantastic news when a 12-month contract extension for LCSS was confirmed. We continue to work on the Social Value Measurement project to measure the impact of this scheme and results will be available in 2019–2020.

Increased sales from Furniture Resource Centre Limited translated into 11,798 deliveries to people's homes – a significant increase of 17% on the 10,040 deliveries made in 2017–2018.

During the year we tendered for and secured a contract to provide furniture to Birmingham City Council with a projected spend of £1.4m a year. This contract was previously held by a competitor, David Phillips Furniture Limited (David Phillips), and involved the TUPE-regulated transfer to FRC Group of 15 former David Phillips staff. The contract to provide new furniture began on 7 January 2019 and initially we operated out of the David Phillips warehouse in Manchester while the additional potential acquisition of David Phillips' social housing contracts was considered.

Due diligence on David Phillips was concluded and agreement reached with Manchester City Council to novate the Associated Greater Manchester Authorities (AGMA) contract from David Phillips to Furniture Resource Centre Limited.

This involved the TUPE transfer of a further five David Phillips staff members. We completed this acquisition in May 2019 and are now operating from a new base in Trafford Park in Manchester.

The North East depot, set up to service the North Tyneside Council Furnished Tenancy scheme, also had a successful year and delivered on-budget sales from the local authority councils we work with. The stock management of North Tyneside products continued and North Tyneside Council confirmed a contract extension to 2021.

Through this contract we have a project which provides free essential furniture and electrical appliances to local people who our referral partners have identified as being in need. The furniture and white goods supplied are returned items from the furnished tenancy service. Often the returned products are in good working order and in good condition, but council policies do not permit their use in another furnished tenancy property. We PAT test the electrical items to ensure they are safe. This scheme, operated in conjunction with North Tyneside Council, puts essential household items back into use, helping those who do not have the means to buy these goods. In 2018–2019 we were able to deliver 269 items (108 in 2017–2018) at no charge, helping 113 families or individuals living in furniture poverty. We will continue to build on this scheme during 2019–2020. This equated to a financial value of £19,507.

Bulky Bob's

This year Bulky Bob's completed 59,912 (58,439 in 2017–2018) collection requests on behalf of councils and reused and recycled 2035 tonnes of furniture, appliances and other bulky waste – consistent with performance over the previous two years.

Bulky Bob's continued to recycle mattresses; 12,651 were collected through our Liverpool Council bulky waste contract and 440 tonnes of mattresses were diverted from landfill. Our new 'Amazing Mattresses' brand is starting to put many back into use. Our pilot 'test rig' cleaning operation delivered 357 mattresses to families on low incomes during 2018–2019. Amazing Mattresses is already showing significant growth.

In February 2018 Warrington Council issued a tender for the bulky household waste service held by Bulky Bob's since April 2006 and managed from the Liverpool site. However, unlike Liverpool City Council, Warrington Council charges residents at the point of use for this service and, in common with other chargeable bulky waste contracts, the use of the service by residents is extremely low. People are also more likely to gift better quality items of furniture to local charities than pay for them to be collected. This means that it has become a waste disposal service offering little reusable furniture. The contract therefore presented Bulky Bob's with a commercial opportunity to raise revenue rather than a social value opportunity, and so a tender was submitted. Bulky Bob's did not retain this contract.

In June 2018 Bolton Council issued a tender for its bulky household waste service. Once again, residents are charged for this service and this severely limits its use. Bulky Bob's commercial market price tender proposed gifting reusable furniture collected through the contract to Bolton Community Transport, a local charity which supports people in need, to ensure that social value was created. Bulky Bob's was awarded this contract. It is managed through the Oldham site and started in October 2018.

Bulky Bob's is still absolutely driven by our mission to 'End Furniture Poverty'. Until we established Bulky Bob's 20 years ago, we used to collect unwanted furniture free of charge and distribute it to people in need – again, with no charge. However, this approach was financially unsustainable, completely arbitrary and difficult to operate at scale.

We developed a vision of how we could collect waste (mainly furniture) at scale, be paid for that service, pay all staff involved the correct wage, extract massive amounts of great quality furniture from the waste stream and then pass this furniture on to people in need. This sustainable model is the basis of our operations to this day and we have long-term paid contracts with Liverpool City Council, Oldham Borough Council and Bolton Council.



However, no operational model should be fixed in stone and in 2018–2019 we changed our thinking on the Bulky Bob's businesses. Their main focus had been the core functions of a waste collection contract – turning up at the right place at the right time, collecting the right items, keeping a paper trail and generally being wholly dependable.

It is essential that we continue to do this as brilliantly as we have done to date but we need to treat this process as the 'means to the end' rather than the end in itself. We did not set out to collect vast volumes of waste in a very professional manner; our aim was to access the vast volumes of great quality furniture from the waste stream.

When we adopted 'End Furniture Poverty' as the group mission a few years ago, this simple objective gave us a single, highly focused lens through which we could examine each and every social business in FRC Group. We have now looked at Bulky Bob's through this lens and have seen that too much of what we collect could be reused, but instead is being stripped down into raw materials and recycled. Even worse, some is going to landfill. While we had fit-for-purpose processes, equipment, teams and capacity to collect waste, we did not have awareness of a similar set of tools and systems to rescue, remanufacture, repurpose and upcycle all that can be rescued – we were not making the most of what we collect. A fundamental transition in thinking, culture, processes, targets and operations was needed.

So we recruited for a new role in the Bulky Bob's businesses, and our Remanufacture Manager took up post in June 2019. This role's focus is to oversee our transition from efficient collectors to equally efficient 'remanufacturers', so that we upcycle as much waste as we can and help as many people as we possibly can.

This process has already begun. Bulky Bob's Warehouse provides furniture, appliances and mattresses to people living in furniture poverty through our retail outlet store, Bulky Bob's Furniture World. We have begun to view the warehouse as a workshop – now known as Workshop 1. Its duties include:

- Deep cleaning – all deep cleaning of large furniture is done in Workshop 1 before it is delivered to the shop floor.
- Repair – all large furniture is repaired in Workshop 1 before being sent to the shop floor. Any items in a poor state of repair are rejected by staff on delivery and returned to the warehouse for recycling.

The quality of the items reaching the shop floor has much improved, providing a better service to our customers.

Bulky Bob's Collects furniture from households

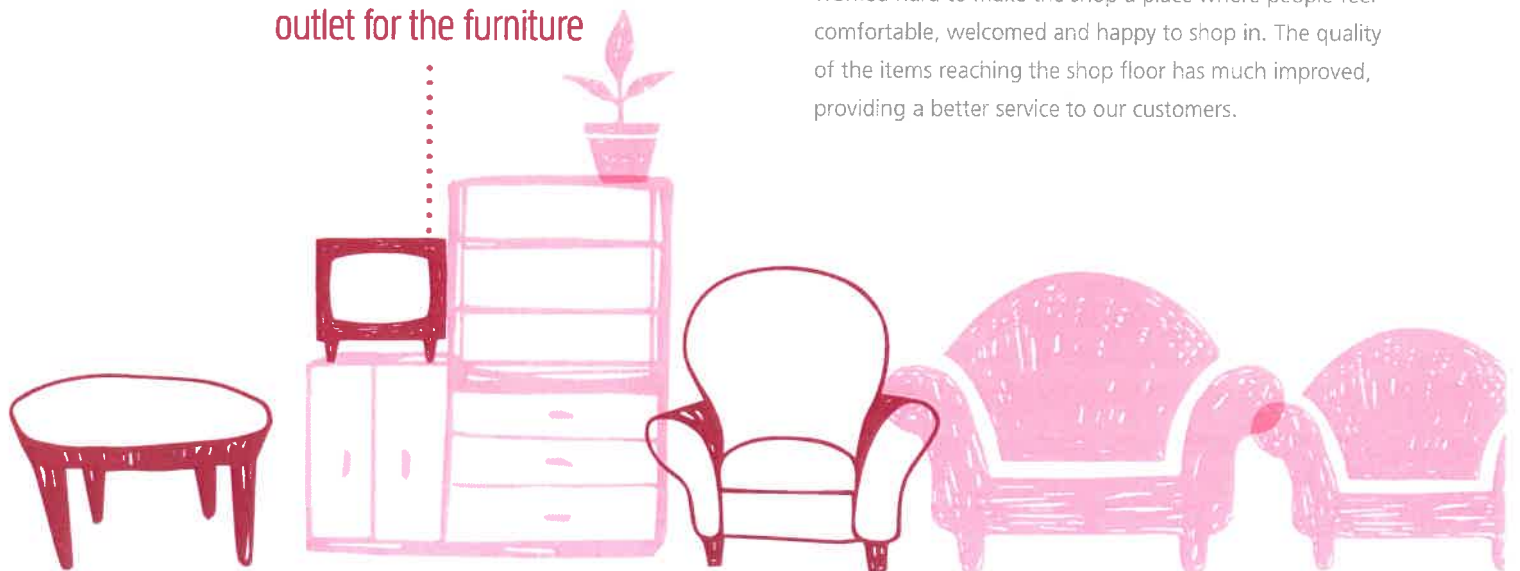


Bulky Bob's Furniture World

Our retail outlet, Bulky Bob's Furniture World (BBFW), is a key component in FRC Group's mission to end furniture poverty. In 2018–2019, we looked intensely at BBFW, asking what we could do better to help get more furniture to those who need it. We aimed to remind ourselves of the store's purpose. BBFW serves a number of interconnected purposes:

- It is a physical showroom where families living on low incomes can look at and choose great quality pre-loved furniture at affordable prices.
- Families who have no income can choose great quality pre-loved furniture in exactly the same way, and the furniture will be supplied and delivered to them free of charge.
- It is a reuse route through which Bulky Bob's can divert waste from landfill to fulfil their commitment to Liverpool City Council.
- It generates funds from sales to reduce or cover the cost of supplying pre-loved furniture to households in need.

Bulky Bob's Furniture World Showroom and retail outlet for the furniture



In 2018–2019, we introduced many changes:

- The look of the shop was transformed.
- The quality of furniture available to customers was improved.
- More furniture was stocked in the shop.
- A wider range of furniture was stocked.
- More shop staff were on hand to help customers.
- We started a Facebook social media campaign to attract shoppers.
- All shop staff had customer service training through our new e-learning 'Litmos' platform.
- All small furniture repairs were moved from the shop floor to 'Workshop 2' in the basement of the store.
- ViPs (Volunteers) were moved from the shop floor into the much improved environment of Workshop 2.
- A member of staff moved across from Head Office to supervise Workshop 2.
- Two volunteer cell leaders were recruited to pass on their skills and knowledge to ViPs.

Workshop 2 duties

- Deep cleaning – all deep cleaning of small furniture takes place in Workshop 2.
- Repairs – all repair of small furniture takes place in Workshop 2 before it is sent to the shop floor. Any items in a poor state of repair are rejected by staff at the time of delivery and returned to the warehouse for recycling.

We understand that some of our customers do not want to have to rely on our services and this can have a negative effect on their self-esteem. With this in mind we have worked hard to make the shop a place where people feel comfortable, welcomed and happy to shop in. The quality of the items reaching the shop floor has much improved, providing a better service to our customers.

30th Anniversary Celebration Donation



At the end of 2018 we ran a short project with Liverpool Citizen's Advice Bureau to mark our 30th anniversary, offering 30 packs of the 10 essential furniture items. The Mayor of Liverpool, Councillor Joe Anderson, visited us to find out more about the project and Liverpool City Council publicised the activity through their media channels. It was a challenge because December is an extremely busy time for the whole team, but we managed to deliver 28 packs totalling 188 items to the families referred to us by Liverpool CAB. The furniture donated through this scheme has a value of £6241.

We have also been working to strengthen relationships with existing referral partners and to connect with new partners. We will continue to build our referral partner network to reach out and help those in furniture poverty.

Safety Net Programme



In January this year, we launched our Safety Net programme with the Children's Services team at Liverpool City Council, which works with families identified as being in immediate need. They have serious household issues that need same, or next-day responses. The Safety Net programme differs from our traditional referral system because it offers a complete set of the 10 essential items of household furniture, including white goods and televisions, needed for a good basic quality of home life. It therefore tackles furniture destitution as well as furniture poverty. While we understand those facing furniture destitution are experiencing deep-rooted problems that furniture alone will not solve, this service does provide more comprehensive support than our standard referral scheme.

White goods and televisions are collected through the bulky household waste collection service. During booking, we ask whether the item still works so that collection crews can segregate them, and take them directly for testing and cleaning. We do not receive large quantities of these items so we have decided to offer them through a single referral partner rather than to our entire referral family. After discussions with Liverpool City Council, we agreed that the Children's Services team was the most appropriate partner for Safety Net. They are dealing with families with the most urgent needs: for instance, in some cases, the rapid provision of a working fridge or cooker can prevent children being taken into care and keep families together.

Since the launch of Safety Net, the scheme has helped 10 families by giving them 42 items of furniture and white goods between them. This equated to a financial value of £2109.

Rugs



We have always believed that floor coverings are essential in every home, and this was confirmed by our 10 Essential Items Research. However, historical practice across the housing sector has been to remove all furnishings, flooring and window coverings, regardless of quality, when a customer moves out and the property becomes void.

In 2018–2019, we added rug cleaning to our upcycling service so that rugs collected through Bulky Bob's could be reused. In all, we sold 94 cleaned rugs in the shop at low prices to people in need.

In another initiative, we are working in 2019–2020 with Interface, one of the world's largest designer and maker of carpet tiles, on how we can help provide housing associations with an affordable flooring solution for their tenants.



Bikes and baby goods



During the year, we launched a partnership with the Salvation Army to repair and test bicycles and baby items such as cots and prams collected by Bulky Bob's. The Salvation Army's Recycles project is located in the basement of Bulky Bob's Furniture World and the bikes and baby goods it cleans and fixes are sold in the ground-floor shop at low cost to families on low incomes and provided free to families in crisis. This partnership also offers volunteers and trainees the chance to develop skills, confidence and experience that will enhance their employability.

These projects ran for only part of 2018–2019, and we will be able to offer a clearer picture of their impact in our 2019–2020 report.

Amazing Mattresses



In 2017–2018 we began a 'Total Mattress Management' project. Its aim is to save structurally sound mattresses from the waste stream, refurbish them and offer ultra-clean mattresses to families who need them through our 'Amazing Mattresses' brand.

In 2018–2019 we sold Amazing Mattresses direct to the general public and also created a distribution network so that many more low-income families could take advantage of the very low prices of Amazing Mattresses. A fundamental principle is that Amazing Mattresses are sold for the same retail price regardless of where and to whom they are sold and that this price is as low as possible, while making the rescue, cleaning and supply of these mattresses commercially sustainable for FRC Group and its distributors. They are sold at around 10% of high street cost so that they are affordable for those on low incomes.

In 2018–2019, we:

- sold 115 lost-cost Amazing Mattresses through BBFW;
- sold 66 through our distribution partner Crest, an established not-for-profit social enterprise in Conwy;
- gave away 176 Amazing Mattresses to people on low incomes.

The financial value of this was £9910.

The high standard of the ultra-clean Amazing Mattresses has also helped to promote the quality of pre-loved furniture. This has encouraged many new customers to consider buying pre-loved rather than automatically purchasing brand new furniture, promoting reuse and delivering environmental benefits.

In 2019–2020, we will be exploring the option of building bed bases in Workshop 2 to sell on at low prices or donate to those in need.



Beds for Kids



For Christmas 2018, we ran our Beds for Kids campaign once again. We chose to maintain the same branding as the previous year and to keep the focus on Christmas as a hook. It was collectively decided that the campaign focus should be on seeking donations from local businesses rather than relying as heavily on the public as we had done the previous year. We did, however, keep our crowd-funding page open should any members of the public want to donate.

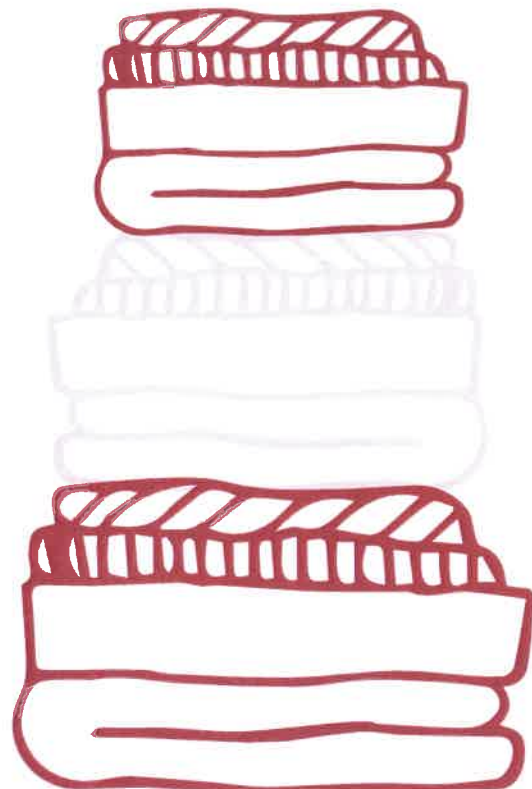
We compiled a list of local businesses who seemed likely donators and emailed over 200; unfortunately the number of emails opened was quite low (only around 26%) but we did manage to obtain a donation of £750 from the ACC Liverpool Group and several smaller donations from other businesses. With greater resource, there could definitely be scope for eliciting more significant donations in future years.

The campaign proved particularly popular on social media. Emails were also sent to every elected politician in the city region, asking them to raise awareness of the campaign. A number of local councillors, MPs and MEPs tweeted about the campaign, including Shadow Chief Secretary to the Treasury Peter Dowd MP, Mayor Steve Rotherham and Theresa Griffin MEP. This in turn led to a number of prominent people picking up on the campaign.

