

# Integrated Report 2021-22



FURNITURE RESOURCE CENTRE LIMITED



**FRC**

GROUP

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# Glossary

## **Our mission**

To reduce and ultimately eradicate furniture poverty.

## **End Furniture Poverty**

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

## **Our objectives are:**

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

## **Our values:**

- Bravery, Creativity, Passion, Professionalism

## **Furniture Resource Centre Limited**

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

## **Buckingham Interiors**

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

## **Bulky Bob's**

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

## **Bulky Bob's For Business**

Offers business collection and reuse services, including accommodation clearances and removals, mattress recycling, mattress 'UltraClean' cleaning, IT equipment collection and refurbished computer sales. The name of this company was changed from Bulky Bob's Office and Commercial Waste to Bulky Bob's For Business Limited on 22 December 2021 and then to Bulky Bob's For Business on 10 January 2022.

## **Bulky Bob's Furniture World**

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

When we talk about 10 Essential Items, we mean... The essential furniture items that every household should have access to in order to live a decent life.

## **Driving Change**

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

## **ViP (Volunteers, Interns, Placements and Students)**

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

## **Social Value**

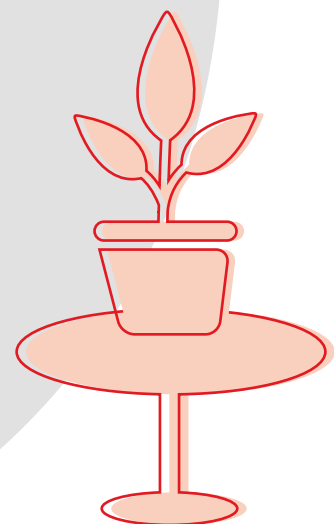
Social Value is the quantification of the relative importance that people place on the changes they experience in their lives. At FRC Group we measure the social value we create in all of our furniture related activity. Our qualitative and quantitative statements which are audited are highlighted throughout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



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

# Strategic Report

This is the ninth integrated report from FRC Group. It tracks our progress through the group's 33rd year of service, a year we are immensely proud of. This report looks at the financial year of April 2021 – March 2022, a year of building back after the massive challenges and hurdles due to the after effects of the COVID-19 pandemic. Our FRC Group team, as always, were brave, creative, passionate and professional and continued to deliver a fantastic service. It was another successful year which is as a result of the brilliant and dedicated team we have at FRC Group.







We express our gratitude to our amazing team of staff, trainees and volunteers, who daily live and breathe our values. This extraordinary team work hard together, achieving great things on the road to our goal to end furniture poverty.

We offer our heartfelt thanks to all the people who have played a part in producing this report: all those who make FRC Group a great place to work – our staff, Driving Change trainees, ViPs and our Board of Trustees; our data collectors and analysers, and particularly Carol Cassidy, Claire Donovan, James Frost, Ashley Mason, Laura Smith, Aimee Stanton, Jacqui Millington, Luke Rice and Joan Stockton. We would also like to thank Crowe UK, who assured the report. Their statements are on pages x to x and x to x; Nonconform, who designed the report; Deana Kay, who took the photographs; and report authors Collette Williams and Tony Rowan, aided by contributions from the team.



# Overview of 2021 – 2022

Once again, the level of challenge faced in 2021-2022 was extraordinary as was the response from each and every staff member at FRC Group. We achieved our budgets both in social value terms and financially, but effectively delivered this result with fewer people than we anticipated. The perfect storm of covid illnesses and isolations, loss of colleagues due to the 'Great Resignation', well publicised difficulties in recruiting replacement staff and even the inability to secure driving tests for our trainees placed significant strain on our businesses and our people. We applaud not only the commitment and professionalism of our colleagues but also their sheer stamina! Our staff fully understand that every delivery they make is moving people out of furniture poverty and that is what drives them to give their best every single day. We also know that our workforce cannot continue to work as hard as they have been and we are working hard towards becoming an even better workplace where people can do a fair days work, learn, develop and play a part in shaping the future of FRC Group.

We continued to raise awareness of furniture poverty, educated people about the potential solutions and, ultimately, worked towards ensuring that everyone has access to the essential furniture and goods they need to lead a secure life

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

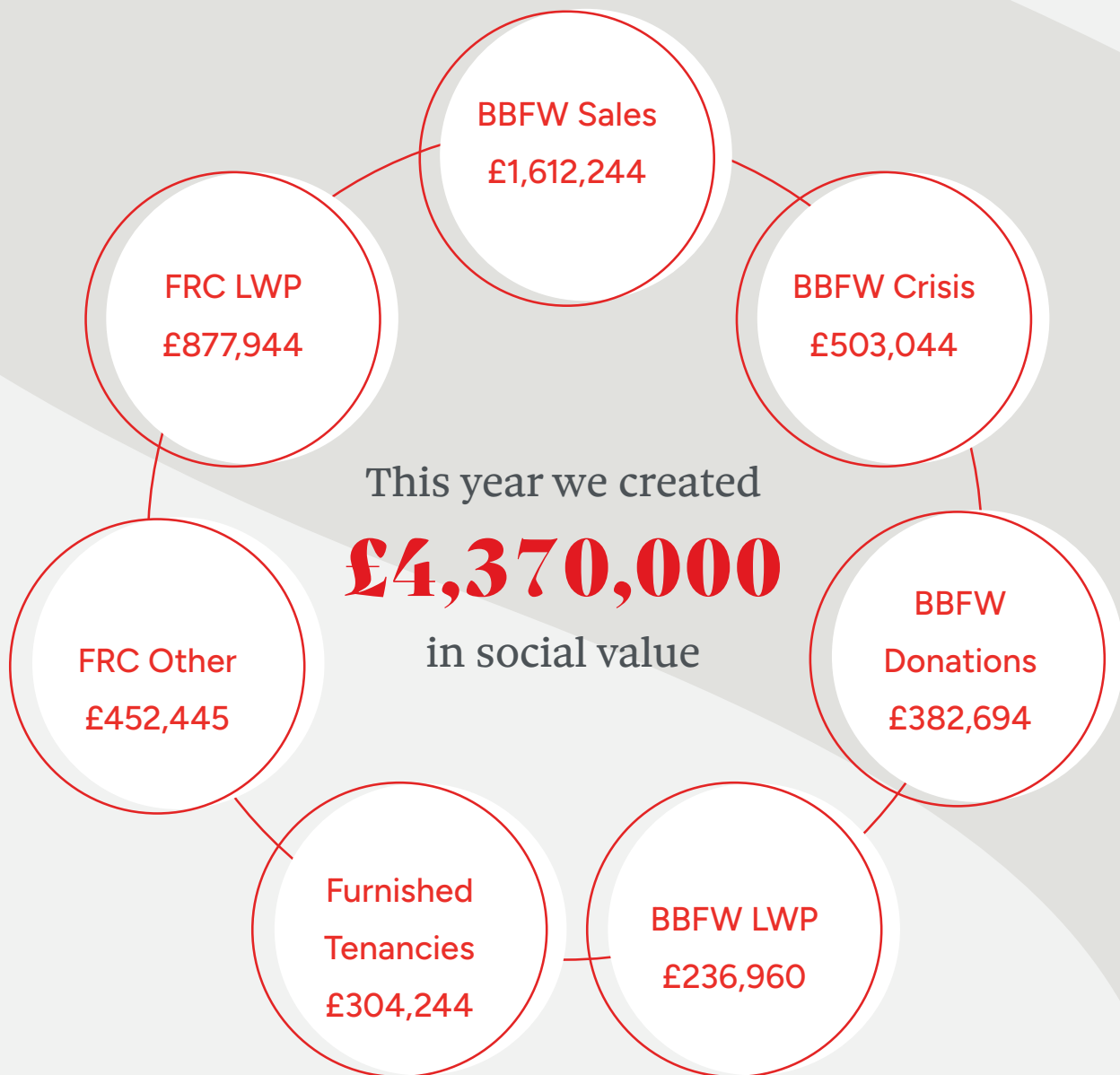
After listening to feedback from our stakeholders, we continue on our journey towards trying to provide a more succinct report which examines our performance, and to use this information to improve and create more impact in the future.

We continue to use the results of our study on The Value of Essential Furniture. This renewed insight has informed and improved our decision making and social value measurement processes, all with the view to continue on the road to end furniture poverty.

# Social Value



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



# This year we:



**Donated free furniture to people who need it to the financial value of £59,207**  
(2020-21 £68,369)

#### This includes

- Crisis donations – **£57,383** (2020-21 £61,436)
- Safety Net – **£0** (2020-21 £4,678)
- North Tyneside Furniture Scheme – **£1,824**  
(2020-21 £6,933)
- Donated beds & mattresses – **£6,540**  
(2020-21 £10,240)

**Through Crisis donations and donated furniture to the value of £57,383**  
(2020-21 £61,436)

**Gave discounted furniture to 2,867**  
(2020-21 1,827) **customers through Bulky Bob's Furniture World.**

#### Total number preloved sales to BFFW customers

- Liverpool **3,647** (2020-21 2068)
- Oldham **622** (2020-21 252)
- North East **12** (2020-21 0)

**Delivered free furniture to 482 families in crisis situations** (2020-21 466).

**We delivered 1 Free Furniture Community Events** (2021-21 3) **and ran 'Buy One Get One Free' offers from July 21 – Jan 22 & again in March 22, gifting 605 essential items.**

**Delivered 26 items of free furniture through our new contract in North Tyneside** (2020-21 99)

**Bulky Bob's completed 51,992 collection requests on behalf of councils** (2020-21 42,484)

**Reused & recycled 1,176 tonnes of furniture, appliances and other bulky waste (excluding mattresses)** (2020-21 1486)

**Bulky Bob's recycled in the region of 3,194 mattresses (based on average weights)**  
(2020-21 2501)

**111.8 tonnes of mattresses were diverted from landfill** (2020- 21 87.5)

**During 2020/21 we UltraCleaned 910 mattresses.** (2020-21 538)

#### Of these:

- **175** were gifted to people in furniture poverty (2020-21 191)
- **556** were sold at low cost to families living on low incomes (2020-21 312)
- **157** were sold to distributors who sold them at low cost to their own customer living on low incomes (2020-21 34)

**Financial value of donated mattresses and bed bases £6,540** (2020-21 £10,240)

**We sold a total of 234 low cost reuse PCs & laptops to schools and community groups.** (2020-21 158) **and donated a further 99 to schools, community groups and people in crisis.**



Through Furniture Resource Centre we made **24,614** deliveries of furniture to people's homes (2020-21 24,540)

We distributed **63,017** items of essential furniture. (2020-21 55,308)

We worked with **8** trainees (2020-21 15)

We worked with **10** kickstarters (2020-21 5)

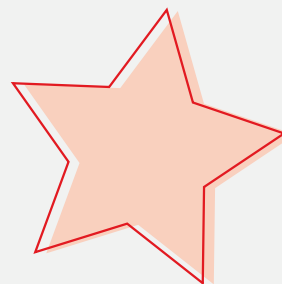
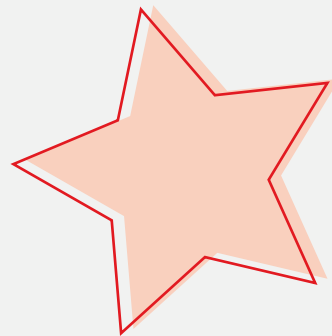
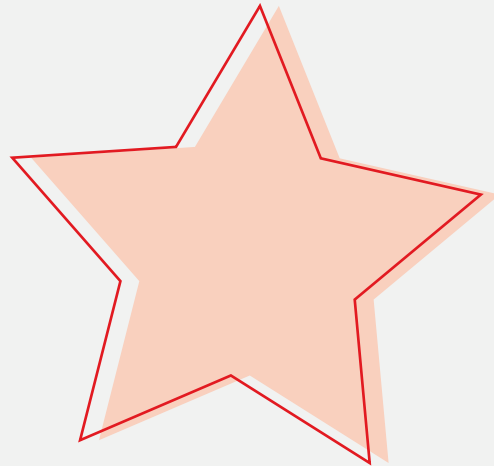
We worked with **2** apprentice (2020-21 1)

**We won awards:**

- **Echo Environment Award** for CSR
- **Regional Business Award** for CSR
- **SE100 Award** for Growth
- **SE100 Top 100** UK Social Enterprise
- Highly Commended for **SE100** Award for Impact

**We gained accreditation:**

- FRC achieved the **ISO14001 Environmental Management System** accreditation.



# Company Information

as of 31 March 2022

**Company Number**

2296329 (England and Wales)

**Charity Number**

700731

**Directors**

N Wilson

E Bichard

L Dixon (resigned 24 May 2022)

J Hines

J Nicholls

J Vernon

E Leach

**Secretary**

A Rowan

**Chief Executive**

S Doran

**Registered Office**

Atlantic Way

Brunswick Business Park Liverpool

L3 4BE

**Bankers**

NatWest Bank

2-8 Church Street Liverpool

L1 3BG

**Auditors**

Crowe UK LLP

The Lexico

Mount Street

Manchester

M2 5NT

**Solicitors**

Brabners Horton House

Exchange Flags

Liverpool

L2 3YL



## Strategic Decision-Making

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

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

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

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

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

## Meeting Our Objectives

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

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

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

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

## Trustees

The directors of FRC Group's charitable companies are their trustees for the purpose of charity law and throughout this report are collectively referred to as directors and are listed on page xx. The directors are appointed by the members at the Annual General Meeting but can be co-opted between AGMs by the board pending election. Before being co-opted, prospective trustees are invited to observe meetings to learn more about the charity and to meet the other trustees. During this induction process, the candidate meets the chair of trustees and the senior management team, and visits different parts of the business to meet staff. A Scheme of Delegation agreed between the trustees and the senior management team details which decisions the senior management team are authorised to take and which must be referred to the trustees. Decisions can be taken by trustees by email if a decision is needed before the next scheduled trustee meeting. All of the directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are shown in note 10 to the accounts.

# Our Aims, Objectives and Achievements

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

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 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.

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.



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

FRC Group's vision is of a society where people can obtain good quality, affordable furniture without experiencing the devastating impacts of furniture poverty – no bed to sleep on or unmanageable debts. Our mission is to reduce and ultimately eradicate furniture poverty. We campaign to raise awareness of furniture poverty and create practical solutions to get furniture to people who need it. Our work also helps create sustainable employment and better futures for people.

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

End Furniture Poverty, Furniture Resource Centre, Buckingham Interiors, Bulky Bob's, Bulky Bob's Furniture World, Bulky Bob's for Business and Reuse IT.

**Statement of Public Benefit**

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

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

**Structure, Governance and Management  
Governing Document**

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

**Related Parties**

Bulky Bob's is a charity with Furniture Resource Centre Limited as its sole member. Bulky Bob's provides services, mainly to Local Authorities, for the collection and recycling of bulky household waste. Bulky Bob's provides training and employment opportunities for people from long term unemployment and low paid jobs whilst protecting the environment through the reuse and recycling of collected items.

