

IN KIND DIRECT

England & Wales · Charity number 1052679

Details

Other names GIFTS IN KIND UK LIMITED, IN KIND DIRECT LIMITED

Status Registered

Legal form Charitable company

Company number [03155226](#)

Registered 1996-02-06

Register [View on the Charity Commission register](#)

Contact

Address In Kind Direct
Arc House
82 Tanner Street
London

Phone 03003020200

Email info@inkinddirect.org

Website www.inkinddirect.org

Activities

Objects: TO APPLY FUNDS OR MAKE DONATIONS TO OR FOR SUCH CHARITABLE INSTITUTION OR INSTITUTIONS OR FOR SUCH CHARITABLE PURPOSE OR PURPOSES AS THE TRUSTEES SHALL DECIDE, IN PARTICULAR BUT WITHOUT LIMITATION, BY THE DISTRIBUTION OF DONATED GOODS. TO ENCOURAGE ENVIRONMENTALLY EFFICIENT, SUSTAINABLE, WASTE MANAGEMENT AND RECYCLING PRACTICES THROUGH THE ADVANCEMENT OF EDUCATION BY THE COLLECTION AND DISSEMINATION OF INFORMATION AND/OR THE PROMOTION OF RESEARCH AND/OR DEVELOPMENT RELATING TO WASTE MANAGEMENT AND RECYCLING.

Activities: In Kind Direct sources products from manufacturers and suppliers and then distributes them to our network of charity partners around the UK. As part of our work we also aim to increase the level of in kind giving within the UK.

Classification

- **How:** Provides Services
- **What:** General Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£37,106,576	£37,472,013	£1,371,653	33
2023-12-31	£33,471,480	£33,587,100	£1,737,090	35
2022-12-31	£23,675,750	£23,918,242	£1,852,710	27
2021-12-31	£32,133,804	£32,174,093	£2,095,203	22
2020-12-31	£29,948,251	£29,170,322	£2,135,492	19

Trustees

Name	Role	Appointed
Tim Hinton	Chair	2017-06-29
AJAY KAVAN		2012-08-28
Alec Grant		2022-06-29
Ayshea Farooq		2022-06-29
DR CLARE MARGARET MILLS		2024-11-12
Debra Marjorie Allcock Tyler		2014-06-24
Graham Paul Burridge		2017-05-01
Liz Clarkson		2024-08-14
Richard Jonathan Wolff		2019-05-09
Scott William Barton		2018-06-01
Tom Moody		2015-05-18
Vishal Bansal		2023-04-04

IN KIND DIRECT

England & Wales - Charity number 1052679

Accounts



IN KIND DIRECT

(a company limited by guarantee)

Trustees' Report and Financial Statements for the year ended 31 December 2024

Registered Company no: 03155226

Registered Charity no: 1052679

Report and Financial Statements

for the year ended 31 December 2024

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A Note from Our Chair

In 2024, we were honoured to have our Royal Patronage renewed by His Majesty King Charles III, reaffirming our founder's commitment to ensuring everyone has access to life's essentials. As economic pressures persist, the need for support has never been greater. Through strong partnerships with manufacturers, retailers, and fellow charities, we supported 6,652 charitable organisations (over 900 more than in 2023) helping households struggling to afford basic hygiene products.

The ongoing cost-of-living crisis continues to force impossible choices on families across the UK. Our latest research shows 9.9 million adults now face hygiene poverty, nearly one million more than last year. One in four households with children are affected, going without essentials such as toilet roll, period products, and soap.

In response, we scaled our impact, distributing 50,100 orders of essential products and securing £32.6 million worth of goods, saving our network £29.6 million. Our Not A Choice campaign raised awareness nationally, and a 72-hour emergency fundraising appeal in September raised £74,000, enabling us to reach nearly 50,000 families ahead of winter.

Corporate partnerships have never been stronger. In 2024, we received donations from 165 companies, including 59 new partners, our highest number to date. These relationships extend beyond product donations, reflecting a shared commitment to social impact and the circular economy. Our campaign with Tesco entered its fourth phase, mobilising more brands and shoppers to donate hygiene products. We also deepened partnerships with Amazon, LEGO, Unilever, Kimberly-Clark, and Essity, securing long-term commitments to improve supply of essential items.