Former Everton goalkeeper Neville Southall tweeted his best wishes and actors Michael Sheen and Rebecca Front both retweeted about the campaign. Perhaps the most significant interaction came from comedian Aisling Bea, whose tweet garnered hundreds of likes and retweets and led to around £200 in donations from members of the public.

Having a new website made a difference; we had more functionality that we could use to drive people to interact with and donate to the campaign. The addition of a landing page that popped up and highlighted the campaign whenever anybody tried to visit the End Furniture Poverty website made it difficult to ignore. We were also able to embed donation buttons so that people did not need to leave the website to make donations.

The campaign raised almost £1992 and delivered **42 beds, 44 mattresses, 44 bedding sets, 47 duvet and pillow sets** and a bonus cot bed complete with cot mattress and bedding. This was a significant step forward in reach and impact year-on-year. The campaign raised more money, helped a number of families and increased public engagement. We are currently evaluating Beds for Kids to decide whether to keep it running in future years. The financial value of Beds for Kids was £3049.





Furniture Statistics



2018/19
Total number
pre-loved sales to
BBFW customers

2017/18

Liverpool **2,748**



Oldham **277**



Liverpool **2108**



Oldham **406**



2018/19
Sales to BBFW
customer groups

2017/18

Liverpool

With crisis

LWP

Standard

224

20%
discount

48

10%
discount

1617

556

295

Oldham

109

20%
discount

0

10%
discount

168

0

0

Liverpool

233

20%
discount

16

10%
discount

1086

605

106

Oldham

109

20%
discount

0

10%
discount

297

0

0

2018/19
Value of items donated
to customers

2017/18

Liverpool **£29,809**



Oldham **£6,885**



Liverpool **£30,890**



Oldham **£6,390**

2018/19
Financial value
of Safety Net

€2,109



2018/19
Financial value
of 30th birthday
give-away

€6,241



2018/19
Financial value
of North Tyneside
scheme

€19,507



2018/19
Financial value of
donated mattresses
and bed bases

€9,910



2018/19
Financial value
of Beds for Kids

€3,049



2018/19
Number of agencies
referring people in crisis

Liverpool **41**



Oldham **20**



2017/18

Liverpool **42**



Oldham **20**



**Total financial value
of donated furniture =
€77,510**

Liverpool **€29,809**



Oldham **€6,885**



Safety Net **€2,109**



30th Give-away **€6,241**



North Tyneside Scheme **€19,507**



Donated beds and mattresses **€9,910**



Beds for Kids **€3,049**



Social value measurement



FRC Group uses a social value measurement model to set a budget and report actual performance for the work carried out by BBFW. This, alongside the financial budgets, helps to shape discussion and decision-making.

The following diagram* illustrates the main drivers of value within the social value model with some information to show the amount of value created in 2018–2019.



*Includes the value of pre-loved furniture given to people in urgent need via two routes – the items donated by Bulky Bob's Furniture World Liverpool and the pre-loved items purchased by Liverpool Citizens Support Service to pass on to people in urgent need.

Training people



Our Driving Change programme runs across all our businesses, training people who were previously unemployed or in precarious employment to gain the skills, behaviours and qualifications to move on to higher-paid work. The programme is described in more detail on page 62.

Performance against targets 2018/19



Customer sales in Bulky Bob's Furniture World: **sales target 2515.**



Of Bulky Bob's Furniture World customers to receive discounts: **our target was 2406.**



Families in crisis received furniture: **our target was 326 families.**



community event was held **our target was 4 events.**



Create a social value model based using the 10 Essential Items list as the basis of measurement: **We started work on this and will complete in 2019-2020.**



To launch Safety Net and Total Mattress management.



Priorities/Targets for 2019/20

Complete creation of a social value model based using the 10 Essential Items list as the basis of measurement.



Customer sales in Bulky Bob's Furniture World.



Of Bulky Bob's Furniture World customers to receive discounts.



Families in crisis to receive furniture.



Community events.

Training people out of poverty



Driving Change

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

We recruit people who already have driving licences and their main training objective is the LGV Class 2 licence.

ViPs (Volunteers, Interns, Placements and Students)

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

Funding



This year we were able to secure £52,535 of funding from our various partners: £23,849 from Sefton ILM Ways to Work Programme; £6,867 from Knowsley Works; and £3,069 from Liverpool City Council. We also received funding of £18,750 from WEEF Local Project to help us to set up a project within Bulky Bob's Warehouse.

Funding is still difficult to source, especially given the nature and time demands of our new Driving Change programme. We continue to look for funding that supports the ethos of our training programmes and will not change our programmes to fit funding criteria because we strongly believe that long-term intervention creates a better future for our trainees.

Driving Change programme 2018–2019

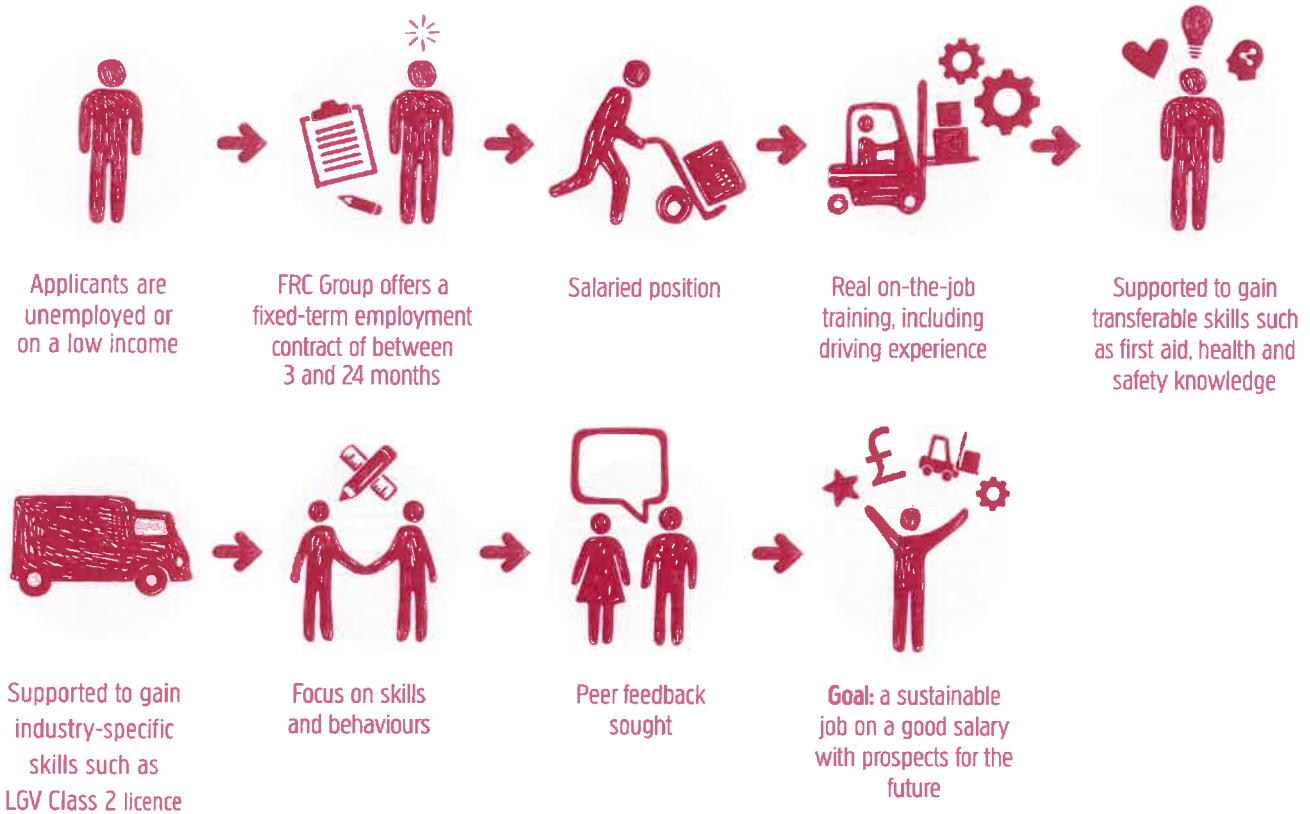
Our Driving Change programme was developed because we recognised that our trainees were often trapped in temporary work or on zero-hours contracts and earning so little that they were becoming the 'working poor'. We wanted so much more for our trainees; we wanted to support them to develop the skills and experience to move into careers that offered better prospects and earning potential.

Eligible applicants for Driving Change are:

- either employed or unemployed;
- already driving licence holders;
- committed to a minimum three months and maximum of 24 months on the programme.

How long someone spends on the programme is seen only as the time each individual needs to reach their goal and not an indication of success or failure. Training is tailored to the individual, with a focus on professional development that leads to changed attitude and behaviour. The aim is that each trainee will eventually be able to move on to higher-paid, more secure work at the end of their programme.

Our trainees' journey



Across the year, **24** people took part in the Driving Change programme.



Between them, they acquired a total of 66 accredited qualifications: an average three accredited qualifications each. All new starters had a driving licence and could make the LGV Class 2 licence their main training objective. This would qualify them for higher-paid roles on completion of their programme. There were the 24 Driving Change participants throughout the year.

Of these:

18



Left FRC Group during the year (of which 6 were early leavers.)

14



Went into employment elsewhere (78%).

4



Did not go into employment.

The 78% of all leavers who found employment elsewhere went into a higher-paid role – the core goal of Driving Change. However, the number of people who left early is a concern; this figure was 6, or 25% of all those who were on the programme during the year. This means that we have to look at our recruitment processes to ensure that we are recruiting the right people onto the programme.

Two people resigned, saying that the role was not right for them. One further Driving Change participant left after a bereavement. Three were dismissed, two for medical / capability reasons and one because of a conviction that made it inappropriate for them to work at Bulky Bob's. Although it is always hard to have to dismiss a participant, the Driving Change programme has specific objectives and sometimes we have to make the tough decision to move people on when the time is right either for the individual or the business.

We work really hard through recruitment and induction processes to explain exactly what the role and the commitment to the programme demands. Sometimes, however, people initially feel they can take on the commitment and only realise that this is not the job for them after they have started. The team works with these people to move them on sooner rather than later because we have an obligation to generate as much social value as possible and devote time and funding to those participants who want to succeed. We acknowledge that there may be negative outcomes for people who do not sustain a place on the programme and we offer a lot of support to help people stay on the programme – but can only support people if our support is accepted.

Each trainee has regular one-to-one sessions to help us and them monitor progress and find out how FRC Group can help them to achieve their desired outcomes.

Consistently with previous years, all trainee review documents were reviewed for each trainee in chronological order to appreciate their individual journey. Notes were taken for each trainee that had the relevant documents (some only had an induction questionnaire that provides little evidence) and a process that identified the common themes was employed.

The results of this process are discussed below, with direct quotes taken from the documents (the reference in brackets refers to the code applied to the documents when reviewing).

The documents reviewed provided largely consistent themes. There was strong agreement that trainees were enjoying their experiences and valued the potential the training offered them. Many of the trainees were extremely positive in how they discussed their experiences as a trainee, with comments such as those below demonstrating this view:

“I love it”

“The job's great – I love the job – it's everything I expected and more – hope I'm not out for long” (currently off work with broken finger)

“I like the job – I want to pass – would really like to stay as I like the people. This is best job I have had”

“Amazing opportunity to progress into better things when qualified”

“It's a valuable programme and gives people chance to gain experience and training that isn't offered in normal life”

“I am settled now. When I first started, I was really nervous which continued for a while, but I love working here now”



Although no trainee expressed any significant dislikes about the training, there was reasonably consistent agreement about the challenging nature of the training.

A number of individuals commented that the physical nature of the work and the expectations could be challenging. Nevertheless, there was an overriding sense that in addition to employment opportunities, other personal benefits were experienced such as an improvement in confidence, friendships with other staff, and learning more about themselves and their abilities – this is demonstrated by comments such as those below:

“What was good about training was chance to make friends, gain qualifications and skills and better prospects”

“Job is going great, growing in more confidence every day”

“I’m braver than I used to be”

“It’s really put me in a great mindset. Working with great people who pull together”

“Learnt about myself – even though had to leave position earlier than hoped owing to personal and family commitments, no matter how hard things seem, there is always a solution”

As well as the benefits above, a number of trainees also reported that working for an organisation that supports people was a significant benefit. They said they like to work for an organisation that helps people. In one case, a trainee expressed displeasure as he was asked to work in a department where he was not directly involved in supporting people. Comments such as the one below demonstrate these sentiments:

“It’s very busy, hard work – tiring but it’s a very good job – an eye opener – making deliveries to customers who are in need”

Some trainees also outlined that there were other barriers to their development. Issues such as a lack of confidence in map reading, ongoing mental health concerns, and child-care responsibilities were mentioned by some trainees as creating extra challenges to those that many people face. For some this affected their ability to come to work. Nevertheless, most trainees were able to overcome the challenges. For some it was difficult to meet the expectations of the training programme, and in some extreme circumstances, trainees were not allowed to continue.

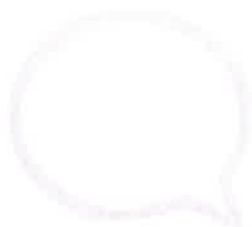
Most demonstrated a strong commitment to their development, with some trainees being willing to fund extra qualifications.

Overall, extremely positive messages emerged from the documents. When asked if they would recommend the training programme to others, all trainees responded positively – with some having already done so.

The comments below demonstrate this view:

“Want to thank the company – can’t thank you enough for the opportunity – this has turned my life around – done me a cracking CV”

“Yes it’s brilliant – it opens doors for people. I would recommend to anyone – for people who need a bit of help it’s a brilliant place to work”



These are the stories of three people who have already been through the transformative Driving Change journey.
*Names have been changed.

Case study 1: Mark's Story*

Mark joined us as a Driving Change trainee in February 2018 working for Furniture Resource Centre Limited. At the time, he was employed with a scaffolding company. He impressed at interview when he described how he had always aspired to become an HGV driver and hoped to earn his Class 2 licence, but also how he could imagine a future in which he progressed further, gaining an ADR licence to carry hazardous goods and possibly taking on driving work all over the country.

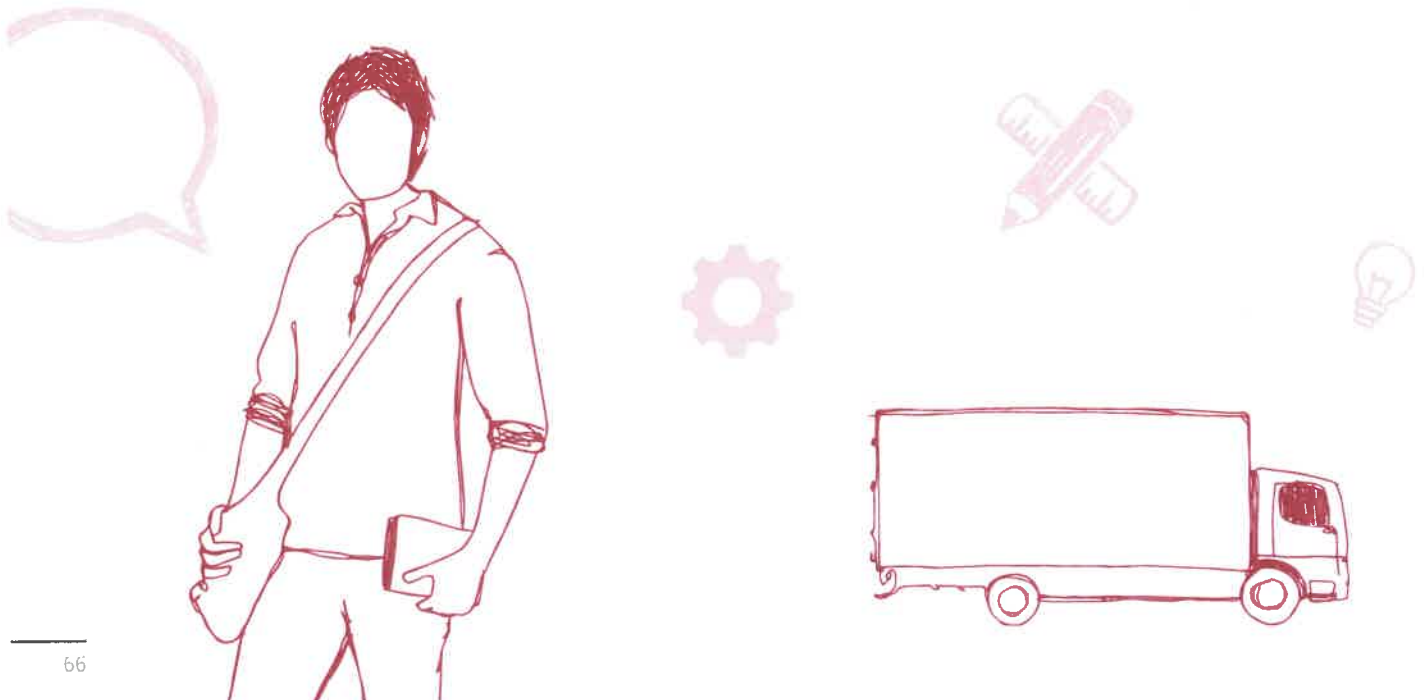
Mark worked exceptionally hard as he progressed towards each stage of his qualifications, passing each stage at the first attempt. Then his attendance started to drop. It became apparent that Mark had some difficulties at home, a key factor in an episode of poor mental health. We supported him and signposted him to appropriate organisations where he might find advice and support. By March 2019, he had gained all the qualifications on offer to him, including a full LGV Class 2 licence, and had completed all of his training; he then left the programme to focus on his well-being. During a follow-up conversation about a month later, he reported that he had found a job as a Class 2 driver with a local dairy firm. He now has a great salary. He also works alone, which he says he really enjoys.