Bulky Bob's was incorporated on 12 January 2016 as Bulky Bob's 2015 and then change its name to Bulky Bob's Limited on 22 December 2021 and then to Bulky Bob's on 10 January 2022

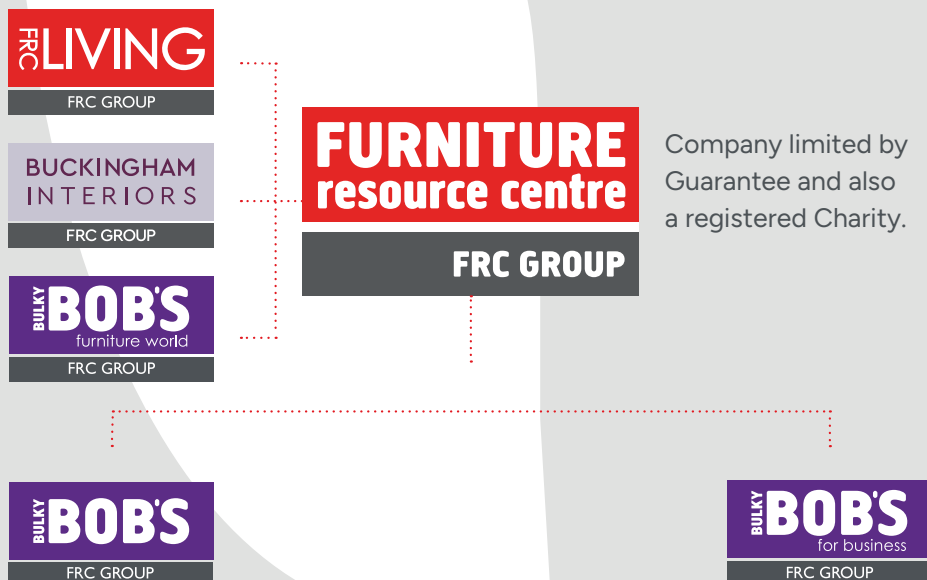
Bulky Bob's For Business is a charity which has Furniture Resource Centre Limited as its sole member. This charity provides an office and commercial waste collection service and provides training and development opportunities to formerly long-term unemployed people or people on relatively low income.

Bulky Bob's For Business changed its name from Bulky Bob's For Business Limited on 10 January 2022. Prior to this, the charity's name was FRC Developments until 15 June 2017 when it was changed to Bulky Bob's Office and Commercial Waste and was then changed again on 22 December 2021 to Bulky Bob's For Business Limited.

**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.

# FRC Group Company Structure March 2022



## **Bulky Bob's.**

Company limited by Guarantee and also a registered Charity. Furniture Resource Centre is the only member of Bulky Bob's and so is deemed to have control.

## **Bulky Bob's For Business.**

Company limited by Guarantee and also a registered Charity. Furniture Resource Centre is the only member of Bulky Bob's For Business and so is deemed to have control.

# Methodology

Report covers  
1 April 21 to  
31 March 22.

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

Feedback from FRC Group's  
stakeholders is also collected.  
Full details of this stakeholder  
consultation starts on page xx.

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

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

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

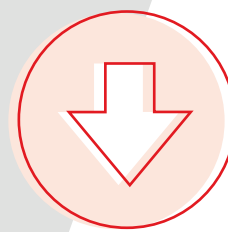
To communicate clearly how performance in this report compares to targets and priorities agreed for the year, the following symbols are used:



Met or exceeded target



Made some progress but needs to improve further. For numerical targets, this symbol indicates achievement of at least 90% of the performance target OR decision was taken not to do/do differently



Missed the mark and will plan to improve performance.

# **Social Value Review 2021-2022**

**The data and learning we gained from our study on the value of essential furniture items continues to be extremely useful and guides our measurement and decision making. Social value is the quantification of the relative importance that people place on the changes they experience in their lives. End Furniture Poverty had previously developed the definition of furniture poverty above to assist in defining what the ‘essential furniture’ items are that a household needs to have in order to be in furniture security. The items on this list are:**



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

This data from the study allows us to measure the social return on the investment on furniture items, to identify the most valuable outcomes and to design a simple monitoring system (or calculator) to measure

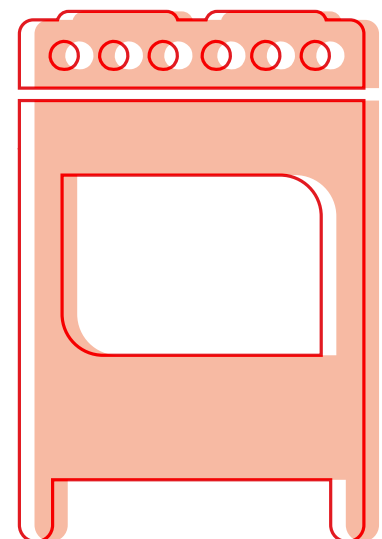
the value created by providing essential furniture going forward. We use this data as stakeholders tell us that they experience positive changes as a result of receiving furniture. This data tells us what difference we have made as a result of distributing furniture, but in the future we seek a deeper understanding on what difference it makes when somebody has all of the items on the ten essential items list and is therefore, no longer living in furniture poverty.



Items	Total 2021-22 Value Created	Total 2020-21 Value Created	Commentary on differences	2022-23 Target	Plans to achieve target
<b>BBFW Sales</b>	£1,612,000	£665,500	Re-opening of non-essential retail following Covid restrictions allowed operations at both preloved furniture sites to operate at near pre-covid capacity. PC sales to schools and community groups also gave a boost to this category	£1,630,500	Preloved furniture sales expected to remain roughly in line with prior year and PC sales expected to see a small increase through promotional activities.
<b>BBFW Crisis</b>	£503,000	£370,500	A return to pre-covid levels of referrals gave rise to an increase on 2020-21. However availability of beds & mattresses and demand of LWP meant this group fell slightly behind budgeted expectation for the year by around 14%	£611,500	Renewed connections with referral partners expected to boost number of essential items given away to Crisis customers.
<b>BBFW Donations</b>	£382,500	£198,000	Although less one off 'Free4All' event were held in the year the 2020/21, in store 'Buy one get one free' offers resulted in this category creating value far in excess of the £59,000 budget for 2021/22	£439,000	In store 'Free Item' events expected to continue during 2022/23.
<b>BBFW LWP</b>	£237,000	£102,500	Contrary to the budgeted expectation for 2021/22, demand for awards under the LWP schemes increased due to the longer term effect on Covid 19 and the cost of living crisis taking hold as the year progressed	£234,000	Demand expected to remain largely in line with 2021/22 actual results
<b>FT (EFP)</b>	£2,450	£0	We saw some activity in this area as a result of the work EFP have done, however this remains a longer term potential outcome, the results of which may not necessarily involve FRC	£0	Activity unpredictable, can take many years to establish, so no planned value in this category.



Items	Total 2021-22 Value Created	Total 2020-21 Value Created	Commentary on differences	2022-23 Target	Plans to achieve target
<b>FT (Existing)</b>	£302,000	£307,500	Fell roughly in line with expectation and our prior year performance	£318,500	Maintain activity as in prior year, no significant change expected
<b>FRC Other</b>	£452,500	£345,000	The relaxing of Covid restrictions allowed us to complete more projects during the year. This, coupled with the onboarding of new customers in the year, produced an increase vs. 2020/21 and budget	£595,500	Expected to increase through new customers and schemes secured.
<b>FRC LWP</b>	£878,000	£858,500	As with BBFW LWP, demand for awards under the LWP schemes increased due to the longer term effect on Covid 19 and the cost of living crisis taking hold as the year progressed	£804,000	Some reduction in awards anticipated in 2022/23, following higher than usual levels in previous year, however demand still expected to be high
<b>Buckingham Interiors</b>	£0	£0	N/A	£0	N/A
<b>Total</b>	£4,370,000	£2,848,000		£4,633,000	



# Financial Review

## 2021-2022



### Financial Performance

2021-22 saw a continuation of the growth experienced in recent years with total group income increasing for the fifth consecutive year and up 18.54% on 2020-21 to £15.62m. Expenditure increased by 16.46% compared to 2020-21 to give total expenditure of £14.99m, leaving a group net surplus of £624,900, an increase of 207% compared to the 2020-21 surplus of £301,188.

The demand for the group's services has never been so high and this is reflected in the growth experienced over recent years and the increase in net surplus. This has been achieved despite the many challenges faced by the group during the year, including issues with the availability of certain key stock lines and the national shortage of drivers. These issues, along with other external challenges such as the national Covid-19 pandemic have created difficult trading conditions which were successfully navigated in order to produce this strong financial performance.

### Principal Funding Sources

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

### Grants and Donations

The group continues to expand the social impact it creates through the effective use of the grants and donations it receives. During 2021-22, grants and

donations were received from the Government's Kickstart training scheme along with Covid-19 Financial support from the Government's Coronavirus Job Retention Scheme. In addition, a donation was also received from a member of the public towards our Bulky Bob's Furniture World retail store. 0.57% of our income was from grants.

### Reserves Policy

The trustees have considered the level of free reserves (those funds not tied up in fixed assets and restricted funds) required by the group to be at least six months' operational expenditure plus sufficient cash for future plans, which amounts to at least £4,000,000. In the trustees' view, this level of reserves should provide adequate financial stability and enable the group to continue to meet its charitable objectives for the foreseeable future.

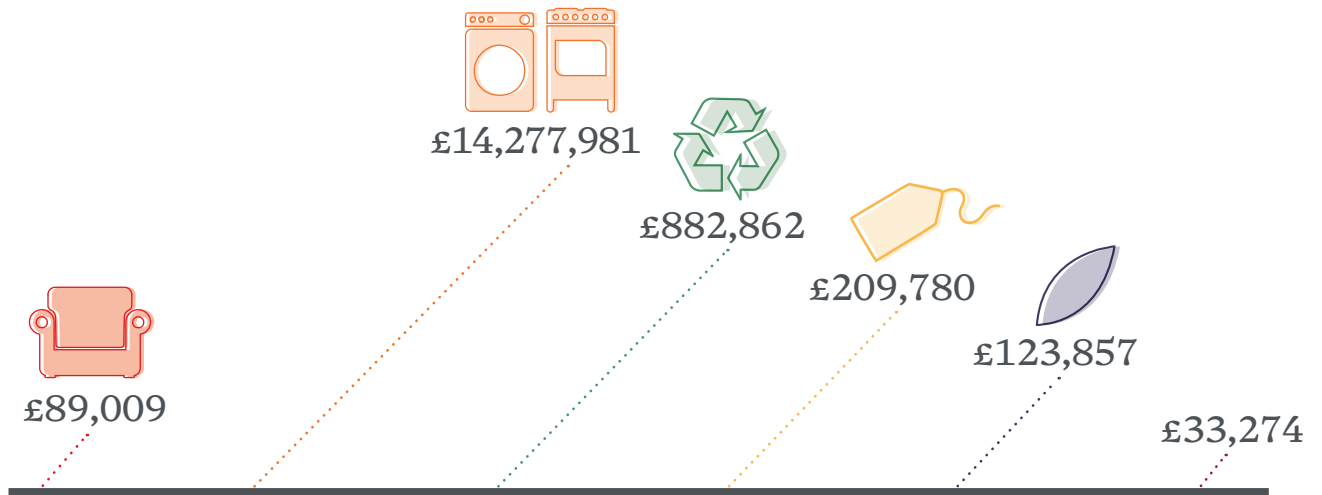
In arriving at this figure, the trustees have considered potential future changes in income streams and likely future cash flow requirements. The trustees will continue to monitor the Reserves Policy at least annually in trustee meetings.

At 31 March 2022, consolidated free reserves of £3,031,199 were held, which is £968,801 short of the required consolidated total of £4,000,000. In order to increase the amount of free reserves held, the trustees are looking at ways of improving the profitability of the charity and group.

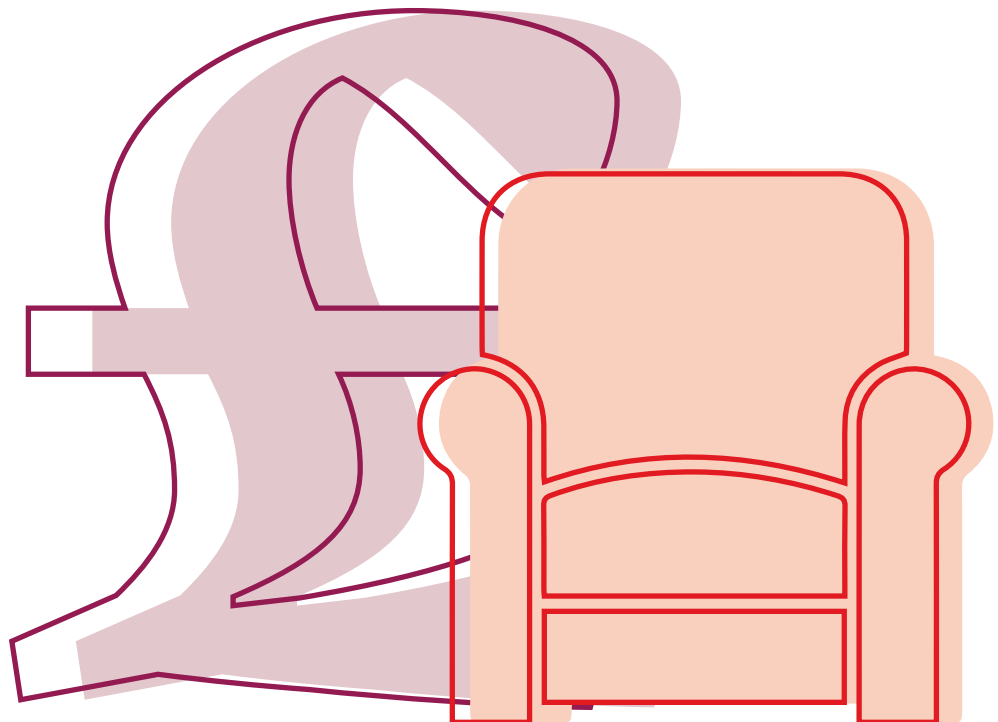
As at 31 March 2022, the group holds restricted reserves of £nil (2021: £8,810) and total reserves of £3,495,470 (2021: £2,870,570).



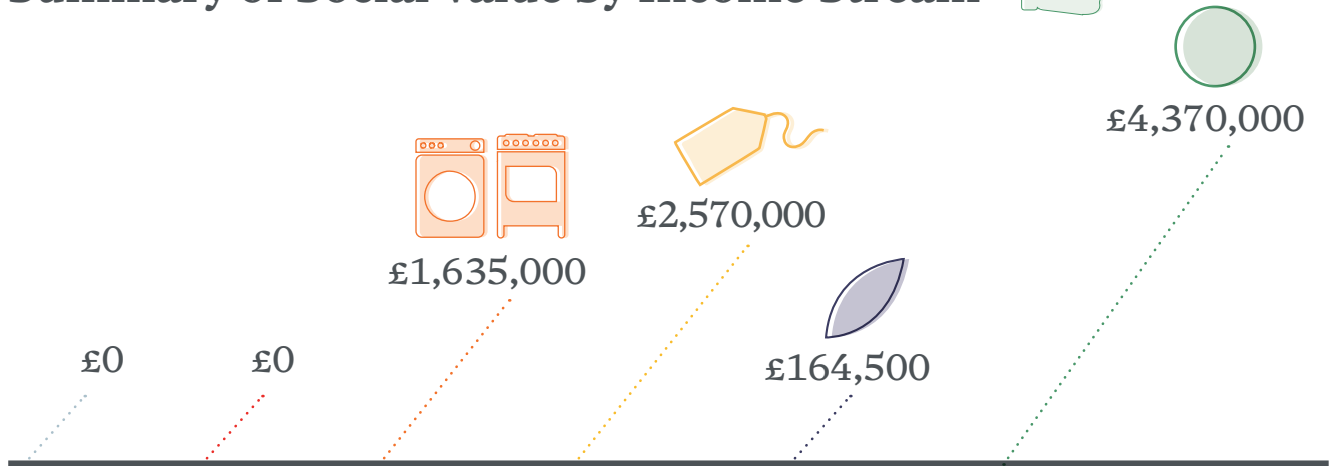
# FRC Group Income 2021 – 2022 (£15,616,763)