We were proud to win Gold at the Global Good Awards for Waste Reduction and Minimisation, recognising our efforts to redirect surplus products to those in need. Our Tesco campaign also won at the Business Charity Awards for Consumer Goods, a testament to its innovation and impact.

We expanded our research and advocacy, publishing *The State of Period Equity in the UK*, which revealed 1.4 million people had gone without period products, with missed work costing an estimated £3.25 billion each year. We also released our Spring Hygiene Poverty Briefing and published our policy priorities ahead of the General Election to reinforce the urgent need for systemic change.

We remain committed to sustainability. In 2024, we diverted 2,775 tonnes of product from landfill, calculated our carbon footprint for the first time, reduced warehouse waste, and improved packaging, all while working with logistics partners focused on decarbonisation.

Internally, we continued to strengthen our systems and capabilities. Despite early challenges, we completed the migration of our Warehouse Management System, improving logistics efficiency. We also invested in technology and data, with three staff members starting apprenticeships in Data Analytics to support better decision-making.

2024 was a year of growth, challenge, and progress. As we moved into the fourth year of our five-year strategy, we worked to reach more people, raise awareness, and press for lasting change. We remain committed to meeting immediate need while pushing for systemic solutions. On behalf of everyone at In Kind Direct, thank you for being part of this journey.

*Teresa Tideman,
Chair of trustees, In Kind Direct*

Who we are

We are a UK charity who work with charitable organisations and companies to ensure everyone has access to the products and support they need to live well.

Our Purpose

Creating powerful partnerships, enabling more communities to thrive.

Our Belief

Everyone deserves access to life's essentials, and no usable product should go to waste. Product giving is a practical way to address the widening gap in need across society.

What we do

We distribute products including personal hygiene, household items, clothes, toys and technology, donated by manufacturers and retailers, to charities, community groups, food banks and schools across the UK. By the end of 2024, we were supporting 543,000 people each week. In 2024, we unlocked over £29.6m in savings into the voluntary sector. This helped charitable organisations meet the increasing need in their communities, at a time when their own resources were stretched.

Alongside this practical response to immediate need, we deliver new research, public campaigns and convene cross-sector partnerships to push for long term, systemic change. Increasing awareness of social issues and reducing the shame too many people feel is key.

Our role

We are a practical response to the widening gap in society. We help meet today's need and use our insights to reduce tomorrow's. 2024 was the fourth year of our ambitious five-year strategy to triple our impact by 2025. We will do this by:

- Continuing our 25+ year history of distributing products to people that need them today
- Connecting charities, companies and other organisations to find new solutions
- Building a strong evidence base of real-time local insight
- Amplifying the voice of local organisations and advocating for change on behalf of communities
- Delivering targeted projects that meet the needs of those we exist to serve

Since 1996

Since being founded at the end of 1996 by HM King Charles III, we have distributed over £397m of essential products, diverted 40,000 tonnes from waste, and supported over 15,000 charitable organisations.

Our Values

Kindness

It's in our name. We are compassionate and always working for the greatest good to increase equity and justice.