Case study 2: Liam's Story*

Liam joined as a Driving Change trainee in April 2018. He had previously worked for a telecoms company as a self-employed worker and had to meet high targets to earn any money at all. He had no prospects of professional growth and development. He worked hard to make himself eligible for the Driving Change programme and successfully applied when a position became available in Bulky Bob's.

In December 2018, Liam's efforts won him the accolade of Driving Change Trainee of the Year, nominated for the honour by his colleagues.

By March 2019, Liam had completed all of his training and was confirmed in post as a driver/mentor for Bulky Bob's. This new role came with responsibilities, including an obligation to mentor other trainees, and a significant pay increase.

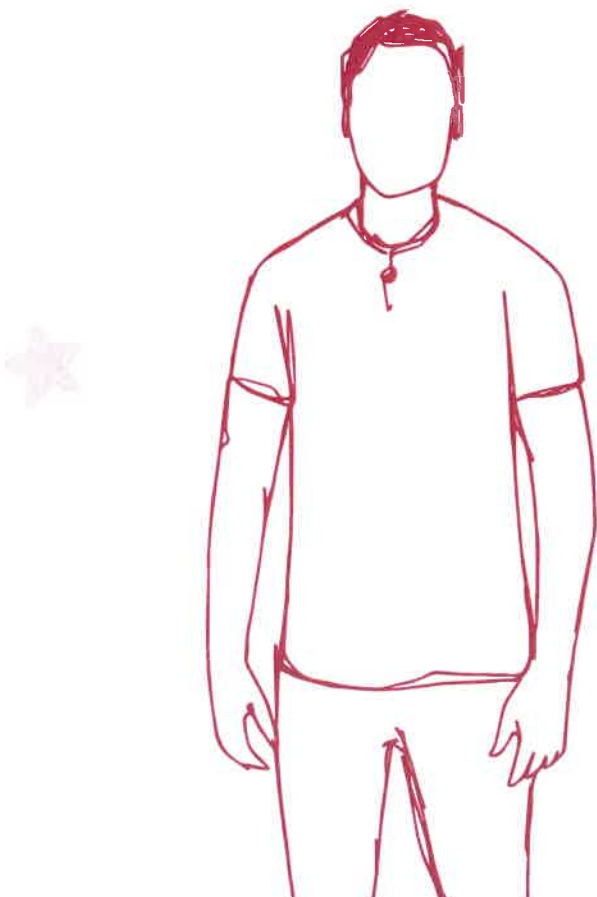
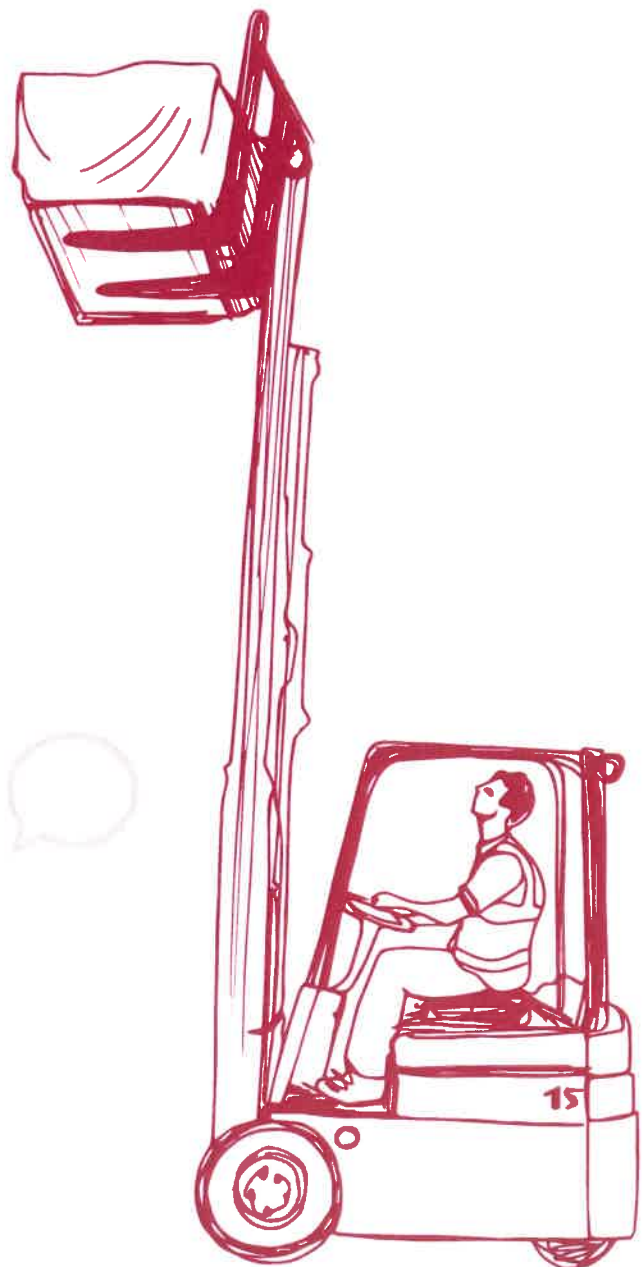


Case study 3: Adam's story*

Adam was a warehouse worker on a zero-hours contract when he joined the Driving Change programme in June 2017. The pay was poor and he said there was no opportunity to improve his skills.

He progressed well through all the stages of gaining his Class 2 licence and also took a forklift licence refresher course. He completed all of his qualifications within 12 months and started to look for a job. We also funded a CSCS card qualification at Anthony's request because he felt it would put a wider range of driver roles within his reach.

Adam left FRC Group in June 2018 to take a job as a driver with a company in Warrington called NTC Transport.



Employer engagement



The People and Culture team help trainees to complete CVs and job applications and prepare for interviews, and, on the employment side, develop and maintain relationships with key employers to identify job opportunities. During 2018–2019, we have built relationships with eight employers, telling them about our programmes and trainees and asking them to contact us when any vacancies arise. With Driving Change in mind, the focus is on employers who employ LGV Class 2 drivers. The strategy in 2018–2019 is to engage with a more focused group of large employers.

Social value measurement

We continued to use a social value measurement model to set a budget and report actual performance for the work carried out through Driving Change. This, alongside the financial budgets, helps to shape discussion and decision-making. Our social value model for Driving Change demonstrates the value created and the return on investment. The nature of the programme means that the model is complex.

Features of the Model

- We measure the starting point of employment (either unemployment or precarious employment, such as zero-hours contracts or minimum wage roles).
- We measure the starting point for each participant's level of qualification on a scale of 0 – no qualifications through to 3 – advanced vocational qualification. We track the progress made in moving to higher levels of qualification.
- We measure six workplace behaviours on a scale of 1–8; participants set out to improve these behaviours, reporting their own perceived starting point and reassessing it at each review.
- Rather than simply measuring an outcome of either 'job secured' or 'unemployment' when someone leaves the programme, we assess the type of position achieved and record any subsequent career development in the post-programme period.
- We plan to extend post-programme follow-ups and measurement of outcomes to 10 years after exit from the programme.

Social value is created during the post-programme period. This is most apparent for trainees who have come from precarious employment, because the change in earnings while on the programme is minimal. Value derived from an increase in disposable income, which occurs when previously unemployed, is very minimal and often not existent at all. Upon completion of the programme, however, it is expected that social value will increase substantially as they progress to secure, higher-paid roles.

However, we are struggling to maintain contact with trainees post-programme and this has made it difficult to measure full social value creation. In 2019–2020, we hope to devise new ways in which we can capture changes in trainees' employment situations or look at other methods of tracking social value created through this programme.

Driving Change follow-ups



This year we successfully completed 10 follow-ups with nine former trainees. Of these, 89% were employed and the same proportion said that they felt the training and qualifications that they gained had helped or will help them to get a job. When asked what the best thing about working at FRC Group was, they told us:



Gaining knowledge to better myself in working life.



The people I worked with



Having something to do with my day



Gaining confidence



Gaining my Class 2 Licence



Earning money



Just to get my confidence and self-esteem back after a difficult time in my life

We also asked if people felt that they had improved in any of the following areas:

Confidence	90%
Self-esteem	100%
Motivation	100%
Team working	90%
Communication skills	100%
Time-keeping	90%
Attendance	80%
Money management	60%
IT	20%
Relationship with peers	90%
Relationship with authority	90%
Quality of life	80%



As well as highlighting the areas where we are succeeding, these results also flag up areas where people feel that they do not make progress such as in information technology and money management. Our organisation's logistics services are still very paper-based while in most modern companies where our trainees might seek work, hand-held technology is used quite frequently. We are looking at new systems within FRC Group in 2019–2020 which will introduce this technology to our staff and trainees.

Driving Change Statistics



24 people took part in Driving Change.



18 people left during the year.



67% (12 out of 18 leavers) of the trainees completed the programme.



78% (14 out of 18) of all leavers went into jobs.



100% (14 out of 14) of people who got jobs secured higher-paid roles.



66 qualifications gained in total.



Average number of qualifications per trainee was three.



Liaised with eight employers.

Comparison against 2017/18 performance and targets



78% of people leaving Driving Change went into employment, training or education. (41% 2017–2018).



100% of Driving Change recruits to be working towards LGV Class II Licence (New target set last year).



*Launch a new Driving Change follow-up process.



Build at least 10 new relationships with LGV Class 2 employers – We achieved 8.



* Our aim is to establish a 10-year follow-up system, and this has proved difficult. We worked with a group of students from Liverpool University to develop a workable strategy but unfortunately they were unable to come up with a solution. In 2019–2020 we will return to this.

ViPs: FRC Group's volunteers, interns, placements and students programme



FRC Group values the work of volunteers and provides an environment where they can gain new skills and experiences in non mission critical work. Working with volunteers is ingrained in our history, beginning with our first founding volunteers who started Furniture Resource Centre Limited in 1988. FRC Group exists because of the passion, dedication and willingness of our very first volunteers to make a difference to people and to improve their lives. Although they did not know it then, these volunteers started us on our journey to End Furniture Poverty. This is why volunteers will always be an important part of the team at FRC Group and they play a huge role in shaping our culture.

FRC Group's volunteer programme is called ViPs – which stands for volunteers, interns, placements and students. Our ViPs get the chance to develop new skills in a great working environment while helping people in need. Although it is a traditional volunteering scheme, it takes on a broader range of participants as its name implies.

ViPs are not managed by the People and Culture team. They report to operational supervisors who are responsible for them day to day. Our ViPs pick up vital skills along the way, but the main driver of social value through ViPs is the impact of their volunteering on both our customers and themselves. They learn new skills on the job, collaborate in a great team, and have the chance to do something worthwhile and help people in need.

The ViPs team are fully supported to learn new skills, from experiencing a warehouse environment through to understanding the importance of health and safety and good practice in manual handling. All of their volunteering expenses are met, including travel, and they are provided with all the clothing and equipment they need. Free tea and coffee is also available and our popular Monday and Friday morning Toast Time sessions offer free toast for all.

We understand that some of our ViPs may also be in need of the furniture. If a clear need is identified, they will be supported in just the same way as our families in crisis. ViPs are made a full part of the team and invited to our Annual Awards event and all other social activities such as Christmas parties and staff celebrations.

Our volunteering opportunities are:

- inclusive: welcome and accessible to all.
- flexible: taking into account people's individual life circumstances.
- impactful: making a positive difference.
- connected: giving a sense of connection to others, to the cause and our organisation.
- balanced: not overburdened with unnecessary processes.
- enjoyable: people feel good about what they are doing.
- voluntary: the volunteer has freely chosen to do the work.
- meaningful: resonating with volunteers' lives, interests and priorities.

During 2018–2019 we enhanced our ViPs offer by creating 'Workshop 1' and 'Workshop 2'. Workshop 1 (previously known as Bulky Bob's Warehouse) offers opportunities to learn the skills of recycling and the cleaning and fixing of larger furniture items. Workshop 2 focuses on cleaning, fixing, painting and upholstering small furniture items. Workshop 2 is located in the basement of our Bulky Bob's Furniture World store.

During this last 12 months we have stopped offering ViPs opportunities on the shop floor of Bulky Bob's Furniture World. We had two reasons for this; we did not think our ViPs were getting the best volunteering experience, and we did not think that our customers were getting the best shopping experience. Our ViPs were fixing items on the shop floor while customers were trying to look at stock, and some of our ViPs were not confident in dealing with customers. The creation of Workshop 2 gives our ViPs their own appropriate space, environment, tools and support to get the most out of their experience and our customers can be offered better quality items.

Workshop 2 also allowed us to be clear about the type of ViPs that we need to recruit.

Traditional volunteers –

We have opportunities for people who want to come and volunteer to gain work-related or personal skills.

Cell leaders –

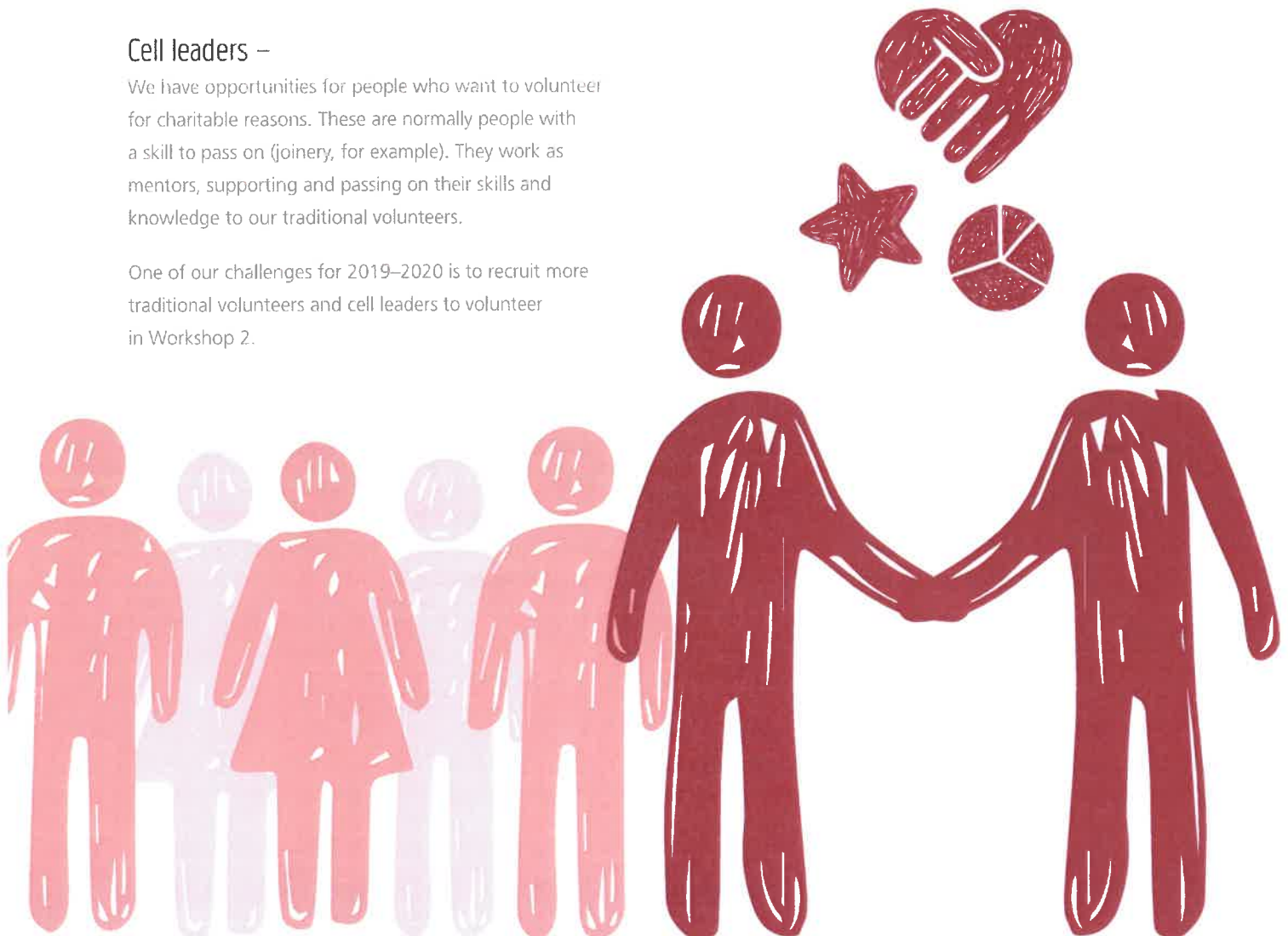
We have opportunities for people who want to volunteer for charitable reasons. These are normally people with a skill to pass on (joinery, for example). They work as mentors, supporting and passing on their skills and knowledge to our traditional volunteers.

One of our challenges for 2019–2020 is to recruit more traditional volunteers and cell leaders to volunteer in Workshop 2.

Over the course of this year we had 26 people volunteering in FRC Group. These were:

- 15 existing volunteers – 10 traditional volunteers and 5 on a ViPs paid programme.
- 3 new long-term volunteers.
- 6 new short-term volunteering placements.
- 2 new 'cell leaders' who work as mentors to volunteers.

FRC Group is also committed to supporting our ViPs and we value their contribution. We launched a survey in March 2019 to encourage their feedback. Disappointingly, only three responded and we have re-issued the survey with a changed approach. We will ask them to complete it one-to-one with a member of staff because we understand that some people may need this personal extra support and encouragement.



