



# FRC Group Integrated Report: Social and Financial Value 2014-15



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# Welcome

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*Shaun Doran, CEO*

Welcome to our 2014-15 Annual Report, our second integrated report bringing together news of our financial performance and the social value we have created in the past year. Creating the country's first integrated annual report last year taught us several valuable lessons. We have increased the level of detail that we use and report, and have held ourselves up to rigorous scrutiny to ensure our results are fair and accurate. We are moving closer to our goal of fully aligning our financial and social value reporting. To that aim, social value has played an even greater role than ever in our management and governance structures. We are using social value budgets to set expectations and reporting our results against them, with the same rigour we bring to managing commercial results.

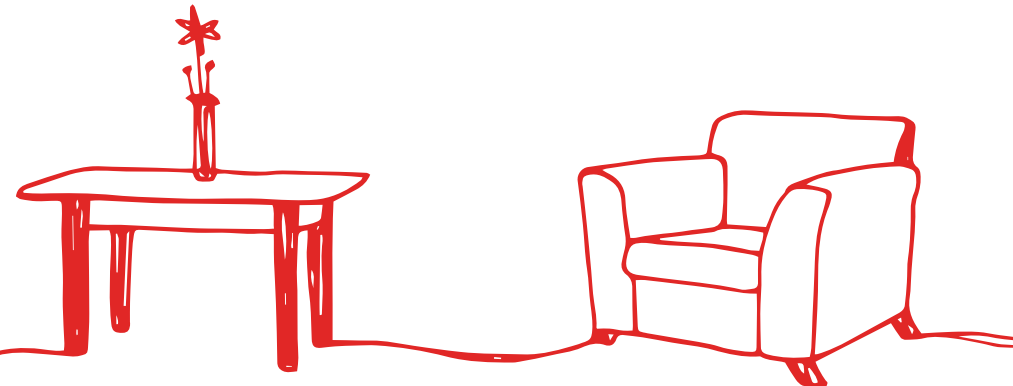
2014/15 has been a year that demonstrated our resilience with good social performance and strong commercial successes. At the close of another challenging and transformational year for FRC Group, I would like to take this opportunity to thank everyone who has helped us to achieve our objectives.

# Acknowledgements

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Our heartfelt thanks to all the people who have played a part in producing this report: All the people who make FRC Group a great place to work; our staff, Driving Change trainees, Launch Pad participants and volunteers, including our board of trustees.

All the people who collect and analyse the data in the report, particularly Tom Aitken, Carol Cassidy, Claire Donovan, Emma Ellison, Jenny Francis, Mick Hart, Carolyn Hogg, Jacqui Millington, Luke Rice, Jenny Scully, Shirley Spofforth, Laura Squires, Peter Stewart, Joan Stockton, Dave Varty, Helen White and Collette Williams. BDO LLP who assured the report. BDO's statements can be found on pages 66 to 69 and 78 to 79. Nonconform who designed the report. Deana Kay who took the photographs. The report was written by Verity Timmins and Tony Rowan.



# FURNITURE RESOURCE CENTRE LIMITED

## COMPANY INFORMATION

### AS AT 31 MARCH 2015

#### **Company Number**

2296329 (England and Wales)

#### **Charity Number**

700731

#### **Directors**

N Wilson (appointed 8 August 2014)

E Bichard

C Watson

J Vernon

J Hines

J Nicholls

L Dixon

G Morris (resigned 8 August 2014)

#### **Secretary**

A Rowan

#### **Chief Executive**

S Doran

#### **Registered office**

Atlantic Way

Brunswick Business Park

Liverpool

L3 4BE

#### **Bankers**

The Co-operative Bank plc

3rd Floor

PO Box 101

1 Balloon Street

Manchester

M60 4EP

#### **Auditors**

BDO LLP

Chartered Accountants

3 Hardman Street

Spinningfields

Manchester

M3 3AT

#### **Solicitors**

Brabners

Horton House

Exchange Flags

Liverpool

L2 3YL





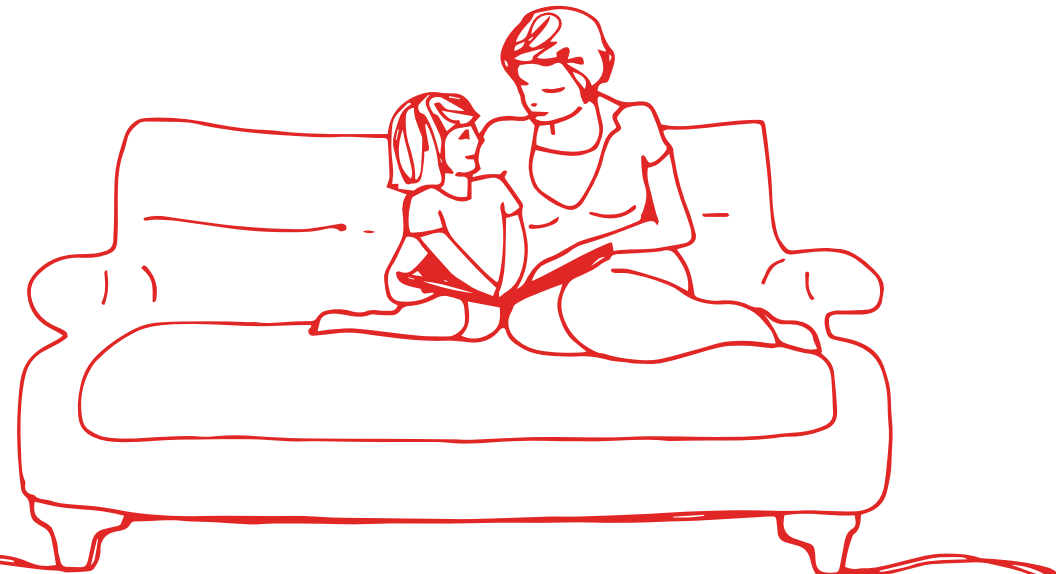


# Our Aims, Objectives and Achievements

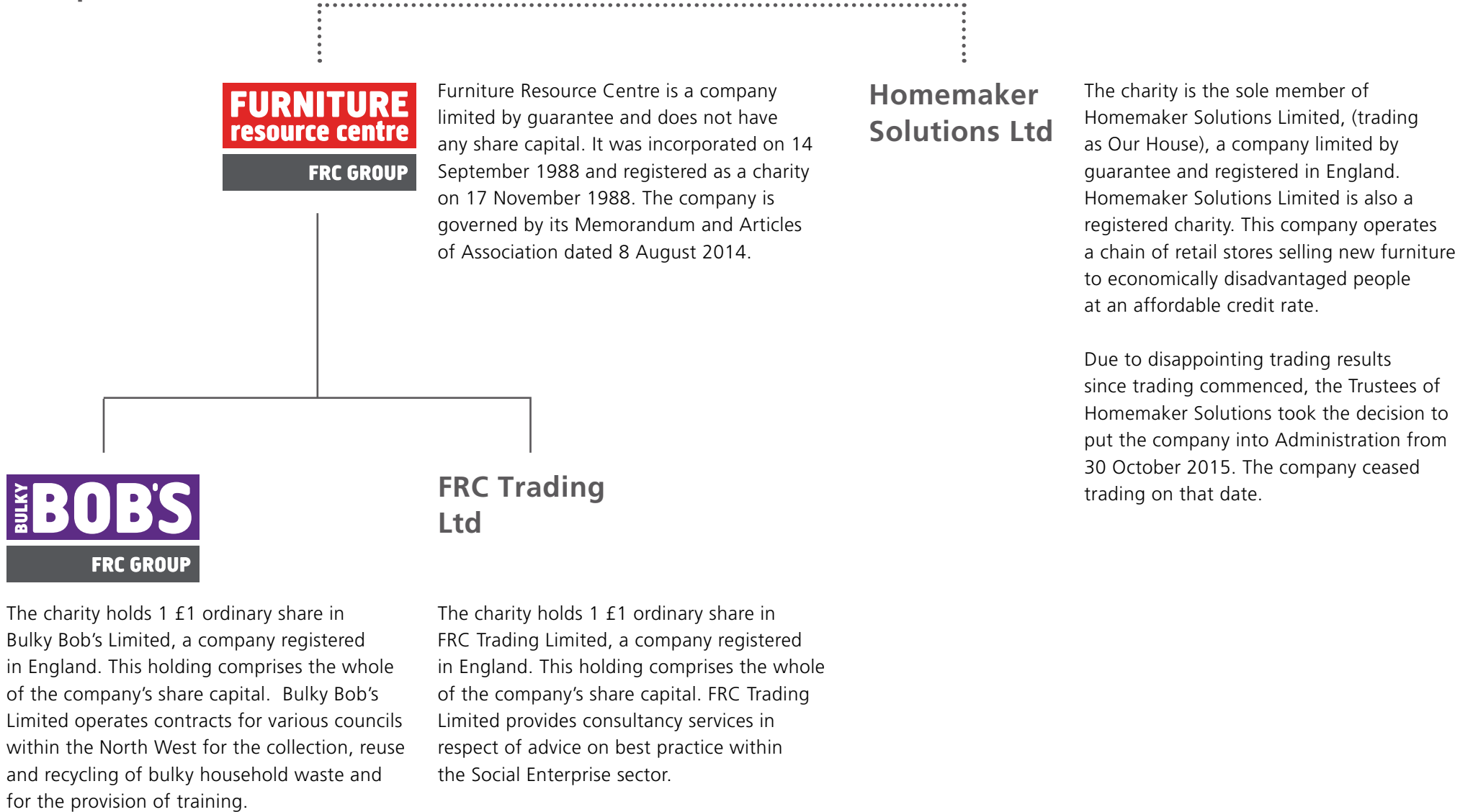
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FRC Group is a collection of social businesses, run by Furniture Resource Centre Ltd, a registered charity. The purposes of the charity are set out in the company's memorandum of association, and are:

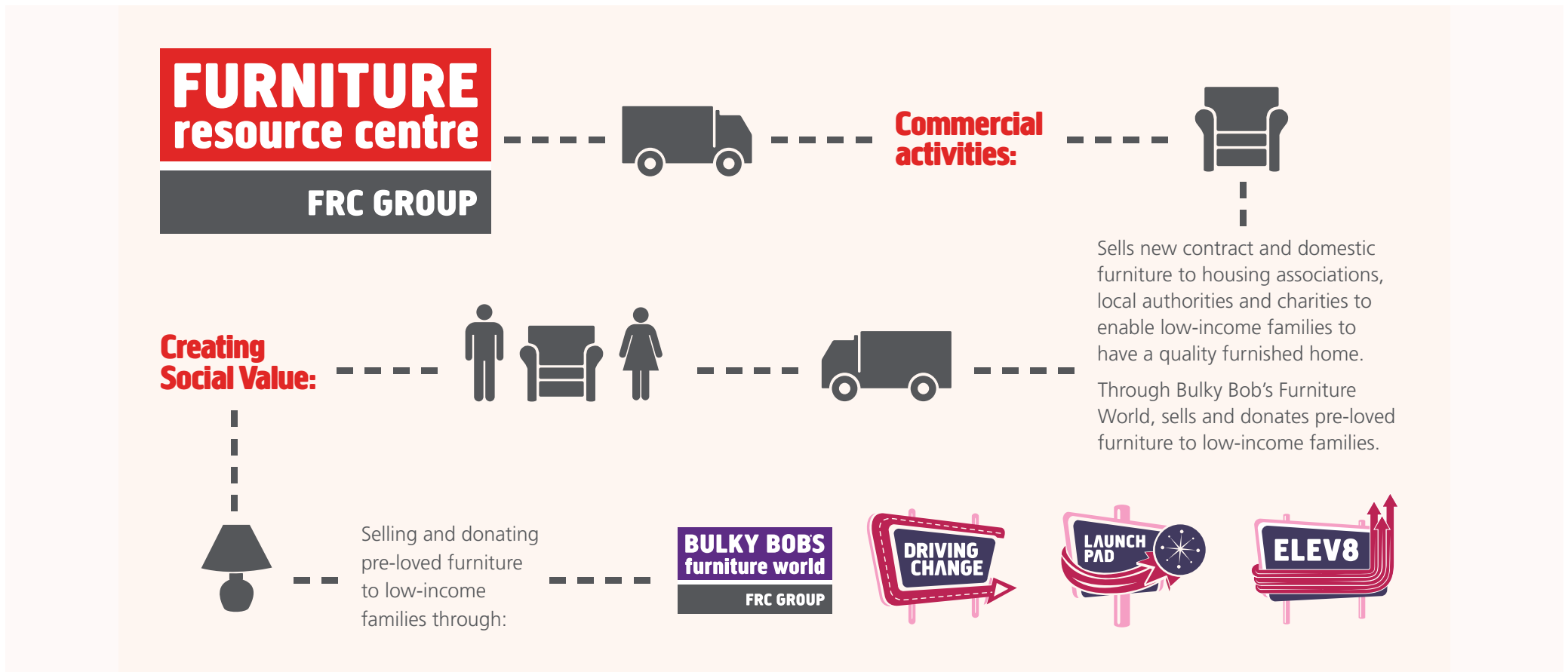
**To relieve**, either generally or individually, persons who are in conditions of need, hardship or distress by the provision of furniture and other household accessories calculated to reduce the need, hardship or distress of such persons. **To advance** education and relieve need by providing or assisting in the provision of training and by providing guidance for such people as are in need calculated to enable them to earn their own living. **To promote** any charitable purpose for the benefit of the public and in particular the advancement of education and training, the relief of poverty, distress and sickness and charitable purposes connected with the improvement of the environment. The mission statement of FRC Group is to 'run businesses to create profits and opportunities to change the lives of people in poverty and employment'. Our businesses get good quality furniture to people who need it and also create training and work experience opportunities for people who have been out of work for a long period of time and those affected by social exclusion.



# Group Structure



## FRC Group Social Businesses



**Furniture Resource Centre** sells furniture and accessories to turn a house into a home. The One-Stop Service includes furniture, appliances, carpets, window coverings, and small electrical and starter packs for items like bedding and crockery. Furniture Resource Centre's customer base includes social landlords, local authorities, charities, and construction companies. We have also launched a new brand called **Buckingham Interiors** which supplies furniture and interior design to sheltered accommodation, care homes and extra care homes.

Furniture Resource Centre delivers to customers across the UK, providing a full project management service which includes interior design and product specification, delivery and installation, the removal and recycling of packaging and any old furniture or appliances that are being replaced. All Furniture Resource Centre products are new, contract standard items suitable to furnish properties of all types, from individual tenancies to shared living accommodation such as hostels.





**Commercial activities:**



Collects bulky household waste under contracts with local authorities. Diverts waste from landfill by recycling materials and by donating reusable furniture to Bulky Bob's Furniture World, (part of Furniture Resource Centre), for reuse.

**Creating Social Value:**



**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. This also has the added environmental benefit of minimising the amount of this waste going to landfill. **Bulky Bob's Furniture World** is where we sell the good quality preloved furniture items collected by the Bulky Bob's collection teams. This is a high street store in Liverpool and we

have 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 preloved 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 particularly targeted by being offered 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 situations with nowhere else to turn.

# Meeting Our Objectives

To ensure that our work is always creating the right benefits for our stakeholders, we constantly monitor and assess our activities and outcomes through the year. This helps us to focus on our desired outcomes but also helps us to consider whether we are creating as much social and financial value as we possibly can through our different activities. Regular monitoring gives us the opportunity to amend our ways of working and develop new approaches to keep improving our outcomes. Our financial and social performance is reviewed each quarter, and this report includes our annual results, including both financial statements and social value data – quantitative and qualitative.

The Charity Commission's general guidance on public benefit has been used when reviewing our aims and objectives and to help us to plan our future activities. The Trustees always consider the contribution planned activities will make to our aims and objectives.

## Trustees' skills and experience



**Nigel Wilson** is chair of FRC Group and joined the board of trustees in 2014. Nigel is CEO of Wythenshawe Community Housing Group which provides homes to more than 20,000 people across Wythenshawe, Manchester.

Nigel has over 29 years' experience in the housing sector. He was a housing co-operative tenant and activist before working as a housing officer for housing associations and local councils. He worked in tenant participation and resident engagement before specialising in new business and regeneration.

He is a fellow of the Chartered Institute of Housing, Chair of JV North, and Chair of Wythenshawe Forum Trust.