Togetherness

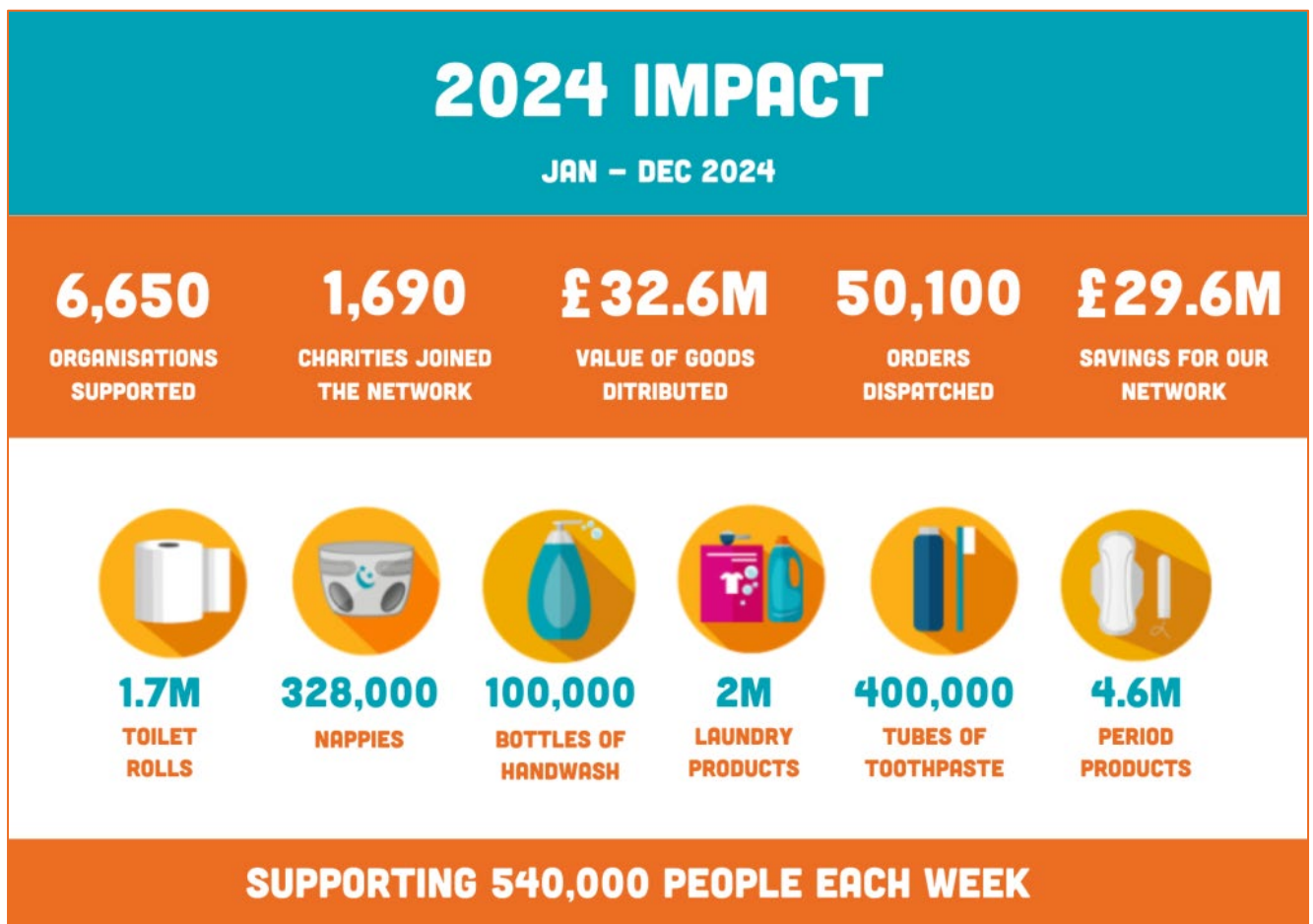
Positive change in society is not the job of one individual, group, or organisation. Our impact is greatest when we collaborate, act as one and all move forward together.

Integrity

How things are done is as impactful as what is done. We are open, accountable, and transparent and always strive to do the right thing.

Innovation

Just as our founder challenged the status quo, we are always looking to evolve and improve. Our curiosity, creativity and resilience enable us to think big and adapt at pace.



Our Patrons and Financial Supporters

In Kind Direct's Patrons are a group of individuals and organisations who understand and recognise the unique impact that In Kind Direct's work has in communities.

Our Patrons' generosity is absolutely core to what we do. They have been instrumental in helping us respond to the particular challenges of the increasing cost of living for households, communities and our network of charitable organisations. Their support has also given us the confidence to invest in our infrastructure, to enable sustainable growth for our 2025 strategy.

Without their support, our work would simply not be possible. We thank all those who have supported us in the year, including those named in this report.