ViPs survey: Overall results for each question (three respondents)



No.	Question	2018–2019						
1.	I know what is expected of me at work.	100%						
2.	I have the materials and equipment I need to do my work right.	100%						
3.	My job makes good use of my skills and abilities.	100%						
4.	I receive recognition or praise for doing good work.	100%						
5.	My supervisor, or my manager seems to care about me as a person.	100%						
6.	There is someone at work who encourages my development.	100%						
7.	At work, my opinions seem to count.	83%						
8.	The mission/purpose of my company make me feel my job is important.	86%						
9.	My co-workers are committed to doing quality work.	100%						
10.	I have friend/s at work.	100%						
11.	Someone at work has recently spoken to me about how I am doing /progressing.	100%						
12.	This last year, I have had opportunities at work to learn and grow. (This could include taking on challenging work or inductions and does not mean only a training course).	67%						
13.	I feel encouraged to come up with new and better ways of doing things.	100%						
14.	The Company does a good job of keeping employees informed about matters affecting us.	100%						
15.	Considering everything, how satisfied are you in your job?	<table border="1"> <tbody> <tr> <td>Very satisfied</td> <td>67%</td> </tr> <tr> <td>Satisfied</td> <td>33%</td> </tr> <tr> <td>Very satisfied or satisfied</td> <td>100%</td> </tr> </tbody> </table>	Very satisfied	67%	Satisfied	33%	Very satisfied or satisfied	100%
Very satisfied	67%							
Satisfied	33%							
Very satisfied or satisfied	100%							

It is fantastic that three of our ViPs felt they could respond so positively. However, we will welcome the more complete insight into how our ViPs feel that we hope our new survey approach will deliver.

ViPs Statistics



26



During 2018–2019, FRC Group had 26 ViPs (volunteers, interns, paid placements, students).

Of these ViPs, Opportunities were available in nine areas of FRC Group: Bulky Bob's Administration, Bulky Bob's Warehouse – Workshop 1, Bulky Bob's – Workshop 2, People and Culture, End Furniture Poverty Campaign, FRC Warehouse, FRC Administration, Communication, and Finance statistics.

Comparison against 2017/18 performance and targets

11



We achieved 11 new ViPs **our target was to recruit 10 across the year.**



Target: recruit 10 new ViPs across the year. We achieved 11 new ViPs.

26



During 2018–2019, we had 26 ViPs within FRC Group. (2017–2018, we had 29 ViPs).



During 2018–2019, we had 26 ViPs within FRC Group. (2017–2018, we had 29 ViPs).

8



Target: offer volunteering opportunities in eight areas across FRC Group, offering placements. Offered opportunities in nine areas.



Target: offer volunteering opportunities in eight areas across FRC Group, offering placements. Offered opportunities in nine areas.

2019/20 Social value targets

Driving Change

92%



92% of people completing Driving Change will go into employment, training or further education.

10%



Review induction and recruitment to reduce our early-leavers rate to 10%.

100%



100% of Driving Change recruits to be working towards LGV Class 2 Licence.

10



Review the Driving Change follow-up process and social value model.

5



Build at least five new relationships with LGV Class 2 employers.

ViPs

15



Recruit at least 15 new ViPs across the year, of which five should be cell leaders.



Survey ViPs' satisfaction through one-to-one surveys.

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



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

We cannot reflect on 2018–2019 without referring to Brexit. FRC have been planning for Brexit and working closely with suppliers to understand the potential problems. We have introduced dual suppliers on key product lines to protect us if one supplier fails or has to impose a big price increase. We also took the decision to stockpile some of the key product lines in case supply becomes a problem. Work has also begun with a procurement specialist who will help navigate us through this uncertain time.

Buckingham Interiors



2018–2019 was a successful year of sales for Buckingham Interiors, and we started to see the impact of being able to sell to the north and south of England. We were able to reach more customers and this resulted in increased sales for Buckingham Interiors and FRC. Across the year, we engaged with 34 new customers and won tenders with local authorities and social housing providers. We also won direct awards and mini-competitions through the frameworks we operate on such as Procurement for Housing, Procurement Hub, ESPO and NEPO. We achieved £1 million of sales to new customers.

2018–2019 was our first full year with a project manager at Buckingham Interiors whose input very much enhanced the customer experience and supported the internal operations team. The newly defined role of buyer has helped Buckingham Interiors to introduce new, more modern product ranges that appeal to many of our current and potential customers.

The Buckingham Interiors team attended and exhibited at many conferences throughout the year including CIH South West, CIH North East and CIH Housing 2018, and attended a number of seminars and had training on Dementia Awareness.

Bulky Bob's Office and Commercial Waste (BBOCW)



2018–2019 was a testing year for BBOCW. We continued to service the confidential waste customers who came to us as part of the acquisition of CARA recycling, and went to great lengths to better understand their needs and to transform and improve our processes to provide an even better service.

We were also able to considerably increase the number of customers using our well-established furniture collection and recycling service. We also completed 145 commercial collections across the Merseyside and Warrington areas.

However, the enrolment of new customers for confidential waste, paper, cardboard and other office waste services proved problematic. Despite the employment of experienced waste professionals to manage and grow the service, the anticipated growth and returns were not achieved.

We had greater success when one of our own well-established managers was seconded into this role and was able to secure a number of new sizeable contracts, including a successful bid for the contract to collect and manage the confidential waste created by the University of Liverpool across their considerable estate. This has provided invaluable learning which will inform the recruitment and operating methods of the BBOCW salesperson who will be recruited in 2019.

Other notable successes include the winning of large blue-chip organisations as customers, and the management of collected waste in ways which add social value.

The internationally acclaimed Liverpool One Shopping Centre opted for our confidential waste service and then began to discuss other ways in which we could work together. Liverpool One management was unhappy about consigning the single-use coat hangers discarded by their tenants into the waste stream. BBOCW now collects tens of thousands of coat hangers from the centre and manages their disposal responsibly. We give them free of charge to the families we work with who are living on low and no incomes – they are unlikely to have spare cash for coat hangers when they receive a wardrobe through FRC or from BBFW. Any left-over hangers are recycled.

We also began talking to Liverpool John Moores University – a long-standing customer of our furniture collection service – about what other services we might be able to offer. LJMU has a substantial estate of computers and many are replaced and upgraded each year. LJMU has traditionally managed this through a private company that collects the IT equipment and offers a data-wipe service free of charge. The company raises revenue by upgrading and selling the collected equipment. This is a sensible and safe way to deal with unwanted IT equipment but does not add any social value.

BBOCW proposed a cost neutral, GDPR compliant solution that adds social value. After consideration during the year, in September 2019 we launched a service that collects and wipes data-bearing items, reinstalls an operating system and programmes and gives these computers to children living in families with low or no incomes. A small proportion of the collected items would be sold to cover the costs of collection, data wiping, new software and labour.

Moving from established processes to a new process can be complex in a large and multi-faceted organisation like LJMU. An added complication was the new GDPR environment and a general government focus on data protection issues. The discussions involved staff from LJMU's estate management, procurement, IT, data protection and legal teams, all of whom had the foresight and passion to want to see this change happen.

In 2019, BBOCW put in place a pilot project to find out whether an IT collection service could be provided to the correct standards, timescales and outcomes. The test went very well and BBOCW has been awarded the contract to manage all of LJMU's redundant IT equipment from September 2019.

This is not only a great achievement in its own right but it marks the acquisition of an 'anchor' client for this service. This gives us a foundation and critical mass of work which we can now extend to other current and future customers who have IT equipment to dispose of. In fact, as an office and commercial waste company, we have always had to collect IT equipment. But now we have developed a social value-added solution and this in itself will attract more customers.

Priorities/Targets for 2019–2020

Buckingham Interiors

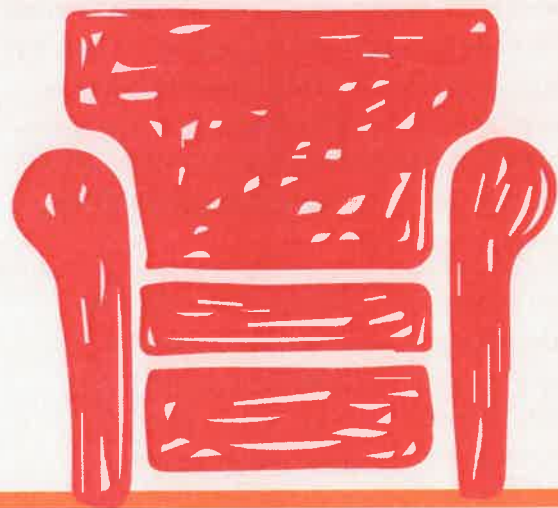
- to use an external consultant to explore new markets

Bulky Bob's Office and Commercial Waste (BBOCW)

- identify the sales resource we require and recruit



Stakeholders



FRC Group's Stakeholders

**Our stakeholders are all the people who matter to FRC Group, and those to whom FRC Group matters.
We aim to be great for people, a great place to work, great to do business with and great for the planet.**

Bulky Bob's Furniture World (BBFW) customers eligible for discounts – people receiving benefits, pensioners, students, and those referred from other support agencies.

People referred to BBFW in Liverpool and Oldham for free-of-charge furniture donations in crisis situations.

Tenants of social housing providers such as housing associations and local authorities, including people living in furnished tenancies, sheltered accommodation, supported housing and forms of emergency accommodation to which FRC Group delivers furniture packages.

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 reusable items as possible are available to people who need them.

Driving Change programme participants – previously long-term unemployed people on training programmes.

ViPs – volunteers who want to do something meaningful or support FRC Group with their skills and time.

Staff – employees of FRC Group.

Furniture Resource Centre Limited/Buckingham Interiors customers – the housing associations and other customers who buy our furniture and related items.

Bulky Bob's (BB) customers – the local authorities that contract FRC Group to provide collection, reuse and recycling services for furniture and white goods.

The householders who use the BB collection service in Liverpool, Oldham and Warrington.

BBFW customers – all the people who shop in BBFW.

Bulky Bob's Office and Commercial Waste customers – all customers using the service.

Suppliers – the companies that supply FRC Group with goods and services.

The other furniture reuse charities that BB works with by supplying them with reusable items.

People living near FRC Group operations and other members of the public affected by local environmental impact from our 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.

FRC Group's Materiality and Stakeholder Engagement Policy is on pages 91 and it explains the relationships between the different stakeholder groups and how the different relationships and levels of engagement are prioritised. A summary of stakeholder engagement activity this year is on pages 81.



FRC Group's Stakeholders



Stakeholder Engagement 2018/19



Stakeholder Engagement



Introduction

Below are the results of the FRC Group staff survey for 2018–2019

The sample size results are presented first, followed by the overall quantitative results for each question. Results are shown for all members that responded, as well as being broken down into staff and volunteers. Only three volunteers completed the questionnaire, so although results are shown for this group, the sample size is extremely small. More detailed results are also presented for each question.

Results are presented by job type, location and specific business unit. All qualitative comments are also included in this document.

Sample size information

All Members	Quantity	Proportion	Sample size
Permanent	54	76%	71
Temporary	8	11%	
Trainee	3	4%	
Volunteer	3	4%	
Blanks	3	4%	
Staff minus volunteers (and blanks)	68	96%	
Liverpool	50	70%	
Oldham	4	6%	
Manchester/Birmingham	14	20%	
North Tyneside	3	4%	
Bulky Bob's	22	31%	
FRC	37	52%	
BBFW	2	3%	
Group	9	13%	
Blanks	1	1%	

Overall results for each question



No.	Question	Everyone	All staff	Volunteers
1.	I know what is expected of me at work.	99%	98%	100%
2.	I have the materials and equipment I need to do my work right.	99%	82%	82%
3.	My job makes good use of my skills and abilities.	86%	85%	100%
4.	I receive recognition or praise for doing good work.	75%	69%	100%
5.	My supervisor, or my manager seems to care about me as a person.	87%	87%	100%
6.	There is someone at work who encourages my development.	72%	65%	100%
7.	At work, my opinions seem to count.	72%	78%	100%
8.	The mission/purpose of my company make me feel my job is important.	85%	84%	100%
9.	My co-workers are committed to doing quality work.	88%	89%	100%
10.	I have friend/s at work.	93%	94%	100%
11.	Someone at work has recently spoken to me about how I am doing /progressing.	67%	71%	100%
12.	This last year, I have had opportunities at work to learn and grow. (This could include taking on challenging work or inductions and does not mean only a training course).	67%	66%	67%
13.	I feel encouraged to come up with new and better ways of doing things.	79%	79%	100%
14.	The Company does a good job of keeping employees informed about matters affecting us.	85%	82%	100%
15.	Considering everything, how satisfied are you in your job?			
	Very satisfied	36%	33%	67%
	Satisfied	54%	56%	33%
	Very satisfied or satisfied	90%	89%	100%

Driving Change trainees' reviews



We have held regular review sessions with each of the current Driving Change trainees throughout the year to understand what they hope to gain from their time with us, and how they are progressing. A full overview of this can be found on Page 62.

Driving Change follow-up interviews



This year we followed up with nine people who had been on one of our training programmes. Of these, 89% were still employed and 89% said that they felt that the training and qualifications they gained while with FRC Group helped or will help them to get a job.

The Driving Change project is discussed in detail in Page 62.

- Furniture Resource Centre Limited/Buckingham Interior customers – the housing associations and other customers who buy furniture and related items.

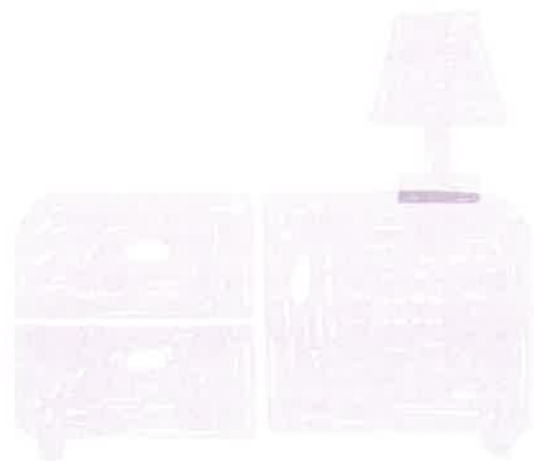
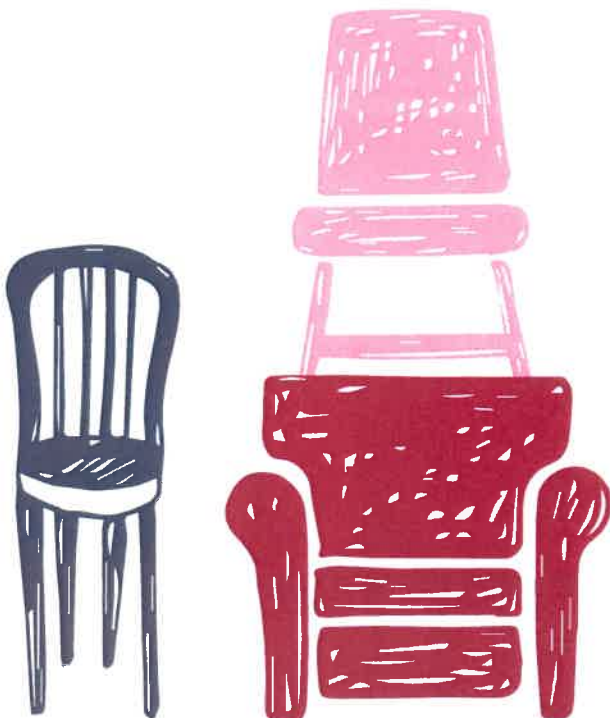
Furniture Resource Centre Limited Customers



Every month we ask customers of Furniture Resource Centre Limited for feedback. We have a target of at least six completed feedback forms per month. Customers are called and are asked set questions which are split into six categories. We ask them to score us out of a total of three points. We also analyse patterns and areas of improvement.

This year, we were able to gain feedback from 52 of our customers (46 customers 2017–2018) and the table below shows the rating received within each category. From this feedback we can see that 90% of our customers would recommend us.

Customer Responses	52
Sales Process	2.8
Ordering Process	2.8
Delivery Service	2.5
Product Quality	2.7
Invoicing	2.4
Overall Satisfaction	2.8
Would Recommend	90%



Buckingham Interiors



In 2018–2019 we asked 73 Buckingham Interior Customers for feedback. After a disappointing response last year, we used 'Survey Monkey' to make the process simpler, hoping to encourage more people to respond. We only received responses from five people, which is not unusual in a business-to-business relationship (five respondents, 2017–2018)

Question	Excellent	Good	Neither good / bad
Customer service	60%	40%	
Order processing	60%	40%	
Delivery and installation	60%	20%	20%
After-sales care	60%	40%	
Price competitiveness		80%	20%
Product range	40%	60%	
Product quality	20%	80%	

The feedback we have had is generally very good, especially towards the service side of our offer. Looking at the feedback there are three main areas we can work on: price competitiveness, quality of product and product range. As a result, we have engaged a procurement consultant to look at how we might improve.



At Buckingham Interiors we also seek feedback during the after-care phone call and through feedback forms. Some of the comments from this year are:



Really useful coming to visit FRC HQ before the consultations with the residents as it allowed Plus Dane Senior Staff to select Plus Dane standards before BI completed the consultation with the residents. This meant that when BI consulted with residents they were fully involved in the whole process of refurbishing their schemes – this meant that there was complete buy-in from the residents with both schemes voting 100% for the selected mood board. The residents' consultations were excellent and it was really good to see genuine dialogue with residents on what they wanted in their scheme. The work put in by BI prior to the delivery made the process run really smoothly for Plus Dane staff and took the uncertainty out of the process.



Good, things ran much more smoothly at the second scheme, Vienna – really liked the delivery programme supplied for Vienna – would have been good to get one for St Cyril's. Vienna was really good – felt it was properly and professionally project managed.



FRC Delivery guys were really professional – felt when sub-contractors came in – pictures being fitted at St Cyril's – the same level of service was missing. BI delivery guys left staff with keys to unlock / remove images in future and went through how to do it – sub-contractors needed hand-holding and feel the image installation was really rushed – much greater care from BI delivery staff.