**Christopher Watson** has served on the board of FRC Group since 2002. He is currently an Honorary Senior Lecturer in the Centre for Urban and Regional Studies (CURS) at the University of Birmingham, working especially with graduate research and mid-career students from many parts of the world.

Chris has more than thirty years' experience of research, teaching and consultancy in housing, urban policy and international urban development. He was Director of the Centre for Urban and Regional Studies at the University of Birmingham from 1987 to 1992.

Chris was Chair of Mercian Housing Association in Birmingham from 1999 to 2005. He is a member of the Asia-Pacific Network for Housing Research and the European Network for Housing Research and is a co-ordinator of the ENHR Working Group on Housing in Developing Countries.



**Professor Erik Bichard** has served on the FRC Group board since 2002. Erik serves on several company boards as a non executive Director such as Migrant Workers North West.

During his career, he has worked as a sustainable development practitioner in the public, private, third and now academic sector. Until June 2007, and for ten years, he was Chief Executive of the UK National Centre for Business & Sustainability. Erik has also been sustainability advisor to Co-operatives UK and Liverpool City Council.

Erik is a frequent contributor to newspaper, TV and radio programmes covering a range of sustainability issues from recycling and renewable energy to social cohesion and responsible business issues. His most recent written work includes texts on sustainable governance, social enterprise and the recycling sector, and the relationship between health in the workplace and business reputation on sustainable development.



**Jeff Vernon** BA (Hons) FCA MBA AMCT has served on the board of FRC Group since 2005. Jeff is the Finance Director of Rathbone Investment Management (RIM) which is a leading provider of discretionary investment and wealth management services for private clients and trustees. He also has operational responsibility for Group treasury, banking and regulatory reporting. He is a member of the RIM Executive, Banking Committee and Risk Committee.

He qualified as an accountant while with Royal Insurance (now Royal SunAlliance) where he also gained an MBA. Having spent over 7 years with RSA in a variety of finance based roles, he joined Rathbones in 1999 and was appointed to the RIM Board in November 2000.



**Dr John Hines** gained his PhD in Chemistry from Oxford University before joining Unilever as a research scientist. John led teams in research and new product development for famous brands such as Persil and Surf, including two years in Holland.

As R&D Operations Manager for Dove, John pioneered innovation strategy and “product philosophy”, including the development of Dove’s widely acknowledged stances on real care and sustainability.

In 2008, John left Unilever to take up a new challenge with CERAM Research heading the consultancy business and as Chief Product & Technology Officer for the group. From 2010, John is Group R&D Director for Deb Group Ltd, the world’s leading away from home skin care company.

A passionate advocate of product excellence and in particular sustainable innovation, John is an established expert within the well-known Green Mondays network providing support and guidance to encourage environmental management.



**Jeremy Nicholls** is the chief executive of Social Value UK and Social Value International (formerly Social Return on Investment (SROI) Network), which is a membership organisation for individuals, organisations and companies supporting principles and standards in accounting for social and environmental value.

He is a member of the IRIS advisory committee and the Social Stock Exchange admissions panel. He also sits on the Ambassadors Council for Social Enterprise UK. He has lectured at several Universities including the Said Business School at Oxford University; Hult International Business School; and the University of Western Australia.

After qualifying as a chartered accountant, he spent time working as Finance Director for Tanzania Railways, in Liberia for the national Water company and in Nicaragua for Cafenic. In 2004 he set up Urban Strategy associates, an economic development consultancy. He also set up the BETA Model, an online database of trends in UK business stock and then, with FRC, the Cat's Pyjamas which ran events to promote the value of social enterprise. REDF was included on a Cats Pyjamas visit to the United States and encouraged Jeremy to bring SROI to the UK. On his return he began work on SROI with nef.

He has written 'There is no business like Social Business' with Liam Black, 'More for your money, A guide to procuring from social enterprises' with Justin Sachs and worked with others to write a number of SROI guides including, most recently, the UK Government supported 'Guide to SROI'. He also writes a column for Pioneers Post.



**Lesley Dixon** has served on the FRC Group board since 2014. Lesley is the CEO of PSS - a social enterprise that works across the UK, recognising when people are in need and finding new and practical ways to help them get the most from life.

Prior to her move to PSS Lesley had a career in Higher Education as Chief Executive of Leeds University Union and before that the University of London and Kings College.

In addition to her work at PSS Lesley was also part of the Liverpool Fairness Commission, has been a trustee of the national Board at mental health charity Mind since 2008 and is currently the Vice Chair.

Lesley is also a Chartered Manager, a fellow of the Chartered Management Institute and has an honorary doctorate from the University of Leeds.

# Strategic Decision making

FRC Group's Board sets the strategic direction for the organisation annually. A strategic planning board meeting is held each year to establish the strategic priorities for the year ahead. At regular Board meetings, reports are made to keep the Board informed about the progress against the strategic priorities that were set. When issues arise during the year which require the Board to agree a response at a strategic level, discussion of these issues will take place during the year at the next scheduled Board meeting or at a specially convened meeting if necessary.

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

In 2014/15 all Group companies made amendments to their memorandum and articles of association to allow for the Board to make decisions by email and also by telephone. These amendments were made to enable the Board to make decisions quickly when it is not possible to physically gather together to meet.

Nigel Wilson became Chair during 2014/15. During 2015/16 we will be reviewing the style of information reported to the Board.



# FRC Group Integrated Reporting

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FRC Group is at the forefront of social value reporting and we believe strongly in the need to measure and communicate the social value created by our activities to improve the lives of people living in poverty and unemployment. We have reported on our social impacts for 17 years and we took the next logical step last year by producing what we believe to be the first integrated financial and social value annual report in the country. This report builds on our knowledge and experience, bringing together our successes and areas for improvement, and offering an honest and clear account of the social and financial achievements of the past year across FRC Group's social businesses.



# Developing our reporting

The data that forms the contents of the Directors' Report comes from FRC Group's social value measurement system. A team of people from across the organisation are involved in the collection, analysis and reporting of a range of quantitative and qualitative data. We use the information we gather to manage our social value performance. Our approach is to create social value models for different areas of our activity and to use these to forecast and set a budget for social value creation and then to report actual performance against that budget. In 2014/15 we have established and used social value budget models for Driving Change, Launch Pad and Bulky Bob's Furniture World Liverpool.

Our social value models follow The Principles of Social Value set out by Social Value UK.<sup>1</sup> We make assumptions about what would have happened anyway without our intervention and what could have happened via another route,

to ensure that the social value we consider is based on changes experienced by people as a result of our interaction with them.

In the relevant sections of this report we have included diagrams to represent the main areas of value creation and the types of values that are used in these models. We have also used some of the data arising from our modelling to increase the level of detailed statistics that are 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 to sit alongside our financial statement. The intention is to gradually increase the amount of detail from the social value models that is used in the Directors' Report. The data has been developed for internal decision making in the first instance and will need to be tested before it is ready for 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. In this Directors' Report we are also including some additional information to meet the requirements of the Strategic Report that has been required by certain entities since October 2013. These regulations do not apply to Furniture Resource Centre Ltd due to its size. However, we have considered the guidance on the Strategic Report as good practice and have included some new information in this report:

- Disclosures on diversity for our staff, Senior Management Team and Board of Trustees
- Information about the skills and experience of Board members and more narrative about how strategic decisions are made.

<sup>1</sup> <http://socialvalueuk.org/what-is-sroi/principles>



# FRC Group Materiality Policy

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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.

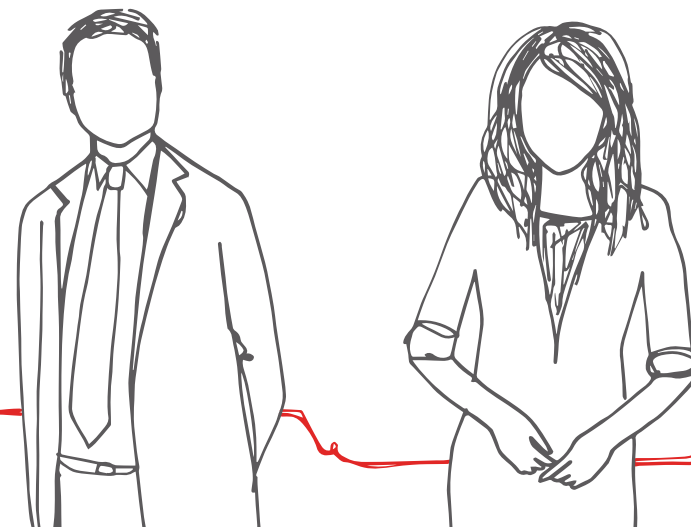


# FRC Group's Reporting: Social Value Materiality and Stakeholder Engagement Policy

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; 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, communities of location and interest. Stakeholder engagement is carried out by using various methods - one to one discussion, focus groups, 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 issues:**

- 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?

# Methodology

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This report covers the period 1 April 2014 - 31 March 2015 and brings together the data gathered during this time to understand the financial and social impacts created.

All parts of the organisation provide qualitative and quantitative information and a great deal of work is done to gather feedback from FRC Group's stakeholders – the people who matter to FRC Group and to whom FRC Group matters. Full details of this stakeholder consultation are on page 59 to 65.

Financial elements within this report are compiled and written in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the social elements are written in accordance with the principles of 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 undertaken. The approach to measurement of

performance is embedded at all levels of FRC Group. At the top, the Board has a formal sub-committee on Social Value, which reports at each Board meeting about the results achieved and opportunities for improvement. 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 proving the value created, and the constant drive to improve performance is a key feature of FRC Group's approach to business. We also independently audit our reports so our performance measurement can be supported by robust systems and processes. This report has been independently audited by BDO, and assurance has been provided.

The report is published on FRC Group's website [www.frcgroup.co.uk](http://www.frcgroup.co.uk) which contains a wide range of information about past performance and future plans, providing context to this report. Last year's report is included on website's Proving Our Impact page.



# Targets

# Achievements

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

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



Audited statements and figures



Met or exceeded target



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



Missed the mark and will plan to improve performance.



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

# FRC Group's Stakeholders

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

## Great for People

Our key stakeholders are the two main groups of people we want to help as part of our social mission – those living in poverty and unemployment.

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





**A Great Place to Work for:**

- Staff – permanent employees of FRC Group
- Driving Changers – people employed on fixed term training contracts on the Driving Change programme
- Launch Padders – people working on a voluntary basis or taking part in an unpaid work placement.

**Great for the Planet for:**

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



**Great to do Business with for:**

- Furniture Resource Centre customers – the social landlords and other customers who buy furniture and related items
- Bulky Bob’s customers – the local authorities that contract FRC Group to provide collection, reuse and recycling services for furniture and white goods
- The householders who receive the Bulky Bob’s collection service in Liverpool, Oldham and Warrington
- Bulky Bob’s Furniture World customers – all the people who shop in Bulky Bob’s Furniture World
- Suppliers – the companies who supply FRC Group with goods and services
- The other furniture reuse charities that Bulky Bob’s works with by supplying them with reusable items.

FRC Group’s Stakeholder Engagement Policy is on pages 18 to 19 and it explains the relationships between the different stakeholder groups and how the different relationships and levels of engagement are prioritised. A summary of the stakeholder engagement activity undertaken this year is on pages 59 to 65.

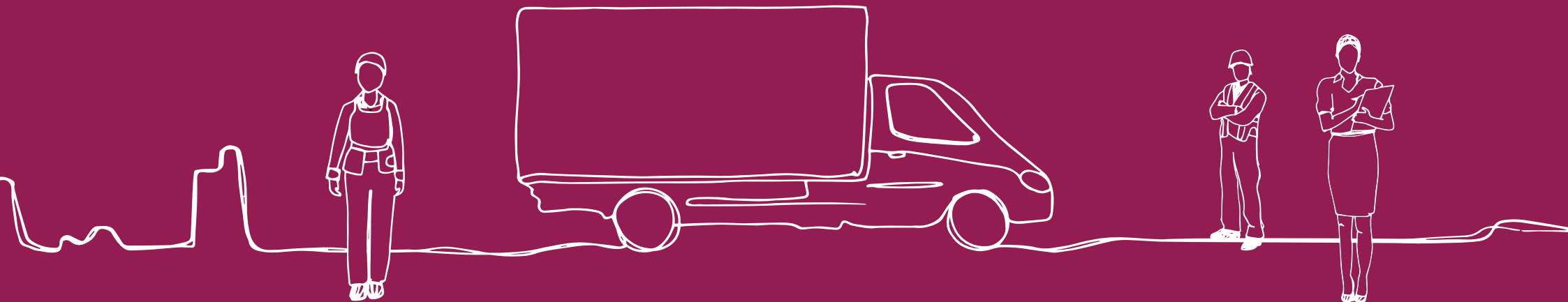
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There are also stakeholder groups who are invested in how FRC Group does business and we have clear goals about the way we operate. We want to be:



# Overview of 2014-2015

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This has been a year that demonstrated our resilience and has instilled us with confidence that the hard work across the group has created the right foundations to not only sustain us in the future but also allow us to grow and expand.

FRC Group appointed a Communications Manager to help us to achieve these objectives. This aim of this role is to ensure we are communicating clearly to all of our stakeholders to achieve a number of results, from increasing sales in Furniture Resource Centre, to building our profile with prospective employees to help our trainees and volunteers find sustainable employment.

Furniture Resource Centre has achieved strong commercial successes. We set ambitious growth targets which have been achieved by retaining the business of existing customers, developing our offer to increase the products and services that we can supply to the housing sector and by rising to the challenges presented by rapid growth in Local Welfare Provision requirements.

The scheme was created to help vulnerable people in short term crisis and Furniture Resource Centre supplies furniture and white goods to those in need through local authority

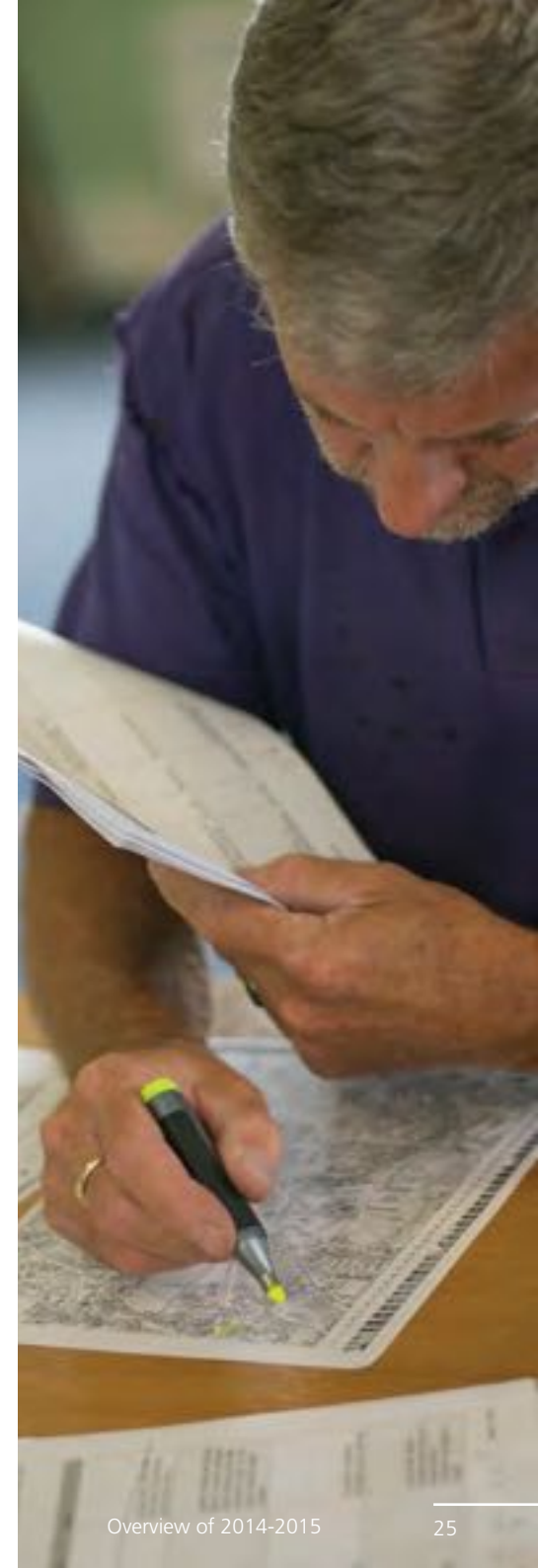
contracts with Liverpool, Warrington, Oldham and Wirral councils. The number of deliveries carried out by the FRC team increased again to 9,057 representing a 40% increase on 2013/14 (6,420). The flexible service we deliver in this field has been appreciated by our clients and our staff team responsible for this area of work have built on their already strong understanding of this market and built great relationships with our customers.