Patrons and Financial Supporters

Mr & Mrs Kenneth & Fiona Acheson
Amazon UK
The Cecil Pilkington Charitable Trust
The Maud Elkington Charitable Trust
Elemis
Essity
The Haremead Trust
The J Reginald Corah Foundation Fund
Kenvue
Kimberly- Clark
LEGO
Lloyds Banking Group
Marsh Charitable Trust
Massachusetts Financial Services

Mondays Organic
The Morgan Charitable Trust
Mr & Mrs Anthony & Eleanor Nutt
The Privy Purse Charitable Trust
Procter & Gamble
Mr Andy Rubin
Santander
Space Made
Mrs Teresa Tideman
The Simon Gibson Charitable Trust
The Warwick Trust
Mr Richard Wolff
Unilever

Donated Services

Abamentis
Amazon Web Services
The Customer First Group
Data Aid
Essity
JC Decaux
Google
Great Place To Work
Javelin

John Lewis Partnership
Lloyds Banking Group
Microsoft
Mitie
The OR Society
Santander
Sainsbury's
Nectar
Voipfone

Donated Goods

In 2024, we were supported by 165 generous donating companies, whose contributions of essential products made a significant impact across the UK. From hygiene items that helped us tackle the growing crisis of hygiene poverty, to toys that brought joy during our Summer of Play campaign, and warm essentials that supported families through our Warmth This Winter initiative, these donations have been vital in helping people facing difficult times. We are deeply grateful to every partner who chose to donate their goods to us. Their commitment continues to drive our mission forward and ensures that no one has to go without the items many of us take for granted.

Trustees' report for the year ended 31 December 2024

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 December 2024.

Public benefit, objectives and activities

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission on determining the activities undertaken by a charity. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on can achieve the aims and principles of public benefit.

The charity's objects are as follows:

- 1) to apply funds or make donations to or for such charitable institution or institutions or for such charitable purposes as the Trustees shall decide, in particular, but without limitation, by the distribution of donated goods.
- 2) to encourage environmentally efficient, sustainable waste management and recycling practices through the advancement of education by the collection and dissemination of information and/or the promotion of research and/or development relating to waste management and recycling.

In Kind Direct distributes products donated by companies to UK charitable organisations working in the UK and overseas. Founded in 1996 by HM King Charles III, we offer a simple solution to connect companies and their products to thousands of charities, community groups, foodbanks and schools supporting our communities.

In Kind Direct makes it easy for companies and brands to have a positive social impact with the products they make and sell. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charitable organisations. We inspire confidence in companies to donate, by working with charitable organisations in our network to ensure the most needed products reach communities.

We enable charitable organisations to do more for less and put their local knowledge at the heart of our work. Charitable organisations register for free, and request goods via our online catalogue. They pay a small charge for products, which includes UK delivery. This contributes to our operational costs and protects companies from incurring VAT on their product donations.

The result is an efficient, practical solution which diverts usable goods from going to waste and unlocks huge additional resource into the sector. In 2024, we unlocked £29.6m in savings and reached 543,000 people each week. 68% of charitable organisations in our network used these savings to help more people with products and 54% to improve their services, as more households navigate the rising cost of living.

In addition to our service distributing donated products from companies, In Kind Direct, along with our trading company, helps charitable organisations to access valuable resources by negotiating discounts on new and refurbished essential products and services through affiliate schemes.

Since our inception, we have distributed £397m of essential products, supporting over 15,000 charitable organisations and millions of people, while diverting over 42,000 tonnes of usable goods from waste.

The Trustees have identified the following public benefits that flow from the charity's objects and activities:

- **Unlocking savings for charitable organisations:** Our service means partners can secure the goods they need for a fraction of the usual cost, freeing up valuable funds. Many of the organisations we support are small, local organisations with limited resources, who have been particularly affected by increased need for their services and increased operating costs. In 2024, we welcomed 1,691 new organisations into our network, supporting 6,652 with product throughout the year.
- **Helping charitable organisations improve and extend their services:** By opening up access to high quality products for those with limited budgets, we enable charitable organisations to improve the services they offer and do more for the people they support. 39% say products help them to deliver their services and/or activities to **more** people.
- **Relieving hardship, building confidence, self-esteem and bringing joy:** The products we distribute are helping to alleviate poverty and hardship across the UK. With high quality products, charities can provide essential practical support, restore dignity and self-esteem to people in crisis as longer-term solutions are put in place.
- **Reducing waste and environmental damage:** Providing companies with a practical and trusted way to donate usable product reduces external recycling and landfill, enables a more circular economy of resource use, and supports social responsibility goals.
- **Amplifying and sharing local insight to power systemic change:** Building on over 25 years of experience and insight, we recognise the need to understand and challenge the systems that force people and communities to need our service. We consolidate and amplify insight from our network, as well as delivering new research; to evidence and advocate for long-term change.