Response to issues – Really good, wrong colour carpet fitted at St Cyril's – picked up by BI staff and replaced within 3 days in time for the scheme opening.

As a result of this feedback we met with our sub-contractor to re-establish the high standards we have for our customers.

The Liverpool Citizens Support Scheme



We have been working in partnership with Liverpool City Council to conduct a Social Return on Investment analysis on the 10 Essential Items. We have made slow but steady progress towards this, working with Tim Goodspeed from Social Value UK. After first agreeing a scope and work plan, we working together to obtain contact details of furniture package recipients from the council's Liverpool Citizen's Support Scheme. Our End Furniture Poverty campaign group took the lead on the first round of telephone interviews with furniture recipients. We made more than 100 phone calls and were able to complete the survey with 25 recipients (each survey took around 20 minutes) to establish some defined changes as result of receiving furniture. In the process, we have been able to collect some really powerful stories about the difference that the essential items make to people's lives.

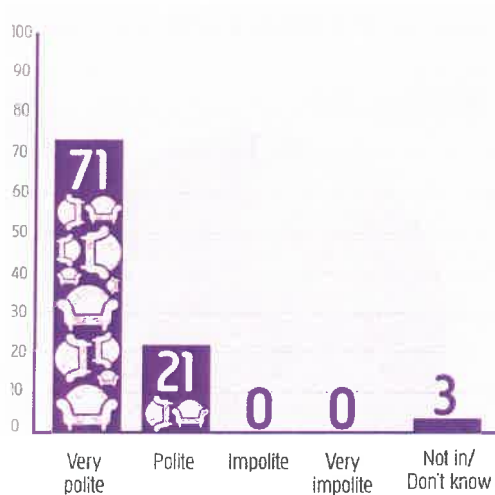


Bulky Bob's Customers

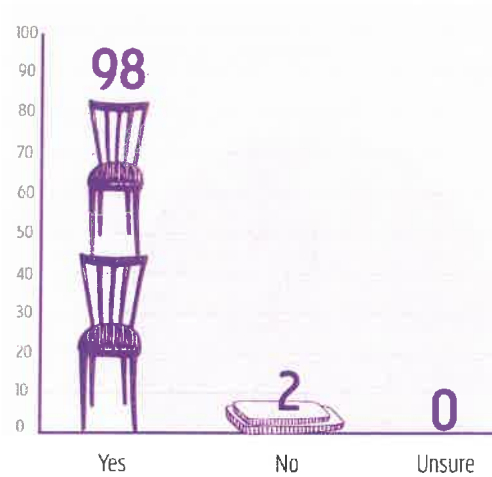


During 2018–2019 we carried out 82 telephone questionnaires with people who had used the Bulky Bob's service (15 questionnaires in 2017–2018). The responses are set out in the following charts.

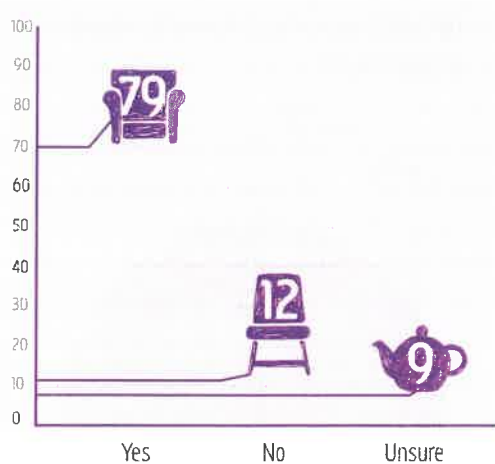
Were Bulky Bob's staff...



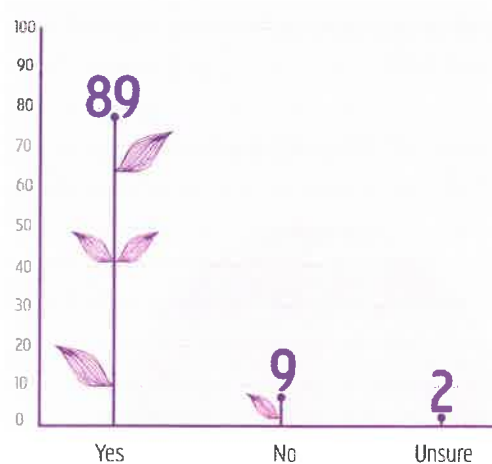
Did Bulky Bob's come on the day you were told by LCC?



Were you asked to keep the item dry and covered?



Do you understand we are trying to reuse and recycle as much as possible?

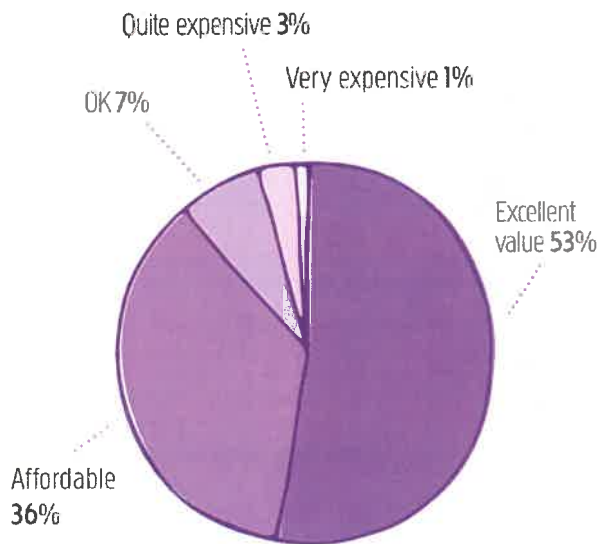


While this is great feedback, we have more work to do to ensure that people understand that our aim is to End Furniture Poverty with the items that we collect. If we are to reuse as much furniture as possible, our customers need to know that they should try to protect the goods they ask us to collect from the weather, particularly in the winter months. In this past year, we have used Facebook to try to get the message out to a wider audience about what we do with the furniture collected through Bulky Bob's.

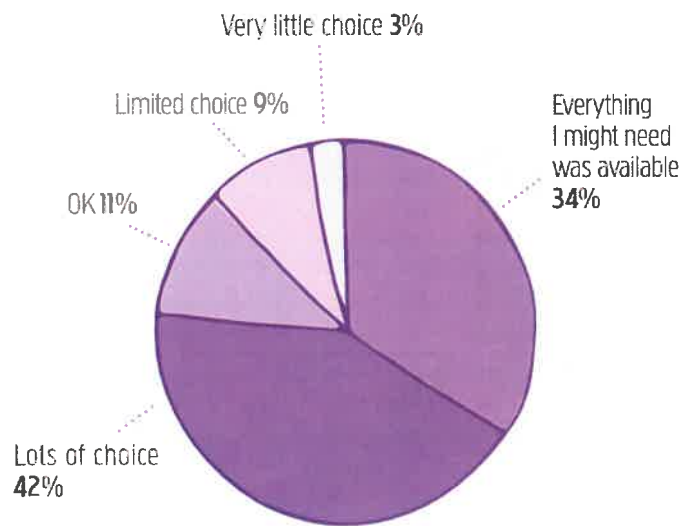
Bulky Bob's Furniture World customers

As part of our stakeholder engagement work, we carried out 117 surveys (29 surveys in 2017–2018) in our Liverpool store with customers to find out whether our service meets the expectations and needs of our customers. We asked a range of questions, such as what customers thought of the price, range and service they received.

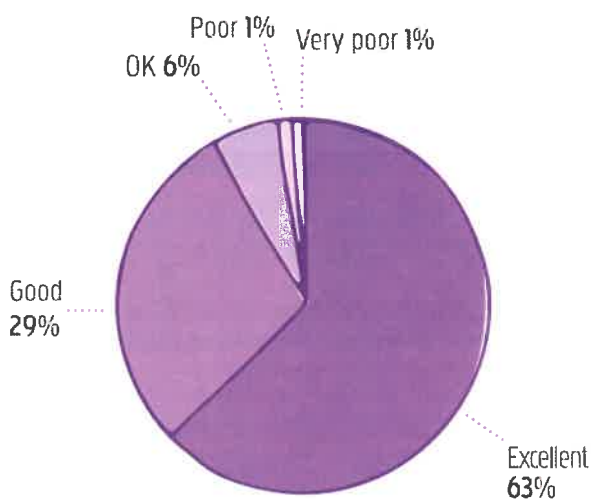
What do you think of the price of our goods?



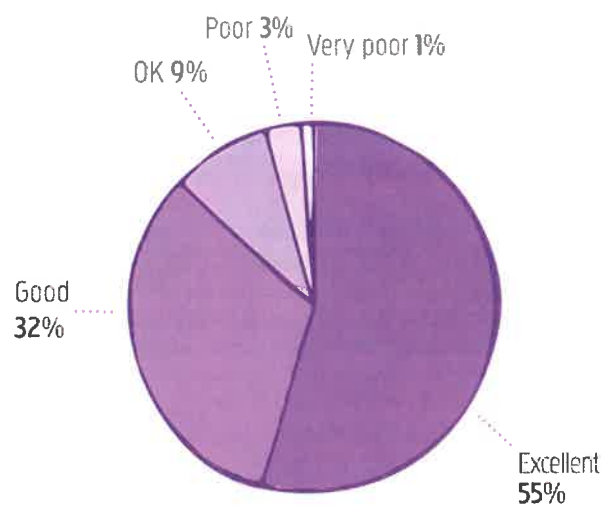
What do you think about the range of items available?



What sort of service have you had from our staff?



What do you think about the look of our shop?

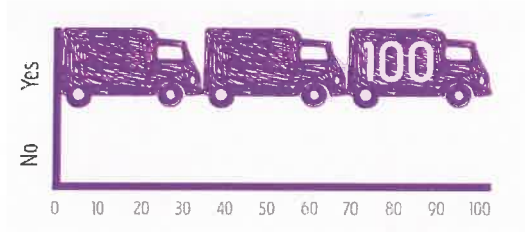


We have done a lot over the past year to improve the look of the store and the quality of the items we sell. We will continue to make improvements over the coming year.

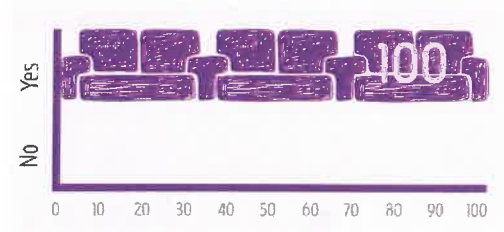
Bulky Bob's Office & Commercial Waste

Towards the end of 2018–2019 we introduced a feedback system for Bulky Bob's Office and Commercial Waste. In the period covered by this report, we were able to gain feedback from six customers and we will build upon these responses next year.

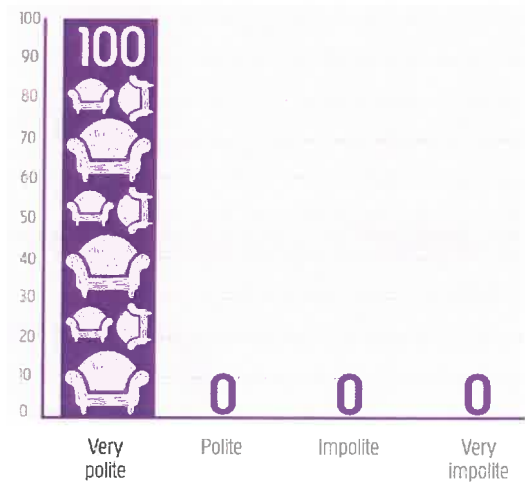
Did BBOCW come on the day/time that you were expecting?



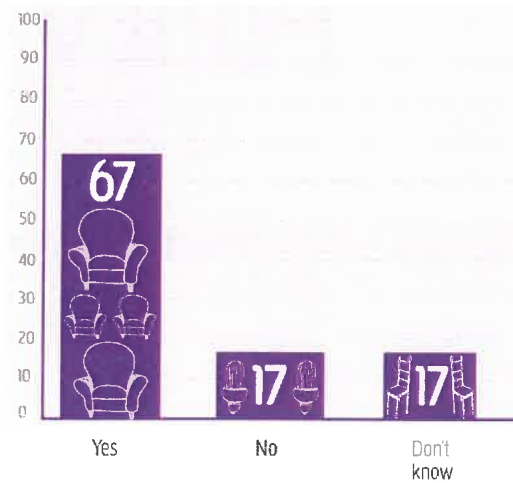
Did we take everything that you wanted us to take?



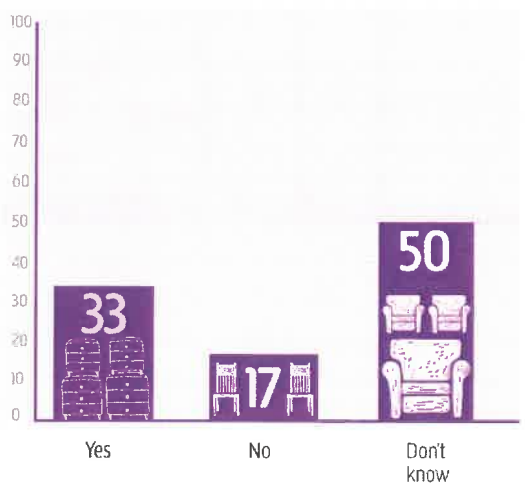
Were BBOCW staff...



Are you aware that BBOCW is a registered charity and social business?



If yes, did this make a difference to your decision to use BBOCW?



A Rowan 9 DECEMBER 2019

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



Materiality Policy



FRC Group Materiality Policy

Our Materiality Policy creates the starting point of our reporting by defining what matters to FRC Group. In order to create information that is complete, relevant and responds to the needs and concerns of our stakeholders, it is essential to have a structured approach to determine what is material. To this end, FRC Group's Social Value Committee has developed a Materiality Policy.

FRC Group's Reporting: Social Value Materiality and Stakeholder Engagement Policy

Reviewed: 5 March 2019

By: Collette Williams

Approved by Measuring Social Value Committee: March 2019

This policy describes FRC Group's approach to understanding, measuring and reporting the social value that is created by the work we do. It explains how we assess what is material to report and how we define our relationships with stakeholders, and documents how we engage with them.

This policy, the determination of material issues and the annual schedule of stakeholder engagement will be overseen by the Social Value Committee of FRC Group's Board. The policy, material issues and annual schedule will be reviewed once a year to ensure it remains current.

"Issue" is used to describe a theme, topic or area of interest to a stakeholder group.

Material Social Value and Stakeholder Groups

FRC Group's social value measurement and reporting focuses on what social value is material. Identifying material social value, or what is relevant and significant to FRC Group's stakeholders, is about being clear that some issues are more relevant and significant than others. This is based on their level of importance to stakeholders and the relationship we have to stakeholders. By applying a judgement about how important the issues are in our operating context, and considering how important they are to our key stakeholders, we are able to determine what is material. Our reporting then focuses on these material issues.



FRC Group's stakeholders are those people to whom FRC Group matters and who matter to FRC Group. Our stakeholders include individuals, organisations, and communities of location and interest. Stakeholder engagement is carried out by using various methods – one-to-one discussion, focus groups, and telephone, online and email surveys.

To determine whether an issue is relevant to the stakeholder group we consider the following:

- What issues are raised as important by the stakeholder group during stakeholder engagement?
- Based on our knowledge and experience, what issues would we expect to be relevant to these stakeholders based on the social norms relating to the stakeholder group and FRC Group?

To determine whether an issue is significant to the stakeholder group we consider the following:

- Is the issue indicated as being important to a high proportion of the stakeholders in that stakeholder group during stakeholder engagement?
- Is the issue indicated as being highly important to a low proportion of the stakeholders?
- Based on our knowledge and experience, what issues would we expect to be significant to these stakeholders based on the social norms relating to the stakeholder group and FRC Group?

Our approach to engaging with stakeholder groups is to consider how many of the population we have the resources to engage with. This differs according to the ease of contacting the group members and the method of engagement. For many groups (staff, FRC's housing sector customers, trainees on programme and after they have left, etc.) we contact the entire population group. For other groups such as Bulky Bob's Furniture World customers we contact a smaller number of stakeholders. This is determined by an assessment of what can reasonably be achieved given the time required to engage with the group or the difficulty of engaging with them.

When we engage with different stakeholder groups, our expectations about the number of individuals we would attempt to engage with and the minimum level of response vary. With stakeholders who are internal to the organisation (staff, trainees on programme) the minimum level of response aimed for is 75% of those engaged with. For external parties such as customers, suppliers, etc, we aim for at least 50%.

For each group we set a target for the number to engage with and the minimum threshold for engagement within that group. If this is not reached we will still use the information collected but in using it we will consider the inevitable risks of using information from a smaller than desired group.

Having applied the materiality determination process, the table below describes our stakeholders and the relationship we have with them:

Stakeholder group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?
Trainees – previously long-term unemployed people.	Take part in Driving Change programme to gain skills, experience and employment in the logistics industry.	Content and performance of Driving Change programme. Support to find employment.	Yes – trainees are on the programme with the aim of becoming employed.
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.	Usefulness of skills and qualifications gained through Driving Change. Support to find employment.	Yes – ex-trainees are the experts in how the training programme may have helped them.
Bulky Bob's Furniture World customers receiving discounts – people in receipt of benefits, pensioners, students, people referred from other support agencies.	Customers buy 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.	Availability of pre-loved furniture. Pricing of furniture. Targeting of service to low-income shoppers. Quality of customer service in store and at delivery.	Yes – customers buy pre-loved items.
People in crisis receiving essential furniture items	Customers receive free packages of pre-loved furniture delivered to their homes.	Availability of pre-loved furniture. Accessibility of crisis support. Quality of customer service in store and at delivery.	Yes – referral for this service indicates they are in urgent need of essential items.
People living locally to where FRC Group operations – 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.	Environmental impacts – emissions, noise, visual pollution.	No – all sites are currently located in light industrial or retail areas where residential neighbours are few or non-existent. Vehicle fleet is very small in comparison to quantity of other road users.
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.	Environmental impacts – emissions.	Yes – the effect of global emissions are relevant to everyone.