The Furniture Resource Centre 'offer' to customers and potential customers has been improved in two ways this year. Firstly, we have responded to the needs of our target markets by launching a new brand, Buckingham Interiors, which is aimed at the senior living market, including care, extra care and sheltered accommodation. Buckingham Interiors delivers the same high quality contract furniture as Furniture Resource Centre but with an added design element, including a full interior design service if required. Buckingham Interiors is already delivering strong results.

The second improvement to our offer is our innovative lease finance offer which helps social housing providers with limited funds to purchase the furniture they need without having to pay for it all upfront. We are working in partnership with Bibby Leasing to provide furniture packages of all sizes to be repaid over a two to five year period.



The number of deliveries carried out by the FRC team increased again to **9,057** representing a **40%** increase on 2013/14 (6,420).



 **Furniture Resource Centre has also achieved the ISO9001 certification for its quality management system, demonstrating its ability to consistently provide products and services that meet the needs of customers and other relevant stakeholders, and to create continuous improvements in our work.** This achievement was thanks in part to support from the Office for Civil Society's Investment and Contract Readiness Fund. The fund also supported the testing of 35 Furniture Resource Centre products against the relevant British Standards for durability allowing us to demonstrate the quality of our range.

We were delighted to receive the RBS SE100 Resilience Award. The RBS SE100 index measures the top performing social enterprises in the country, and the awards recognise best business practise in different categories. FRC Group is the inaugural winner of this Resilience category which recognised the sound commercial approach and the commitment to creating social value that has seen FRC Group perform well both financially and in social value terms despite the national economic problems of the past seven years. In particular, the judges looked at how Furniture Resource Centre responded to the need to diversify in its market, including the introduction of leasing, the launch of Buckingham Interiors, and the expansion of the Local Welfare Provision activity.

Bulky Bob's continued to deliver bulky household waste contracts for Liverpool, Oldham and Warrington Councils. This was a significant achievement considering the extent of local authority budget cuts across the country. In total, Bulky Bob's has made over 52,000 collections and reused or recycled more than 2,000 tonnes of furniture and appliances. These figures are broadly comparable with the previous year when over 50,000 collections were made and 2,093 tonnes were reused or recycled.

Bulky Bob's also expanded the number and type of community events it delivers in local communities. These events take preloved furniture for sale at low prices into target communities, and at some events, also give the furniture away for free. This raises the profile of Bulky Bob's in Liverpool and highlights the contribution it makes to the Liverpool Mayoral Pledge for a Cleaner, Greener Liverpool.

The awards received by Bulky Bob's this year demonstrated not only the hard work and commitment of the team but also the high esteem in which the service is held. Awards included winning the Social Enterprise Network's Mentors of the Year for the Bulky Bob's drivers and the Liverpool Echo's Environment Award for Outstanding Corporate Social Responsibility. Bulky Bob's was also shortlisted in the Liverpool Echo Environment Awards for the Best Environmental Business and in the Social Enterprise UK, also for the

Best Environmental Business. Bulky Bob's Furniture World's crisis furniture scheme, giving away furniture packages away to those in most need, working with a range of partners such as charities and support groups, was shortlisted for the Chartered Institute for Waste Management Best Community Initiative award, and the Let's Recycle Community Initiative Award.

FRC Group continually reassesses the progress and achievements of our different businesses and the activities and programmes we deliver within those businesses. This can lead us to build on successes but also to reflect on challenges which need us to change our direction. As part of this process, we reassessed some of our Launch Pad activities and made changes to the nature of some of our programmes. More details on this are in our Great for Unemployed People chapter on page 46.

The continued commercial success of the Group provided us with the opportunity to plan for the future and 2014/15 has been an important year of strategic development and preparing for exciting new projects ahead. A great deal of time and energy has been spent on developing Our House, our new Rent to Own social business which places great emphasis on offering a fair price with no hidden charges, targeting financially excluded people. During 2014/15 we obtained premises, developed our business model and recruited a store team ready for the formal launch of Our House in



Over **52,000** collections were made and over **2,000** tonnes were reused or recycled.



**157** people gained experience through Launch Pad



Quarter 1 of 2015/16. For more details on Our House, see page 44. FRC Group has always played a role in encouraging social landlords to create more furnished tenancies. Since 2014 we have made this a higher priority and in 2014/15 we created a more formal structure for our campaigning work with the formation of EndFurniturePoverty.org as a new campaigning arm of FRC Group.

Providing opportunities for training, personal development and skills acquisition to people not in employment has of course continued through our Driving Change and Launch Pad programmes. Across the various Driving Change cohorts within this reporting period, 25 trainees have received salaried training through Driving Change with 10 people of the 15 who left going into employment. 157 people gained experience through Launch Pad and we introduced Elev8, a Fork lift Truck training opportunity this year, which seven people successfully completed and all seven went into employment at the end of the programme.

Our People and Learning team has also been working hard to review our programmes for training and development, for trainees on Driving Change, for work placements on Launch Pad, but ultimately for all of our staff as well. The employment market has changed drastically since the 2007 financial crisis and we are redeveloping our work in this area to ensure we are helping people in every way we can to build sustainable futures for themselves.






**25** trainees have received salaried training through Driving Change with **10** people of the **15** who left going into employment.



We introduced Elev8, a Fork lift Truck training opportunity this year, which seven people successfully completed and all **7** went into employment at the end of the programme.



## FRC Group Performance 2014 -15

	<b>Income £'000</b>	<b>% income from grants</b>	<b>% income from sales</b>	<b>Surplus/ (deficit) for the year before corporation tax £'000</b>	<b>Average Number of Employees (including temporary staff)</b>	<b>Carbon Footprint (CO<sub>2</sub> equivalent emissions in tonnes)</b>	
<b>2010/11</b>	5,031	7.7	92.3	120	92	307	
<b>2011/12</b>	4,718	2.7	97.3	(264)	85	294	
<b>2012/13</b>	3,969	2.2	97.8	(214)	75	210	
<b>2013/14</b>	5,353	3.1	96.9	458	70	241*	
<b>2014/15</b>	7,084	1.4	98.6	621	68	232	

\*This figure has been restated due to a calculation error in 2013/14 see page 34 for a full explanation.

Being a Great  
Place to Work  
– Our People



		Permanent Staff	Senior Management Team	Board of Trustees
	<b>Number</b>	49	10	7
<b>Ethnicity</b>	<b>White British</b>	98%	100%	86%
	<b>White Irish</b>	2%	0%	0%
	<b>Other White Background (Eastern European)</b>	0%	0%	14%
<b>Gender</b>	<b>Male</b>	59%	40%	83%
	<b>Female</b>	41%	60%	17%
<b>Disabled</b>	<b>Yes</b>	4%	0%	0%
	<b>No</b>	96%	100%	100%



## Being a Great Place to Work – Our People

We welcomed eight new starters at FRC Group during 2014/15 and six members of staff left the organisation. Two of these retired, two left after finding alternative employment, one joined for a week and then left after deciding the job was not for him, and one was dismissed.

Leavers' Reviews were carried out with the retirees and the two who resigned and these reveal valuable information about us as an employer and how our staff view us. Staff who are leaving can feel more relaxed about providing a frank assessment of our performance.

For the two retirees we offered a supported retirement package enabling them to work reduced hours at full pay in the months leading up to their retirement. This is to ease people into a new way of life and to help with the transition into retirement.

An extensive pay review was carried out across FRC Group in 2014/15 and every job was reviewed and rescored to ensure that all pay levels reflected up-to-date roles and responsibilities. The entire workforce also received a cost of living pay increase. The staff handbook and all company policies were reassessed, a process which led to the updating of our Adoption Policy, Company Vehicle Policy, Smoke Free Policy, and Expenses Policy.

Pension auto-enrolment became mandatory during this period and we delivered staff information sessions and opportunities to meet with our pension provider to ensure that all of our staff were fully aware of the pension options available to them. We were very pleased to find that only two members of staff decided to opt-out of our pension scheme.

We first received the Workplace Wellbeing Charter Mark in 2011 and it came up for review during 2014/15. The Mark is a statement

of intent, demonstrating our commitment to the health and wellbeing of our workforce. It measures leadership, culture and communication in connection with issues such as sickness and absence management, awareness of alcohol and drug abuse, smoking, and mental health. We not only retained the Mark on reassessment but also achieved the highest levels available to us in five of the six assessment areas. We have a six-monthly Healthy Workplace action plan in place and have delivered events around key topics such as alcohol awareness.

We also secured funding under the Local Sustainable Transport Fund to set up a pool bike scheme with four bikes now available for staff to use for commuting, lunchtime exercise, and business travel to local meetings.

All of our staff are rewarded for demonstrating our values and everyone who displays creativity, bravery, professionalism or passion through their work receives the appropriate Values award. Employees, trainees and volunteers receive these awards throughout the year, and we also reward a staff member who has gone that extra mile and name them our Colleague of the Month. Every month a member of staff or a trainee receives this award as we believe that this not only rewards good performance, but also emphasises the importance of our core values.

Every year we hold an annual awards event, celebrating the achievements and performances during the past year and 2014/15 was no exception. This year we called it our V Festival, V for values, and in early October, we all came together to present awards. Our winners were Shirley Spofforth (Passion), Graham Jones (Professionalism), Luke Rice (Creativity), and Ronnie Fletcher (Bravery). Our Colleague of the Year was Tony Rowan, Head of Finance.


















One of Tony's many nominees explained why he deserved the award: "Tony is involved in every area of the business and has a detailed working knowledge of all things FRC. This must be very difficult to juggle at times but Tony does this with a smile on his face. A new challenge over the last 12 months has been Homemaker which Tony has applied himself to with expertise and rigour. Tony is not afraid to raise issues even when difficult and is great to work with." Another said: "He is just a great guy, who excels at his job. His involvement in many things over the last year has led to more success. FRC is a much better place for him being here!"

The awards make a great contribution to staff morale, as has the reintroduction of the birthday meals. On the last Friday of every calendar month, all staff members and trainees who have a birthday during that month are taken for a three course lunch at a restaurant in Liverpool city centre. FRC Group's CEO Shaun Doran hosts the meal and it provides a good opportunity for staff members and trainees from different levels and areas of the organisation to spend time together, enjoy themselves and to feel valued and rewarded.

## At work, do I have the opportunity to do what I do the best every day?

In April 2014 we issued our annual staff questionnaire, which was returned by 41 of 45 staff members. This data was reported in our 2013/14 Integrated Report but it relates to the current reporting year. We are including this information here as it is relevant to this report and will be conducting our next staff survey during 2015/16. The survey revealed that staff morale had tangibly increased and was at the highest it has been for three years.

The following table compares this year's response with those of 2012/13 which was carried out in October 2012:

	2012/13	2014/15	
Do I have the materials and equipment I need to do my work right?	91%	92%	
At work, do I have the opportunity to do what I do the best every day?	89%	100%	
In the last seven days, have I received recognition or praise for doing good work?	62%	73%	
Does my supervisor, or someone at work, seem to care about me as a person?	83%	88%	
Is there someone at work who encourages my development?	56%	83%	
At work, do my opinions seem to count?	77%	88%	
Are my co-workers committed to doing quality work?	88%	90%	
In the last six months, has someone at work talked to me about my progress?	51%	73%	
This last year, have I had opportunities at work to learn and grow?	73%	61%	
Do I know what is expected of me?	100%	98%	
Does the mission/purpose of my company make me feel my job is important?	79%	78%	
Do I have friend/s at work?	88%	88%	

A real positive that is to be taken from these results is the increase from 89% to 100% for question 2 'At work, do I have the opportunity to do what I do the best every day?' and for question 5, 'Is there someone at work who encourages my development?', which increased from 56% to 83%.

These are significant improvements and it is encouraging to know that people are able to do what they do best and are being encouraged to develop. The questionnaire did reveal that while we are improving at encouraging people to develop, more work was need to be done to provide the necessary opportunities and access to learning and development.

FRC Group is committed to delivering a full training programme across all areas of the business but we have restricted that to the essential training needed to meet legal requirements in recent years. In 2014/15 we conducted a Training Needs Analysis across the whole organisation and have delivered training in new areas with an ongoing training programme under development.

In total 43 courses have been delivered for staff including Transport Compliance, World Host Training, Driver's Certificate of Professional Competence, Electric Cooker Installation and Manual Handling. Members of staff have begun studying for NVQ Level 3 in Business Administration, and professional qualifications through the Chartered Institute of Purchasing and Supply (CIPS) and the Chartered Institute of Management Accountants (CIMA).

As part of the widening of our training opportunities, we delivered World Host training, a customer service training course inspired by the London Olympic Games training scheme. The 'World Host' badge is an internationally respected indicator that the employees of a company provide excellent customer service. We secured ESF Funding for the programme and 28 staff across the business have now completed the day-long training scheme.



## Health & Safety

FRC Group places the utmost importance on health and safety and we emphasise this to all of our staff, trainees, volunteers, customers, suppliers and to members of the general public. We have a Health & Safety Committee made up of key representatives from across FRC Group and hold a number of Health & Safety accreditations: Safe Contractor, SMAS and CHAS.

This year we saw 55 accidents in total and while this was a slight rise on the previous year, up from 45 in 2013/14, only 3 of them were classed as serious accidents and RIDDOR reportable. This was a reduction from 7 serious accidents in the previous year. In every case, the accidents resulted in the review of all necessary processes with risk assessments updated, and retraining delivered to staff members where necessary to prevent any reoccurrence in the future.



This year we saw **55** accidents in total and while this was a slight rise on the previous year, up from **45** in 2013/14, only **3** of them were classed as serious accidents and RIDDOR reportable.



This was a reduction from **7** serious accidents in the previous year.

## Carbon Footprint

FRC Group manages the environmental impacts of its business activities through an Environmental Management System. The system controls focus on a number of key areas, the carbon footprint of the vehicle fleet and premises, waste and recycling, and the impacts of the FRC supply chain. This year we introduced a Transport Committee, part of the responsibility for this group is to ensure best practice is followed in the management and use of our vehicle fleets.

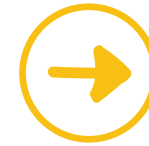
The Directors are aware that there are issues relating to the environment, specifically around waste management and supply chain, that are material but receive little attention in the report. The detailed data about the performance on waste management is commercially sensitive. Issues relating to supply chain require further exploration through stakeholder engagement which will begin in 2015/16.

We calculate FRC Group's carbon footprint from the use of fuel in the vehicle fleet, and the use of gas and electricity in the buildings. Defra publish standard carbon conversion factors in the Environmental Reporting Guidelines, updated in June 2014, and we use these to calculate our environmental impacts.

In 2014/15 FRC Group had a carbon footprint of 232 tonnes of CO<sub>2</sub> emissions. In the 2013/14 report our carbon footprint was erroneously stated as 194 tonnes. There were problems with the way the carbon footprint calculations had been carried out which omitted to record an additional 47 tonnes of CO<sub>2</sub> emissions. The actual 2013/14 carbon footprint was 241 tonnes.

By comparing the 2014/15 figure with the restated 2013/14 figure, FRC Group has achieved a small reduction in its carbon footprint this year of 9 tonnes. This represents a reduction of 3.5% which has been achieved by a combination of small reductions in fuel uses in different areas.

<http://safecontractor.com>  
<http://www.smasltd.com>  
<http://www.chas.co.uk>  
<http://www.ukconversionfactorscarbonsmart.co.uk/>



2013/14 carbon footprint was **241** tonnes.






# Creating Social Value: Getting Furniture to People in Poverty

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Furniture Resource Centre was created 27 years ago to help people in poverty to access quality furniture. That core objective is still a key driver behind FRC Group and we continue to develop and deliver a variety of methods to get furniture to people in poverty to help them to make a house a home.