Our Achievements and Performance in 2024

2024 was the fourth year of our five-year strategy. Our ambition is to triple our pre-pandemic impact by 2025, driven by the needs of communities. Coming out of our “Invest and Enhance” phase in 2023, 2024 began the “Extend” phase of our strategy. We continued to expand our impact beyond product distribution by offering additional services, strengthening our role as a logistics and support partner for charities. Our policy and campaigning efforts gained momentum, amplifying awareness of hygiene poverty and driving action at a national level. We increased our visibility within the sector, forging stronger partnerships and positioning In Kind Direct as a key voice in tackling essential needs.

“All the items are unique and hold value to both organisation and the individuals who use them. Hunter has been very helpful as a large portion of our activities are carried out in our green spaces in often very wet weather - the coats, waterproofs and boots have been a god send in these extremely conditions. All the cleaning products have also been essential to maintaining the overall health and hygiene of all our sites and health and beauty products for our residents are helping build their confidence.”

Teesdale and Hollybush Tenants and Resident’s Association (TRA), London

A community-focused approach was central to our work, ensuring deeper engagement with our charity network and tailoring support to their evolving needs. By leveraging our scale, we maximised efficiencies in distribution and resource allocation, reaching more people than ever before. At the same time, we focused on replication and evolution, refining our processes and exploring new ways to enhance our model, ensuring we continue to grow and respond effectively to the challenges ahead.

Cost of living crisis

In 2024, many households across the UK continued to face tough choices between heating, eating or keeping clean. The cost-of-living crisis has not eased for those already on the margins. Our work has remained as urgent and essential as ever, ensuring access to everyday essentials that no one should have to go without. Our spring polling revealed a stark reality that 1 in 4 households with children are experiencing hygiene poverty. This is not just a statistic, it reflects the growing number of families who are having to make impossible choices just to get by.

In response, we have continued to grow as a charity. This year, we supported 21% more people each week than in 2023 and welcomed 16% more charitable organisations into our network. While the number of orders placed remained consistent, we distributed 12% more in product value, helping our partners unlock even greater savings and reach further into their communities.

These savings are being used where they are needed most, keeping services running, expanding support, and relieving pressure on overstretched teams. We’ve seen an increase in requests for the most fundamental items: toiletries, household cleaning products, and baby care essentials. Our focus has remained on getting these items into the hands of those who need them most today, as efficiently and equitably as possible.

The number of orders distributed, new partners joining, and average savings per organisation were slightly below our expectations this year. With many charities operating under immense strain, we are proud to have sustained strong levels of engagement and impact. The marginal shortfall reflects the wider challenges of the cost-of-living crisis, and we remain focused on building resilience across our network, continuing to grow our reach and distributing products to communities.

Impact measure	2024 Achieved	2024 Target	2023 Achieved	Growth on last year
People supported each week	540,000	486,000	445,000	+21%
Value of products distributed	£32.6m	£27m	£29m	+12%
Organisations receiving products	6,652	6,500	5,740	+16%
Orders distributed	50,080	54,696	50,300	-0.4%
New partners joining the network	1,691	1,970	2,140	-21%
Average saving for each organisation*	£4,434	£4,520	£4,530	-2%

*Includes 2,240 organisations supported indirectly via our Community Sharing programme

[Essential support for local communities](#)

In Kind Direct's network is diverse and inclusive, supporting charitable organisations of all sizes, and supporting all communities. This includes community centres, foodbanks, disability support groups, schools, health and wellbeing charities, housing projects, child and youth support groups, and hospices. The majority are small and locally focussed, with annual incomes under £100,000 per year. **The products we provide, and the savings we generate for them, are an essential part of their model and funding mix.** 89% of our network partners receiving products from us are based outside London, and 64% are supporting school aged children and their families.

The supply of hygiene products has reduced our day to day running expenses, modernised our facilities and improved our washroom appearance.