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

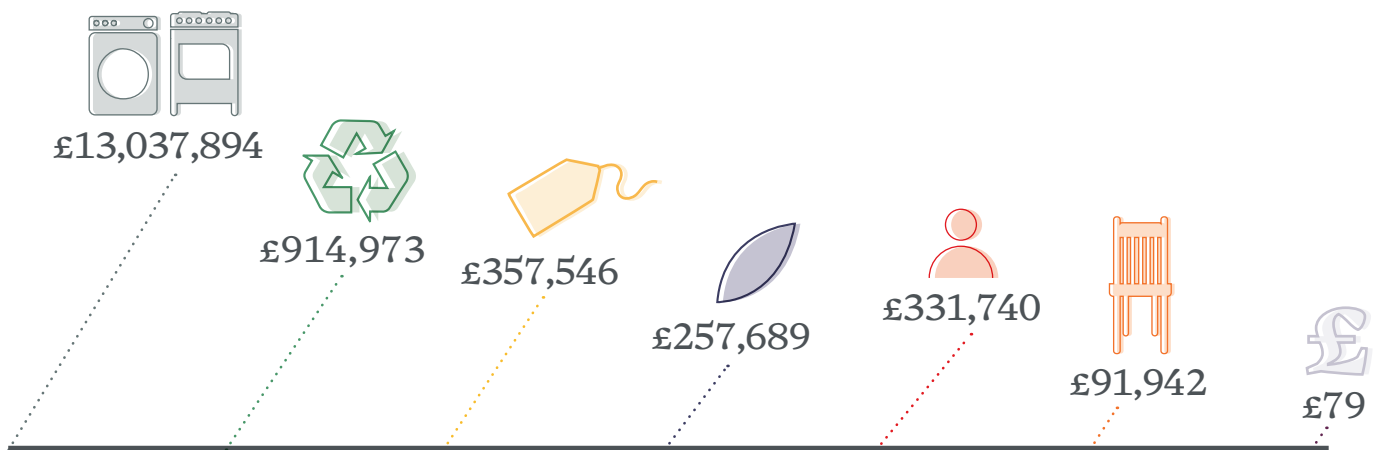


## Summary of Social Value by Income Stream



- Social value by income stream
- Donations and legacies (grants and donations received)
- Provision of furniture and furniture packages
- Charity Shop Sales
- Provision of other recycling services
- Total income

## FRC Group Expenditure 2021 – 2022 (£14,991,863)



- Provision of furniture and furniture packages
- Provision of bulky household waste collection and recycling services
- Charity Shop Sales
- Provision of other recycling services
- People development
- End Furniture Poverty
- Other expenditure

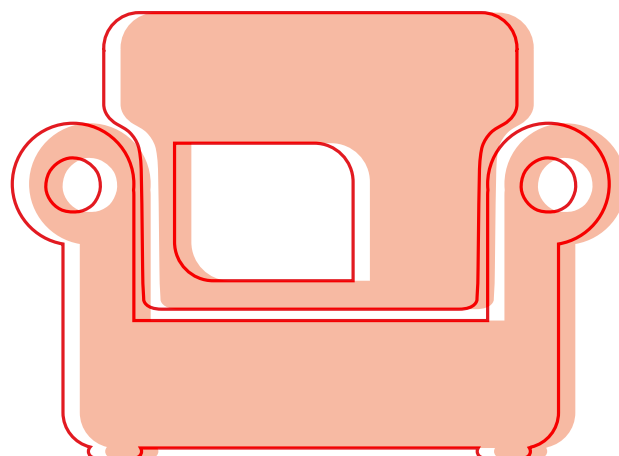
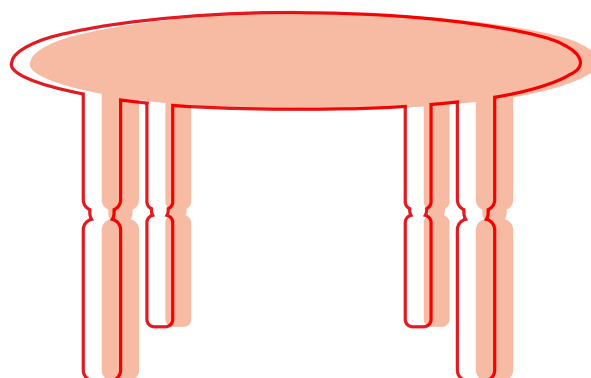
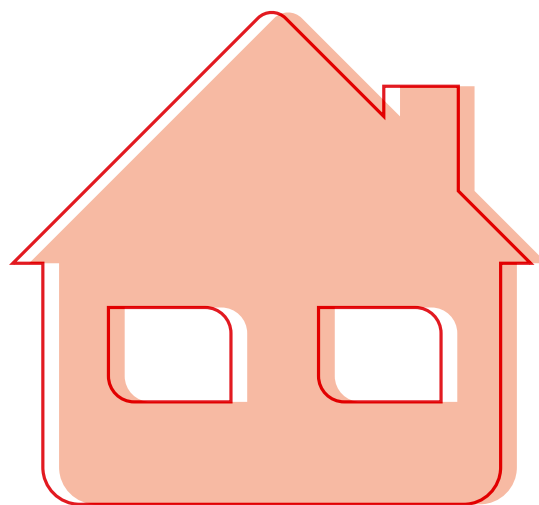
## Plans for the Future

We will continue to grow our customer base in Furniture Resource Centre, particularly through the provision of furniture to social landlords and Local Authorities and through large scale refurbishments of shared living environments. We are implementing SAP Business One in late 2022 as our core system to facilitate our business processes and this will further improve our efficiency and the high level of customer service already provided. Our aim is to remain the leading provider of furniture to furnished tenancy providers and to continue to grow our customer base as we continue to work towards our mission of ending furniture poverty. We are also working to introduce preloved furniture into our offer to customers who traditionally purchase new furniture.

Bulky Bob's contract for the collection, recycling and reuse of bulky household furniture in Liverpool ended on 7 November 2022 and so the service ended on that date. This will reduce the availability of furniture for reuse and so alternative ways of obtaining suitable furniture are being explored.

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

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



# Risk

Each quarter, we fully review the commercial and social impact risks faced by the group. Each risk is rated and we consider what mitigating actions are available. Key residual risks to which the group is exposed are set out in the following table.

Risk	Mitigation
Retention of key new furniture contracts	<ul style="list-style-type: none"> <li>• Focus on world-class customer service and value for money for customers</li> <li>• Introduction of innovative ideas to contracts</li> <li>• Growth of other contracts and businesses to possibly take the place of any contracts not retained</li> </ul>
Negative impact of Brexit e.g. supplier price increases higher than anticipated or shortages of certain stock items	<ul style="list-style-type: none"> <li>• Dual sourcing of key stock items</li> <li>• Building up supplies of various stock lines to ensure continuity of supply in the event of shortages</li> <li>• Purchasing large volumes of key stock lines if they become available at a favourable price</li> </ul>
Stock supply issues due to Covid-19 pandemic causing manufacturing and export delays	<ul style="list-style-type: none"> <li>• Dual sourcing of key stock items</li> <li>• Building up supplies of various stock lines to ensure continuity of supply in the event of shortages</li> <li>• Purchasing large volumes of key stock lines if they become available at a favourable price</li> </ul>
Availability of pre-loved furniture decreases through contract changes or loss of contracts that provide pre-loved furniture	<ul style="list-style-type: none"> <li>• Identification of alternative sources of pre-loved furniture</li> <li>• Continued development of innovative ideas to refurbish pre-loved furniture e.g. mattress cleaning machine</li> <li>• Work with Local Authority customers to develop services that utilise pre-loved furniture to address furniture poverty</li> </ul>

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



# Trends and Factors

## **Trends and Factors**

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

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

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

## **Research and Development**

FRC Group continues to investigate new and innovative ways of re-using furniture items collected. This has included developing the world's first bespoke mattress cleaning machine, which cleans structurally sound mattresses to a high standard, ready for reuse. This machine can clean mattresses (and also rugs) that may otherwise have been broken down for recycling before they're either sold in our Bulky Bob's Furniture World store or donated to people who need them.

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

# Code of Governance Statement

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

- **Organisational Purpose**

The charity produces an annual impact report which is audited under the AA1000AS framework and is included in the annual integrated report. In addition, the charity quantifies the social value generated from its activities in order to ensure that this is as intended. The objects of the charity were last reviewed in 2022. Work is ongoing in relation to the sustainability of the charity's income base.

- **Leadership**

The charity has a very strong values culture with the board regularly seeing evidence as to how well this values culture is integrated in the group. Board discussions focus on strategic issues with the role of the board being a 'critical friend' when providing feedback to staff, with staff encouraged to bring issues to the board for discussion. The board has a good understanding of current group structure and why this is important, having previously received

expert advice from a charity lawyer. Terms of reference for all committees were updated in 2021 along with job descriptions for the role of chair and trustee. Whilst regular meetings take place between the Chair and CEO, formal appraisals are also being introduced. Attendance of trustees at the various meetings is monitored and is good with all trustees attending a majority of the meetings.

- **Integrity**

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

- **Decision Making, Risk and Control**

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

- **Board Effectiveness**

The board meets five times a year with further committee meetings also taking place. Each board meeting has a theme with the themes being finance (discussing and agreeing the annual financial and social value budget), people, social value and commercial. Other agenda items are discussed at these meetings but the theme allows for greater time to discuss that particular topic. The fifth annual board meeting has a varied agenda, which is agreed in advance. Ways of monitoring the effectiveness of the board are to be discussed. Discussions take place with potential new trustees in order to ensure that they understand the time commitment necessary and they are then invited to attend two meetings as an observer before being invited to join the board if they wish to. A third of trustees retire by rotation every three years and there is no maximum length of office although this is currently being reviewed with a maximum length of office being considered

for introduction. A programme of learning and development for trustees is not currently in place but is to be discussed with a suitable programme then implemented.

- **Diversity**

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

- **Openness and Accountability**

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

### **Fundraising**

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

### **Auditor**

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

# Creating Social Value

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- 43 Training people out of poverty
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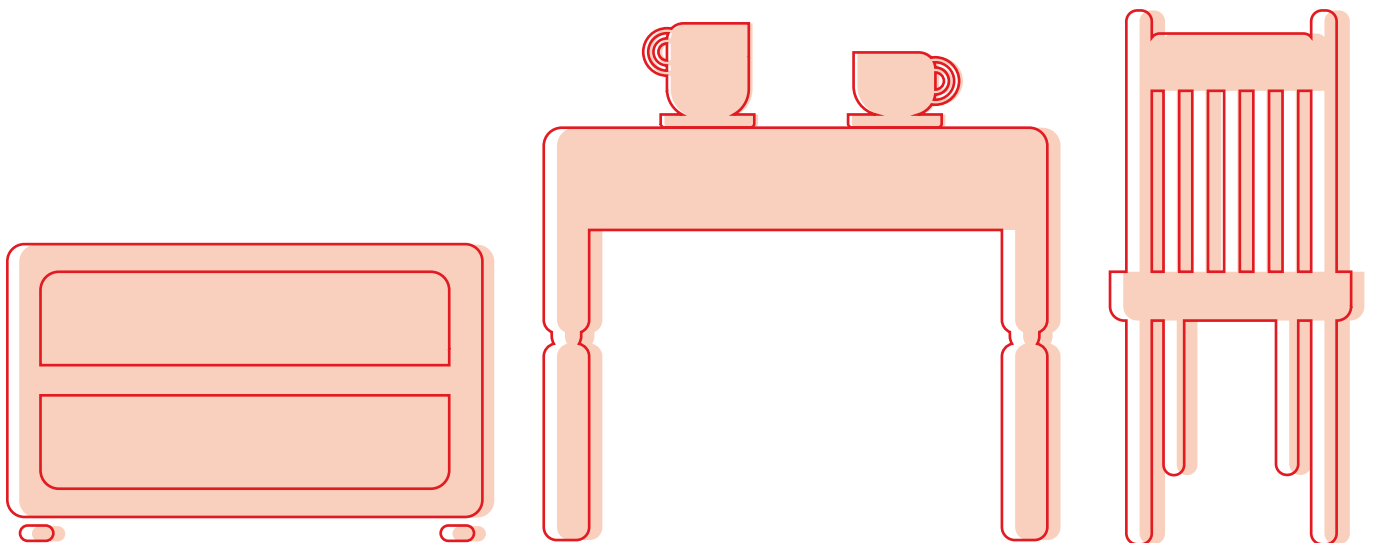
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Creating Social Value

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

End Furniture Poverty focuses on two key objectives, to understand and highlight the reality of living in furniture poverty; and to lobby and campaign for the eradication of furniture poverty. Both of these objectives feed into each other. We carry out in-depth research, producing robust data and thorough analysis to highlight the issue, and then we promote the practical solutions through our campaigning and lobbying work to drive change.





## Local Welfare Assistance Research

During 2021/22, our research focused on Local Welfare Assistance (LWAS) provision across the UK. These are schemes delivered by local authorities, which provide vital crisis support for people through a range of items, such as food and fuel, but also furniture and white goods. For someone who needs one or two essential furniture items, LWAS should be the first port of call, and ideally, it should also help people to access other forms of support too. Our first report, The Postcode Lottery of Crisis Support, was published in April 2021. This had been delayed to tie in with a film that we had worked on with the BBC to highlight the issue, and also so it could be used at an All Party Parliamentary Group on Ending the Need for Food Banks, a local welfare roundtable.

### The key findings were:

- Per capita spend on crisis support in 2019/20 in England stood at £0.64, compared with £6.88 in Scotland
- As of 2019/20, there has been an 87% real terms decline in expenditure on crisis support since 2010/11.
- The number of awards given has also fallen by 86%.
- At least 25 upper tier local authorities in England now have no scheme, leaving approximately 11.4 million people in England (around 1 in 5) without any access to crisis support. A further 8.11 million people are living in an area with minimal crisis support.
- In 2019/20, although £129.6 million was allocated for local welfare assistance by the Government, only £35.8 million was actually spent on it by local authorities; 95% of schemes spent less than their allocated local welfare assistance funding.
- Around 1 in 4 people in England were living in an area where they cannot get any help obtaining furniture and white goods in 2019/20.

The report received excellent media coverage, including a film on the BBC website, a segment on BBC2, every hour on the BBC News Channel throughout publication day, and we were interviewed on PM on Radio Four. In each case we found a case study, someone living in furniture poverty, to talk about their situation. We were also interviewed on BBC Radio London, UCB Radio, BBC South West which led to a piece on the BBC1 lunchtime news. All of which helped to significantly raise awareness of the issue of furniture poverty, and what can and should be done to tackle it in relation to local authority crisis support – increased, ring-fenced funding for LWAS schemes.

The report was so well-received that the other charities who had been looking at this issue said that they would step back and will use our research in the future. This means that we can ensure that local crisis support research always includes a focus on essential furniture items. It also led to a meeting with Paul Maynard MP, who we are now working closely with to push for increased Government funding.

The report focused on the figures from 2019/20 so of course we need to then examine the figures from 2020/21 which led to the publication of a second report in February 2022 – The State of Crisis Support. This was a much more challenging piece of research and therefore took much longer to complete than anticipated, partly due to the number of local authorities who missed the statutory deadline to respond to our Freedom of Information requests.

There was further delay because the Government had provided a number of Covid grants to local authorities so we had to ensure that we unpicked what funding was used for different types of support. This meant we needed to issue a second Freedom of Information request to local authorities to follow up on missing information. This focus is vital to ensure that LWAS does not become seen as part of a response to the pandemic, meaning that once the Covid support ends, LWAS could also end.

### **The key findings of the second report were:**

- 32 (1 in 5) local authorities in England did not operate a Local Welfare Assistance Scheme as of 2020/21. This is an increase on the previous year, when 1 in 7 did not have a scheme.
- Following an additional scheme closure in July 2021, we estimate 13.06m people in England did not have any recourse to crisis support at that point in time. This is a 2.2m increase on 2019/20 levels, when an estimated 11.4m lived in an area without a scheme.
- Despite £233m of additional Government funding for Local Welfare Assistance in England in 2020/21, our analysis suggests most of this funding was not channeled into LWA schemes as anticipated. On the contrary, the funding was spread across 24 different categories of support, (notably Free School Meals, local foodbanks, and other voluntary and community sector organisations).
- Although overall expenditure on LWA schemes in 2020/21 increased by 106% on the previous fiscal year, this increase was funded entirely by additional Government funding, as opposed to local authorities' core spending power.
- As of July 2021, almost 1 in 4 (approximately 13.28m) people in England were unable to get any help with furniture and appliances from LWA, despite the fact that the cost of furniture and appliances has increased by 32% and 17% respectively.
- In 2020/21, the provision of furniture and appliances through LWA schemes accounted for 32.7% of the total amount spent; this is a fall on last year, when such provision accounted for 42.7% of total LWA expenditure.