One of our main methods is through Bulky Bob's Furniture World, the place where we make good quality preloved furniture collected through Bulky Bob's local authority bulky household waste contracts, available to local people. We offer a range of discounts for people on low-incomes and also give items away to people in urgent crisis need. Bulky Bob's operates a Furniture World store in both Liverpool and Oldham, collecting and donating or selling furniture to local people. In Liverpool Bulky Bob's Furniture World is a city centre high street store while in Oldham, Furniture World is located in a designated area of the Bulky Bob's depot, based on a business estate close to the town centre. Bulky Bob's Furniture World staff clean all the furniture items to prepare them for sale and carry out minor repairs where necessary. Some items are painted, varnished or recovered to improve their quality. The store operates like any other furniture store with a full display of items for customers to view. All the items are available for low prices, however the store staff will also offer discounts for customers on benefits and they are able to use their discretion to offer

additional discounts, or give items away for free where they believe it is appropriate. All are welcome in Bulky Bob's Furniture World, although the target customer base is low income families and the pricing strategy encourages these customers to use our stores. The fundamental aim of Bulky Bob's Furniture World is to get furniture to those who need it most, not to make profits so where other charity furniture shops may be selling items to raise money for a particular cause, our cause is the activity of the shop itself, getting preloved furniture to those in the greatest need, either for low prices or for free.

 **The basic ticket price is always set as low as possible for all shoppers, and further discounts of 10% and 20% are available to those in specific income groups. Everyone who receives a 20% discount also receives free delivery of their item or items as well.** Those in the greatest need will receive free essential furniture items and Bulky Bob's works with a wide range of referral partners, frontline organisations who work with those in the most challenging circumstances. Those receiving a free crisis furniture package could be someone ready to move out of a homeless hostel who is offered unfurnished accommodation, a family fleeing domestic violence, asylum seekers who have been given leave to remain in the country, or a family who have lost their home to a fire.

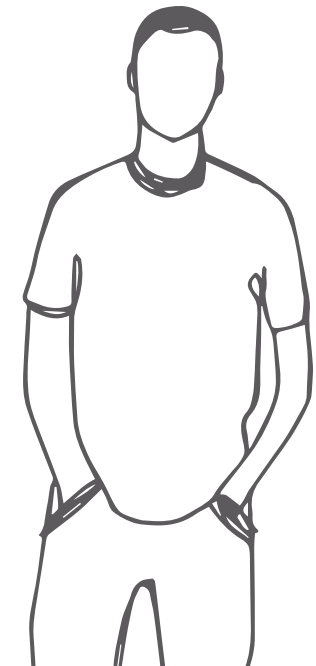


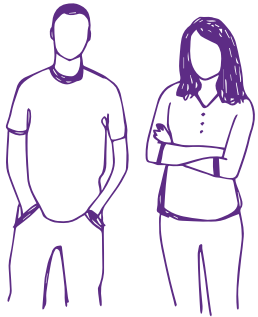
The alternatives available to those in most need can take time or have a very dear financial and emotional cost, such as loan sharks, or the existing high street weekly payment stores. Bulky Bob's establishes what furniture items the family needs and donates those items, often on the same day. Our method of donating items is to provide a voucher which has no specific financial value and can be used to select the items they need in Bulky Bob's Furniture World. The crisis vouchers can be used to 'pay' for the items listed on it and these customers are able to select from any available goods in the store. We do not differentiate between the goods available for sale and those for donation. Everything that is for sale is also available to people receiving donations.

 **In the past year, the two Bulky Bob's Furniture World stores have given away furniture which could have been sold for £61,826.** The operation in Liverpool also benefited from a £25,000 grant from Merseyside Recycling and Waste Authority's Community Fund to support the crisis furniture scheme. The grant funding enables us to provide more free furniture packages than we would be able to do within our own resources.

In 2014/15 we have been involved in the delivery of the Local Welfare schemes through which local authorities offer their residents who are in acute need, access to essential furniture and appliances. In Liverpool, Oldham, Warrington and Wirral, Furniture Resource Centre supplies new furniture and

home appliances to those in crisis situations. In Liverpool and Oldham, Bulky Bob's Furniture World is ideally placed to help the Local Welfare budgets stretch further by providing access to preloved furniture which the Local Welfare schemes are purchasing for residents. In Liverpool we have taken this a stage further and we ran a six month pilot scheme, offering additional 'non-essential' items to supplement the essential items received via the Liverpool Citizens Support Service (LCSS), the name for the Local Welfare service in Liverpool. This included items such as bookcases and coffee tables and we believe this is a worthwhile way to improve the quality of the homes of those facing challenging needs. In 2015/16 we will be considering whether to continue with this work in this form or perhaps to adapt this extra service in relation to how the LCSS in Liverpool is operating in 2015/16.





**Customers  
who receive 10%  
in-store discount**



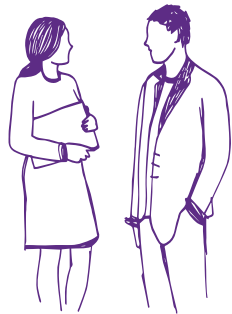
10% in-store discount



Potential savings  
against alternative  
retailers



Social value  
of a home



**Customers referred  
to Bulky Bob's  
Furniture World by  
an external agent**



20% in-store  
discount



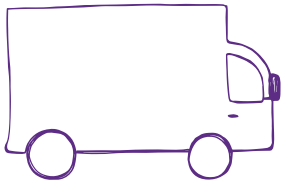
Savings against  
Bulky Bob's  
Furniture World  
delivery charge



Potential savings  
against alternative  
retailers



Social value  
of a home



**Crisis referral  
customers / Local  
Welfare recipients**



100% in-store  
discount



Savings against  
Bulky Bob's  
Furniture World  
delivery charge



Potential savings  
against alternative  
retailers



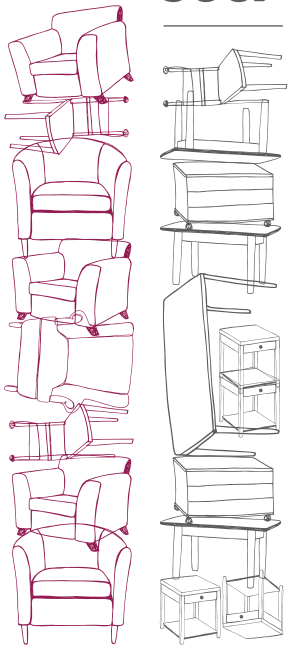
Social value  
of a home

# Bulky Bob's Furniture World Liverpool Statistics



Number of sales of pre-loved furniture made to Bulky Bob's Furniture World customers

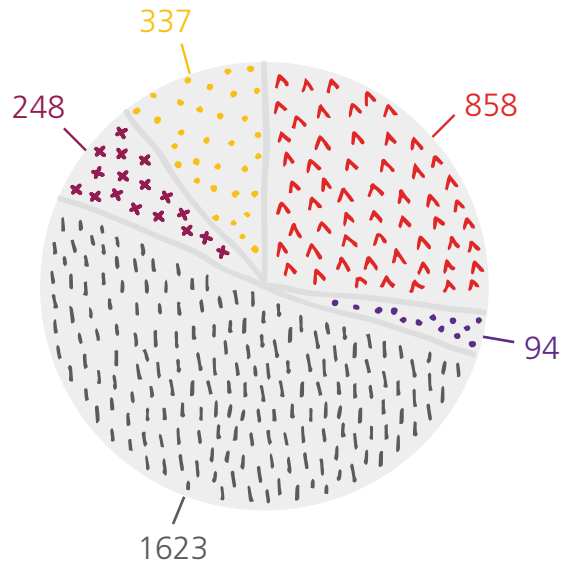
**3160** \*  
**3067**



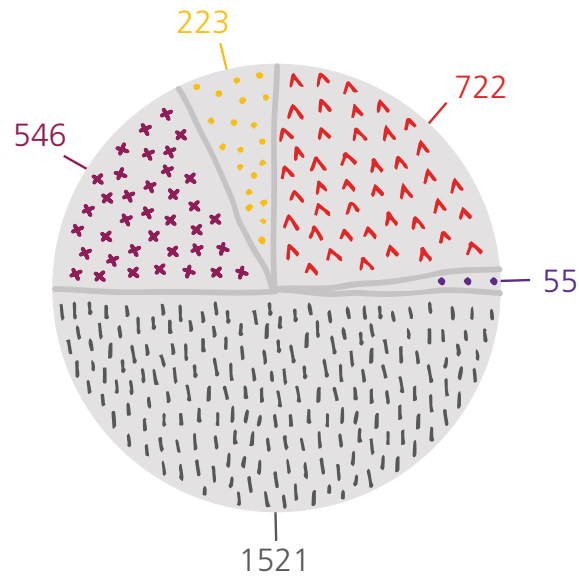
13/14

14/15

2013/14 - Total: 3160 Sales



2014/15 - Total: 3067 Sales



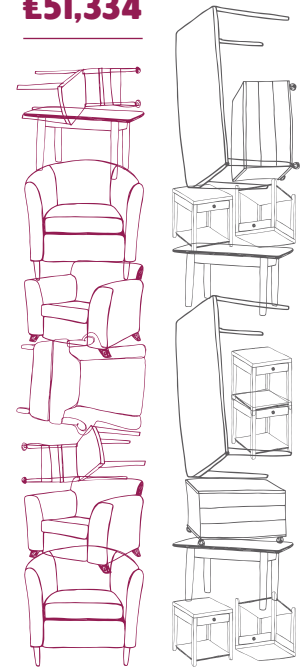
- Standard
- With Crisis
- 20% Discount
- 10% Discount
- Local Welfare (LCSS)



Value of Items donated to crisis customers

\*  
**€54,766**

**€51,334**

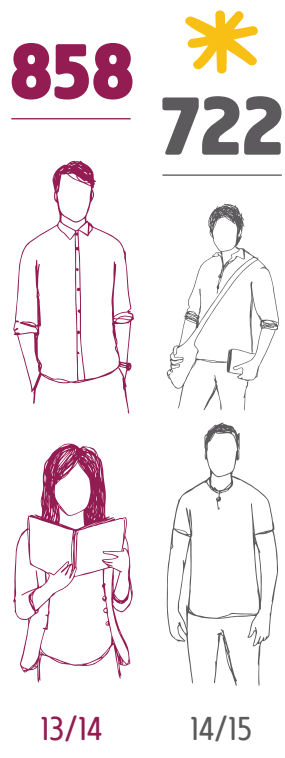


13/14

14/15



Number of people in crisis given free basic furniture items



Number of Agencies referring people in crisis situations



Austerity and cuts to welfare budgets continues to significantly affect low income families. While the amount of preloved furniture of a sufficient quality for reuse did fall in previous years, it has levelled out so the amount we have collected is similar to 2013/14. Bulky Bob's Furniture World in Liverpool and in Oldham continue to meet the needs of many low income individuals and families, helping them to furnish their homes with quality preloved furniture.

The number of customers receiving crisis furniture packages has fallen slightly in Liverpool due to the change in the way we support customers in need.

The social value model for Bulky Bob's Furniture World measures the savings that our customers make and the value arising from improving their homes. The savings include in-store savings arising from our discount price structure and the savings they make against purchasing items using alternative retailers. To produce the social value information we are looking at a greater range of data points than in previous years. This year we are including some additional data that has been developed through the social value model – the savings arising from our free delivery service and the savings made by our largest customer group – those receiving a 10% discount on our prices because they declare themselves to be on a low-income. In future reports we will be including more information about the values in this model and ultimately reporting on the overall social value created.

Bulky Bob's Furniture World in Liverpool and Oldham made 899 free deliveries to people in crisis need or those receiving a 20% discount. These free deliveries saved our customers a total of £13,485.

FRC Group offers a full service to the Liverpool Local Welfare service (Liverpool Citizens Support service) where they provide local people with a range of new furniture and white goods through Furniture Resource Centre and preloved furniture through Bulky Bob's Furniture World. In 2013 every LCSS recipient was given a voucher to allow them to access

'non-essential' preloved furniture items that were not provided under the Local Welfare service. We found that this was difficult to manage both practically and in managing customer expectations because we did not always have the range of items that customers wanted. So in 2014/15, we decided to make a similar offer but restrict it to those people who had been awarded a LCSS preloved furniture grant only, because these are the households with the greatest need. They are given preloved furniture as part of their Local Welfare allocation to make the money available per household stretch further and to help these households get all of the things they need. These customers were already visiting the store so were familiar with our offer and our range. When they visited the store, we then offered them an additional voucher to supplement their items. This enabled us to maintain a wider range by reducing demand but limiting it to those who we believe to be in most need.

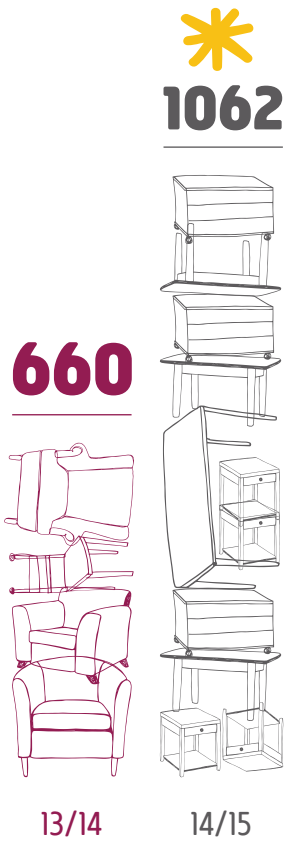


# Bulky Bob's Furniture World Oldham Statistics



Number of sales of preloved furniture made to Bulky Bob's Furniture World customers

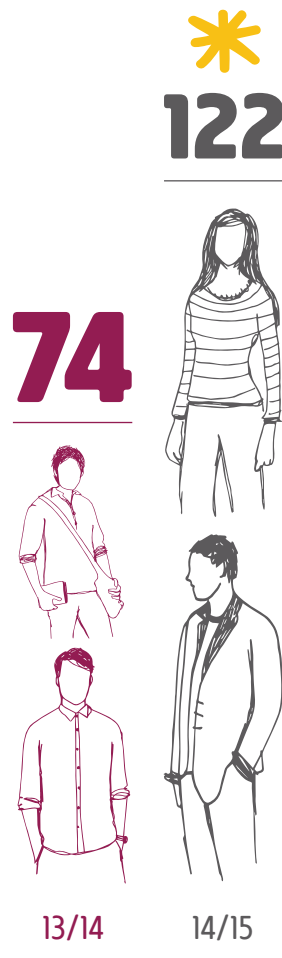
(848 buying preloved + 122 crisis + 92 LWP)



Value of Items donated to crisis customers



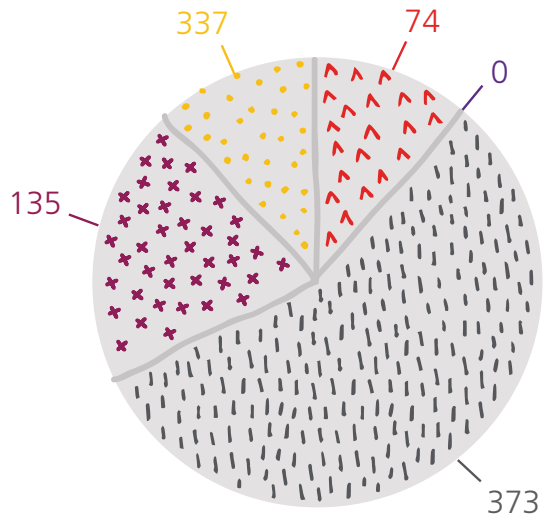
Number of people in crisis given free basic furniture items



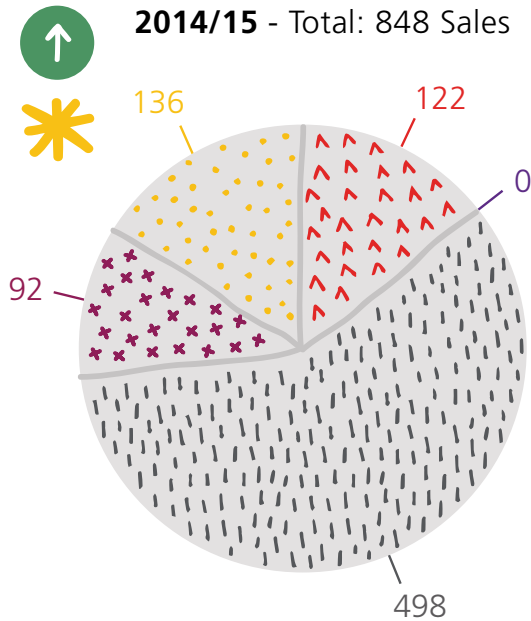
Number of Agencies referring people in crisis situations



**2013/14** - Total: 660 Sales



**2014/15** - Total: 848 Sales



- Standard
- With Crisis
- 20% Discount
- 10% Discount
- Local Welfare (LCSS)

The number of crisis referral partners has reduced slightly this year. The Bulky Bob's crisis service is very well known throughout the social support agencies in Liverpool, but this year fewer organisations have made use of the service. We are aware from Furniture Resource Centre that there has been a significant growth in the number of people receiving new furniture packages through the LCSS service. This could link to the slight reduction in people using our crisis donation service if they are successfully accessing the LCSS service for their clients instead.