Tickhill Scout Group

For a breakdown of our network partners receiving products in 2024 by geographic area and focus area see figure B.

In 2024, we continued to prioritise 17 core product lines, covering essential hygiene and cleaning supplies, based on feedback from our network. We ended the year with 51% core product availability, realising our commitment for greater consistency of the most needed products. We distributed 50,080 orders to organisations in the UK and delivered a further £4.6m worth of products through other initiatives including placements and national fulfilment projects. For a breakdown of goods distributed, see figure B.

In 2023 we launched a community sharing scheme, recognising how important product sharing has become for community collaborations. We are now able to better track and monitor the groups and associations that receive products indirectly from us through our network partners and better understand our impact. 2,240 organisations were supported via community sharing in 2024, in turn helping a further 49,000 people each week.

[Understanding our impact](#)

In Kind Direct exists to enable communities to thrive. We continue to gather national data and real-life stories to measure the impact of our work across the UK. This includes surveys, visits, volunteering events, focus groups, end-of-order feedback, and in-depth engagement with our Insights Panel, which consisted of 128 network partners in 2024. These insights helped shape our communications, campaigns, and advocacy approach throughout the year.

Our role as the bridge between corporate partners and charitable organisations has been critical in ensuring people can access the essentials to stay clean, healthy, and well. This year, we distributed

over £32.6 million worth of products, helping organisations provide direct, tangible support to their communities. To demonstrate the real impact of these donations, we evolved how we share our data and storytelling. In 2024, this included:

- 4.67 million period products, enabling 233,000 periods with dignity
- 1.92 million laundry products, supporting over 160,000 families for a month
- 328,000 nappies, providing a week’s supply for over 5,800 babies and families
- 1.74 million toilet rolls, helping over 108,000 families for a month
- 401,000 tubes of toothpaste, ensuring 155,000 people could maintain their oral health for three months
- 581,800 shower gels and soaps, helping 390,000 people feel clean and confident for a month
- 113,488 toys, books, and games, supporting the learning and development of over 3,700 classes of children
- 202 tech products, helping individuals and communities stay digitally connected

As the need for our support continues to grow, we remain committed to strengthening our impact through data-driven decision-making, collaboration, and advocacy. Our ongoing work ensures that no one has to go without the basic essentials they need to live with dignity.

“Being able to offer hygiene products to our parent and baby groups makes such a difference, period products and nappies are one of the most expensive items parents need. Having access to them in our group eases the pressure on some families.”

Winlaton Centre, Winlaton

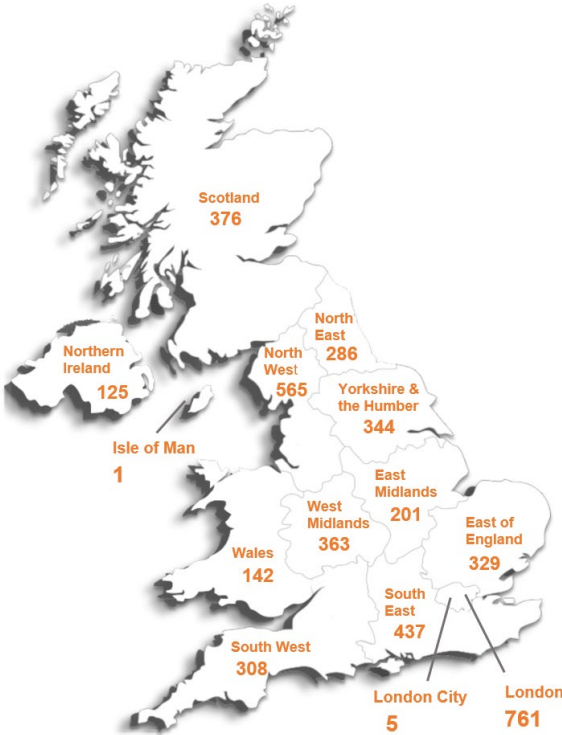
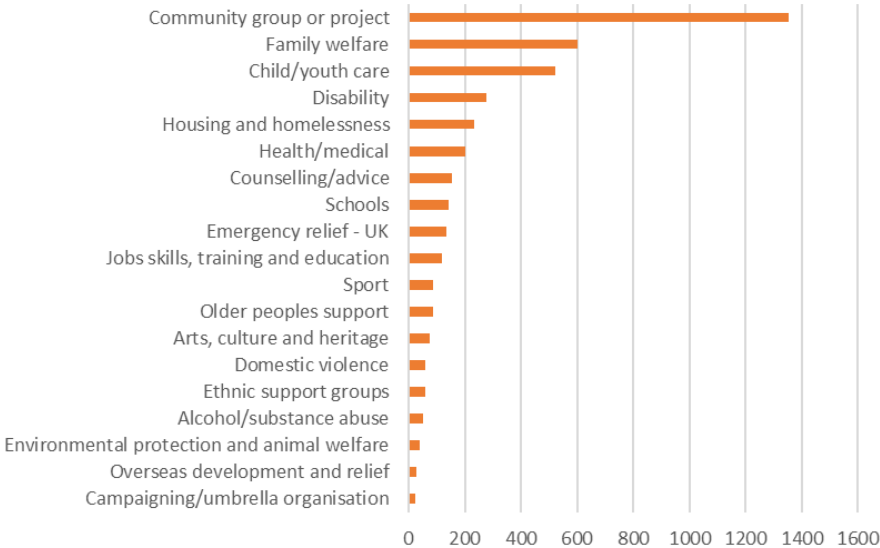