We also found that the additional Covid support provided by the Government, through the form of several large grants to local authorities, was typically announced at short notice with a time-limited period to spend the money, so many local authorities struggled to spend it.

This report received even greater media coverage and we found it tied in to the 'Cost of Living' coverage that was starting to dominate the news. For example, we had articles in the Guardian, Mirror, Express, and we were interviewed on Women's Hour on Radio Four. We were invited to Westminster to meet with Jonathan Ashworth MP, Shadow Secretary of State for the Department for Work and Pensions, which allowed us to explain the issue of furniture poverty and the range of solutions.

We have continued with this work in 2022/2023, meeting with Ian Byrne MP with whom we prepared an Early Day Motion to call for additional LWA funding, and our ongoing work with Paul Maynard MP. Both MPs have invited us to Westminster in the coming year to meet with Government ministers and other MPs with interest and influence in this field.

### **Furnished Tenancies Research**

Although our report, No Place Like Home, examining furniture provision in social housing, was published in early 2021, the work to promote the findings and to persuade more social landlords to provide essential furniture items continued at a pace in 2021/2022.

We met with dozens of social landlords to present our findings, and to present a guide to creating a sustainable furnished tenancy scheme. This included presentations through the Chartered Institute of Housing, Birmingham Social Housing Partnership, the CIH Housing Management Summit, TPAS, (Tenant Participation Advisory Service), Homes for Cathy, and many more.

This helps to raise awareness of the issue of furniture poverty with their tenants, as well as presenting the findings of our research with possible solutions.

### Planning Ahead

During early 2022, we also scoped out the project plan for our main research project for 2022/2023, exploring the extent of furniture poverty. The most recent figures were gathered by Turn2Us in 2019 and focused on appliance poverty only. Our research will provide robust data showing how many people in the UK are living without essential furniture items and which items they are lacking. It will also look at the impact of living in furniture poverty, on people's mental and physical health, and their social and financial wellbeing.

We are also returning for our now annual examination of Local Welfare Assistance. It is vital that we keep a close eye on this, and we are also looking at the Household Support Fund, which will ultimately be a £1.5b investment in crisis support, to ensure that it is reaching those who most need support.

We are also taking a closer look at the provision of furnished tenancies in social housing. Thanks to funding from the Fusion 21 Foundation, we are working closely with the social housing sector to find out what questions they need answered to help them to get furnished tenancy schemes off the ground and we will be publishing a blueprint furnished tenancies business case/guide in the coming year.

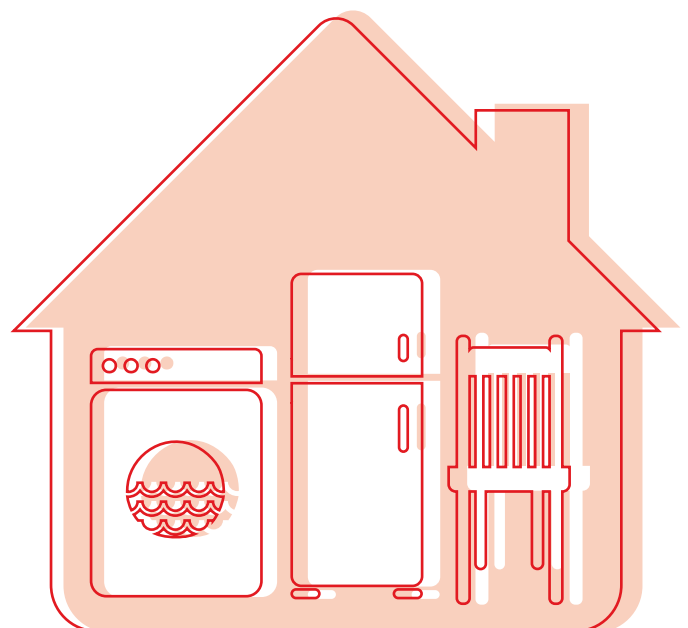
These are all significant pieces of research and given our small team, we need to be realistic about the time involved. When we publish our research, there is a great deal of work to be done to disseminate the findings, and to capitalise on these to promote the recommendations. We have talked for the past two years about reviewing our Essential Items list. While this would be a worthwhile task, we have found again and again that there are other more pressing priorities that will do more to help to end furniture poverty, so we are putting it to one side until we have the necessary resource to deliver it in our usual robust manner.

### Performance against targets 2021-2022

- Publication of LWAS research 
- Publication of Furniture Poverty Research 
- Publication of LWAS 2020/2021 Research Update 
- Review Essential Items list 

### Priorities / Targets for 2021-2022

- Publication of LWAS 2022/2022 Research Update
- Publication of Extent of Furniture Poverty Research
- Publication of Furnished Tenancies Blueprint



Creating Social Value

# To lobby and campaign for the eradication of furniture poverty

The period 2021 to 2022 saw the seeds of the cost of living crisis starting to take root, with the ongoing impact of the pandemic, the challenges with Brexit, the upcoming increase to energy bills and rising inflation. People who are living in furniture poverty, are fundamentally living in poverty. They have not got enough money to live on - to pay the rent, to pay their bills, and to buy items like furniture and white goods. We work hard to ensure that furniture poverty remains a key part of the overall conversation around poverty, because essential furniture is likely to be some of the most expensive items that someone on a low income needs to purchase. As the spotlight rightly shines strongly on food and fuel poverty, we work with a range of partners to keep access to essential furniture items next on the list of priorities.

## Partnership Working

We continue to be active members of a number of key bodies:

- Liverpool's Poverty Action Group
- Liverpool City Region's Social and Solidarity Economy Reference Panel
- The Grant-Makers Alliance
- End Child Poverty Coalition
- The Reuse Network – End Furniture Poverty's Head of Policy, Research and Campaigns is now a trustee.
- Keep the Lifeline Network
- Crisis and Destitution Policy Group

## Digital Presence

Visitors to our website: rose from 47K visitors a year to 21k visitors in Quarter 1, 25k in Quarter 2, 33k in Quarter 3, and 54.5k in Quarter 4, a total of 133.5k visitors to the website over the year. A rise of 184%

Twitter following: rose from 1562 to 1892, a rise of 21%

Mailing list subscribers: rose from 1171 to 2658, a rise of 127%

We are particularly proud of our huge increase in website traffic. Typically, social media activity is aimed at driving traffic to the website so while we have missed our target to increase the number of twitter followers, the website increase shows that the profile of the campaign, and therefore awareness of furniture poverty, is growing at a tremendous rate.

## Speaking Events

We have spoken and exhibited at a wide variety of events over the year. We exhibited at both the Reuse Network annual conference, and the main social housing conference, Housing 2021. We negotiated a free stand at both events and it was an excellent opportunity to raise awareness of the issue of furniture poverty and discuss possible solutions.

We also hosted a discussion group at the Reuse Network conference to talk about 12-month warranties for white goods. Due to ongoing challenges of the Covid pandemic and the continuing challenges facing the reuse sector, we decided not to launch a full campaign and the importance of our work in other areas, which we believe will have a much greater impact, means we are unlikely to return to this as a full campaign in the near future.

## Here are some speaking highlights:

- Chartered Institute of Housing webinar – this was a solely End Furniture Poverty event, explaining how to create a new furnished tenancy scheme with lots of advice and support.
- Homes for Cathy webinar – a group of social housing providers that focuses on providing homes for people moving from homelessness
- Birmingham Social Housing Partnership – we were invited back so have presented twice to this group of major social housing providers in the West Midlands
- Chartered Institute of Housing's Housing Management Summit – keynote speaker
- Zero Carbon Tour – ahead of COP 26, we outlined how sustainability goals can also deliver social benefits too, focusing on furniture reuse
- TPAS - Tenant Participation Advisory Service, which includes both housing professionals and tenants.

## Grant Makers Alliance (GMA)

We continue to be an active member of the Grant Makers Alliance and have provided considerable support to our collective data project, looking at where their grants are going in the UK to find out if any areas are missing out. We were able to supply our LWA data to give a more comprehensive picture of the crisis support available across the country. Ultimately, the GMA will use this data to target local authorities and work with them to try to end the current postcode lottery of crisis support.

Through our membership of this group, we are working closely with Longleigh Foundation on a three-year research project looking at the provision of flooring in social housing. End Furniture Poverty has been invited to sit on the steering group for this major piece of research.

## Social Innovation Council

End Furniture Poverty is one of the founding members of the Social Innovation Council, a group of charities working with a digital fintech company (finance technology) to create a digital portal for grant applications. Our vision is: 'People in financial hardship are able to apply for multiple sources of support through a single portal when they need it'. This really is a ground-breaking project that will help people access a range of support in one place and in a single application, rather than having to make multiple






applications to different organisations. The portal is now live and a number of grant givers are signed up to offer grants through the portal, and local authorities are interested in providing access to the Local Welfare Assistance scheme and other benefits through the portal too.

So far 4,000 people have signed up to access support, with 91% saying they are satisfied or very satisfied with the process, and over £1m of grants have been provided through the portal.

#### Tackling Wider Poverty Issues

While our focus always remains firmly on ending furniture poverty, we cannot ignore the fact that furniture poverty sits within the wider poverty landscape. Therefore, we are involved a small number of campaigns to help people in ways that will help them to access essential furniture. This includes the Keep the Lifeline campaign, headed up the Joseph Rowntree Foundation, which campaigned to stop the removal of the £20 uplift to Universal Credit. We have gone on to collectively campaign for benefits to rise with inflation at the end of March 2022 and continue to work together, particularly around budget time.

### Performance against targets 2021-22

- Deliver the data project as part of the Grant Makers Alliance – we have completed our element but the final publication will be when the full data set is provided by the membership 
- Deliver a campaign to promote furniture reuse with social landlords to tackle asset stripping – part delivered through flooring campaign with Longleigh Foundation 
- Deliver the White Goods 12-Month Warranty campaign – part delivered through event at Reuse Network conference 
- Increase End Furniture Poverty mailing list by 20% - exceeded the target 
- Increase End Furniture Poverty social media following by 30% - missed the target 

### Priorities / Targets for 2022 – 2023

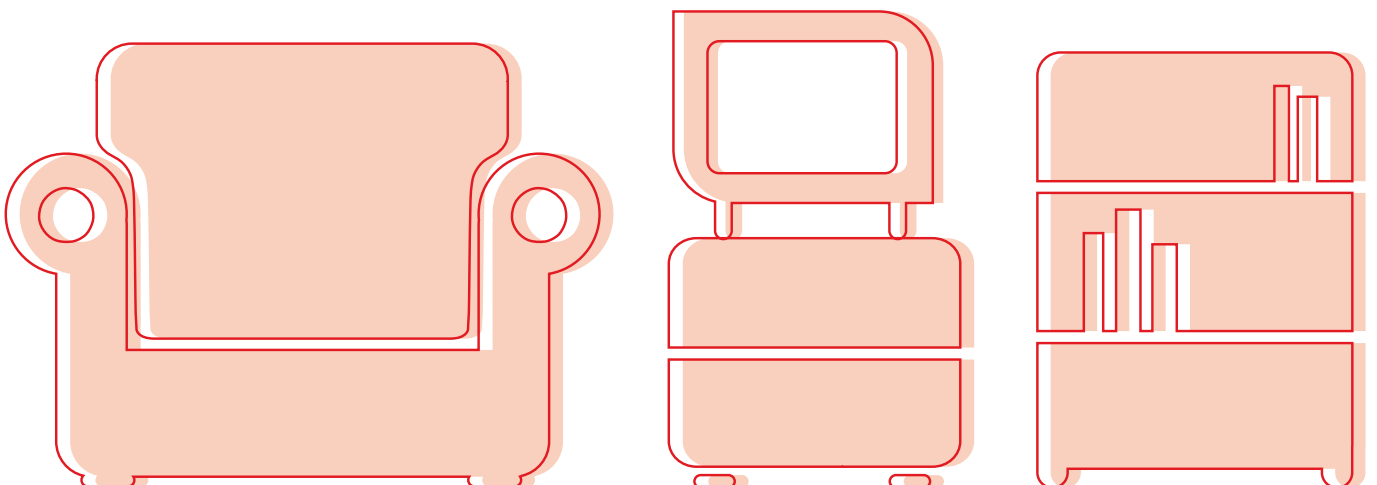
- Launch a Furnished Tenancies campaign using the findings of the Furnished Tenancies Research project
- Increase End Furniture Poverty social media following by 20%
- Maintain traffic to the End Furniture Poverty at over 100K visitors a year



**Creating Social Value**

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

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



## Furniture Resource Centre Limited

### FRC Living

Furniture Resource Centre rebranded as FRC Living early 2021-22 with a new website being launched. Operationally it was a demanding year as we were still working and living with the negative impacts of the pandemic on staff availability, supply chain and recruitment challenges and increasing costs. We continued to make covid safe deliveries to protect both customers and staff making 26,231 deliveries of essential furniture to people's homes during the year.

During the year FRC Living retained existing contracts and won new contracts with new customers across the UK.

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

### Furniture Resource Centre distributed 56,117 items of essential furniture to people in need

#### Performance against targets 2021-22

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

#### Priorities / Targets for 2022-23

- Retain existing contracts
- Bring on new customers/contracts
- Explore new markets relevant to FRC Living products and services
- Continuous development and improvement of our range and offer to meet the changing needs of our customers
- Improve our understanding of our supply chain and the impacts that we make

## Bulky Bob's

Bulky Bob's, our bulky household collection service is still driven by our mission to end furniture poverty 21 years on. In 2021-2022 Bulky Bob's teams in Liverpool and Oldham performed fantastically well in spite of collection complexities caused by Covid, Covid illnesses and isolations, staff departures and an extremely difficult and competitive Labour Market. Towards the end of 2020-2021, Bulky Bob's Furniture World was closed due to Covid so there was no outlet for many items of great quality, reusable furniture that were collected. We rented a warehouse from Liverpool Council for a short-term period on preferential rates to allow the storage of these items. This year, we wanted to do all that we could to ensure that great quality furniture was not being stored in a warehouse, so we made changes in our store to ensure that we had the same amount of furniture 'going out' as we did 'coming in.' The aim was no storage. This meant that we gave away more furniture than we previously had, helped more people, and created additional social value. This also meant that the operation ran more effectively as it removed a layer of delivery and collection from storage.

Throughout the year, we have been talking with Liverpool City Council regarding the contract payment to Bulky Bob's to explore measures we can take to ensure that this essential service is sustainable. These negotiations continue into 2022-2023.

Oldham Borough Council begun 'market testing' the integration of the contracts to collect and reuse bulky household waste and the provision of essential furniture via the Local Welfare Assistance Scheme. Any changes that occur as a result of this will be seen on 2022-2023.

Throughout the year work continued on the reuse of preloved mattresses. The team continued to improve the process and introduced efficiencies that mean that we can clean more mattresses and quality measures which improve the quality of the UltraCleaned mattresses.

We also continued to work on the supply side of preloved mattresses and entered into 2 significant partnerships with bed manufacturers to manage mattresses from their showrooms, research and development work and customer takebacks.

This provided more mattresses to be UltraCleaned, created PR for the service and gave Bulky Bob's an even greater understanding of the service required by the bed industry.