Significant to stakeholder group?	Are this stakeholder's issues material? <small>(Process last applied March 2019)</small>	Date of next scheduled stakeholder engagement	Reporting routes	Threshold
Yes – trainees spend 40 hours a week on the Driving Change programme.	Yes	Ongoing engagement with this group – rolling schedule of reviews every 6 weeks.	Quarterly KPIs Bi-annual social value Budget report on Driving Change Annual Report.	Always report on all where information available.
Yes – although significance may reduce in line with the length of time since they left.	Yes	Formal follow-ups with ex-trainees will be ongoing throughout the year.	Quarterly KPIs Bi-annual social value Budget report on Driving Change Annual Report.	Always report on all where information available.
Yes – but variable depending on the type of item purchased – a sofa is a more significant addition to someone's home than a coffee table.	Yes	Surveys taking place throughout the year.	Quarterly KPIs Bi-annually social value Budget report on BBFW Annual Report.	Always report on all where information available.
Yes – items donated are essential items that make a big difference to people's home – bed, sofa, etc.	Yes	Surveys taking place throughout the year.	Quarterly KPIs Bi-annually social value Budget report on BBFW Annual Report.	Always report on all where information available.
No – all sites are currently located in light industrial or retail areas where residential neighbours are few or non-existent. Vehicle fleet is very small in comparison to number of other road users.	No	No engagement planned at this time.	Headline information reported in Annual Report.	Always report on all where information available.
No – FRC Group's contribution to emissions is minuscule.	Yes	Gather national data about environmental concerns of general public in lieu of formal engagement.	Headline information reported in Annual Report.	Would not engage with or report on this stakeholder group.

Stakeholder group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?
Staff – permanent 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 organisation and the social and financial value that is created.	Working conditions. Culture. Health and safety. Commercial performance. Social performance. Strategic direction.	Yes – the culture, working environment, and social and commercial performance is of high relevance to the staff who work for FRC Group.
Board members	The board play a vitally important role in setting the strategy of FRC Group.	Commercial performance. Social performance. Strategic direction.	Yes – the social and commercial performance is of high relevance to the board members.
Furniture Resource Centre Limited customers – the social housing providers who buy furniture and related items from us.	FRC’s customers receive products and service from FRC.	Quality. Range of products. Value for money. Social performance.	Yes – the quality of goods and service, and the price of our products is of utmost importance to our customers. There is some variation across the customer group around the importance of our social performance.
Tenants who receive and use the furniture supplied by Furniture Resource Centre Limited.	Social housing tenants benefit from the use of the furniture that FRC delivers. They receive service from our delivery staff.	Quality of products and delivery service.	Yes – quality of furniture is highly relevant – the items supplied are core items that a household needs.
Bulky Bob’s customers – the local authorities that contract with us to provide collection, reuse and recycling services for furniture and white goods.	Bulky Bob’s provides a collection, reuse and recycling service for domestic bulky waste.	Quality of service. Diversion from landfill performance. Value for money. Social performance – furniture to low-income families.	Yes – the local authority procures the service and is the customer.
BBOCW Customers – all customers who receive a service from BBOCW	Provides a service to customers.	Quality of customer service at point of collection.	Yes

Significant to stakeholder group?	Are this stakeholder's issues material? <small>(Process last applied March 2015)</small>	Date of next scheduled stakeholder engagement	Reporting routes	Threshold
Yes – staff give a significant proportion of their time and energies to their work. Work is a big part of everyone's lives.	Yes	The next survey is scheduled for Feb 2019.	Headline information reported in Annual Report.	Always report on all where information available.
Yes	No	None planned	None	None
Yes – this varies by customer depending on the scale of their purchasing from FRC Group and the importance within the housing association of the project that is being furnished.	No	Next engagement will take place in March 2020.	Headline information reported in Annual Report.	Always report on all where information available in line with stakeholder engagement cycle.
Yes – essential furniture items are supplied which are central to having a home not just a house.	Yes	Surveys to be carried out with RSL tenants as agreements are in place with RSLs.	Bi-annual social value Budget report on Furnished Tenancies (under development) Annual Report.	Always report on all where information available in line with stakeholder engagement cycle.
Yes -- the bulky waste service is significant to the local authority and especially to the members and officers connected with the waste department.	Yes	Engagement is ongoing, through contract meetings where possible.	Headline information reported in Annual Report.	Always report on all where information available in line with stakeholder engagement cycle.
Yes	Yes	Planned for 2019–2020.	Headline information reported in Annual Report.	Always report on all where information available in line with stakeholder engagement cycle.

Stakeholder group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?
Bulky Bob's Furniture World Liverpool customers – all the people who shop in Bulky Bob's Furniture World.	Our customers receive products and service in the store and from our delivery crews.	Quality of furniture. Availability of furniture. Prices. Customer service.	Yes – the quality, availability, price and service are very relevant to our customers.
Our suppliers – the companies who supply us with goods and services.	FRC Group buys goods and services from its suppliers.	Professional relationship with FRC Group.	Yes – all of our suppliers are concerned with having a good relationship.
Furniture reuse charities and similar organisations 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.	Supply of reusable items and professional relationship with FRC Group.	Yes – organisations need reusable furniture to carry out their work.

How we engage with stakeholders to find out their priorities and views varies depending on the stakeholder group they belong to. Our pattern of interaction is also influenced by the resources we have to carry out engagement activities and the pace of change in our interaction with different groups.

We see certain groups as a higher priority for regular engagement. They are defined by a number of characteristics:

- The significance FRC Group's work has in their lives
- How the groups relate to FRC Group's social mission
- The practicality of and resources involved in engaging with them

FRC Group has a rolling three-year 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.

Significant to stakeholder group?	Are this stakeholder's issues material? (Process last applied March 2019)	Date of next scheduled stakeholder engagement	Reporting routes	Threshold
Yes – significance may vary depending on the number of items bought and the type of items. Significance is high when customers are buying many or essential items.	Yes	Questionnaires are being carried out throughout 2019–2020.	Headline information reported in Annual Report.	Always report on all where information available in line with stakeholder engagement cycle.
Yes – this varies according to the size of customers we are to different suppliers. Engagement will target those to whom we are a significant customer.	Yes	Engagement is planned for 2019–2020.	TBC	Always report on all where information available in line with stakeholder engagement cycle.
No – the scale of contribution made by furniture from FRC is low.	No	No engagement planned	No	Would report on this stakeholder group depending on scale of interaction.

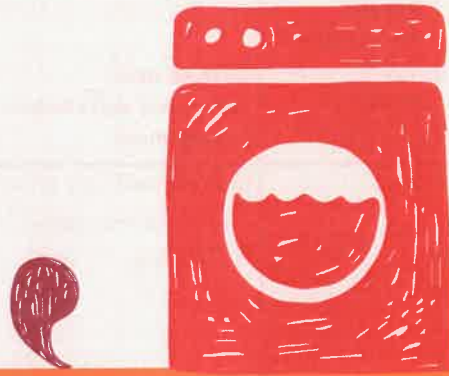
Annual engagement

Current Driving Change trainees
 Past Driving Change trainees
 Crisis furniture recipients
 FRC Group's staff
 Volunteers
 Bulky Bob's Furniture World customers
 Bulky Bob's customers
 Furniture Resource Centre Limited customers
 BBOCW customers

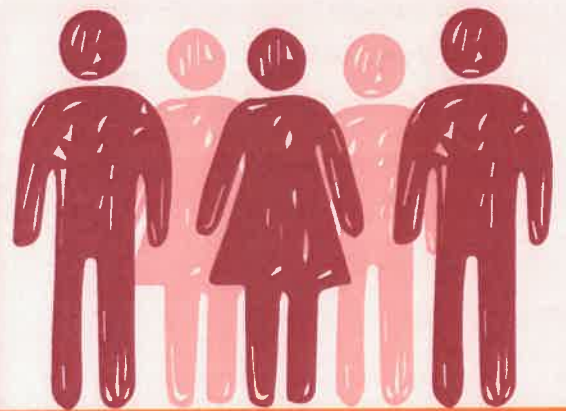
Three-year rotating engagement cycle

2019/2020
 2020/2021
 2021/2022

Suppliers of goods and services to FRC
 Local authorities contracting with Bulky Bob's
 Social housing tenants receiving furniture through FRC
 Neighbourhood and community groups local to FRC Group's premises and Bulky Bob's operations – as a proxy for people living locally because all premises are in commercial areas
 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.



Independent Assurance report to the Board of Directors of Furniture Resource Centre Limited



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 the FRC Group Social Impact Report as set out on pages 15 to 77 (“the Report”) for the year ended 31 March 2019.


Which assurance standards did we use?

We conducted our work in accordance with ISAE 3000¹ and by reference to a Type 1 assurance engagement under AA1000AS [2008]².

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]³.
- B) Key Performance data presented in the FRC Group Integrated Report: Social and Financial Value 2018-19 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.

¹ International Standard on Assurance Engagements 3000: Assurance engagements other than Audits or reviews of Historical information, issued by the International Auditing and Accounting Standards Board

² AA1000 Assurance Standard [2008] issued by AccountAbility

³ AA1000 AccountAbility Principles Standard [2008] issued by AccountAbility

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's social impact. As a consequence our report may not be suitable for another purpose. We neither accept nor assume a duty of care to any other third party that may access this report.

We permit this report to be disclosed in the FRC Group Integrated Report: Social and Financial Value 2018-19 for the year ended 31 March 2019 and the "proving it" section of the website <http://www.frcgroup.co.uk/proving-our-impact/reports/> 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 Ltd 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 except for issues relating to the environment, specifically around waste management and supply chain, that are material but receive little attention in the report. The detailed data about the performance on waste management is considered by the Directors to be commercially sensitive.
- 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 21 of the report.

BDO LLP

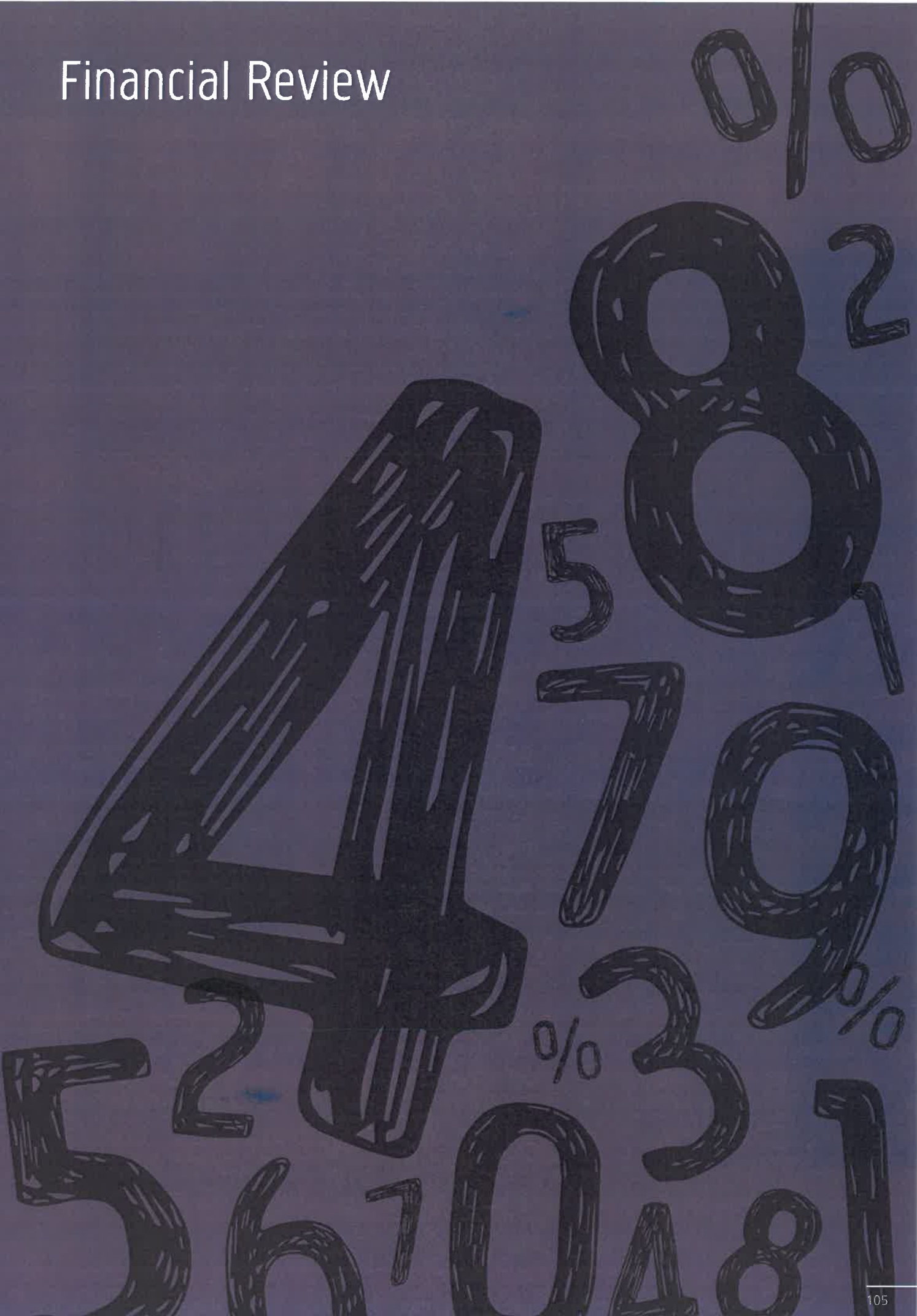
BDO LLP

Chartered Accountants

[Date] 19/12/2019



Financial Review



Directors' Responsibilities

Directors' Responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Small Companies' Exemption

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


Auditor

The auditor, 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 auditor

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

Approved by the Board of Directors
on and signed on its behalf by

 9 DECEMBER 2019

Secretary

A Rowan

Date: 9/12/2019

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

Opinion

We have audited the financial statements of Furniture Resource Centre Limited "the Parent Charitable Company and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs) (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Directors' Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report, which is included in the Trustees' report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Trustee's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of Trustees

As explained more fully in the Directors' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

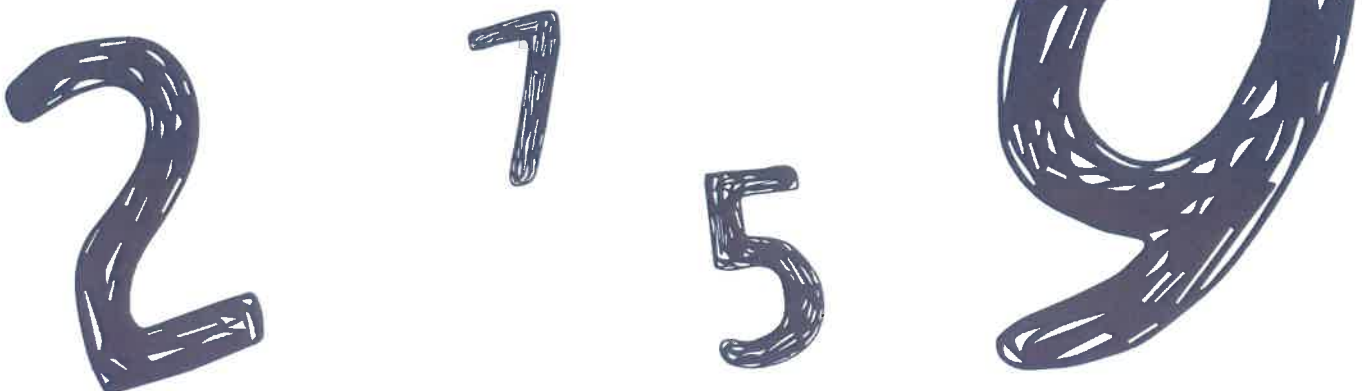
This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Hamid Ghafoor
Senior Statutory Auditor
For and on behalf of BDO LLP,
statutory auditor
Liverpool

Date 19/12/2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



FURNITURE RESOURCE CENTRE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Total Unrestricted Funds	Total Restricted Funds	Total Funds 31 March 2019	Total Funds 31 March 2018
		£	£	£	£
Income and endowments from:					
Donations and legacies	4	-	54,457	54,457	62,563
Charitable activities	5	8,311,769	-	8,311,769	6,629,422
Other trading activities	6	-	-	-	400
Investments		476	-	476	5,995
Other		27,729	-	27,729	36,668
Total		8,339,974	54,457	8,394,431	6,735,048
Expenditure on:					
Raising funds	7	-	-	-	75
Charitable activities	8	7,931,288	55,988	7,987,276	6,549,972
Total resources expended		7,931,288	55,988	7,987,276	6,550,047
Net resources before transfers		408,686	(1,531)	407,155	185,001
Taxation – UK corporation tax		-	-	-	-
Net incoming / (outgoing) resources		408,686	(1,531)	407,155	185,001
Balances brought forward at 1 April		1,793,037	30,696	1,823,733	1,638,732
Balances carried forward at 31 March		2,201,723	29,165	2,230,888	1,823,733

The notes on pages 113 to 148 form part of these financial statements.