In Oldham a pilot scheme to promote the preloved furniture sales on social media proved to be very popular. The pilot launched in June 2014 and furniture sales more than doubled in the following month, rising from 96 items sold in June to 237 items in July. The social media pilot displayed photos of the best items available in Oldham Furniture World to encourage customers to visit the store. The pilot continued for five months and with sales consistently elevated during these months. The number of low income shoppers, those receiving a 10% discount in Oldham Bulky Bob's Furniture World, has risen, demonstrating that we are reaching our target customer base and offering our help to those most in need.

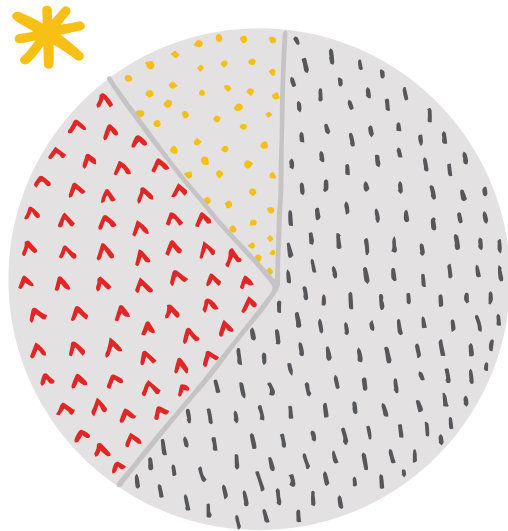
While the number of referral agencies Oldham Bulky Bob's Furniture World works with has fallen slightly, from 26 agencies, to 22 agencies, the relationships with those agencies has strengthened which has meant the number of people in crisis referred has risen from 74 to 122.

## The difference we make to our customers' lives

Every year we carry out a survey with our customers as part of our stakeholder engagement activity to ensure that we are delivering a service which meets expectations and needs. This year we carried out surveys with a sample of customers in our Bulky Bob's Furniture World Liverpool store and also with the staff and volunteers at some of the many agencies who refer people to us for crisis furniture donation packages in Liverpool and Oldham.

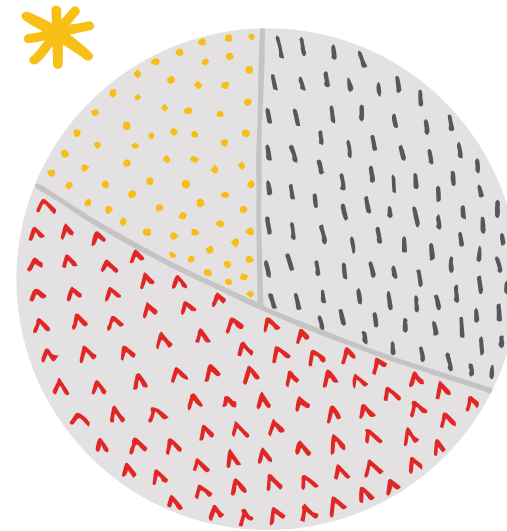
The survey questioned 53 Liverpool customers in store with 77% reporting that they received 'Excellent' service from our staff and the remaining 23% said the service was 'Good'. Customers also reported that Bulky Bob's Furniture World stocks a good variety of items with 'Good' prices.

What do you think of the price of our goods?



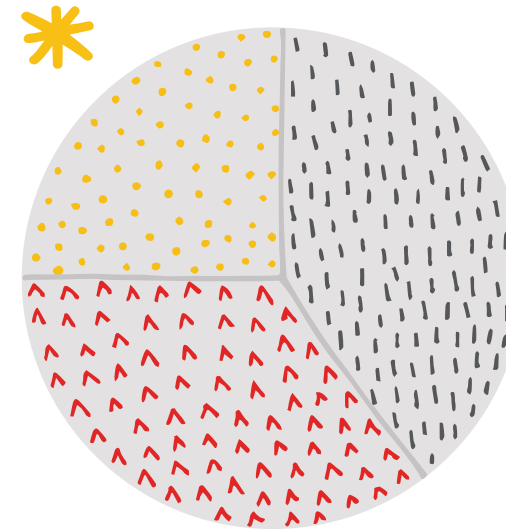
- Excellent Value
- Affordable
- Ok

What do you think about the range of items available?



- Everything I might need was available
- Affordable
- Ok

What do you think of the furniture your clients receive?



- Excellent
- Good
- Ok

We received 20 responses to our survey from the staff at the organisations that refer people to us for crisis furniture packages. Many of these support workers make multiple referrals for support for both individuals and families in times of crisis need. It is very difficult to get formal feedback from the recipients of the crisis

packages themselves because our interaction with them is a very short term involvement at time of great difficulty for them. However our referral contacts are well placed to share with us their perspective on how our involvement helped their clients and the effectiveness and quality of our service.

The survey responses from our referral agencies also provide us with a useful insight into the circumstances of the people who receive crisis support from us and the difference it can make to their lives.





"... we have ladies with children who are fleeing domestic violence move into properties with absolutely nothing. If it wasn't for Bulky Bob's these families would be sleeping on floors. I really don't know what we'd do without this service." VS-N

"... the referral process is fast and reliable so saves time; this enables workers to continue supporting other customers. Bulky Bob's provides a service that no others provide in Oldham. Bulky Bob's goes that extra mile for my customers and I always get excellent feedback after my customers have dealt with Bulky Bob's." AP

"The standard of the furniture our customers have received has been generally ok. The provision is vital for our customers who are in crisis when we apply and if that provision was not available they would suffer considerable hardship." KM

"The furniture tends to vary and sometimes looks poor. I know it depends on what you get from clients but I think in the warehouse it could be made to look a bit better. I have visited the warehouse with a client and I could feel the disappointment that they felt. Also there has been a great lack of wardrobes being offered to people in crisis." LB

"Obviously the furniture is second hand and the condition of the furniture can vary but is usually of a reasonable standard." YB

"Some of my customers do not have access to furniture due to circumstances and if it wasn't for Bulky Bob's they would not be able to resettle back into the community. Bulky Bob's provide a much needed service for the most vulnerable in our society. Bulky Bob's provided a sofa for a single mum and her son who previously had been sitting on garden chairs." AP

"Most of my customers live below the poverty line and barely have money for food, Bulky Bob's provide good quality goods that enable my customer's to rebuild their lives." AP

"I know I can always count on Bulky Bob's where all else had failed." VS-N

Our ability to make quality furniture items available for people to buy or receive for free significantly depends on the quality of the items that we collect from households and the mix of different item types that are available to us. To ensure that we are doing everything we can to collect furniture in the best possible condition, we surveyed 100 households in Liverpool who all had a collection made by Bulky Bob's, to give us a sample of customer experiences. Of those surveyed, 88% ranked our reuse and recycling activities as very important, 94% knew that Bulky Bob's tries to reuse and recycle as much as possible, while 97% said they had been reminded to keep items dry and covered when they called Liverpool City Council to arrange their collection. The message about reuse and recycling is well understood by our customers and that is vital to ensure that the majority of the items which come to us are in as good a condition as possible.

Community events continue to be an important part of Bulky Bob's activities, taking our furniture, and messages about the importance of reuse and recycling, out into communities. The number of community events has increased this year with a mixture of events organised and delivered by us, and those we have attended organised by others. We attended 12 events in Liverpool, which including partnering with Liverpool City Council and the Beautiful North on a Bulky Bob's Free for All event in North Liverpool where we give furniture away for free at an event which includes

a range of health, welfare and housing support agencies on hand to provide advice and support. We held a Bulky Bob's Free for All for the south of the city at the Bridge Chapel Centre in Garston. We also attended community events with Loving Lodge Lane, and the Granby Toxteth Development Trust, receiving great feedback from event partners.

Granby Toxteth Development Trust:  
**"[Having Bulky Bob's attending our event] was certainly a pull to get members of the community there... [Bulky Bob's] reputation and the standard of furniture is always good"**

Bulky Bob's continually looks for innovative and creative ways to obtain unwanted furniture and to redistribute it to those who have a need for it. In Liverpool Bulky Bob's has worked with Liverpool City Council's Premises Management Unit to collect unwanted office furniture and we have redistributed the items we collected to 19 community groups in the city. Although items such as bikes, garden furniture and mobility / disability equipment make up only a small proportion of the 'waste' we collect, we do everything we can to pass reusable goods onto community organisations, charities and social enterprises who can make good use of them.

In Oldham Bulky Bob's has developed new income streams delivering and repairing domestic household bins for Oldham Council

and receiving the waste from Guinness Partnership void clearances. The income from this work enables us to give away more furniture for free to those who need it.

Looking to the future, FRC Group continues to develop new activities and businesses to get furniture to those who need it. The most significant of which is the creation of Our House. Much of the development work behind Our House took place during 2013/14 ahead of the Oldham store's launch in Quarter 1 of 2015/16.

As part of the ongoing assessment of our customer base, we recognised that some people on low incomes do not want preloved furniture items and although they want new items, they are financially excluded and cannot access mainstream credit. Therefore they can find themselves in unmanageable debt by either borrowing money from doorstep lenders, or shopping in weekly payment stores which are aimed at maximising their profits with high interest rates and a wide range of additional charges. We developed Our House to offer branded new household goods and appliances.

Our House is a rent to buy store offering weekly and monthly payments. When it opens to customers in Quarter 1 of 2015/16, Our House will offer those on low incomes the chance to buy new household goods and appliances at fair weekly or monthly prices with reasonable credit terms and no

unnecessary additional costs or services. It will enable us to reach out to many more low income shoppers in need of furniture and we are working in partnership with another social enterprise, Five Lamps, who are providing the credit for our customers. We have developed a social value reporting system that encompasses the entire Our House operation, including both Our House and Five Lamps activities.

*Update: Due to disappointing trading results since trading commenced, the Trustees of*

*Homemaker Solutions took the decision to put the company into Administration from 30 October 2015. The company ceased trading on that date.*

FRC Group will continue to develop innovative ways to get furniture to those who need it.

### **New Campaigns**

We also believed that we could achieve more with our campaigning activity so we have

launched **EndFurniturePoverty.Org**, which will raise the profiles of the issues of Furniture Poverty, and will deliver targeted campaigns to promote the uptake of solutions to furniture poverty in different sectors. End Furniture Poverty will research and raise awareness of the issue of Furniture Poverty and will run specific campaigns to promote solutions and stimulate action in different types of housing tenure.

**EndFurniturePoverty.Org** is also being formally launched in Quarter 1 of 2015/16.

## Comparison to Targeted priorities for 2014/15



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



500 people and families in crisis to receive donated furniture packages



3,000 customer sales in Bulky Bob's Furniture World



Launch new high street retail social business creating social value for low income customers training and jobs for more long-term unemployed people.



Measure Bulky Bob's Furniture World social impacts against the newly developed social metrics

## Priorities for 2015/16



90% of Bulky Bob's Furniture World customers to receive some form of in store discount

500 people and families in crisis to receive donated furniture packages

3,000 customer sales in Bulky Bob's Furniture World

Launch Our House to provide customers with a cheaper alternative to the existing 'rent to own' market

Launch End Furniture Poverty .Org to campaign to raise the awareness of Furniture Poverty and campaign to promote solutions to Furniture Poverty

Launch the Furnishing Homes, Furnishing Lives campaign to promote furnished tenancies in social housing

# Creating Social Value: Great for Unemployed People

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FRC Group creates opportunities for long-term unemployed people to improve their skills, qualifications and experience in order to help them gain sustainable employment or improve their personal and work skills. Driving Change is our flagship training programme which provides

people with a 12-month salaried training programme for a future career in the logistics industry. Launch Pad is our flexible volunteering programme which enables people to work towards their own goals which are broadly either working towards readiness for employment, developing personal skills

or giving to charity by volunteering time and skills. This year we introduced a new element to our offer to unemployed people – Elev8 – an opportunity for a small number of our Launch Pad participants to gain a Fork Lift Truck licence and to build up on the job experience over an eight week programme.





## Funding

As we have reported for a number of years, the small amounts of funding available for working with unemployed people to help them move into employment, is devised around government policy of short term, light touch interventions. This is fundamentally at odds with FRC Group's belief that to create meaningful change it is essential to work with people intensively and over a sustained period. This concept is at the heart of our full-time 12-month Driving Change programme.

A consequence of this approach is that there is very little funding available to help FRC group deliver its training programmes and we fund the training we provide through the surpluses from our commercial activities.

This year we received £10,500 from a Department for Work and Pensions "Wage Incentive" programme which gave small payments to employers giving young people employment for more than 26 weeks. A small number of our driving change participants were eligible for this funding.

We also received a small amount of funding from Learn Direct, linked to the Mandatory Work Activity placements that we hosted through Launch Pad. This was £6,540.



### Driving Change Trainees on Programme



- ➔ Increased disposable income
- ➔ Value of personal sense of agency

### Ex-trainees who left during past 12-months & Ex-trainees who left between 12 and 24 months ago



- ➔ Increased disposable income (for those in employment)
- ➔ Value of personal sense of agency
- ➔ Value of increased confidence to find work (for those not yet in work)

### Societal Value



- ➔ Income tax received
- ➔ National insurance contributions received
- ➔ Benefit payments saved (JSA, Housing Benefit, Council Tax Benefit)

## Driving Change 2014/15

Driving Change is our 12-month paid training programme which offers previously long-term unemployed people a fixed term employment contract, and the opportunity to obtain a range of qualifications to prepare them for work in the logistics industry.

The Driving Changers work towards a number of transferable and industry specific qualifications, including a Car Licence and the Large Goods Vehicle Class II licence. During the 12-months of the Driving Change programme, trainees build up a record of work experience that they can demonstrate to future employers and crucially they build their confidence in the workplace.

Since the creation of Driving Change, the detail of the programme can vary each year so the most useful comparable information is how those who have completed the scheme

have performed in the employment market compared to people of a similar age and unemployment period. We survey our former trainees for 18 months after they complete the scheme. Due to the trainees from 2013/14 taking part in an extended scheme because of the maternity leave of key members of the People and Learning team, the figures from last year and this year are not comparable. Last year although all the trainees remained with the scheme which was a good achievement, the number who secured employment after leaving the programme will be included in this year's figures.



## Driving Change Statistics

The Driving Change social value budget for 2013/14 includes values for changes experienced by the trainees themselves, the value that is attributable to other support networks where these exist, the value at a societal level arising from the transition into employment and the increased taxes / reduced benefit payments that come from this.

The material values created for those who find work at the end of Driving Change are:

- Increased disposable income when Driving Changers go into employment
- Increased tax and National Insurance revenues and reduced benefit payments
- The value to the trainee of the sense of agency derived from being in employment

Our model has the complexity to record value that is created for people who do not achieve employment but do experience changes as a result of their time on Driving Change. The model considers positive changes experience such as confidence to find work and also considers unintended consequences that result in negative changes. An example is for people who struggle to find work after having their aspirations raised. In 2015/16 we are developing the model to account for the negative experience of reduced confidence as a result of failing to find work.

We use one set of assumptions about the levels of benefits received before joining the training programme and about the earning potential of the jobs trainees go into at the end of the programme. We do use personalised calculations to reflect that at the point of recruitment onto the programme some trainees are more 'employment ready' than others. Our model attributes a higher level of value when someone who had a low chance of finding employment before they came on Driving Change, then goes into employment at the end of the programme. In 2014/15 the range of social value created for people who gained the Large Goods Vehicle Class II Licence and then went into employment ranged between c.£4,000 and c.£15,000 depending on whether they had a low or medium chance of finding work before coming onto the programme and depending on whether they had a high or low level of support outside of FRC Group. Our model recognises the scale of these different achievements by calculating a social value. This work will greatly enhance our current external reporting which relies heavily on outputs and would record people at these two different points on the spectrum as two people going into work. In future years we will be using more social value data in our public reporting.