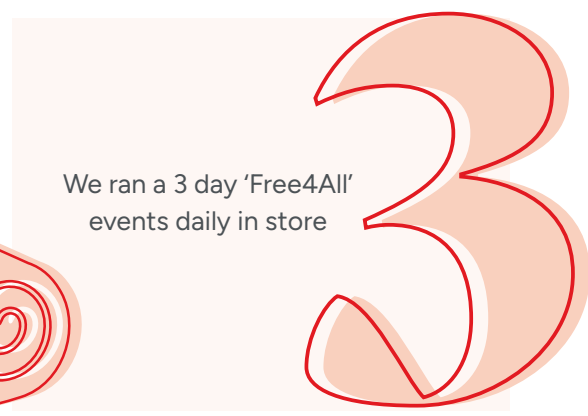
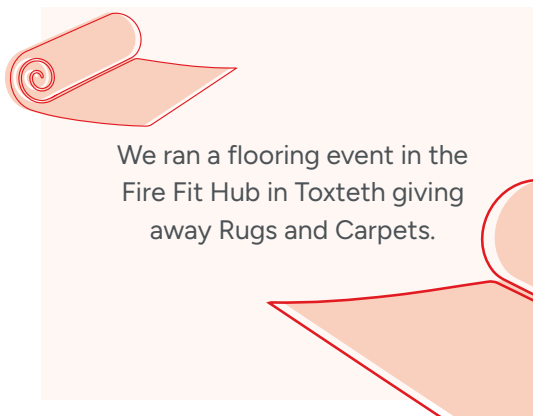
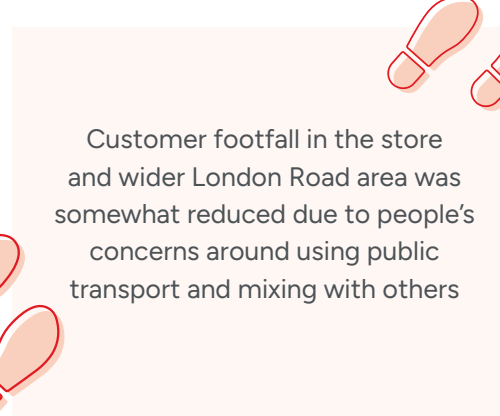
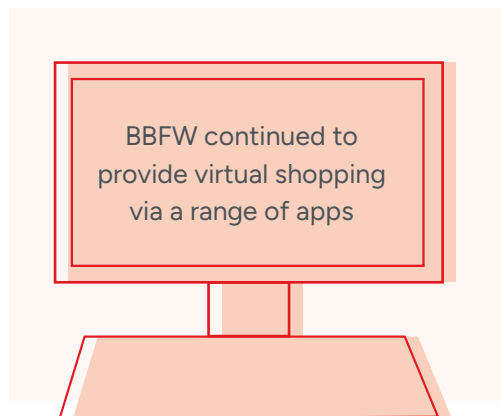
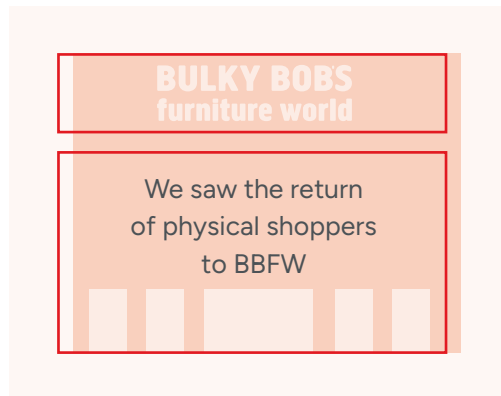
<b>Year</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>Comentry</b>
Collections on behalf of Local Authorities	56,744	42,484	51,992	The impact of Covid was felt in 2021-22, especially during the winter months, however collections remained operational throughout the year and returned to near pre-covid levels
Reused & recycled tonnes of furniture, appliances and other bulky waste	1,956	1574	1,176	A commercial decision to cease wood recycling, along with collections not quite back to pre-covid levels, has resulted in a reduced reuse and recycling in tonnage.

#### **Supply of refurbished items through Bulky Bob's Mattresses and Bed bases**

<b>Year</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>Comentry</b>
Number of Mattresses	8,335	2,501	3,194	The completion of installation of mattress machine has allowed for a more efficient operation in 221/22. The availability of mattresses is now the challenge to allow us to return to the volumes seen in 2019-20
Tonnes Mattresses diverted from landfill	292	87.5	111.8	
Mattresses Cleaned	941	538	910	
Financial Value of mattresses cleaned	£4,820	£4,680	£23,275	

## Bulky Bob's Furniture World

Our Bulky Bob's store was hugely impacted by the Covid 19 lockdown in 2020-21 and continued to be affected by limitations in 2021-22. BBFW was closed to paying customers for 18% of Q1 due to government restrictions and staff self isolating. The store stayed open throughout for crisis referrals – mainly due to the support and commitment of the wider team who stood up and stood in for staff who were isolating.



The world of retail has changed and we will face many challenges in the coming year:

- It seems probable that footfall will simply not return to pre-pandemic levels
- A number of stores in Liverpool closed during the pandemic and many of the small market traders went out of business also
- The imminent closure of the TJ Hughes store will deepen this challenge
- The shape of the Bulky Bob's collection service on contract expiry in November 22 is uncertain

This means that we will need to explore new ways to ensure that we are able to help people living in furniture poverty to have access to great quality, low prices furniture.

In all, notwithstanding the challenges faced by BBFW, a change in our approach to getting furniture to those who need it most meant that performance was very positive.



Year	2019-2020	2020-2021	2021-2022	Comentry
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### Total Number of sales to BFFW customers

Liverpool	4,141	2,369	4,157	The lifting of covid restrictions on non-essential retail has allowed store and warehouse sales operations to return to a near covid level in both Liverpool and Oldham. Increased operational demand on North east crews has restricted the opportunities to deliver the crisis referral scheme iin this area during 2021/22
Oldham	197	344	351	
North East	101	58	12	

### Sales to BFFW Customer Groups

Crisis – Liverpool	395	305	317	See above
Crisis – Oldham	55	103	153	
Crisis – North East	101	58	12	
20% Discount – Liverpool	28	19	7	
20% Discount – Oldham	0	0	0	
10% Discount – Liverpool	2,500	1,320	2,086	
10% Discount – Oldham	97	149	271	
LWP – Liverpool	534	247	510	
LWP – Oldham	45	92	100	
Standard – Liverpool	684	424	1,204	
Standard – Oldham	0	0	198	

### Financial value of crisis referrals

Liverpool	£5,2411	£3,7021	£43,466	See above
Oldham	£3,364	£10,270	£13,917	
North East	£12,458	£6,933	£1,824	

## Training people

Our Driving Change programme runs across all our businesses, training people who were previously unemployed or in precarious employment to gain the skills, behaviours and qualifications



## Performance against targets 2021–2022

	2021-2022				
	Target Items	Performance	Target Customers	Performance	
All BBFW Customers	9065	11,773	3130	4,891	
Retail sales	6764	7,191	2843	3,766	
Crisis Donations	1260	1,614	427	482	
Community Events	158	605	31	605	
LWP Preloved	883	1,790	282	1,790	

## Priorities/Targets for 2022-23

	Target Essential Items
All BBFW Customers	7,250
Retail sales	3,450
Crisis Donations	1,200
Community Events	800
LWP Preloved	1,800





## Creating Social Value

# Training people out of poverty

### Driving Change

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

This year, our programme continued to be severely impacted by Covid-19. Although training school re-opened, the waiting lists for training delayed and impacted our programmes.

**8 people took part in Driving Change.**



**7 people left during the year.**



**We had 8 Driving Change places**  
**3 x Bulky Bob's,**  
**2 x FRC and**  
**2 x Manchester**  
**1 x North Tyneside**



**6 of all leavers went into jobs.**



### Performance against targets 2021–2022

- 70% of people completing Driving Change will go into employment, training or further education (87.5%)
- 100% working towards their LGV Class II Licence (62.5%)\* We made a conscious decision to recruit warehouse trainees in some areas



### Targets for 2022–2023

- 70% of people completing Driving Change will go into employment, training or further education
- 75% working towards LGV Class 2

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

ViP is our volunteering programme. Through this scheme, people can work towards their own goals or give to charity by volunteering their time and skills. Volunteering opportunities are available in all parts of FRC Group, however the majority of volunteers work in our Bulky Bob's workshop or in our store. Our work with volunteers was another area impacted by the Covid-19 pandemic. In March 2020 we paused our programme and did not reopen fully until March 2021. Our existing volunteers were welcomed back, however, we made the decision not to recruit any additional volunteers. The decision was taken as our People and Culture team had to focus in on recruiting staff to deal with shortages created by covid isolations and the great resignation. We also found that there was a higher sense of nervousness of people willing to return to the workplace and take up volunteering opportunities. This means that in 2022-23 we will reassess the role of volunteers in FRC Group. Volunteers have been an important part of our past and will always be an important part of our culture going forward.

### Performance against 2021-22 performance and targets

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



### Targets for 2022-2023

Re-evaluate the volunteering programme to assess where opportunities are and the correct number of opportunities we have. This will be in line with Bulky Bob's structure and service going forward.

## Apprenticeships

Apprenticeships combine practical training in a job with study. Our apprentices earn a wage, work alongside experienced staff, get time for training and study related to the role. This year we had two apprentices working in Finance and in Project Management. We aimed to recruit additional apprentices, but due to having a limited workforce at time, we made the decision to recruit one apprentice and backfill other roles with experienced staff.

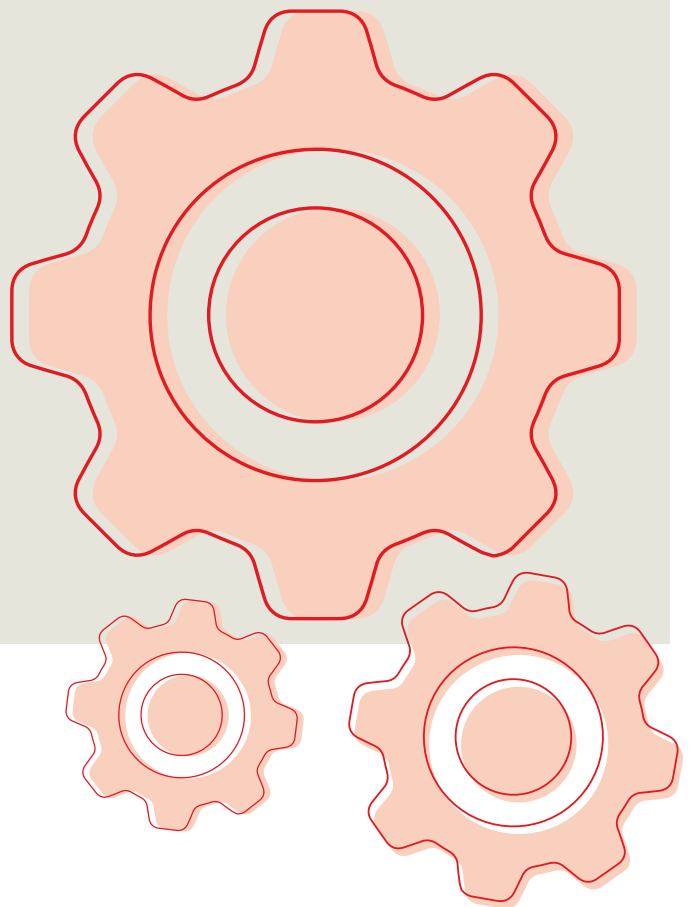
### Performance against 2021-22

- Recruit 3 apprentices



### Targets for 2022-23

- 2 Apprentices on Programme



## Kickstart

The Government's Kickstarter scheme continued in the year and was a great opportunity for us to create 6-month placements for talented young people, and get Government support to do it. However, the reality of having fantastic opportunities for people did not match up to the process of recruiting them. We had to work with Job Centre Plus (JCP) on recruitment, and once JCP interviewed a candidate, they would tell us that they had a person interested in a vacancy. They would then refer the person by name. However, with that name, came no other details – we had to wait for that person to contact us. The system was very hit and miss, sometimes candidates made contact and we could interview, other times they did not get in touch. The lack of control over the process made it very frustrating and time consuming. However, we did see some success.




14 kick starters  
on programme



10 of were these  
recruited in the year



7 remained at FRC on  
temporary contracts



1 was employed permanently as  
Customer Service Assistant and  
was promoted to a Customer  
Service Specialist.

### Performance against 2021-22 performance and targets

- Recruit 15 Kickstarters –  
we recruited 10

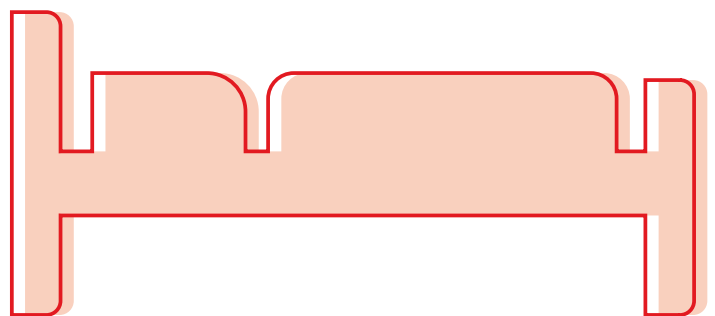
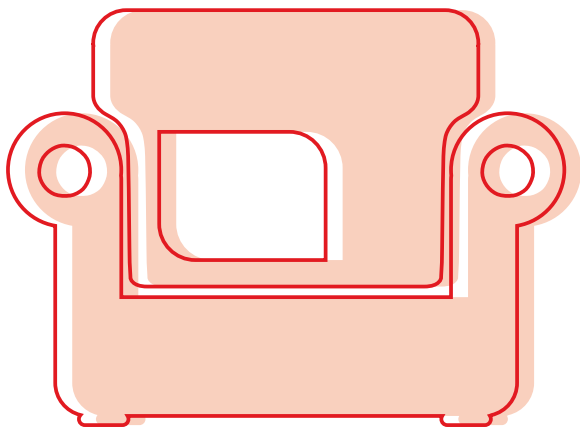


### Targets for 2022–2023

No targets set

**Creating Social Value**

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





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

**Buckingham Interiors**

At the start of the financial year Buckingham Interiors continued to adopt the pandemic processes we had implemented completing scheme tours and consultations using Teams and Zooms. This method allowed us to actively and safely engage with our customers and their residents and complete scheme refurbishments on time. As restrictions lifted, access to schemes was permitted and we were able to visit in person to complete consultations with managers and residents. This in person interaction was welcomed by all.

2021-22 was Buckingham Interiors most successful sales year. The introduction of more capacity into the sales team enabled this growth with us retaining current customers and winning contracts with new. During the year we updated our website and exhibited in person at the CIH Housing conference in September and the CIH North East conference in November as a means of networking with existing and new customers.

**Performance against targets for 2021–2022**

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

**Priorities / Targets for 2022–23**

- Retain existing contracts
- Bring on new customers/contracts
- Explore new markets relevant to Buckingham Interiors products and services
- Continuous development and improvement of our range and offer to meet the changing needs of our customers
- Improve our understanding of our supply chain and the impacts that we make



### **Bulky Bob's For Business (BBFB)**

BBFB provides waste collection and recycling services to local businesses, including the collection of unwanted furniture and PCs. Services have also previously included the collection of confidential paper waste but due to the large number of businesses not occupying their office space throughout 2020-2021 due to the Covid-19 pandemic, a decision was taken to cease this service in February 2021.

During 2021/22, 1,408 unwanted PCs were collected from businesses with 1,061 of these being electronically data wiped. The remainder were either crushed or do not contain a hard drive so no data wiping is required. Once data wiped, PCs are refurbished and 637 were sold to local charities / schools / colleges and a further 104 were donated to charities and individuals who were referred to us for a PC.

The main area of future growth for Bulky Bob's For Business is to continue to develop the collection, data wiping and sale / donation of PCs and this is expected to grow further in 2022/23 with schools and colleges having a high demand for the purchase of refurbished PCs. In addition, there is a strong demand for donated PCs from various local charities and a greater number of PCs should be donated to these causes during 2022/23.