FURNITURE RESOURCE CENTRE LIMITED
CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2019

	Notes	Group		Charity	
		2019	2018	2019	2018
		£	£	£	£
Fixed assets					
Intangible assets	14			-	-
Tangible assets	15	335,470	326,201	269,536	262,197
Investments	3	-	-	1	2
		335,470	326,201	269,537	262,199
Current assets					
Stock	16	437,661	252,634	437,661	252,634
Debtors: amounts falling due after more than one year	17	-	65,000	-	-
Debtors: amounts falling due within one year	17	2,521,088	1,192,533	2,415,951	1,215,816
Investments	18	36,168	36,167	36,168	36,167
Cash at bank and in hand		348,998	1,017,328	271,257	948,172
		3,343,915	2,563,662	3,161,037	2,452,789
Creditors: amounts falling due within one year	19	(1,448,497)	(1,066,130)	(1,232,764)	(942,021)
Net current assets		1,895,418	1,497,532	1,928,273	1,510,768
Net Assets		2,230,888	1,823,733	2,197,810	1,772,967
Funds					
Unrestricted		2,201,723	1,793,037	2,180,099	1,746,021
Restricted	21	29,165	30,696	17,711	26,946
Total Funds	22	2,230,888	1,823,733	2,197,810	1,772,967

The notes on pages 113 to 148 form part of these financial statements.

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

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


N Wilson, Director

9 DECEMBER 2019

Company Registration Number 02296329. A Charity registered in England and Wales (700731).

FURNITURE RESOURCE CENTRE LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019	2018
		£	£
Cash flows from operating activities:			
(Reduction in cash) / cash generated from operations	27	(563,597)	169,246
Interest received		476	5,995
Tax paid		-	-
Net cash (outflow)/inflow from operating activities		(563,121)	175,241
Cash flows from investing activities:			
Purchase of fixed assets		(108,008)	(122,567)
Sale of fixed assets		2,800	-
Acquisition of Cara Recycling (Liverpool) Limited		-	(12,000)
(Purchase of) / transfer from cash investment		(1)	315,971
Net cash disposed of		-	-
Net cash (outflow) / inflow from investing activities		(105,209)	181,404
Cash flows from financing activities			
Net cash (outflows) / inflows from borrowing		-	-
Net cash (outflow) / inflow from financing activities		-	-
(Decrease) / increase in cash and cash equivalents in the year		(668,330)	356,645
Cash and cash equivalents at the beginning of the year		1,017,328	660,683
Cash and cash equivalents at the end of the year		348,998	1,017,328

The notes on pages 113 to 148 form part of these financial statements.

FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

a) General Information

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

c) Basis of consolidation

The financial statements consolidate the results of the charity, its wholly owned trading subsidiaries Bulky Bob's Limited and FRC Trading Limited (FRC Trading Limited is only included until 8 May 2018 when it was voluntarily struck off) and also Bulky Bob's Office and Commercial Waste and Bulky Bob's 2015, charities for which it is the sole member. The results of these companies are consolidated on a line-by-line basis. A separate Statement of Financial Activities for the charity itself has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

d) Going Concern

The financial position on pages 110 to 148 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.

e) Incoming resources

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

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

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

Investment income is recognised on a receivable basis.

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

f) Resources expended

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

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

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

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

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

g) Irrecoverable VAT

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

h) Operating leases

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

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

i) Investments

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

j) Tangible fixed assets and depreciation

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

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

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

k) Goodwill

On acquisition of a business, fair values are attributed to the assets, liabilities and contingent liabilities of the acquired business at the date of acquisition. Goodwill arises when the fair value of the consideration given for a business exceeds the fair value of the net assets. Goodwill is capitalised and amortised over its useful economic life. The useful economic life of goodwill is considered to be 5 years.

l) Stocks

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

m) Pension costs

The charity and group operates a defined contribution pension scheme which all employees are eligible to join. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions 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.

n) Funds structure

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

o) Financial Instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

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

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

Other key sources of estimation uncertainty:

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

2 Financial activities of the charity

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

	Unrestricted funds	Restricted funds	2019 Total Funds	Unrestricted funds	Restricted funds	2018 Total Funds
	£	£	£	£	£	£
Incoming Resources	7,501,213	8,969	7,510,182	5,764,873	33,986	5,798,859
Resources Expended	(7,067,135)	(18,204)	(7,085,339)	(5,568,873)	(43,199)	(5,612,072)
Net incoming / (outgoing) resources for the year	434,078	(9,235)	424,843	196,000	(9,213)	186,787

Legal Status

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



3 Subsidiary companies and other group charities

The financial activities shown in the consolidated financial statements include the results of Bulky Bob's 2015 and Bulky Bob's Office and Commercial Waste, charities for which Furniture Resource Centre Limited is the sole member. The results of the charity's wholly owned trading subsidiaries, Bulky Bob's Limited and FRC Trading are also included with FRC Trading Limited only included until it was voluntary struck off on 8 May 2018 and so ceased to exist on that date.

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

(i) Bulky Bob's 2015

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

On 1 April 2017, the assets, liabilities and contracts of Bulky Bob's Limited were transferred to Bulky Bob's 2015 and Bulky Bob's Limited ceased trading on that date.

At 31 March 2019, the capital and reserves of Bulky Bob's 2015 were £131,317 (2018: £123,941). The charity made a surplus of £7,376 in the year ended 31 March 2019 (2018: £123,941).

(ii) Bulky Bob's Office and Commercial Waste

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

At 31 March 2019, the capital and reserves of Bulky Bob's Office and Commercial Waste were in deficit by £98,236. The charity made a deficit of £25,488 in the year ended 31 March 2019 (2018: deficit of £72,750).

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

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

At 31 March 2019, the capital and reserves of Bulky Bob's Limited were £1. The company did not trade in the year ended 31 March 2019.



FURNITURE RESOURCE CENTRE LIMITED
 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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

**(iv) FRC Trading Limited
 (Company number 05088520)**

The charity held 1 £1 ordinary share in FRC Trading Limited, a company registered in England. This holding comprises the whole of the company's share capital. FRC Trading Limited provides consultancy services in respect of advice on best practice within the Social Enterprise sector.

As FRC Trading Limited hadn't traded for several years and as there were no plans for it to trade again in the future, the company was voluntarily struck off on 8 May 2018 and so ceased to exist on that date.

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

	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
Incoming Resources	1,116,200	44,721	1,160,921
Resources Expended	(1,107,243)	(46,302)	(1,153,545)
Net incoming resources for the year	8,957	(1,581)	7,376

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

	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
Incoming Resources	141,753	767	142,520
Resources Expended	(167,241)	(767)	(168,008)
Net incoming resources for the year	(25,488)	-	(25,488)



4 Donations and legacies

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Sefton at Work	-	23,849	23,849	43,372
Liverpool City Council WEEE Local Project Fund	-	18,750	18,750	11,250
Knowsley Works	-	6,867	6,867	5,250
Donations for Bed for Kids Campaign	-	1,922	1,922	2,691
Liverpool City Council	-	3,069	3,069	-
Total donations and legacies	-	54,457	54,457	62,563



5 Charitable activities

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Provision of furniture / furniture packages	7,089,971	-	7,089,971	5,323,027
Provision of bulky household waste collection and recycling services	876,338	-	876,338	895,000
Provision of logistics services	-	-	-	125,804
Charity shop sales	109,174	-	109,174	106,478
Provision of other recycling services	204,172	-	204,172	157,594
Other income	32,114	-	32,114	21,519
Total charitable activities	8,311,769	-	8,311,769	6,629,422

6 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Commercial trading operations	-	-	-	400
Total other trading activities	-	-	-	400

7 Expenditure on raising funds

	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Commercial trading operations	-	-	-	75
Total expenditure on raising funds	-	-	-	75

8 Charitable activities

	Direct Costs	Support	Total 2019	Total 2018
	£	£	£	£
Provision of furniture / furniture packages	5,490,184	796,845	6,287,029	4,860,225
Charity shop sales	171,622	10,489	182,111	199,986
People Development	320,811	115,663	436,474	447,320
Provision of bulky household waste collection and recycling services	623,910	97,081	720,991	621,806
Provision of logistics services	137	-	137	96,089
Provision of other recycling services	219,183	66,785	285,968	258,610
Other	69,587	4,979	74,566	65,936
Total charitable activities expenditure	6,895,434	1,091,842	7,987,276	6,549,972

9 Allocation of support costs

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

	Provision of Furniture and furniture packages	Charity Shop Sales	People Development	Provision of bulky household waste collection and recycling services	Provision of logistics services	Provision of other recycling services	Other	2019 Total	2018 Total
Support Cost	£	£	£	£	£	£	£	£	£
Property cost	115,663	-	115,663	-	-	-	-	231,326	192,638
Staff costs	386,176	5,946	-	42,343	-	48,745	2,172	485,382	413,580
ICT costs	59,821	921	-	-	-	-	-	60,742	120,616
Governance	18,412	284	-	2,698	-	3,231	138	24,763	31,881
General office	150,087	2,311	-	52,040	-	14,809	2,669	221,916	164,539
Depreciation	66,686	1,027	-	-	-	-	-	67,713	69,349
	796,845	10,489	115,663	97,081	-	66,785	4,979	1,091,842	992,603



10 Governance costs

	2019	2018
	£	£
Social Audit	5,000	5,000
Audit and accountancy	17,546	24,276
Directors insurance	2,217	2,605
	24,763	31,881

11 Analysis of staff costs and the cost of key management personnel

	2019	2018
	£	£
Staff costs		
Wages and salaries	2,033,313	1,836,311
Social security costs	153,709	137,954
Pension costs	68,562	49,974
	2,255,584	2,024,239

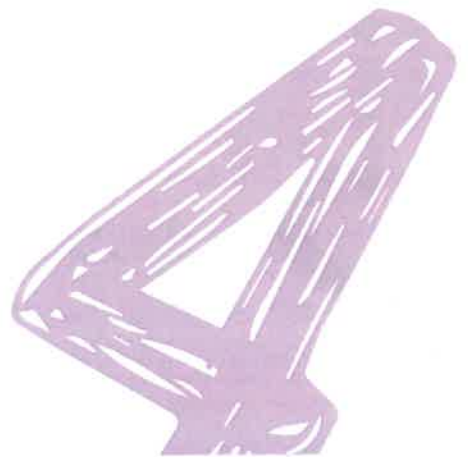


FURNITURE RESOURCE CENTRE LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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

	2019	2018
	Number	Number
£60,000 - £70,000	1	1
£70,001 - £80,000	-	-
£90,001 - £100,000	-	1
£100,001 - 110,000	1	-

2 employees had emoluments (excluding pension contributions) of more than £60,000 in the year (2018: 2).



FURNITURE RESOURCE CENTRE LIMITED
 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

The key management personnel of the charity and group comprise the trustees, Chief Executive Officer, Director of Finance and Social, Director of FRC and the Director of People and Culture. The total employee cost of the key management personnel was £315,169 (2018: £294,766).

During the year, redundancy costs of £nil (2018: £8,250) were paid by the charity and group.

The average number of employees analysed by function, was:

	2019	2018
	Number	Number
Furniture packages / LWP Sales	34	29
Training	12	13
Retail	4	5
Bulky Bob's	23	24
Bulky Bob's Office and Commercial Waste	2	3
Management, Finance, Administration and ICT	9	9
End Furniture Poverty	1	1
	85	84



12 Trustee Remuneration & Related Party Transactions

No director received any remuneration during the year ended 31 March 2019 (2018: £nil).

Travel costs amounting to £85 (2018: £117) were reimbursed to 1 (2018: 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 (2018: Nil).

13 Net incoming / (outgoing) resources for the year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
This is stated after charging/(crediting):				
Auditors' remuneration: Audit services	18,450	24,276	10,450	15,562
Non-audit services	7,000	5,000	7,000	5,000
Depreciation and amortisation	95,815	93,626	77,418	78,983
Impairment of goodwill	-	6,207	-	-
Operating lease rentals:-				
Other	478,568	354,851	349,135	250,262
Rents receivable on property sub-lease	6,000	16,771	6,000	16,771

14 Intangible Assets

	Group		Charity	
	Goodwill	Total	Goodwill	Total
	£	£	£	£
Cost or valuation				
At 1 April 2018	7,600	7,600	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2019	7,600	7,600	-	-
Amortisation				
At 1 April 2018	7,600	7,600	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
At 31 March 2019	7,600	7,600	-	-
Net book value				
At 31 March 2019	-	-	-	-
At 31 March 2018	-	-	-	-

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

Goodwill arose on the acquisition presented in note 30. The directors consider this goodwill to be fully impaired as at 31 March 2019 and 31 March 2018.

15 Tangible fixed assets

Group	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Assets Under Construction	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2018	859,077	131,016	166,588	335,443	30,250	1,522,374
Additions	34,163	10,144	10,353	32,273	21,075	108,008
Disposals	-	(4,200)	-	-	-	(4,200)
At 31 March 2019	893,240	136,960	176,941	367,716	51,325	1,626,182
Accumulated Depreciation						
At 1 April 2018	754,265	81,925	139,694	220,289	-	1,196,173
Charge for the year	22,147	13,030	14,903	45,735	-	95,815
Disposals	-	(1,276)	-	-	-	(1,276)
At 31 March 2019	776,412	93,679	154,597	266,024	-	1,290,712
Net book value						
At 31 March 2019	116,828	43,281	22,344	101,692	51,325	335,470
At 31 March 2018	104,812	49,091	26,894	115,154	30,250	326,201

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

FURNITURE RESOURCE CENTRE LIMITED
 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

15 Tangible fixed assets

Charity	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Assets Under Construction	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2018	849,718	75,250	163,137	326,766	30,250	1,445,121
Additions	33,754	1,255	3,013	25,660	21,075	84,757
Disposals	-	-	-	-	-	-
At 31 March 2019	883,472	76,505	166,150	352,426	51,325	1,529,878
Accumulated Depreciation						
At 1 April 2018	753,427	71,276	139,405	218,816	-	1,182,924
Charge for the year	21,121	432	13,021	42,844	-	77,418
Disposals	-	-	-	-	-	-
At 31 March 2019	774,548	71,708	152,426	261,660	-	1,260,342
Net book value						
At 31 March 2019	108,924	4,797	13,724	90,766	51,325	269,536
At 31 March 2018	96,291	3,974	23,732	107,950	30,250	262,197

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

FURNITURE RESOURCE CENTRE LIMITED
 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

16 Stock

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Finished goods	437,661	252,634	437,661	252,634

Stock recognised as an expense in the year was £4,241,761 (2018: £3,077,741).
 There was no impairment loss recognised in the year due to slow moving and obsolete stock.

17 Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	2,281,535	992,931	1,989,226	899,616
Prepayments	161,900	192,380	120,213	139,916
Amounts due from subsidiary undertakings	-	-	294,164	169,174
Other debtors	77,653	7,222	12,348	7,110
	2,521,088	1,192,533	2,415,951	1,215,816
Other debtors due after more than one year		65,000	-	-

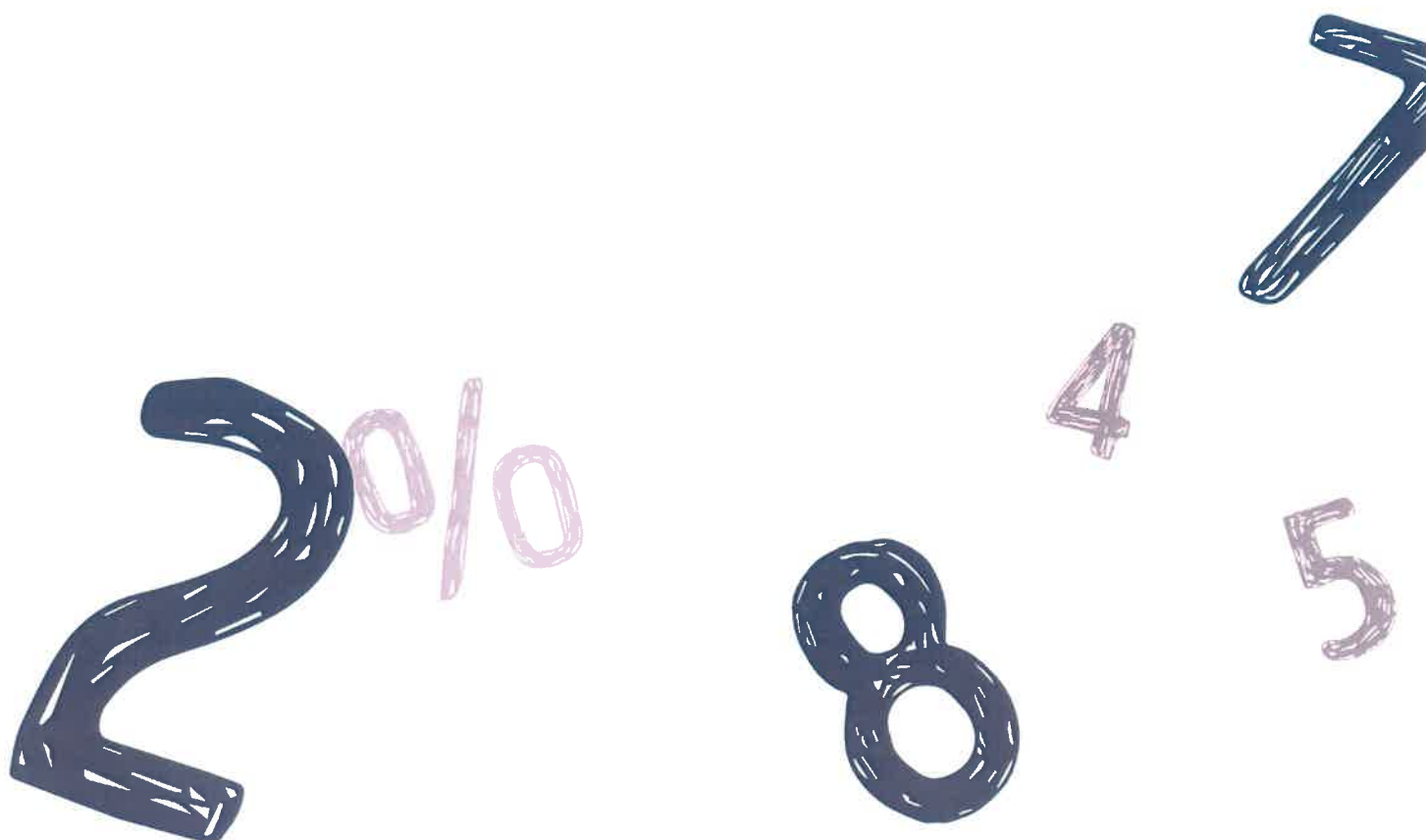


17 Debtors (continued)

Other debtors due after more than one year of £nil (2018: £65,000) relates to cash held on deposit by The Co-operative Bank plc against a bond issued by Bulky Bob's Limited to Liverpool City Council for £65,000 which they can draw down in the event that the company defaults on contracts with the Council. This bond transferred from Bulky Bob's Limited to Bulky Bob's 2015 on 1 April 2017. However, following a change in bank by the charity, the current bankers do not require the sum of £65,000 to be held on deposit as security and so this amount was repaid to Bulky Bob's Limited by The Co-operative Bank plc on 20 September 2019. The amount repaid of £65,000 is included in other debtors due within one year above.