Fig B - Organisations receiving product by focus area in 2024



[2024 General Election: our priorities for government](#)

The 2024 general election brought uncertainty to the charity sector, with changes in leadership and policy direction creating challenges for organisations addressing urgent social needs. As more people struggle to afford essentials, the need for immediate action has never been greater. In response, *Going Without Essentials: Our Priorities for the Next Government* outlines the critical steps policymakers must take to ensure no one in the UK has to go without the basics.

In June 2024, we called on the government to:

- Tackle hygiene poverty, as 9.9 million UK adults now live without the essential products they need to stay clean and well.
- Ensure Universal Credit covers basic essentials, preventing people from having to choose between food, heating, and hygiene.
- Strengthen financial stability for charities and ensure fairer public contract funding, recognising their increasing role in delivering frontline support.
- Advance period equity, removing barriers to accessing period products, education, and workplace support.
- Promote circular economy practices, removing barriers to product donation and incentivising businesses to prevent waste.
- Improve digital inclusion, increasing access to technology and online services, which are essential for work, education, and social mobility.

Charitable organisations are being asked to do more than ever, yet systemic change is needed to prevent millions from being left behind. We will continue to advocate for long-term solutions, working alongside businesses, charities, and policymakers to ensure everyone has access to life's essentials.

[The State of Period Equity in the UK](#)

At In Kind Direct, we believe no one should be held back by their period. Yet, across the UK, millions of people still struggle to access the products, education, and support they need to manage their menstrual health with dignity. In February 2024, we released [The State of Period Equity in the UK report](#), the first comprehensive review of period equity, developed in partnership with Irise International and with the support of Essity. This research builds on our Human Right to Hygiene report, filling critical data gaps, uncovering the systemic barriers that drive period inequity, and providing a roadmap for cross-sector action.

Our research surveyed over 5,000 people, including 4,000 individuals who have periods, and engaged an expert advisory group of charities, academics, and lived-experience advocates. The findings highlight how period inequity creates cycles of exclusion, particularly for those already facing disadvantage. Key insights from the report include:

- 1.4 million people in the UK went without period products in the previous year.
- Nearly 1 in 5 (18%) of those who experienced period product insecurity in childhood, continued to go without as adults, reinforcing the generational cycle of period inequity.
- Workplace inequity costs the UK £3.25 billion annually, with 19% of menstruating workers missing work with most or every period due to lack of access to products, stigma, or health-related challenges.
- Education gaps persist—70% of people learn about periods informally from female family or friends, and 79% of those who received period education in school reported needing to learn more later in life.
- Stigma remains a major barrier, with 1 in 10 people having been told not to talk about their period, and 43% avoiding activities because of menstruation.

- Period-inclusive workplaces matter—yet only 36% of workers say free period products are available at work, and 13% lack suitable facilities to change products.