People who took part in Driving Change



25

15



13/14

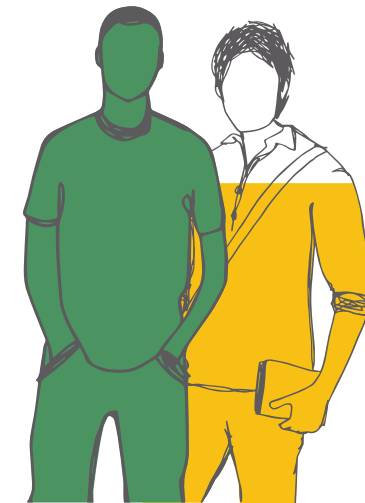
14/15



% of participants completed the programme



100% 80%

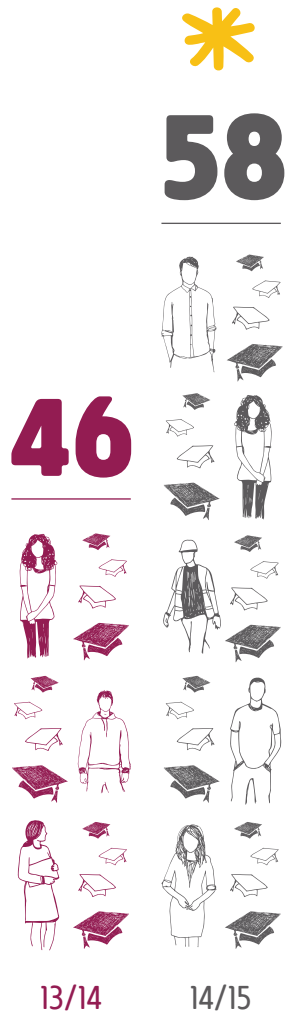


13/14

14/15



Qualifications gained in total



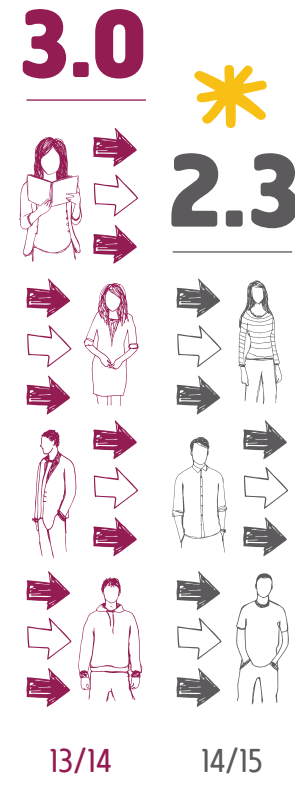
Training positions available



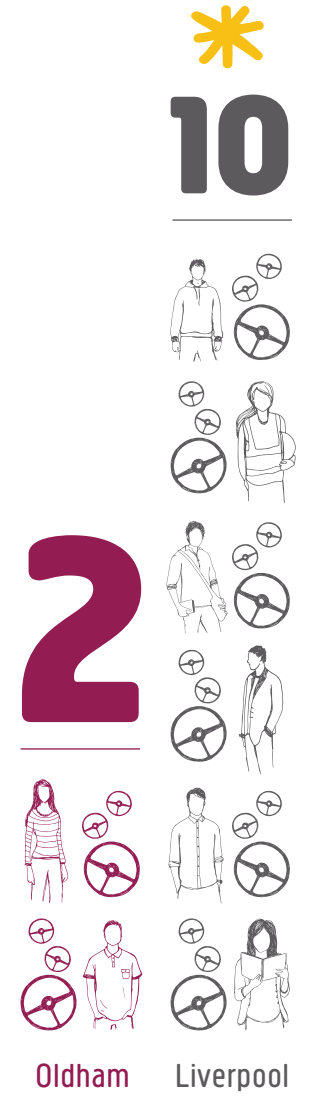
% of completers who went into jobs



Average number of qualifications per trainee



Driving Changers were recruited



## In Their Own Words


The figures only tell one side of the story though. Here is the story of two of our Driving Change trainees with us during 2014/15.

### Richard's Story

 Richard was also a Launch Pad volunteer before being invited to apply to Driving change in May 2013. He was successful; becoming the youngest in the group aged 19. Richard went on to pass his car practical test first time, along with a number of other qualifications, and his fork lift truck licences which he used to obtain as much work experience as he could in the Bulky Bob's warehouse. When Richard completed the scheme in May 2015, he successfully got a job with Omega Resources working as a fork lift driver within International Automotive Components.



### Duncan's Story

 Before becoming a Driving Changer in July 2014 Duncan was a volunteer on Launch Pad Will was invited to apply for Driving Change because he had shown a brilliant work ethic and eagerness to learn during his Launch Pad placement, despite having very limited work experience. Duncan exceeded all of our expectations by attaining all of the qualifications available to him before December 2014, a truly outstanding achievement. This included his FLT Counterbalance, an NVQ in warehousing and storage, first aid, his car theory and practical test, manual handling, and World Host training and customer service. Duncan finishes his year as a trainee in July 2015 and is working closely with the People and Learning team to find permanent employment.

As well as actively seeking the views of people who are on Driving Change, we try to keep in touch with people for two years after they leave to find out how they are getting on and to get their perspective about how Driving Change has impacted on their lives. This year seven took part in our survey of the 18 who had left in the previous two years.

All of the ex-Driving Changers were using one or more of the Fork Lift Truck licence, Car Driving licence or Large Goods Vehicle Driving licence qualifications they gained.

Six of the seven commented that the team of people and meeting new people were the best thing about being a trainee at FRC Group.

Six of the seven felt that the qualifications they gained either had helped them find work already or would help them to find work in the future.

Two ex-Driving Changers commented that despite gaining the Fork Lift Truck qualification that they felt they needed more experience of using the Fork Lift Truck during their training period.

We continue to try different methods to keep in touch with our past trainees, using traditional post and telephone contact as well as social media. In 2015/16 we will be trying to incentivise participation in follow up work to a higher level than we have previously to see if this results in a greater level of engagement.



**1** Flexible work placements across FRC Group

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

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

**4** Structured placement opportunities to gain experience in warehousing, recycling, retail and administration FRC Group identifies tasks for Launch Pad opportunities using criteria that we believe provide participants with useful skills and experience. We do not use unpaid labour to carry out core tasks that are essential to the running of our organisation

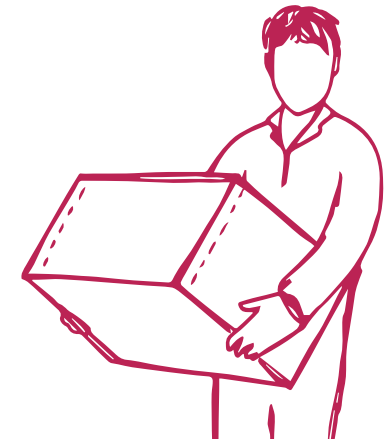
## Launch Pad

Launch Pad is a flexible programme which offers people from a range of backgrounds the opportunity to gain skills and experience in a real work environment.

The Launch Pad programme developed out of informal work placement opportunities that FRC Group has offered since 2006, and throughout the year opportunities were available across all areas of the FRC Group.

Because Launch Padders are at FRC Group for varying amounts of time depending on their needs, we ensure that the work they carry out is not vital to the success of our business, while also making sure it provides meaningful work experience.

During 2014/15 157 people took part in Launch Pad and between them obtained 3,016 work experience days.



# Launch Pad Statistics

FRC Group continually assesses our progress and achievements in all areas of activity. This helps us to identify our strengths so we can build on these to achieve greater results, but also to identify areas where we believe we have lessons to be learnt and changes need to be made. In 2014/15, we reassessed some of our Launch Pad activities. We had been taking part in a mandatory work placement programme with the Job Centre because we knew that placements were being offered in commercial businesses across the country who we suspected could view them as a form of 'free labour'. We have a longstanding commitment to training and development, and as nationally recognised 'Great Place to Work', we believed we could offer a placement that would be supportive, meaningful and a rounded opportunity. However we took the decision in October 2014 to formally withdraw from these schemes because of the mandatory nature of the scheme. We decided that whatever benefits we felt we could offer participants were outweighed by the compulsory element of the scheme. By November 2014 all of these placements had completed their programmes with us and all connections with mandatory work programmes were severed. Now all of our Launch Pad participants are truly voluntary and we are committed to this approach in the future.

As part of our reassessment of the training and voluntary schemes we offer, a new training scheme was launched in 2014/15 – Elev8. This is an 8 week voluntary placement programme for people to obtain their Fork Lift Truck licence and obtain valuable work experience, fully funded by FRC Group. Elev8ers volunteer for 8 weeks in our Furniture Resource Centre Warehouse, offering a more traditional warehouse experience. Their first week is spent receiving off-site training to help them achieve their Fork Lift Truck licence, and then they work in Furniture Resource Centre's warehouse for seven weeks and practice their new skills. This additional experience helps people to strengthen their position in the job market. Last year six people successfully completed the Elev8 programme, all obtaining their FLT licence. 100% of our Elev8 completers went into employment at the end of the programme.



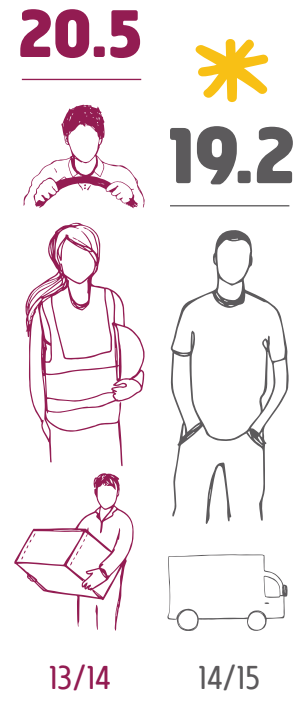
**100%** of our Elev8 completers went into employment at the end of the programme.



People participating throughout the year



Average number of days worked





Total hours of work experience gained

**25,508**



**19,604**



13/14

14/15



Launch Padders achieving their personal goal

**94%**



**91%**



13/14

14/15



Launch Padders who said they were working towards employment

**61%**



**77%**



13/14

14/15

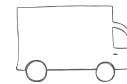
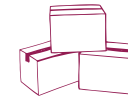


Areas of FRC Group offering placements

**8**



**9**




13/14


14/15



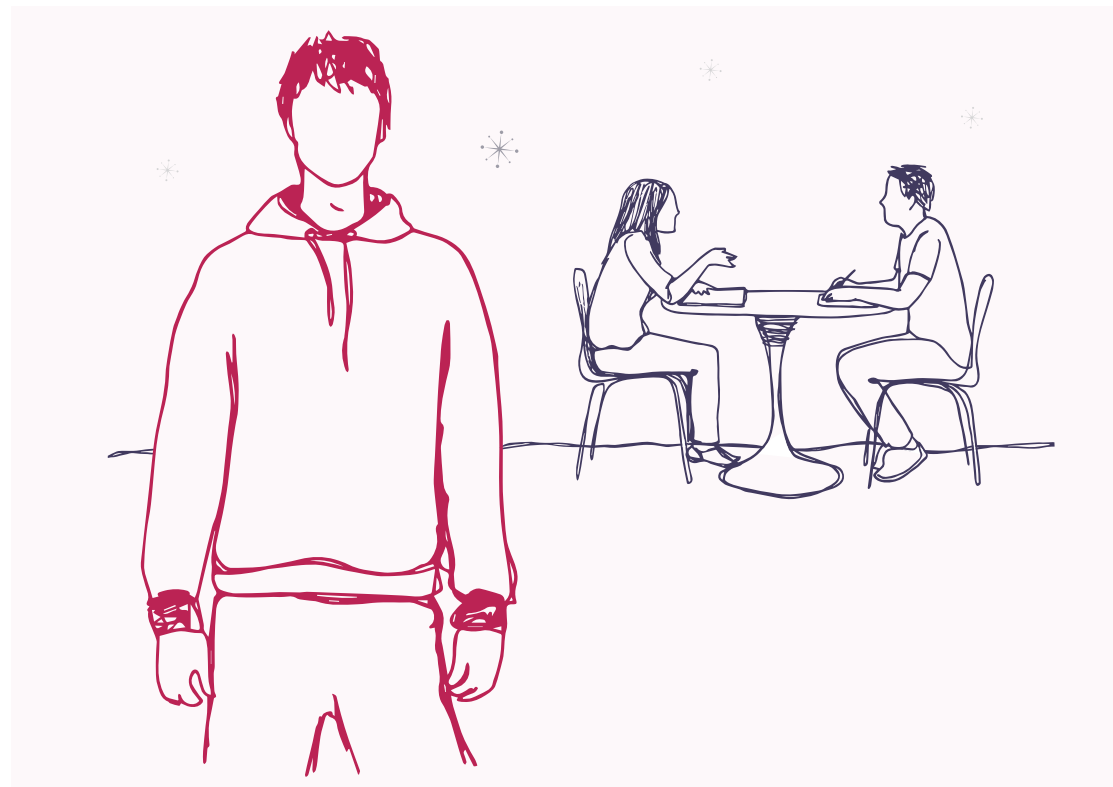
## Jacob's Story

 Jacob 26 was a Launch Padder from January to August 2014. Jacob was unemployed after serving a prison sentence and was referred to us by Learn Direct to take part in a four week placement, after which he chose to stay on as a volunteer to gain experience and build his credibility for a reference from FRC Group. Jacob impressed us with his work ethic and team work. Jacob then became our very first Elev8 participant, piloting the new programme. He gained traditional warehouse skills as part of Elev8, including learning how to undertake picking, loading, and unloading, how to manage despatch, goods inwards, using a pump truck, and working to policies and procedures with the completion of all the appropriate paperwork. With the support of the People & Learning Team, Jacob successfully applied for a position as a Fork Lift Truck Reach driver at B&M, a job he began in August 2014. In addition to supporting Jacob through Launch Pad and Elev8, we also provided a donation of pre-loved furniture items through Bulky Bob's to help Jacob set up his new home.

## Sam's Story

 Sam was referred to us by Learn Direct in 2014, aged 24. During a review of his progress with the People and Learning team, Sam revealed that he really wanted a role where he could support individuals or families with additional needs and he had in fact already completed a course to improve his chances in this field. At FRC Group we also have a number of volunteers who have additional needs themselves so we have good relationships with organisations who

employ people in this field so we were able to help Sam to get in touch with one of them. We helped Sam to complete an application for a support worker position and when he completed his placement with us in August 2014, he was able to start a new position as a job coach/support work with CIC shortly afterwards. We are pleased to still see Sam on a regular basis, visiting us as a support worker with some of our long term volunteers.



Most of the Launch Pad participants are referred to FRC Group by an organisation they are working with either to help them find employment or to give them support. The workers who encourage people to come to Launch Pad were surveyed to find out what they thought of the Launch Pad programme. In November 2014 we sent surveys to 22 people who have referred people to take part in Launch Pad, 8 responded.

The feedback they gave was overwhelmingly positive.

“They gain up to date knowledge of warehouse and they gain their work ethics back, they are made to feel part of a working team” - DR, Learn Direct

We wanted to know what is different about Launch Pad to other work experience placements that are available:

“Mentoring & support always available and regular feedback” - DB, Jobcentre Plus

“While others do provide similar experiences training the big differences is the quality of the provision from FRC – the environment is well organised which mean expectations for individuals are clear as to the role to be completed. This is especially valuable for some of our clients from more chaotic backgrounds” - RS, Northwest Community Service

“I am really happy to refer our young people to the group as they learn so much and always have a positive word to say about their work placement” SP, The Prince’s Trust.

North West Community Services Ltd was established in 1986 as a private limited company to provide support, welfare, education and skills to learning disabled or disadvantaged people within the North West region. NWCS focus on offering high-quality services to meet the needs of local people as effectively and efficiently as possible.