Included in amounts due from subsidiary undertakings is a balance of £136,577 (2018: £135,708) due from Bulky Bob's Office and Commercial Waste. The balance is due on demand and incurs interest at a rate of 4% per annum, compounded daily. All other amounts due from group undertakings are interest free and due on demand.

The impairment loss recognised in the SOFA for the year in respect of bad and doubtful trade debtors was £nil (2018: £nil).



18 Investments

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Cash held on deposit	36,168	36,167	36,168	36,167
	36,168	36,167	36,168	36,167

The amount shown under cash held on deposit above relates to cash held in fixed term deposits maturing prior to 31 March 2020.

19 Creditors: amounts falling due within one year

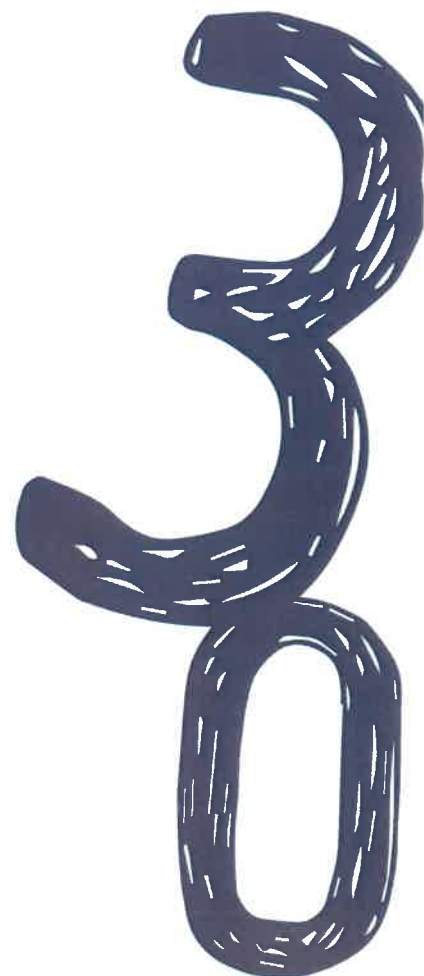
	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	909,952	698,572	871,202	666,682
Other taxation and social security	188,397	135,067	134,628	89,067
Other creditors	43,880	68,105	41,465	66,603
Accruals and deferred income	306,268	164,386	185,469	119,669
	1,448,497	1,066,130	1,232,764	942,021



20 Deferred Income

Deferred income comprises income received in advance of delivery of service or provision of training.

	Group	Charity
	£	£
Balance at 1 April 2018	17,354	-
Amount released to incoming resources	(476,463)	-
Amounts deferred in the year	549,319	-
Balance at 31 March 2019	90,210	-



21 Restricted Funds

Group		Balance at	Movement		Balance at
		1 April 2018	in resources		31 March 2019
			Incoming	Outgoing	
		£	£	£	£
CSEP	(i)	7,146	-	(2,445)	4,701
LCBP	(i)	14,053	-	(4,834)	9,219
Foundation	(i)	5,747	-	(1,956)	3,791
Liverpool City Council – WEEE Local Project Fund	(iii)	3,750	18,750	(11,046)	11,454
Sefton at Work	(ii)	-	23,849	(23,849)	-
Knowsley Works	(ii)	-	6,867	(6,867)	-
Liverpool City Council	(ii)	-	3,069	(3,069)	-
Fundraising – Beds for Kids Campaign	(iv)	-	1,922	(1,922)	-
		30,696	54,457	(55,988)	29,165

21 Restricted Funds (continued)

Charity		Balance at 1 April 2018	Movement in resources		Balance at 31 March 2019
			Incoming	Outgoing	
			£	£	
CSEP	(i)	7,146	-	(2,445)	4,701
LCBP	(i)	14,053	-	(4,834)	9,219
Foundation	(i)	5,747	-	(1,956)	3,791
Sefton at Work	(ii)	-	125	(125)	-
Knowsley Works	(ii)	-	5,771	(5,771)	-
Liverpool City Council	(ii)	-	1,151	(1,151)	-
Fundraising – Beds for Kids Campaign	(iv)	-	1,922	(1,922)	-
		26,946	8,969	(18,204)	17,711

Those funds with balances at 31 March 2019 or 31 March 2018 represent funds received and used for the following purposes.

(i) 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.

(ii) Funding for staff development and training

(iii) Funding for refurbishment of pre-loved electrical goods

(iv) Funding raised to purchase and deliver beds for children without a bed of their own at Christmas

21 Restricted Funds (continued)

Movement in restricted funds for the year ended 31 March 2018 are shown below.

Group		Balance at 1 April 2017	Movement in resources		Balance at 31 March 2018
			Incoming	Outgoing	
		£	£	£	£
CSEP	(i)	9,591	-	(2,445)	7,146
LCBP	(i)	18,923	-	(4,870)	14,053
Foundation	(i)	7,645	-	(1,898)	5,747
Sefton at Work	(ii)	-	43,372	(43,372)	-
Knowsley Works	(ii)	-	5,250	(5,250)	-
Liverpool City Council – WEEE Local Project Fund	(iii)	-	11,250	(7,500)	3,750
Fundraising – Beds for Kids Campaign	(iv)	-	2,691	(2,691)	-
		36,159	62,563	(68,026)	30,696



21 Restricted Funds (continued)

Movement in restricted funds for the year ended 31 March 2018 are shown below.

Charity		Balance at 1 April 2017	Movement in resources		Balance at 31 March 2018
			Incoming	Outgoing	
		£	£	£	£
CSEP	(i)	9,591	-	(2,445)	7,146
LCBP	(i)	18,923	-	(4,870)	14,053
Foundation	(i)	7,645	-	(1,898)	5,747
Sefton at Work	(ii)	-	26,045	(26,045)	-
Knowsley Works	(ii)	-	5,250	(5,250)	-
Fundraising – Beds for Kids Campaign	(iv)	-	2,691	(2,691)	-
		36,159	33,986	(43,199)	26,946

Those funds with balances at 31 March 2018 or 31 March 2017 represent funds received and used for the following purposes.

(i) 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.

(ii) Funding for staff development and training

(iii) Funding for refurbishment of pre-loved electrical goods

(iv) Funding raised to purchase and deliver beds for children without a bed of their own at Christmas



22 Analysis of net assets between funds

Group	Fixed assets	Net current assets	2019 Total	Fixed assets	Net current assets	2018 Total
	£	£	£	£	£	£
Restricted funds	29,165	-	29,165	30,696	-	30,696
Unrestricted funds	306,305	1,895,418	2,201,723	295,505	1,497,532	1,793,037
Net assets	335,470	1,895,418	2,230,888	326,201	1,497,532	1,823,733

The amount of £29,165 (2018: £30,696) included under Restricted Funds represents the following:

	2019 Total	2018 Total
	£	£
Net book value of solar panels, which was funded by grants	17,711	26,946
Liverpool City Council – WEEE Local Project Fund	11,454	3,750
Total	29,165	30,696

22 Analysis of net assets between funds (continued)

Charity	Fixed assets	Net current assets	2019 Total	Fixed assets	Net current assets	2018 Total
	£	£	£	£	£	£
Restricted funds	17,711	-	17,711	26,946	-	26,946
Unrestricted funds	251,826	1,928,273	2,180,099	235,253	1,510,768	1,746,021
Net assets	269,537	1,928,273	2,197,810	262,199	1,510,768	1,772,967

The amount of £17,711 (2018: £26,946) included under Restricted Funds represents the net book value of the solar panels, which was funded by grants.

23 Commitments

Operating leases commitments

At 31 March 2019, the commitments under non-cancellable operating leases are as follows:

	Land & build- ings	Other	2019 Total	2018 Total
	£	£	£	£
Charity				
Expiry within:				
Under one year	173,875	70,017	243,892	254,495
Two to five years	451,616	60,065	511,681	546,905
Over five years	23,535	-	23,535	119,182
	649,026	130,082	779,108	920,582
Group				
Expiry within:				
Under one year	201,662	77,128	278,790	289,393
Two to five years	500,244	60,065	560,309	630,430
Over five years	23,535	-	23,535	119,182
	725,441	137,193	862,634	1,039,005

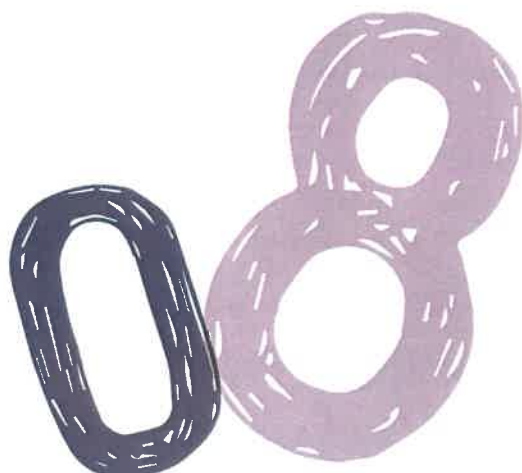
At 31 March 2019, the rentals payable to the Charity and Group under non-cancellable operating leases are as follows:



23 Commitments (continued)

Operating leases commitments

	Land & buildings	2019 Total	2018 Total
	£	£	£
Charity			
Expiry within:			
Under one year	-	-	9,771
	-	-	9,771
Group			
Expiry within:			
Under one year	-	-	9,771
	-	-	9,771



24 Pension commitments

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

	2019		2018	
	Group	Charity	Group	Charity
	£	£	£	£
Pension contributions	68,562	55,092	49,974	36,935

Contributions amounting to £13,834 (2018: £8,614) were payable at the year end and are included in creditors.



25 Related Parties

Group Undertakings

In the year ended 31 March 2019, the following transactions took place between Furniture Resource Centre Limited and Bulky Bob's 2015, a charity for which Furniture Resource Centre Limited is the sole member.

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

- Recharge for staff costs: £33,983 (2018: £100,507)
- Recharge for shared services: £222,677 (2018: £232,433)
- Recharge for premises costs: £39,388 (2018: £42,695)
- Recharge for logistics costs: £59,465 (2018: £64,201)
- Recharge for general costs: £53,103 (2018: £34,434)
- Recharge for fixed asset purchases: £2,638 (2018: £13,506)
- Recharge for staff training costs: £2,544 (2018: £742)
- Donation: £119,998 (2018: £50,000)

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

- Recharge for staff costs: £24,354 (2018: £41,185)
- Recharge for logistics services: £9,629 (2018: £12,284)
- Recharge for general costs: £16,356 (2018: £1,650)
- Recharge for fixed asset purchases: £nil (2018: £442)

The amount owed by Bulky Bob's 2015 to Furniture Resource Centre Limited at 31 March 2019 was £171,709 (2018: £33,466).

In the year ended 31 March 2019, the following transactions took place between Furniture Resource Centre Limited and Bulky Bob's Office and Commercial Waste, a charity for which Furniture Resource Centre Limited is the sole member.

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

- Recharge for staff costs: £23,837 (2018: £19,160)
- Recharge for shared services: £nil (2018: £13,646)
- Recharge for logistics costs: £11,495 (2018: £5,896)
- Recharge for general costs: £18,805 (2018: £12,743)
- Recharge for fixed asset purchases: £2,315 (2018: £217)
- Recharge for staff training costs: £nil (2018: £245)

25 Related Parties (continued)

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

- Recharge for staff costs: £5,894 (2018: £5,680)
- Recharge for logistics costs: £1,658 (2018: £nil)
- Recharge for general costs: £6,440 (2018: £nil)

The amount owed by Bulky Bob's Office and Commercial Waste to Furniture Resource Centre Limited at 31 March 2019 was £136,576 (2018: £135,708).

In the year ended 31 March 2019, the following transactions took place between Bulky Bob's 2015 and Bulky Bob's Office and Commercial Waste. Both companies are charities for which Furniture Resource Centre Limited is the sole member.

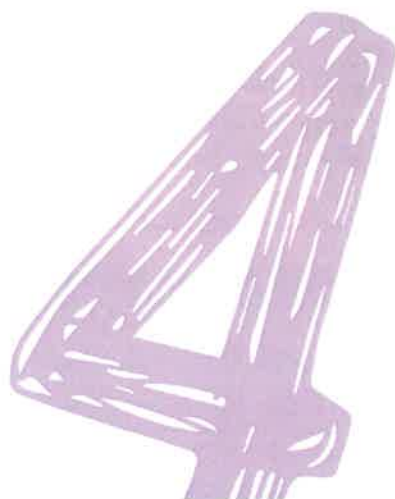
Transactions from Bulky Bob's 2015 to Bulky Bob's Office and Commercial Waste:

- Recharge for staff costs: £43,398 (2018: £121)
- Recharge for logistics costs: £12,285 (2018: £4,748)
- Recharge for general costs: £14,534 (2018: £87)

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

- Recharge for staff costs: £16,015 (2018: £31,218)
- Recharge for logistics costs: £1,327 (2018: £nil)
- Recharge for general costs: £1,063 (2018: £nil)

The amount owed by Bulky Bob's Office and Commercial Waste to Bulky Bob's 2015 was £17,044 (2018: £nil). The amount owed by Bulky Bob's 2015 to Bulky Bob's Office and Commercial Waste at 31 March 2019 was £nil (2018: £7,383).



25 Related Parties (continued)

In the year ended 31 March 2019, the following transactions took place between Bulky Bob's 2015 and Bulky Bob's Limited. Bulky Bob's 2015 is a charity for which Furniture Resource Centre Limited is the sole member and Bulky Bob's Limited is a wholly owned trading subsidiary of Furniture Resource Centre Limited.

Transactions from Bulky Bob's Limited to Bulky Bob's 2015:

- Transfer of fixed assets £nil (2018: £28,618)
- Transfer of debtors £nil (2018: £373,570)
- Transfer of cash £nil (2018: £52,450)
- Transfer of creditors £nil (2018: £406,878)

There were no transactions between Furniture Resource Centre Limited and Bulky Bob's Limited (a wholly owned trading subsidiary of Furniture Resource Centre Limited) in the years ended 31 March 2019 and 31 March 2018.

In the year ended 31 March 2019, the following transactions took place between Furniture Resource Centre Limited and FRC Trading Limited, a wholly owned trading subsidiary of Furniture Resource Centre Limited, which was voluntarily struck off on 8 May 2018.

Transactions from FRC Trading Limited to Furniture Resource Centre Limited:

- Donation of £nil (2018: £3,637)



26 Capital Commitments

There were no capital commitments at 31 March 2019 (2018: £nil).

27 Reconciliation of net incoming resources to net cash flow from operating activities

	Group	
	2019	2018
	£	£
Net incoming resources for the year	407,155	185,001
Depreciation and amortisation	95,815	93,626
Impairment	-	6,207
Loss on disposal of assets	124	-
Financial income	(476)	(5,995)
(Increase) in stock	(185,027)	(58,526)
(Increase) in debtors	(1,263,555)	(94,133)
Increase in creditors	382,367	43,066
(Reduction in cash) / cash generated from operations	(563,597)	169,246

28 Post Balance Sheet Events

There were no post balance sheet events.

29 Ultimate Controlling Party

Furniture Resource Centre Limited has no controlling party.

30 Business Combinations

On 28 April 2017, Bulky Bob's Office and Commercial Waste acquired the trade and assets of Cara Recycling (Liverpool) Limited. The principal activity of Cara Recycling (Liverpool) Limited was the collection and disposal of confidential waste. The consideration of £12,000 was paid in cash for the trade and assets acquired. The acquisition was accounted for under acquisition accounting.

Details of the fair value of the identifiable assets and liabilities acquired are as follows.

	Book Value	Fair Value
	£	£
Tangible fixed assets	4,400	4,400
Net identifiable assets	4,400	4,400
Goodwill on acquisition	7,600	7,600
Total consideration	12,000	12,000
Satisfied by		
Cash consideration and net cash outflow	12,000	12,000

31 Comparative Information

	Total Unrestricted Funds	Total Restricted Funds	Total Funds 31 March 2018
	£		£
Income and endowments from:			
Donations and legacies	-	62,563	62,563
Charitable activities	6,629,422	-	6,629,422
Other trading activities	400	-	400
Investments	5,995	-	5,995
Other	36,668	-	36,668
Total	6,672,485	62,563	6,735,048
Expenditure on:			
Raising funds	75	-	75
Charitable activities	6,481,946	68,026	6,549,972
Total resources expended	6,482,021	68,026	6,550,047
Net resources before transfers	190,464	(5,463)	185,001
Taxation – UK corporation tax	-	-	-
Net incoming / (outgoing) resources	190,464	(5,463)	185,001
Balances brought forward at 1 April	1,602,573	36,159	1,638,732
Balances carried forward at 31 March	1,793,037	30,696	1,823,733





FRC
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