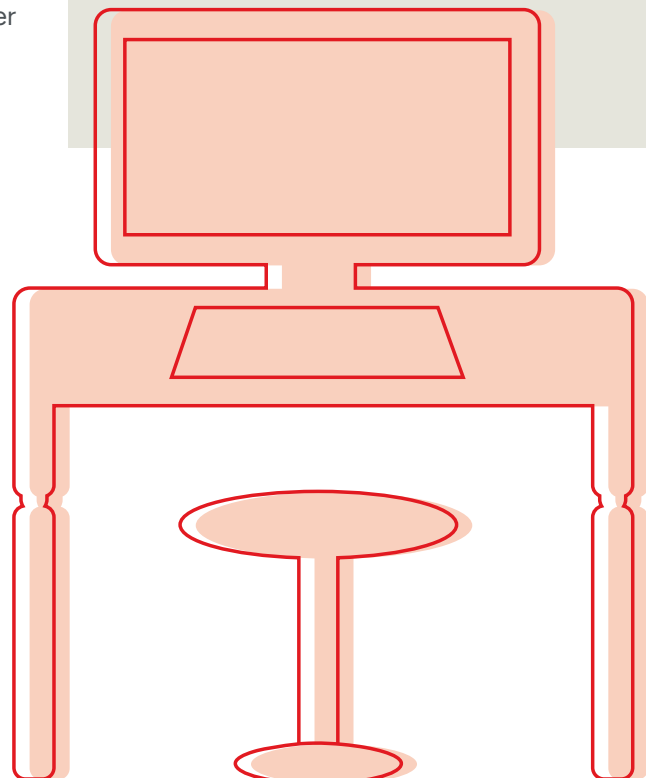
### **Performance against Targets for 2021-22**

- Increase PC Collections
- Increase commercial furniture collections



### **Priorities/Targets for 2022-23**

- Increase the sales of refurbished PCs
- Increase the number of PCs donated to charities
- people who otherwise can't afford a new PC
- Improve the profitability of the services provided



# People

In 2021-22, like organisations in many industries, we were dealing with the aftermath of Covid-19. The COVID-19 pandemic left little untouched and people from all walks of life were affected. Whether furloughed or working – people felt the impacts of Covid – and the while we all waited for things to get back to normal, we now know – that the old normal has gone forever.



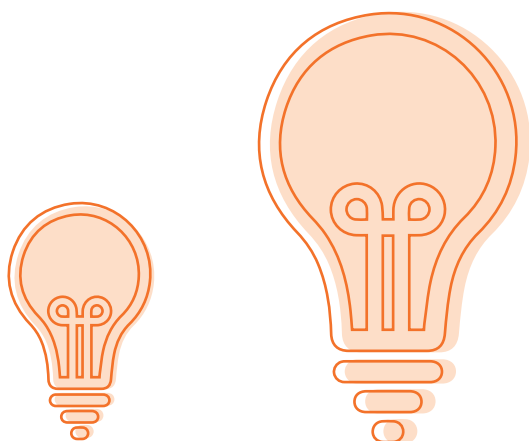


Our staff have all dealt with so many issues at work including Staff shortages, supplier issues, stress, new ways of working to protect staff, new ways of working to protect customers, working remotely and managing staff remotely, isolation after isolation after isolation, mixed views on vaccinations, managing people's mental health, there's been a lot going on. And on top of that – staff were trying to do this whilst balancing work with home. Covid changed everything and also led to lots of other problems affecting work – one such problem we have seen affect our businesses and many business across the world – The Great Resignation.

In 2021-2022 we have started to work even harder to be a great employer to help us to recruit and retain the best people. We started the accreditation process for Investors in People in an effort to make FRC Group not only a great place to work but a company whereby our employees can learn, develop and be successful within their roles. There are a series of standards that as a business we need to work towards to allow us to 'pass' and as a result gain accreditation.

**In 2021-22 the standards FRC Group have met are:**

- Living the Organisations Values and Behaviours
- Recognising and Rewarding High Performance
- Empowering and Involving People
- Structuring Work
- Delivering Continuous Improvement



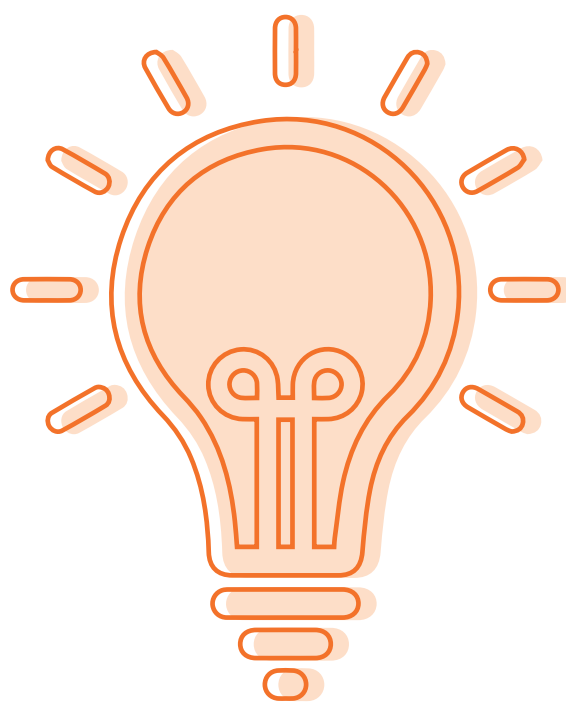
**Key strengths noted by assessors**

The assessment clearly revealed a number of key strengths within the company. These include:

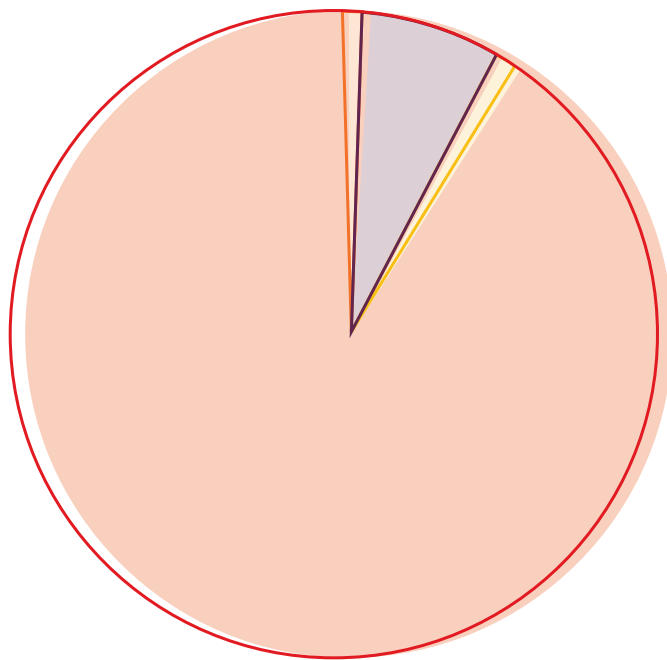
- People across FRC are led, managed, developed and encouraged to behave in line with the company's values;
- Recognition and reward is clear and appropriate, where people are recognised for their performance and behaviour on a formal and informal basis creating a culture of appreciation where people are motivated to perform at their best; and
- People's roles have been designed to help FRC deliver on its vision "to end furniture property" by identifying clear accountability for people to make decisions within their role

**In 2022-23 the standards FRC Group are working towards are:**

- Leading and Inspiring People
- Managing Performance
- Building Capability
- Creating Sustainable Success



### Ethnic Diversity Chart



<b>Ethnicity</b>	<b>Leadership</b>	<b>Board</b>
White British	100%	100%
White Irish	0%	0%
Caribbean/Mixed	0%	0%
Other	0%	0%
<b>Gender</b>		
Male	50%	71%
Female	50%	29%
<b>Disability</b>	0%	0%

# Health, Safety and Wellbeing

At FRC Group we take health, safety and wellbeing extremely seriously and make this clear to all of our staff, trainees, volunteers, customers, suppliers and members of the general public.

We have a Health, Safety and Wellbeing Committee made up of key representatives from across FRC Group, including satellite sites. The group holds a number of external health and safety accreditations including:

- SMAS (Safety Management Advisory Services)
- CHAS (Contractor Health & Safety Assessment Scheme)
- ISO9001 (Quality Management Standard)

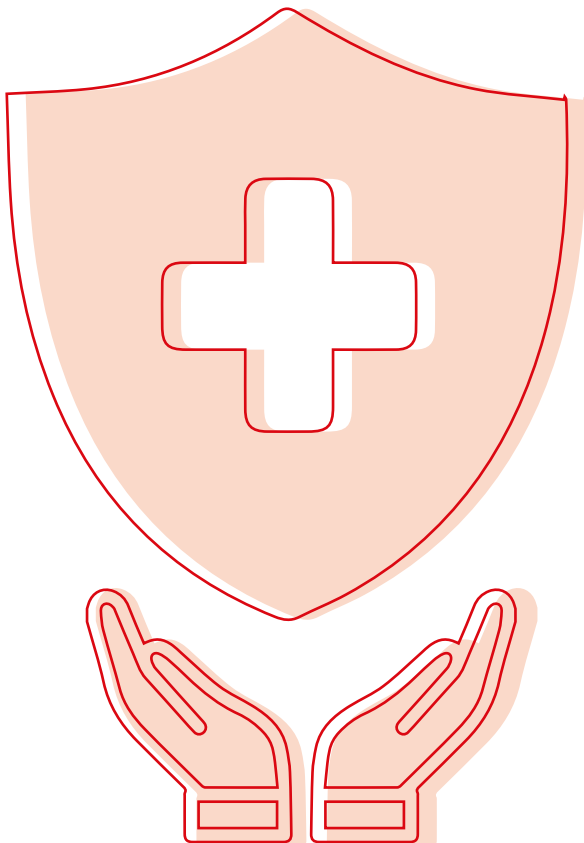


We have two trained health and safety advisors with NEBOSH (National Examination Board in Occupational Safety and Health)

During the period Furniture Resource Centre Ltd were accredited with ISO14001

We use IHasco (online training provider for Health and Safety Courses)

44 accidents (compared to 41 in 2020-21)  
1 was Riddor reportable due to the nature of the injury (compared to 6 in 2020-21 were period of absence from work exceeded 7 days including weekends)



A number of accidents related to manual handling injuries which is not unusual given the nature of the main operation. As a result of these accidents, we secured a new external training provider for practical manual handling training which now forms part of the induction process along with practical banksman and FLT training. The practical training is supported by on-line training.

Staff who have reported manual handling related accidents are assigned to the next scheduled practical training as a refresher.

We continue to offer annual refresher training for all operational staff, routine reminders for correct manual handling techniques and operational manual handling controls continue to form part of team briefings. We continue with our 'Train the Trainer' approach whereas team leaders are trained to train team members in manual handling techniques which will allow for more practical manual handling demonstrations.

We recognise that we are 'Living with Covid' and have included a section on 'Living with Covid' in all of our risk assessments.

#### **Our targets for next year are to:**

- Carry out an analysis of accidents and benchmark against similar operations
- Introduction of SharePoint – Launch Health, Safety & Wellbeing site
- Raise safety awareness by putting more staff through IOSH training

# Carbon Footprint

We monitor our environmental impact through FRC Group's Environmental Management System and includes a number of controls. These include the carbon footprint of the vehicle fleet and premises, waste and recycling, and the impacts of the FRC Group supply chain. The generation of electricity from photovoltaic panels at our head office site saved 3.8 tonnes of carbon during 2021-22. Our Bulky Bob's model also reduces carbon emissions through mattress and furniture reuse.

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

Unfortunately, vehicle performance data could not be obtained from our Manchester and North East sites for 2021-22 and so the reported carbon footprint does not include the vehicle fleet from these locations. In 2021-22, FRC Group had a carbon footprint of 208 of CO2 emissions, compared to 262 tonnes of CO2 emissions in 2020-21 from all sites including all vehicles.

Excluding Manchester and North East vehicle performance from the 2020-21 results gives a total carbon footprint of 161 tonnes, which means that the 2021-22 carbon footprint of 208 tonnes is an increase of 29%. This is explained as follows:

- An increase in vehicle activity arising from the increase in sales in the year.
- An increase in the number of buildings occupied by the group causing an increase in electricity and gas usage.
- An increase in the number of staff returning to the office having worked from home during much of 2020-21.

## Total CO2 (Tonnes)

2017 – 18	230
2018 – 19	265
2019 – 20	271
2020 – 21	262
2021 – 22	208*

\*excluding Manchester and North East logistics

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



# Suppliers

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



# Stakeholder Section

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

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





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

### **End Furniture Poverty**

We published our first Local Welfare Assistance report, The Postcode Lottery of Crisis Support, in April 2021. This had involved sending Freedom of Information requests to 410 local authorities across the UK. The final report was emailed out to our mailing list of 1831 recipients, and we also hosted a webinar to share our findings which was attended by 33 housing, local authority and charity professionals.

We published our second Local Welfare Assistance report, The State of Crisis Support, in February 2022. To gather the data for this report, we issued a Freedom of Information request to 151 upper tier local authorities in England, these are the county, city and metropolitan councils. The complex situation created by the provision additional Covid Government grants, meant we needed to return to issue a second Freedom of Information request to the same group of stakeholders. This report was emailed out to our now increased mailing list of 2152 recipients and we held another webinar to share our findings which was attended by 40 housing, local authority and charity professionals.

The numbers of people living in furniture poverty who reached out to us for help and advice during 2021/2022 rose greatly over the course of the year, rising from 224 in Quarter 1, to 1979 in Quarter 4. In total 4035 people emailed us for help. We started the year taking phone calls and received 360 calls in Quarter 1. We continued this in Quarter 2 but after a further 113 phone calls, we acknowledged that this was taking us away from our core objectives of developing scaled national solutions to furniture poverty, so we took the decision to have a recorded message asking people to email us instead, or text us so we could respond with a template text directing them to sources of support.

We engaged with dozens of housing associations over the course of the year. For example, we delivered a webinar arranged by the Chartered Institute of Housing which was attended by 40 housing professionals, and presented at the CIH Housing Management Summit which had over 100 attendees.

### **Responsiveness**

We collected data on responsiveness from our Leaders

### **Our people**

We carried out a staff survey

### **Bulky Bob's Customers**

- 117 surveys completed

### **Crisis Furniture Worker**

- 14 surveys completed

### **Bulky Bob's Furniture World Survey**

- 18 surveys completed

### **Furniture Voucher Client Questionnaire**

- 1 survey completed

### **Liverpool John Moores Furniture Survey**

- 32 surveys completed

### **FRC Customer**

- 10 surveys completed

### **Survey for Social Landlords by End Furniture Poverty**

- 2 surveys completed

### **End Furniture Poverty Survey**

- 40 surveys complete March 2022



Strategic Report Approved  
by the Board of Directors  
and signed on its behalf  
by Secretary A Rowan.  
7th December 2022

# Appendix 1: Independent Limited Assurance Report to FRC Group

We have been engaged by the FRC Group to provide independent limited assurance on the selected aspects of the Furniture Resource Centre Limited Integrated Report 2021-22 as included on pages 6-57 (“the Report”) for the year ended 31 March 2022.

## **Our conclusion**

On the basis of our procedures nothing has come to our attention that causes us to conclude that the selected aspects of the information included within the FRC Group’s Integrated Report 2021-22 – Social Value Review 2021/22: Creating Social Value has not been prepared in all material respects in line with the Reporting Criteria. This conclusion is to be read in the context of what we say below.

## **Selected information**

The data included within the scope of our assurance report appears in the “FRC Group’s Integrated Report 2021-22.” This is information denoted with the

## **Professional standards applied and level of assurance**

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

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

## **Our independence and quality control**

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

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

## **Understanding reporting and measurement methodologies**

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

### Work done

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

- a. Interviews with FRC Group Management;
- b. Review of the FRC Group Approach to stakeholder engagement in the report and assessment of the outputs from the materiality process relating to stakeholder and FRC Group's engagement;
- c. Review of the FRC Group Approach to stakeholder engagement through interviews with employees responsible for managing engagement activities and review of selected associated documentation;
- d. Review of the approach of FRC Group in determining material issues to be included in the Report;
- e. Review of the coverage of material issues within the Report against the topics discussed by the FRC Group Board; and,
- f. Engagement with a sample of stakeholders to obtain feedback as to the operations of Bulky Bob's Furniture World.