## Employer Engagement

The People and Learning team also support the Driving Changers and Launch Padders by developing and maintaining relationships with key employers to identify job opportunities, and to help the trainees and volunteers to complete CVs, job applications and to prepare for interviews. We are committed to this way of working, demonstrated in our investment in a new apprentice role in Business Administration to work as an Administrator. This additional resource has freed up time for other members of the People and Learning team so they can make more links with local employers to find vacancies for our trainees. During 2014/15 we have engaged with 13 employers and this remains a top priority for 2015/16.



We are immensely proud of the achievements that have been made by our Driving Changers and Launch Padders this year. Their tenacity and hardwork has helped the overwhelming majority of participants to improve their future employability.

Our research tells us however, that the employment market has changed significantly in recent years and that more of the employment opportunities open to our Driving Changers and Launch Padders are precarious flexible employment and that employment itself is no longer such a clear indicator of future success, for our trainees in particular. In 2015/16 FRC Group will be reviewing the Driving Change and Launch Pad programmes to identify the opportunities for participants to move into employment that is much more likely to offer permanent contracts, higher wages and greater protection from future economic downturns.

In addition to redeveloping Driving change and Launch Pad to ensure they are giving participants the very best start, we will be reviving our Retail Roots programme. We have run Retail Roots training programmes in previous years in Bulky Bob's Furniture World and the creation of Our House allows us to expand and develop this scheme with an apprentice in each Our House store. They will follow a structured training scheme in partnership with a local college.

## Comparison to Targeted priorities for 2014/15



11 Driving Change places available during the year



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



200 Launch Pad participants throughout the year



75% of Launch Padders will achieve their personal outcomes



3 placements to complete the additional Fork Lift Truck experience



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



Measure the performance of Driving Change and Launch Pad programmes against the newly developed social metrics

## Priorities for 2015/16



Review and develop the Driving Change and Launch Pad programmes

13

Driving Change places available during the year

80%

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

108

Launch Padders throughout the year

85%

of Launch Padders will achieve their personal outcomes

6

people will complete Elev8 Fork Lift Truck training

30

employers engagement with to recruit Driving Change and Launch Pad participants

# Stakeholder Engagement Data

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Stakeholder Group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2014/15	Number engaged with in 2014/15 (or information about next scheduled engagement)	Method of engagement
<b>Driving Changers</b> – 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	Yes – Trainees spend 40 hours a week on the Driving Change programme	Yes	25	25	Regular one to one reviews carried out.
<b>Ex-Driving Changers</b> – 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	Yes – although significance may reduce in line with the length of time since they left	Yes	18	7 of 18 took part in our telephone survey	
<b>Launch Padders</b> – unemployed people with little or no work experience and people with physical or learning disabilities who are seeking personal development opportunities.	Take part in “Launch Pad” a flexible volunteering programme which provides basic skills and experience of the world of work. Launch Pad also offers meaningful activity in a mainstream diverse environment to people with physical or learning disabilities.	Content and performance of Launch Pad programme. Support to meet personal objectives. Support to find opportunities after Launch Pad – employment, training or other.	Yes – Launch Padders choose to come on the programme to improve their personal or work skills	Yes –significant to all as they give on average 19 days to the programme but some variation in the group – more significant to those who spend more time on the programme	Yes	157	157	Individuals have a minimum of a start and exit review, and may have reviews around every 4 weeks in between depending on how long they are on programme.
<b>Agencies referring people to Launch Pad</b>	Organisations supporting unemployed people which refer people onto the Launch Pad programme	Content and performance of Launch Pad programme. Support to meet personal objectives. Support to find opportunities after Launch Pad – employment, training or other.	Yes - Agencies are working to find the people they work with suitable experience to improve their personal or work skills	Yes – but this can vary depending on the size of the referring organisation and how large a proportion of their placements are hosted by FRC Group	Yes	22 organisations	8 of the 22 organisations took part in our survey	Survey carried out in November 2014



Stakeholder Group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2014/15	Number engaged with in 2014/15 (or information about next scheduled engagement)	Method of engagement
<b>Bulky Bob's Furniture World customers receiving discounts</b> – 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	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	3845	53 customers across all groups took part in our survey	Survey carried out in November 2014
<b>People in crisis receiving essential furniture items</b>	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	Yes – items donated are essential items that make a big difference to people's home – bed, sofa etc.	Yes	844	None – we did not formally engage with this group this year. We surveyed the referral makers to get their views as a proxy.	
<b>Staff from support agencies referring people for crisis support</b>	Social support agencies such as homelessness organisations, domestic violence charities and Citizen's Advice Bureaux make referrals for donations of pre-loved furniture packages.	Ease of referral process. Quality of crisis packages.	Yes – these support agencies are working with people to address a range of issues – their feedback tells us that solving material problems is essential before bigger issues can be tackled	Yes – varies by nature of referral agency but for many agencies they refer a large proportion of their clients to us	Yes	59 referral agencies in 2014/15	20 individual workers responded to the survey (our of 72 surveys issued to workers from the 59 referral agencies)	Survey taking place in January 2015

Stakeholder Group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2014/15	Number engaged with in 2014/15 (or information about next scheduled engagement)	Method of engagement
<b>People living locally to where FRC Group operations are working</b> – 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 nonexistent. Vehicle fleet is very small in comparison to quantity of other road users.	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.	No	Unknown	None  No engagement planned at this time due to the nature of the location of our sites. This stakeholder is included as it is a cultural norm for a responsible business to consider local environmental impacts.	None
<b>The global community and future generations</b> – 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.	No – FRC Group's contribution to emissions is of miniscule size.	Yes	Unknown	None  No engagement planned at this time due to the nature of this stakeholder group. This stakeholder is included as it is a cultural norm for a responsible business to consider global environmental impacts.	None

Stakeholder Group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2014/15	Number engaged with in 2014/15 (or information about next scheduled engagement)	Method of engagement
<b>Staff</b> – 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.	Yes – staff give a significant proportion of their time and energies to their work. Work is a big part of everyone's lives.	Yes	Average number of employees 68.	41 of the 45 staff members surveyed.	Survey
<b>Furniture Resource Centre customers</b> – 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, 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.	Yes – this varies by customer depending on the scale of their purchasing from FRC Group and the importance within then housing association of the project that is being furnished.	Yes	Undisclosed due to commercial sensitivity.	None  Next engagement is scheduled for 2015/16.	
<b>Tenants</b> who receive and use the furniture supplied by Furniture Resource Centre.	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.	Yes – essential furniture items are supplied which are central to having a home not just a house.	Yes	Unknown	None – attempts to engage with tenants via the social landlord were unsuccessful. A different approach will be tried during 2015/16.	

Stakeholder Group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2014/15	Number engaged with in 2014/15 (or information about next scheduled engagement)	Method of engagement
<b>Bulky Bob's customers</b> – 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.	Yes – the bulky waste service is significant to the local authority and especially to the members and officers connected with the waste department.	Yes	4	4  Engagement is ongoing through regular contract review meetings.	One to one contract meetings.
<b>Householders</b> who receive the collection service from Bulky Bob's.	Bulky Bob's provides a service to householders.	Quality of customer service at point of collection.	Yes – as the users of the service, the quality of service provided is relevant.	No – a collection from the Bulky Bob's service is very small part of a householder overall interests.	Yes	52,000	100 Bulky Bob's Liverpool service users.	Telephone survey.
<b>Bulky Bob's Furniture World Liverpool customers</b> – 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.	Yes – significance may vary depending on the amount of items bought and the type of items. Significance is high when customers are buying many or essential items.	Yes	3142	53 customers took part in an instore survey.	Survey
<b>Our suppliers</b> – 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.	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.	Unknown – next engagement scheduled for 2015/16.	c.260	None  Next engagement is scheduled for 2015/16.	

Stakeholder Group	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2014/15	Number engaged with in 2014/15 (or information about next scheduled engagement)	Method of engagement
<b>Furniture reuse charities</b> 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.	Unknown – the scale of contribution made by furniture from FRC Group is unknown. This will be identified from next scheduled engagement.	Unknown – next engagement scheduled for 2016/17.	Unknown	None Next engagement is scheduled for 2016/17.	

# Independent Assurance Report to the Board of Directors of Furniture Resource Centre Limited

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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 6 to 65(“the Report”) for the year ended 31 March 2015.

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

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

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

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

B) Key Performance data presented in the Creating Social Value: Our Achievements and Performance Section of the Directors Report as indicated by; \*  
“Selected Information”

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

## Responsibilities

The directors of FRC Group are responsible for:

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

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

This report, including our conclusions has been prepared solely for the Directors of Furniture Resource Centre Limited as a body in accordance with the agreement between us, to assist the Directors in the reporting Furniture Resource Centre's social impact.

We permit this report to be disclosed Creating Social Value: Our Achievements and Performance Section of the Directors Report of the Annual Report and Accounts for the year ended 31 March 2015 and the "proving it" section of the website [http://www.frcgroup.co.uk/proving\\_it.php](http://www.frcgroup.co.uk/proving_it.php) to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and the Furniture Resource Centre 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 18 of the report.

BDO LLP  
Chartered Accountants  
Manchester  
United Kingdom

Date

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

# Financial Review

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## Financial Review

The Directors report that group surplus before corporation tax was £621,419 this year, with total incoming resources increasing to £7,084,207 (2014/15: £5,353,301).

### Principal Funding sources

The principal source of funding for the charity is the revenue generated from the sales of high quality furniture, fittings and accessories to social landlords and Local Authorities. In addition to this, revenue is generated through sales of 'pre-loved' furniture from our retail outlet and also through grant income, generated to support our Intermediate Labour Market (ILM) training programmes.

### Investment powers and policy

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

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

### Reserves policy

The Trustees have considered the level of free reserves (those funds not tied up in fixed assets and restricted funds) required by the group to be at least six months' operational expenditure, which amounts to at least £2,098,924. 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 2015, reserves of £1,226,421 were held, which is £872,503 short of the required total of £2,098,924.

## **Financial Review** continued

### **Grants and Donations**

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

During 2014/15 grants were received from:

ICRF

Trident Housing Association

Calico Housing Association

Oldham Borough Council

Walsall Housing Group

Esmee Fairbairn

J P Getty

MWRA

Local Sustainable Transport Fund

We would like to thank all organisations and individuals for their generous support during 2014/15.



### **Plans for future periods**

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

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

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

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

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

We will continue to investigate ways of providing furniture in an affordable manner to people on relatively low incomes.

## Structure, Governance and Management

### Governing Document

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

### Trustees

The Directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as Directors. The Directors serving throughout the year are set out on page 4.

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

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

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

the business plan and the recent financial performance of the charity.

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

### Risk Management

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

#### Key risks identified

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

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

### **Organisational Structure**

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

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

### **Related Parties**

Bulky Bob's Limited is a wholly owned subsidiary of Furniture Resource Centre Limited. It provides services, mainly to Local Authorities, for the collection of bulky household waste.

Bulky Bob's actively promotes the work of the charity providing training opportunities for people from long term unemployment and other socially excluded groups whilst protecting the environment through the reuse and recycling of collected items.

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

Homemaker Solutions Limited is company limited by guarantee and a registered charity with Furniture Resource Centre Limited as its sole member. This company provides access to new furniture at an affordable rate to economically disadvantaged people throughout the UK through a chain of retail stores trading as 'Our House'. Unfortunately, due to difficult trading conditions, the Trustees took the decision to put the company into administration with the effect from 30 October 2015. The company ceased trading on that date.

The trading companies gift aid the majority of their profits to the charity.

## Directors' Responsibilities

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

Company law and Charity 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 and charity 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 and charity 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 and Charities Act 2011. 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.

In preparing the 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 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

Secretary  
A Rowan

Date:

We have audited the financial statements of Furniture Resource Centre Limited for the year ended 31 March 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's directors and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's directors and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's directors and members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

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

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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

BDO LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

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

**Hamid Ghafoor**, Senior Statutory Auditor

for and on behalf of BDO LLP,  
Statutory Auditor  
Manchester  
United Kingdom  
Date:



FURNITURE RESOURCE CENTRE LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL  
ACTIVITIES (Including Income and  
Expenditure Account) FOR THE YEAR  
ENDED 31 MARCH 2015

	Note	Unrestricted Funds (£)	Restricted Funds (£)	Total Funds 31 March 2015 (£)	Total Funds 31 March 2014 (£)
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<i>Voluntary income:</i>					
Grants and donations	4	1,000	98,786	99,786	167,557
<i>Activities for generating funds:</i>					
Commercial trading operations		985,462	-	985,462	1,121,781
<i>Investment income:</i>					
Bank interest		78	-	78	1
<i>Other income:</i>					
Other Income		43,191	-	43,191	46,644
		1,029,731	98,786	1,128,517	1,335,983
<b>Incoming resources from charitable activities:</b>					
One Stop Service Packages / LWP Sales		5,782,518	-	5,782,518	3,860,120
Charity Sales		125,017	25,000	150,017	141,480
People Development		-	23,155	23,155	15,718
		5,907,535	48,155	5,955,690	4,017,318
<b>Total incoming resources</b>		6,937,266	146,941	7,084,207	5,353,301

FURNITURE RESOURCE CENTRE LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL  
ACTIVITIES (Including Income and  
Expenditure Account) FOR THE YEAR  
ENDED 31 Month 2015

	Note	Unrestricted Funds (£)	Restricted Funds (£)	Total Funds 31 March 2015 (£)	Total Funds 31 March 2014 (£)
<b>Resources expended</b>					
<b>Costs of generating funds:</b>					
Commercial trading operations		675,506	-	675,506	677,197
<b>Charitable activities:</b>					
One Stop Service Packages / LWP Sales		4,987,724	41,334	5,029,058	3,595,506
Charity Sales		121,358	25,000	146,358	170,402
People Development		331,614	25,508	357,122	312,777
Our House		167,805	66,674	234,479	113,917
	6	5,608,501	158,516	5,767,017	4,192,602
<b>Governance costs</b>	7	20,265	-	20,265	25,851
<b>Total resources expended</b>		6,304,272	158,516	6,462,788	4,895,650
<b>Net resources before transfers</b>		632,994	(11,575)	621,419	457,651
<b>Taxation – UK corporation tax</b>	11	16,428	-	16,428	(26,275)
<b>Net incoming / (outgoing) resources</b>		649,422	(11,575)	637,847	431,376
<b>Balances brought forward at 1 April</b>		685,323	66,507	751,830	320,454
<b>Balances carried forward at 31 March</b>		1,334,745	54,932	1,389,677	751,830

**Continued operations**

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

**Total recognised gains and losses**

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

FURNITURE RESOURCE CENTRE LIMITED  
CONSOLIDATED BALANCE SHEETS AT 31  
MARCH 2015

	Note	Group 2015 (£)	2014 (£)	Charity 2015 (£)	2014 (£)
<b>Fixed assets</b>					
Tangible assets	12	163,002	94,751	101,102	73,416
Investments	3	-	-	2	2
		163,002	94,751	101,104	73,418
<b>Current assets</b>					
Stock	13	172,725	125,677	172,725	125,677
Debtors	14	1,633,180	1,117,707	1,669,618	970,727
Cash at bank and in hand		917,860	430,750	687,927	324,084
		2,723,765	1,674,134	2,530,270	1,420,488
<b>Creditors: amounts falling due within one year</b>	15	(1,357,090)	(1,009,055)	(1,100,006)	(862,197)
<b>Net current assets</b>		1,366,675	665,079	1,430,264	558,291
<b>Creditors: amounts falling due after one year</b>	15	(140,000)	(8,000)	-	-
<b>Net Assets</b>		1,389,677	751,830	1,531,368	631,709
<b>Funds</b>					
Unrestricted		1,334,745	685,323	1,476,436	565,202
Restricted	18	54,932	66,507	54,932	66,507
<b>Total Funds</b>	19	1,389,677	751,830	1,531,368	631,709

The notes on pages 83 to 107 form part of these accounts.

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

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

N Wilson  
Director

## 1. Accounting policies

### **Basis of accounting**

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

### **Basis of consolidation**

These financial statements consolidate the results of the Furniture Resource Centre Limited, its wholly owned trading subsidiaries, Bulky Bob's Limited and FRC Trading Limited and Homemaker Solutions Limited, a charity 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 is not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

### **Going Concern**

The financial position on pages 83 to 107 demonstrates that the group is operating within its available cash funds and has net current assets at the year end. The Trustees believe the charity is well placed to manage its business risk despite the difficult economic climate.