Specifically, for the disclosures on pages 17-19 and 22 our assurance is on the basis / limited to the following:

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

### FRC Group's responsibilities

The Directors of the FRC Group are responsible for:

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

### Our responsibilities

We are responsible for:

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

This report has been prepared to assist the FRC Group in reporting its Social Value. We permit this report to be disclosed in the FRC Group's Integrated Report 2021-22.

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

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

*Richard Evans*

Richard Evans  
For and on behalf of  
Crowe U.K. LLP  
December 2022

# Financial Review

## Consolidated Financial Statements

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- 69 Notes to the Accounts



# Directors' Responsibilities Statement.

## Directors' Responsibilities

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

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

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

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

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

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

## Small Companies' Exemption

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

## Auditor

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

## Statement as to disclosure of information to auditor

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

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



Secretary  
A Rowan

Date: 7 December 2022



# Independent Auditor's Report To Members Of Furniture Resource Centre Limited

## Opinion

We have audited the financial statements of Furniture Resource Centre Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other

ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise

appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Health & Safety and Waste Carriers Regulations.

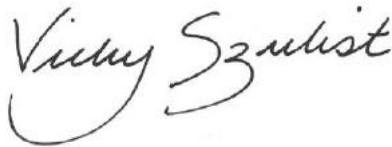
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reading minutes of meetings of those charged with governance and sample testing on revenue to supporting information.

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

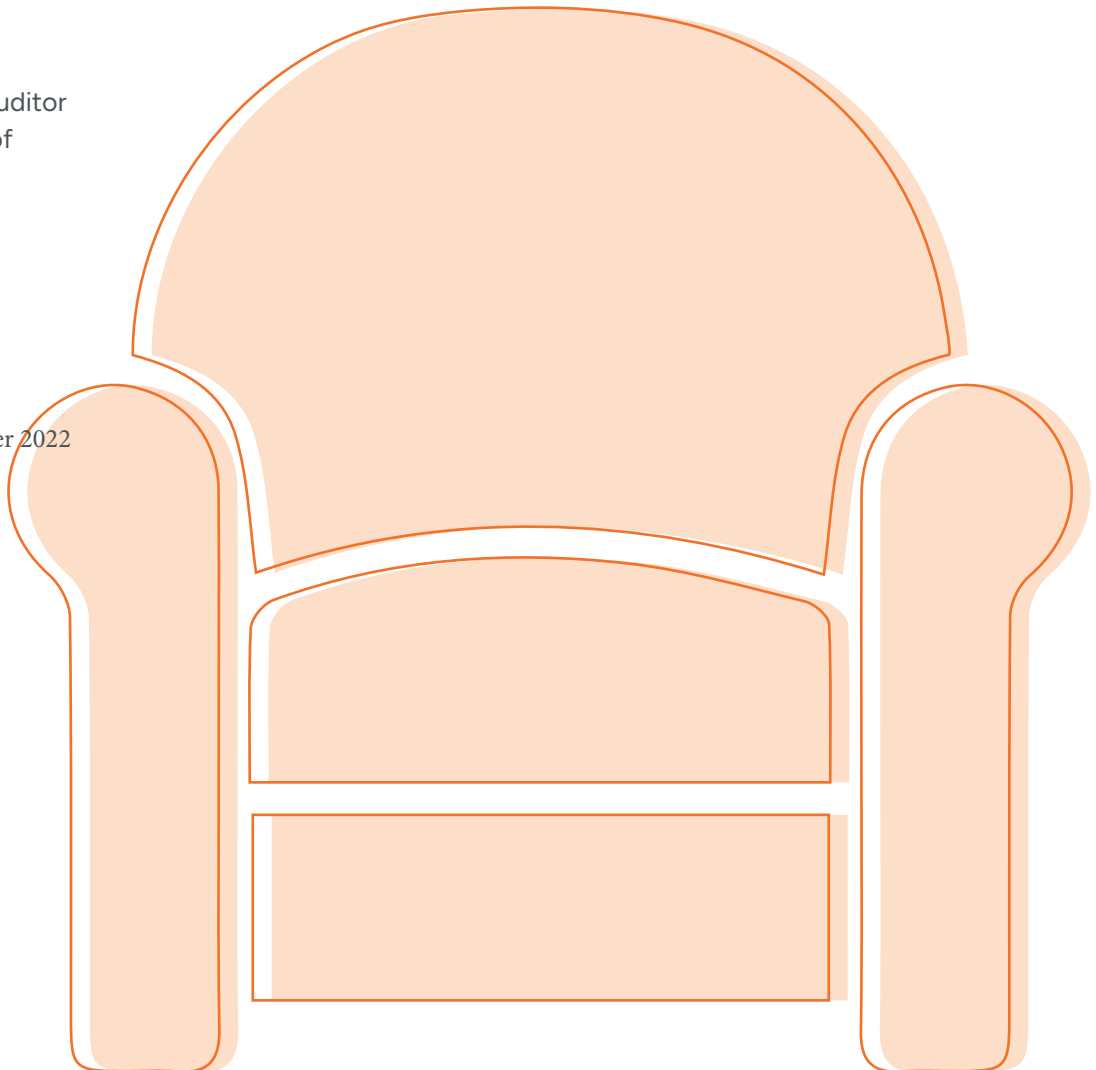
### Use of our report

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



Vicky Szulist  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date 23rd December 2022



# Furniture Resource Centre Limited Consolidated Statement of Financial Activities

(including income and expenditure account)  
for the year ended 31 march 2022

	Note	Total Unrestricted Funds	Total Restricted Funds	Total Funds 31 March 2022	Total Funds 31 March 2021
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	4	6,467	82,542	89,009	224,291
Charitable activities	5	15,496,153	-	15,496,153	12,850,360
Investments		686	-	686	820
Other		30,915	-	30,915	99,210
<b>Total</b>		<b>15,534,221</b>	<b>82,542</b>	<b>15,616,763</b>	<b>13,174,681</b>
<b>Expenditure on:</b>					
Charitable activities	6	14,900,511	91,352	14,991,863	12,873,493
<b>Total resources expended</b>		<b>14,900,511</b>	<b>91,352</b>	<b>14,991,863</b>	<b>12,873,493</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>633,710</b>	<b>(8,810)</b>	<b>624,900</b>	<b>301,188</b>
<b>Balances brought forward at 1 April</b>		<b>2,861,760</b>	<b>8,810</b>	<b>2,870,570</b>	<b>2,569,382</b>
<b>Balances carried forward at 31 March</b>		<b>3,495,470</b>	<b>-</b>	<b>3,495,470</b>	<b>2,870,570</b>

The notes on pages 69 to 100 form part of these financial statements.

# Furniture Resource Centre Limited Consolidated and Charity Balance Sheets

at 31 March 2022

	Notes	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12	-	7,500	-	7,500
Tangible assets	13	464,271	540,108	418,255	472,167
Investments	3	-	-	-	1
		464,271	547,608	418,255	479,668
<b>Current assets</b>					
Stock	14	1,190,923	996,342	1,187,291	992,945
Debtors	15	3,575,531	3,028,668	3,433,494	3,001,110
Investments	16	182,479	181,793	182,479	181,793
Cash at bank and in hand		975,100	585,237	937,528	514,022
		5,924,033	4,792,040	5,740,792	4,689,870
<b>Creditors: amounts falling due within one year</b>	17	(2,549,084)	(1,969,078)	(2,347,984)	(1,815,037)
<b>Net current assets</b>		3,374,949	2,822,962	3,392,808	2,874,833
<b>Total assets less current liabilities</b>		3,839,220	3,370,570	3,811,063	3,354,501
<b>Creditors: amounts falling due after more than one year</b>	17	(343,750)	(500,000)	(343,750)	(500,000)
<b>Net Assets</b>		3,495,470	2,870,570	3,467,313	2,854,501
<b>Funds</b>					
Unrestricted		3,495,470	2,861,760	3,467,313	2,845,691
Restricted	19	-	8,810	-	8,810
<b>Total Funds</b>	20	3,495,470	2,870,570	3,467,313	2,854,501

The notes on pages 69 to 100 form part of these financial statements.

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

The financial statements were approved by the Board of Directors and authorised for issue on 7th December 2022 and signed on their behalf by



N Wilson  
Director

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

# Furniture Resource Centre Limited Consolidated Cash Flow Statement

For The Year Ended 31 March 2022

	Note	2022	2021
		£	£
<b>Cash flows from operating activities:</b>			
Cash generated / (reduction in cash) from operations	25	503,995	(246,453)
Interest received		686	820
<b>Net cash inflow / (outflow) from operating activities</b>		<b>504,681</b>	<b>(245,633)</b>
<b>Cash flows from investing activities:</b>			
(Purchase of) fixed assets		(87,082)	(338,322)
Sale of fixed assets		4,200	428
(Purchase of) cash investments		(686)	(820)
<b>Net cash (outflow) from investing activities</b>		<b>(83,568)</b>	<b>(338,714)</b>
<b>Cash flows from financing activities</b>			
Net cash (outflow) / inflow from borrowing		(31,250)	481,726
<b>Net cash (outflow) / inflow from financing activities</b>		<b>(31,250)</b>	<b>481,726</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>389,863</b>	<b>(102,621)</b>
Cash and cash equivalents at the beginning of the year		585,237	687,858
<b>Cash and cash equivalents at the end of the year</b>		<b>975,100</b>	<b>585,237</b>

The notes on pages 69 to 100 form part of these financial statements.

# Furniture Resource Centre Limited Notes To The Accounts

For The Year Ended 31 March 2022

## 1 Accounting policies

### a) General Information

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

### b) Basis of preparation

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

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

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

### c) Basis of consolidation

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

### d) Going Concern

The financial position on pages 64 to 98 demonstrates that the group is operating within its available cash funds and has net current assets at the year end. As a result of the Covid-19 pandemic, the trustees reviewed detailed cash flow projections covering a range of scenarios and after careful consideration, were of a view that the charity has sufficient cash balances to continue to trade despite the difficult economic climate. As a contingency, the charity also secured a loan under the Cononavirus Business Interruption Loan Scheme, which was drawn down in December 2020.

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

### e) Incoming resources

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

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

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

#### **f) Resources expended**

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

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

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

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

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

#### **g) Irrecoverable VAT**

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

#### **h) Operating leases**

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

#### **i) Investments**

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

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

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

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

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

#### **k) Goodwill**

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



### **l) Stocks**

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

### **m) Pension costs**

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

### **n) Funds structure**

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

### **o) Financial Instruments**

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

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

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

### **p) Judgements in applying accounting policies**

and key sources of estimation uncertainty  
In preparing these financial statements, the directors have made the following judgements:

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

Other key sources of estimation uncertainty:

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

## 2 Financial activities of the charity

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

	Unrestricted funds	Restricted funds	2022 Total Funds	Unrestricted funds	Restricted funds	2021 Total Funds
	£	£	£	£	£	£
Incoming Resources	14,712,870	40,908	14,753,778	12,217,500	168,280	12,385,780
Resources Expended	(14,091,248)	(49,718)	(14,140,966)	(11,912,119)	(167,946)	(12,080,065)
Net incoming / (outgoing) resources for the year	621,622	(8,810)	612,812	305,381	334	305,715

### Legal Status

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

### **3 Subsidiary companies and other group charities**

The financial activities shown in the consolidated financial statements include the results of Bulky Bob's and Bulky Bob's For Business, charities for which Furniture Resource Centre Limited is the sole member.

The information and financial data for each company is included below. The registered office of Bulky Bob's and Bulky Bob's For Business is the same as stated on the company information page of these accounts.

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

The charity is the sole member of Bulky Bob's, a company limited by guarantee and registered in England. Bulky Bob's is also a registered charity (charity number 1167068) and operates contracts for various councils within the North West for the collection, reuse and recycling of bulky household waste and for the provision of training. Bulky Bob's changed its name from Bulky Bob's Limited on 10 January 2022 and was previously called Bulky Bob's 2015 until 22 December 2021.

At 31 March 2022, the capital and reserves of Bulky Bob's were £153,908 (2021: £143,613). The charity made a surplus of £10,295 in the year ended 31 March 2022 (2021: £7,722).

#### **(ii) Bulky Bob's For Business**

The charity is the sole member of Bulky Bob's For Business, a company limited by guarantee and registered in England. Bulky Bob's For Business is also a registered charity (charity number 1168088) and provides a business waste collection service including the collection, data wiping and reuse of PCs.

At 31 March 2022, the capital and reserves of Bulky Bob's For Business were in deficit by £125,749 (2021: deficit of £127,542). The charity made a surplus of £1,793 in the year ended 31 March 2022 (2021: deficit of £12,250).

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

Bulky Bob's Limited was a wholly owned subsidiary of Furniture Resource Centre Limited, whose contracts, assets and liabilities were transferred to Bulky Bob's 2015 on 1 April 2017. The company ceased trading on that date and was dissolved on 7 September 2021.

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

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Incoming Resources	1,181,091	40,402	1,221,493
Resources Expended	(1,170,796)	(40,402)	(1,211,198)
Net incoming resources for the year	10,295	-	10,295

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Incoming Resources	155,109	1,232	156,341
Resources Expended	(153,316)	(1,232)	(154,548)
Net incoming resources for the year	1,793	-	1,793

## 4 Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Kickstart	-	82,392	82,392	-	5,784	5,784
Coronavirus Job Retention Scheme Grant	6,467	-	6,467	153,121	-	153,121
Donation to purchase a bed	-	150	150	-	-	-
Sefton at Work	-	-	-	-	(1,228)	(1,228)
Made Smarter Grant	-	-	-	-	21,564	21,564
Charity Shop	-	-	-	-	50	50
Liverpool City Council Covid-19 support	-	-	-	-	35,000	35,000
Wirral Council Covid-19 support	-	-	-	-	10,000	10,000
<b>Total donations and legacies</b>	<b>6,467</b>	<b>82,542</b>	<b>89,009</b>	<b>153,121</b>	<b>71,170</b>	<b>224,291</b>

## 5 Income from Charitable activities

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Provision of furniture / furniture packages	14,277,981	-	14,277,981	11,759,024
Provision of bulky household waste collection and recycling services	882,862	-	882,862	882,487
Charity shop sales	209,780	-	209,780	104,165
Provision of other recycling services	123,857	-	123,857	104,684
Other income	1,673	-	1,673	-
<b>Total charitable activities</b>	<b>15,496,153</b>	<b>-</b>	<b>15,496,153</b>	<b>12,850,360</b>

## 6 Expenditure on Charitable activities

	Direct Costs	Support	Total 2022	Total 2021
	£	£	£	£
Provision of furniture / furniture packages	11,676,839	1,361,055	13,037,894	10,783,371
Charity shop sales	340,462	17,084	357,546	285,839
People Development	265,654	66,086	331,740	368,153
Provision of bulky household waste collection and recycling services	873,322	41,651	914,973	947,690
Provision of other recycling services	242,654	15,035	257,689	406,076
Other	91,942	79	92,021	82,364
<b>Total charitable activities expenditure</b>	<b>13,490,873</b>	<b>1,500,990</b>	<b>14,991,863</b>	<b>12,873,493</b>



## 7 Allocation of support costs

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

	Provision of Furniture and furniture packages	Charity Shop Sales	People Development	Provision of bulky household waste collection and recycling services	Provision of other recycling services	Other	2022 Total	2021 Total
Support Cost	£	£	£	£	£		£	£
Property cost	198,259	-	66,086	-	-	-	264,345	334,316
Staff costs	584,202	8,583	-	25,867	7,684	49	626,385	616,514
Vehicle costs	-	-	-	-	307	-	307	5,371
ICT costs	144,217	2,119	-	-	-		146,336	96,232
Governance	25,272	371	-	2,744	3,250	5	31,642	34,494
General office	303,748	4,463	-	13,040	3,794	25	325,070	274,549
Depreciation	105,357	1,548	-	-	-		106,905	81,687
	1,361,055	17,084	66,086	41,651	15,035	79	1,500,990	1,443,163

## 8 Governance costs

	2022	2021
	£	£
Social Audit	7,000	5,000
Audit and accountancy	18,000	24,209
Directors insurance	6,644	5,285
	31,644	34,494

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

	2022	2021
	£	£
Staff costs:		
Wages and salaries	3,341,948	3,038,338
Social security costs	244,431	234,282
Pension costs	143,834	124,257
	3,730,213	3,396,877

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

	2022	2021
	Number	Number
£60,000 - £70,000	1	1
£70,001 - £80,000	1	1
£100,001 – 110,000	1	1

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

3 employees had emoluments (excluding pension contributions) of more than £60,000 in the year (2021: 3).