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

### **Incoming resources**

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

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

Investment income is recognised on a receivable basis.

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

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

## 1. Accounting policies continued

### Resources expended

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

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

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

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

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

### Irrecoverable VAT

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

### Operating leases

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

### Tangible fixed assets and depreciation

Tangible fixed assets for use by the group are stated at cost less depreciation subject to impairment review in accordance with FRS 11. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

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

### Stocks

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

**Pension costs**

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

**Funds structure**

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

**Cashflow Statement**

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

## 2. Financial activities of the charity

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

	<b>Unrestricted funds (£)</b>	<b>Restricted funds (£)</b>	<b>Total Funds (£)</b>
Incoming Resources	6,367,195	121,941	6,489,136
Resources Expended	(5,455,960)	(133,517)	(5,589,477)
Net incoming / (outgoing) resources for the year	911,235	(11,576)	899,659

### Legal Status

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



### 3. Subsidiary companies and their activities

The financial activities shown in the consolidated financial statements include the results of the charity's wholly owned trading subsidiaries, Bulky Bob's Limited and FRC Trading Limited along with the results of Homemaker Solutions Limited, a company and charity for which Furniture Resource Centre Limited is the sole member. The information and financial data for each company is included below.

#### **(i) Bulky Bob's Limited**

The charity holds 1 £1 ordinary share in Bulky Bob's Limited, a company registered in England. This holding comprises the whole of the company's share capital. Bulky Bob's Limited operates contracts for various councils within the North West for the collection, reuse and recycling of bulky household waste and for the provision of training.

At 31 March 2015, the capital and reserves of the subsidiary were £30,171. The subsidiary made a loss of £86,184 in the year ended 31 March 2015.

#### **(ii) Homemaker Solutions Limited**

The charity is the sole member of Homemaker Solutions Limited, a company limited by guarantee and registered in England. Homemaker Solutions Limited is also a registered charity. This company operates a chain of retail stores selling new furniture to economically disadvantaged people at an affordable credit rate.

At 31 March 2015, the reserves of Homemaker Solutions Limited were a deficit of £175,099. The charity made a deficit before corporation tax of £175,099 in the 18 month period to 31 March 2015.

Due to disappointing trading results since trading commenced, the Trustees of Homemaker Solutions took the decision to put the company into Administration from 30 October 2015. The company ceased trading on that date.

#### **(iii) FRC Trading Limited**

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

At 31 March 2015, the capital and reserves of the subsidiary were £3,238. The subsidiary made a loss before corporation tax of £529 in the year ended 31 March 2015.

### 3. Subsidiary companies and their activities continued

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

	<b>Bulky Bob's Limited (£)</b>	<b>FRC Trading Limited (£)</b>
Turnover	985,462	-
Cost of sales	(79,051)	-
Gross profit	906,411	-
Distribution costs	(589,528)	-
Administration expenses	(310,495)	(529)
Grants receivable	1,000	-
Operating profit/(loss)	7,388	(529)
Other income receivable	-	-
Gift Aid to Furniture Resource Centre	(110,000)	-
Loss on ordinary activities before taxation	(102,612)	(529)
Taxation – UK corporation tax	16,428	-
Retained loss for the year	(86,184)	(529)

FURNITURE RESOURCE CENTRE LIMITED  
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A summary of the results of Homemaker Solutions Limited for the 18 month period to 31 March 2015 is shown below:

	<b>Unrestricted funds (£)</b>	<b>Restricted funds (£)</b>	<b>Total Funds (£)</b>
Incoming Resources	7	25,000	25,007
Resources Expended	(175,106)	(25,000)	(200,106)
Net outgoing resources for the year	(175,099)	-	(175,099)

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

## 4. Voluntary income

	Unrestricted Funds (£)	Restricted Funds (£)	Total 2015 (£)	Total 2014 (£)
MWDA	1,000	-	1,000	916
ICRF	-	32,112	32,112	77,872
Trident Housing Association	-	12,500	12,500	33,326
Calico Housing Association	-	4,174	4,174	-
Walsall Housing Group	-	25,000	25,000	-
Oldham Borough Council	-	25,000	25,000	-
Liverpool City Council RGF	-	-	-	59,743
Event donation	-	-	-	700
<b>Total Voluntary income</b>	<b>1,000</b>	<b>98,786</b>	<b>99,786</b>	<b>167,557</b>

## 5. Allocation of support costs

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

<b>Support Cost</b>	<b>One Stop Service / LWP (£)</b>	<b>People Development (£)</b>	<b>Charity Sales (£)</b>	<b>Our House (£)</b>	<b>2015 Total (£)</b>	<b>2014 Total (£)</b>
Property cost	76,824	76,824	-	-	153,648	147,598
Staff costs	340,964	1,365	8,846	108,933	460,108	270,728
ICT costs	113,090	453	2,934	-	116,477	87,751
General office	85,801	344	2,225	8,206	96,576	59,133
Depreciation	7,976	32	207	-	8,215	6,644
	624,655	79,018	14,212	117,139	835,024	571,854

## 6. Analysis of charitable expenditure

	One stop service / LWP (£)	People Development (£)	Charity Sales (£)	Our House (£)	2015 Total (£)	2014 Total (£)
<b>Direct costs</b>						
Costs of sales	3,478,354	-	3,095	-	3,481,449	2,361,488
Staff costs	592,220	234,184	60,926	29,765	917,095	844,410
Vehicle costs	159,484	-	9,701	-	169,185	160,001
Trainee costs	-	27,340	-	-	27,340	16,586
Property costs	-	-	50,155	-	50,155	48,564
Office costs	165,122	16,580	8,081	86,125	275,908	180,238
Depreciation	9,223	-	188	1,450	10,861	9,461
Support costs (note 5)	624,655	79,018	14,212	117,139	835,024	571,854
	5,029,058	357,122	146,358	234,479	5,767,017	4,192,602

## 7. Governance costs

	2015 (£)	2014 (£)
Social audit	5,000	9,500
Audit and accountancy	14,000	14,955
Directors insurance	1,265	1,396
	20,265	25,851

## 8. Analysis of staff costs

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

	<b>2015 (£)</b>	<b>2014 (£)</b>
<b>Staff costs</b>		
Wages and salaries	1,589,454	1,299,644
Social security costs	119,857	107,620
Pension costs	42,493	32,578
	1,751,804	1,439,842

No employee had emoluments (excluding pension contributions) of more than £60,000 in the year (2014: Nil).

The average number of employees analysed by function was:

	<b>2015 number</b>	<b>2014 number</b>
One Stop Service packages / LWP Sales	21	22
Training	14	14
Retail	5	6
Bulky Bob's	18	19
Management and administration of the charity	8	9
Our House	2	-
	68	70



## 9. Trustee Remuneration & Related Party Transactions

Travel costs amounting to £201 (2014: £252) were reimbursed to 1 (2014: 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 (2014: Nil).

## 10. Net outgoing resources for the year

	Group		Charity	
	2015 (£)	2014 (£)	2015 (£)	2014 (£)
This is stated after charging/(crediting):				
Auditors' remuneration: Audit services	14,000	11,454	9,000	12,081
Non-audit services	4,268	3,500	25	-
Depreciation	31,687	29,099	17,654	16,117
(Profit)/Loss on disposal of fixed assets	-	180	-	180
<i>Operating lease rentals:</i>				
Plant & Machinery	-	-	-	-
Other	227,379	246,320	158,037	176,978
Rents receivable on property sub-lease	21,000	20,900	21,000	20,900

## 11. Taxation

### Analysis of tax charge

	<b>Bulky Bob's Limited (£)</b>	<b>FRC Trading Limited (£)</b>	<b>Homemaker Solutions Limited (£)</b>	<b>Total 2015 (£)</b>	<b>Total 2014 (£)</b>
<b>(i) Current tax</b>					
UK corporation tax on profits for the year	6,066	-	-	6,066	26,275
Adjustments in respect of previous periods	(22,494)	-	-	(22,494)	-
Total UK corporation tax	(16,428)	-	-	(16,428)	26,275

**(ii) Factors affecting the tax charge for the year**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20% (2014: 20%). The differences are explained below:

	<b>Bulky Bob's Limited £</b>	<b>FRC Trading Limited £</b>	<b>Homemaker Solutions Limited £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
(Loss)/Profit on ordinary activities before	(102,612)	-	-	(102,612)	118,140
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20%	(20,522)	-	-	(20,522)	23,678
Depreciation for the year in (deficit)/excess of capital allowances	1,788	-	-	1,788	2,597
Qualifying charitable donation	22,000	-	-	22,000	-
Expenditure not allowable for tax purposes	2,800	-	-	2,800	-
	6,066	-	-	6,066	26,275

## 12. Tangible fixed assets continued

Group	Improvements to leasehold property (£)	Plant and machinery (£)	Fixtures, fittings and equipment (£)	Computer equipment (£)	Total (£)
<b>Cost or valuation</b>					
At 1 April 2014	794,669	176,659	105,354	144,851	1,221,533
Additions	27,638	2,685	8,776	60,839	99,938
Disposals	-	(25,336)	-	(1,274)	(26,610)
At 31 March 2015	822,307	154,008	114,130	204,416	1,294,861
<b>Accumulated Depreciation</b>					
At 1 April 2014	715,687	164,057	104,072	142,966	1,126,782
Charge for the year	14,935	10,177	2,075	4,500	31,687
Disposals	-	(25,336)	-	(1,274)	(26,610)
At 31 March 2015	730,622	148,898	106,147	146,192	1,131,859
<b>Net book value</b>					
At 31 March 2015	91,685	5,110	7,983	58,224	163,002
At 31 March 2014	78,982	12,602	1,282	1,885	94,751

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

Charity	Improvements to leasehold property (£)	Plant and machinery (£)	Fixtures, fittings and equipment (£)	Computer equipment (£)	Total (£)
<b>Cost or valuation</b>					
At 1 April 2014	758,304	94,530	102,765	142,167	1,097,766
Additions	25,525	2,500	8,776	8,539	45,340
Disposals	-	(25,336)	-	(1,274)	(26,610)
At 31 March 2015	783,829	71,694	111,541	149,432	1,116,496

## 12. Tangible fixed assets

Charity	Improvements to leasehold property (£)	Plant and machinery (£)	Fixtures, fittings and equipment (£)	Computer Equipment (£)	Total (£)
<b>Accumulated Depreciation</b>					
At 1 April 2014	688,890	93,658	101,484	140,318	1,024,350
Charge for the year	11,330	1,222	2,075	3,027	17,654
Disposals	-	(25,336)	-	(1,274)	(26,610)
At 31 March 2015	700,220	69,544	103,559	142,071	1,015,394
<b>Net book value</b>					
At 31 March 2015	83,609	2,150	7,982	7,361	101,102
At 31 March 2014	69,414	872	1,281	1,849	73,416

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

### 13. Stock

	Group		Charity	
	2015 (£)	2014 (£)	2015 (£)	2014 (£)
Finished goods	172,725	125,677	172,725	125,677

### 14. Debtors

	Group		Charity	
	2015 (£)	2014 (£)	2015 (£)	2014 (£)
Trade debtors	1,203,013	932,003	1,091,616	824,233
Prepayments	413,942	178,923	99,265	105,962
Amounts due from subsidiary undertakings	-	-	468,781	34,151
Other debtors	16,225	6,781	9,956	6,381
	1,633,180	1,117,707	1,669,618	970,727



## 15. Creditors: amounts falling due within one year

	Group		Charity	
	2015 (£)	2014 (£)	2015 (£)	2014 (£)
Trade creditors	865,379	663,711	835,028	629,509
Corporation tax	6,066	26,294	-	-
Other taxation and social security	125,919	134,322	112,188	93,583
Other creditors	190,379	60,779	44,998	31,991
Accruals and deferred income	169,347	123,949	107,792	107,114
	1,357,090	1,009,055	1,100,006	862,197

## 16. Creditors: amounts falling due after one year

	Group		Charity	
	2015 (£)	2014 (£)	2015 (£)	2014 (£)
Loan from Calico Housing Association	35,000	-	-	-
Loan from Trident Housing Association	35,000	-	-	-
Loan from Walsall Housing Association	35,000	-	-	-
Loan from Esmee Fairbairn	35,000	-	-	-
Accruals and deferred income	35,000	8,000	-	-
	140,000	8,000	-	-

Interest is payable annually in arrears on the above loans at the rate of 4%, with the exception of the interest rate on the loan from Esmee Fairbairn which is 7%. 50% of the loan balances fall due for repayment after 4 years (during 2018/19) and the remaining 50% falls due for repayment after 5 years (during 2019/20).

## 17. Deferred Income

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

	Group (£)	Charity (£)
Balance at 1 April 2014	22,675	21,674
Amount released to incoming resources	-	-
Amounts deferred in the year	(22,675)	(21,674)
Balance at 31 March 2015	-	-

## 18. Restricted Funds

		Balance at 1 April 2014 (£)	Movement in resources:		Balance at 31 March 2015 (£)
			Incoming (£)	Outgoing (£)	
Riverside Housing Association	(i)	2,607	-	2,353	254
CSEP	(ii)	16,927	-	2,445	14,482
LCBP	(ii)	33,497	-	4,834	28,663
Foundation	(ii)	13,476	-	1,943	11,533
MRWA	(iv)	-	20,000	20,000	-
J P Getty	(iv)	-	5,000	5,000	-
JHP and DWP (Work Placement)	(iii)	-	20,655	20,655	-
ICRF	(v)	-	32,112	32,112	-
Trident Housing Association	(vi)	-	12,500	12,500	-
Calico Housing Association	(vi)	-	4,174	4,174	-
Walsall Housing Group	(vi)	-	25,000	25,000	-
Oldham Borough Council	(vi)	-	25,000	25,000	-
Local Sustainable Transport Fund	(vii)	-	2,500	2,500	-
		66,507	146,941	158,516	54,932

Those funds with balances at 31 March 2015 or 31 March 2014 represent funds received and used for the following purposes:

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

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

- (iii) Partial funding for training long-term unemployed people
- (iv) Funding for the provision of furniture to people in need
- (v) Funding for the charity to achieve ISO 9001 quality accreditation
- (vi) Funding for the development of the charity's retail store project called 'Our House'
- (vii) Funding for the purchase of four bicycles for use by staff, volunteers and placements

## 19. Analysis of net assets between funds

<b>GROUP</b>	<b>Fixed assets (£)</b>	<b>Net current assets (£)</b>	<b>Total (£)</b>
Restricted funds	54,678	254	54,932
Unrestricted funds	108,324	1,226,421	1,334,745
Net assets	163,002	1,226,675	1,389,677

The amount of £54,678 included under Restricted Funds represents the net book value of the building improvement work carried out and the vehicle, solar panels, furniture and computer equipment purchased which was funded by grants.

## 19. Analysis of net assets between funds continued

<b>CHARITY</b>	<b>Fixed assets (£)</b>	<b>Net current assets (£)</b>	<b>v</b>
Restricted funds	54,678	254	54,932
Unrestricted funds	46,424	1,430,012	1,476,436
Net assets	101,102	1,430,266	1,531,368

The amount of £54,678 included under Restricted Funds represents the net book value of the building improvement work carried out and the vehicle, solar panels, furniture and computer equipment purchased which was funded by grants.

## 20. Commitments

### Operating leases commitments

At 31 March 2015, the annual commitments under non-cancellable operating leases are as follows:

	Land & buildings (£)	Other (£)	2015 Total (£)	2014 Total (£)
<b>CHARITY</b>				
Expiry within:				
Under one year	-	774	774	17,876
Two to five years	-	24,068	24,068	11,558
Over five years	129,140	-	129,140	126,640
	129,140	24,842	153,982	156,074
<b>GROUP</b>				
Expiry within:				
Under one year	-	34,559	34,559	17,876
Two to five years	-	24,068	24,068	60,636
Over five years	149,404	-	149,404	146,904
	149,404	58,627	208,031	225,416

## 20. Commitments continued

### Pension commitments

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

	2015		2014	
	Group (£)	Charity (£)	Group (£)	Charity (£)
Pension contributions	42,493	40,791	32,578	32,578

## 21. Related Parties

### Group Undertakings

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

## 22. Capital Commitments

At 31 March 2015, there were capital commitments of £10,000 (2014: £nil) relating to software development in Homemaker Solutions Limited.



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