The key management personnel of the charity and group comprise the trustees, Chief Executive Officer, Director of Finance and Social, Director of FRC and the Director of People and Culture. The total employee cost of the key management personnel was £361,354 (2021: £354,756).

During the year, redundancy costs of £5,512 (2021: £1,544) were paid by the group. Redundancy costs of £nil were paid by the charity (2021: £772).

The average number of employees analysed by function, was:

	2022	2021
	Number	Number
Provision of furniture and furniture packages	68	57
Training	6	9
Retail	8	6
Bulky Bob's – collection, recycling and reuse of unwanted furniture	25	22
Bulky Bob's For Business	1	4
Management, Finance, Administration and ICT	14	11
End Furniture Poverty	2	2
	124	111

## 10 Trustee Remuneration & Related Party Transactions

No trustee received any remuneration during the year ended 31 March 2022 (2021: £nil).

No travel costs were reimbursed to trustees in the year (2021: £nil).

Related party transactions are shown in note 23 to the accounts.

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
This is stated after charging/(crediting):				
Auditors' remuneration: Audit services	18,000	18,000	12,000	12,000
Non-audit services	7,000	5,000	7,000	5,000
Depreciation and amortisation	144,637	180,068	120,769	141,420
Loss on disposal	21,581	780	23,502	-
Operating lease rentals:-				
Other	744,290	805,028	560,033	585,726

## 12 Intangible Assets

	Group		Charity	
	Goodwill	Total	Goodwill	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2021	97,600	97,600	90,000	90,000
At 31 March 2022	97,600	97,600	90,000	90,000
<b>Amortisation</b>				
At 1 April 2021	90,100	90,100	82,500	82,500
Charge for the year	7,500	7,500	7,500	7,500
At 31 March 2022	97,600	97,600	90,000	90,000
<b>Net book value</b>				
At 31 March 2022	-	-	-	-
At 31 March 2021	7,500	7,500	7,500	7,500

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

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

## 13 Tangible fixed assets

Group	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Assets Under Construction	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2021	947,370	302,106	246,802	457,607	125,708	2,079,593
Additions	2,724	32,680	10,950	20,103	21,752	882,092
Disposals	-	(21,948)	-	(8,850)	(24,446)	(55,244)
Reclassification of fixed assets	(32,825)	(3,558)	37,147	363	-	-
At 31 March 2022	917,269	308,153	294,899	469,223	123,014	2,112,558
<b>Accumulated Depreciation</b>						
At 1 April 2021	824,766	134,854	214,219	365,646	-	1,539,485
Charge for the year	14,803	38,163	32,693	51,478	-	137,137
Disposals	-	(21,512)	-	(6,823)	-	(28,335)
At 31 March 2022	839,569	151,505	246,912	410,301	-	1,648,287
<b>Net book value</b>						
At 31 March 2022	77,700	156,648	47,987	58,922	123,014	464,271
At 31 March 2021	122,604	167,252	32,583	91,961	125,708	540,108

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



## 13 Tangible fixed assets (continued)

Group	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Assets Under Construction	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2021	925,732	219,396	220,339	439,907	125,708	1,931,082
Additions	-	31,380	10,950	20,103	21,753	84,186
Disposals	-	(499)	-	-	(24,446)	(24,945)
Reclassification of fixed assets	(32,825)	(4,685)	37,147	363	-	-
At 31 March 2022	892,907	245,592	268,436	460,373	123,015	1,990,323
<b>Accumulated Depreciation</b>						
At 1 April 2021	819,672	80,790	204,508	353,945	-	1,458,915
Charge for the year	12,393	26,154	26,243	48,479	-	113,269
Disposals	-	(116)	-	-	-	(116)
At 31 March 2022	832,065	106,828	230,751	402,424	-	1,572,068
<b>Net book value</b>						
At 31 March 2022	60,842	138,764	37,685	57,949	123,015	418,255
At 31 March 2021	106,060	138,606	15,831	85,962	125,708	472,167

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

## 14 Stock

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Finished goods	1,190,923	996,342	1,187,291	992,945

Stock recognised as an expense in the year for the group was £9,051,858 (2021: £7,626,843) and for the charity was £9,034,392 (2021: £7,611,725).

## 15 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	3,233,998	2,759,941	2,953,047	2,594,558
Prepayments	281,457	234,188	245,263	196,878
Amounts due from subsidiary undertakings	-	-	177,446	175,137
Other debtors	60,076	34,539	57,738	34,537
	3,575,531	3,028,668	3,433,494	3,001,110

The amount due from subsidiary undertaking relates to an amount due from Bulky Bob's For Business. The balance is due on demand and incurs interest at a rate of 4% per annum, compounded daily. The impairment loss recognised in the SOFA for the year in respect of bad and doubtful trade debtors was £nil (2021: £nil).

## 16 Investments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash held on deposit	182,479	181,793	182,479	181,793
	182,479	181,793	182,479	181,793

The amount shown under cash held on deposit above relates to cash held in fixed term deposits maturing prior to 31 March 2023.

## 17 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	1,538,374	1,165,179	1,506,067	1,086,196
Amount owed to subsidiary undertaking	-	-	4,950	19,152
Other taxation and social security	290,177	399,786	246,773	363,835
Other creditors	69,472	66,668	65,641	63,154
CBILS loan	125,000	-	125,000	-
Accruals and deferred income	526,061	337,445	399,553	282,700
	2,549,084	1,969,078	2,347,984	1,815,037

Loan due after more than one year

CBILS loan	343,750	500,000	343,750	500,000
	343,750	500,000	343,750	500,000

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

## 18 Deferred Income

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

	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>
Balance at 1 April 2021	12,306	-
Amount released to incoming resources	(513,978)	-
Amounts deferred in the year	595,385	-
Balance at 31 March 2022	93,713	-

## 19 Restricted Funds

Group		Balance at 1 April 2021	Movement in resources		Balance at 31 March 2022
			Incoming	Outgoing	
		£	£	£	£
Made Smarter Grant	(i)	8,810	-	(8,810)	-
Kickstart	(ii)	-	82,392	(82,392)	-
Donation to purchase a bed	(ii)		150	(150)	-
		8,810	82,542	(91,352)	8,810



## 19 Restricted Funds (continued)

Charity		Balance at 1 April 2021	Movement in resources		Balance at 31 March 2022
			Incoming	Outgoing	
		£	£	£	£
Made Smarter Grant	(i)	8,810	-	(8,810)	-
Kickstart	(i)	-	40,758	(40,758)	-
Donation to purchase a bed	(i)		150	(150)	-
		8,10	40,908	(49,718)	-

Those funds with balances at 31 March 2022 or 31 March 2021 represent funds received and used for the following purposes.

- (i) Funding for the development of mattress cleaning machinery received by Bulky Bob's but transferred to Furniture Resource Centre Limited on 31 March 2021 along with the mattress cleaning machinery

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

- (ii) Funding for staff development and training
- (iii) Funding from a member of the public to purchase a bed for someone in need

## 19 Restricted Funds (continued)

Movement in restricted funds for the year ended 31 March 2021 are shown below.

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

## 19 Restricted Funds (continued)

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

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

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

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

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

## 20 Analysis of net assets between funds

Group	Fixed assets	Net current assets	Creditors falling due after more wthan one year	2022 Total	Fixed assets	Net current assets (Restated)	Creditors falling due after more than one year	2021 Total
	£	£	£	£	£	£	£	£
Restricted funds	-	-	-	-	8,810	-	-	8,810
Unrestricted funds	464,271	3,374,949	(343,750)	3,495,470	538,798	2,822,962	(500,000)	2,861,760
Net assets	464,271	3,374,949	(343,750)	3,495,470	547,608	2,822,962	(500,000)	2,870,570

The amount of £nil (2021: £8,810) included under Restricted Funds represents the following:

	2022 Total	2021 Total
	£	£
Mattress cleaning machinery, which was part-funded by grants	-	8,810
Total	-	8,810

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

Charity	Fixed assets	Net current assets	Creditors falling due after more than one year	2022 Total	Fixed assets	Net current assets (Restated)	Creditors falling due after more than one year	2021 Total
	£	£	£	£	£	£	£	£
Restricted funds	-	-	-	-	8,810	-	-	8,810
Unrestricted funds	418,255	3,392,808	(343,750)	3,467,313	470,858	2,874,833	(500,000)	2,845,691
Net assets	418,255	3,392,808	(343,750)	3,467,313	479,668	2,874,833	(500,000)	2,854,501

The amount of £nil (2021: £8,810) included under Restricted Funds represents the following:

	2022 Total	2021 Total
	£	£
Mattress cleaning machinery	-	8,810
Total	-	8,810

## 21 Commitments

### Operating leases commitments

At 31 March 2022, the commitments under non-cancellable operating leases are as follows:

	Land & buildings	Other	2022 Total	2021 Total
	£	£	£	£
<b>Charity</b>				
Expiry within:				
Under one year	351,508	51,989	403,497	356,903
Two to five years	462,890	26,646	489,536	411,310
Over five years	-	-	-	-
	814,398	78,635	893,033	768,213
<b>Group</b>				
Expiry within:				
Under one year	363,241	87,605	450,846	448,243
Two to five years	462,890	32,493	495,383	438,319
Over five years	-	-	-	-
	826,131	120,097	946,228	886,562



## 22 Pension commitments

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

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Pension contributions	143,834	126,193	124,257	103,536

Contributions amounting to £26,074 (2021: £21,437) were payable at the year end and are included in group creditors. Contributions amounting to £22,929 (2021: £18,243) were payable at the year end and are included in charity creditors.

## 23 Related Parties

### Group Undertakings

In the year ended 31 March 2022, the following transactions took place between Furniture Resource Centre Limited and Bulky Bob's, a charity for which Furniture Resource Centre Limited is the sole member.

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

- Recharge for staff costs: £65,082 (2021: £38,825)
- Recharge for shared services: £118,776 (2021: £175,005)
- Recharge for premises costs: £21,593 (2021: £43,164)
- Recharge for logistics costs: £61,256 (2021: £95,541)
- Recharge for general costs: £62,917 (2021: £46,070)
- Recharge for fixed asset purchases: £nil (2021: £9,679)
- Recharge for staff training costs: £1,705 (2021: £4,205)
- Donation: £374,000 (2021: £374,000)

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

- Recharge for staff costs: £102,397 (2021: £75,351)
- Recharge for logistics services: £4,699 (2021: £4,896)
- Recharge for general costs: £118,750 (2021: £29,983)
- Recharge for staff training: £nil (2021: £140)
- Recharge for premises costs: £25 (2021: £1,607)
- Sale of fixed assets: £5,240 (2021: £122,073)
- Transfer of balance of Made Smarter Grant for purchase of mattress cleaning machinery: £nil (2021: £12,879)

The amount owed by Furniture Resource Centre Limited to Bulky Bob's at 31 March 2022 was £4,951 (2021: £19,152).

In the year ended 31 March 2022, the following transactions took place between Furniture Resource Centre Limited and Bulky Bob's For Business, a charity for which Furniture Resource Centre Limited is the sole member.

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

- Recharge for staff costs: £35,625 (2021: £34,161)
- Recharge for shared services: £19,559 (2021: £29,188)
- Recharge for logistics costs: £10,281 (2021: £20,524)
- Recharge for general costs: £13,564 (2021: £17,551)
- Recharge for fixed asset purchases: £nil (2021: £1,930)
- Recharge for staff training costs: £5 (2021: £1,285)
- Donation: £nil (2021: £128,125)

Transactions from Bulky Bob's For Business to Furniture Resource Centre Limited

- Recharge for logistics costs: £12,523 (2021: £9,559)
- Recharge for general costs: £1,293 (2021: £12,653)

The amount owed by Bulky Bob's For Business to Furniture Resource Centre Limited at 31 March 2022 was £177,447 (2021: £175,137)



## 23 Related Parties (continued)

### Group Undertakings

In the year ended 31 March 2022, the following transactions took place between Bulky Bob's and Bulky Bob's For Business. Both companies are charities for which Furniture Resource Centre Limited is the sole member.

Transactions from Bulky Bob's to Bulky Bob's For Business:

- Recharge for staff costs: £23,532 (2021: £75,101)
- Recharge for logistics costs: £7,302 (2021: £18,049)
- Recharge for general costs: £13,015 (2021: £33,928)

Transactions from Bulky Bob's For Business to Bulky Bob's:

- Recharge for staff costs: £nil (2021: £1,798)
- Recharge for logistics costs: £1,318 (2021: £3,508)
- Recharge for general costs: £1,167 (2021: £2,018)

The amount owed by Bulky Bob's For Business to Bulky Bob's was £2,562 (2021: £3,638).

There were no transactions between Bulky Bob's Limited and Furniture Resource Centre Limited, Bulky Bob's and Bulky Bob's For Business in the years ended 31 March 2022 and 31 March 2021. Bulky Bob's Limited was a wholly owned trading subsidiary of Furniture Resource Centre Limited and was dissolved on 7 September 2021.

During the year, sales of £nil (2021: £15,989) were made to Gentoo Group Limited, an organisation whose Chief Executive Officer and director is also a trustee of the charity.

During the year, sales of £609 were made by Bulky Bob's For Business to PSS (UK), a charity whose Chief Executive Officer is also a trustee of the charity.

During the year, sales of £9,347 (2021: £nil) were made to Regenda Homes, an organisation with a director who is also a trustee of the charity.

## 24 Capital Commitments

There were no capital commitments at 31 March 2022 (2021: £nil).

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

	Group	
	2022	2021
	£	£
Net incoming resources for the year	624,900	301,188
Depreciation and amortisation	144,637	180,068
Loss on disposal of assets	21,581	780
Financial income	(686)	(820)
(Increase) in stock	(194,581)	(240,789)
(Increase) in debtors	(546,863)	(474,941)
Increase / (decrease) in creditors	455,007	(11,939)
Cash generated / (reduction in cash) from operations	503,995	(246,453)

## 26 Net Debt Reconciliation

	1 April 2021	Cash Flows	31 March 2022
	£	£	£
Cash at bank and in hand	585,237	389,863	975,100
Bank Loans	(500,000)	156,250	(343,750)
Net Cash	85,237	546,113	631,350

## 27 Post Balance Sheet Events

Bulky Bob's contract for the collection, recycling and reuse of bulky household furniture in Liverpool ended on 7 November 2022 and so the service ended on that date. This will reduce the availability of furniture for reuse and so alternative ways of obtaining suitable furniture are being explored.

## 28 Ultimate Controlling Party

Furniture Resource Centre Limited has no controlling party.

## 29 Comparative SOFA Information

	Total Unrestricted Funds	Total Restricted Funds	Total Funds 31 March 2021
	£		£
<b>Income and endowments from:</b>			
Donations and legacies	153,121	71,170	224,291
Charitable activities	12,850,360	-	12,850,360
Investments	820	-	820
Other	99,210	-	99,210
Total	13,103,511	71,170	13,174,681
<b>Expenditure on:</b>			
Charitable activities	12,800,618	72,875	12,873,493
<b>Total resources expended</b>	12,800,618	72,875	12,873,493
<b>Net incoming / (outgoing) resources</b>	302,893	(1,705)	301,188
<b>Balances brought forward at 1 April</b>	2,558,867	10,515	2,569,382
<b>Balances carried forward at 31 March</b>	2,861,760	8,810	2,870,570





Phil

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