This report lays out clear recommendations for government, businesses, and community organisations to improve period equity, from expanding free product provision and strengthening menstrual health education to tackling stigma and embedding period-inclusive policies in the workplace.

We are committed to increasing access to essential period products, reducing shame, and advocating for long-term solutions that ensure no one is excluded because of their period. By working together, we can break the cycle of period inequity and create a future where everyone has access to the essentials they need to thrive.

[Our mission to end hygiene poverty](#)

Hygiene poverty is deepening across the UK, with 9.9 million adults, almost a million more than in 2023, going without essential hygiene products in 2024. In October 2022, we released our first "[Human Right to Hygiene](#)" report, which mapped the systemic causes of hygiene poverty and proposed a Roadmap for Change. In Spring 2024 we published our [Hygiene Poverty Barometer](#), highlighting how this growing crisis impacts physical and mental health, social participation, and financial stability, particularly for families and those in work.

Our research found that 1 in 4 households with children are affected, and over half of those experiencing hygiene poverty expect their situation to continue. People are washing less, avoiding social interactions, and even diluting hygiene products to make them last longer. Charities are facing increased demand, yet many are struggling with reduced funding and rising costs.

A woman reached out to me telling me how she couldn't afford any hygiene products with the cost of living crisis, as feeding herself and children was more important. I put together a bag of personal hygiene items, luxury items, and some cleaning products including sprays, wipes and laundry liquid. When I handed them over she started crying and told me I had angel wings beneath my jacket."

Hygiene Bank, Edinburgh

[Sector partnerships](#)

At In Kind Direct, we believe in the power of collaboration to drive meaningful change. This year, we have strengthened our role as a logistics partner for the voluntary sector, ensuring essential products reach the people who need them most. Our partnerships have enabled us to support charities in overcoming logistical barriers, advocate for systemic change, and extend our reach to even more communities.

- This year, we utilised our position as a trusted logistics partner to facilitate donations from Unilever to Hygiene Banks and Beauty Banks across the UK. Acting as a full-service logistics and fulfilment provider, we ensured the swift and efficient distribution of 430k donated products to The Hygiene Bank projects and 76k products to Beauty Banks nationwide. This initiative simplified the donation process for Unilever while ensuring that vital hygiene essentials reached those facing hygiene poverty as quickly as possible.
- For the third consecutive year, we partnered with Save the Children to deliver the Summer of Play campaign. Through this initiative, we secured 60 new product donations, generating £6m of savings for our network and ensuring children across the UK had access to toys and activities that support their well-being and development over the summer holidays.

- We worked with Calais Light, an award-winning volunteer-led charity supporting refugees in the UK and France. As part of our collaboration, we jointly secured donations of footwear, helping to provide brand-new, well-fitted shoes to refugees in need.
- We collaborated with Your Local Pantry to distribute donations of 160k rolls of toilet roll from Andrex.

Network recruitment initiatives were progressed with Trussell, Charity Digital, NAVCA, Women's Aid and Baby Bank Alliance, as well as many local infrastructure organisations, supporting the voluntary and community sector. Efforts in the year saw 1,709 new charitable partners join our network.

“The Andrex toilet roll we access to distribute through our Pantry makes a big difference. People love having a quality brand, when without it some struggle to even purchase a budget one.”

Newbold Methodist Church, Newbold Verdon

[Affiliate partnerships](#)

Organisations registered with In Kind Direct also get discounted access to other products and services through our trusted partners. Our offering is focussed on providing the greatest value to our network partners and providing a source of income for In Kind Direct. Continuing schemes include working with Office Depot, Ricoh, and Directory of Social Change. These deliver savings on office supplies, refurbished photocopiers, and training and resources for charities. During the year, we supported 419 organisations with products from our affiliate partners.

[Support for overseas relief](#)

Our primary focus remains distributing essential goods to UK charitable organisations for use in the UK. In addition, we also distribute products to UK emergency relief and development charities working overseas in Eastern Europe, the Caribbean and Africa. £3.4m (2023: £3.3m) worth of products was distributed by UK charities supporting emergency relief and development work over the course of the year.

[Supporting victims of sexual violence](#)

In partnership with Her Majesty The Queen, we have continued our vital work providing wash bags to victims of rape and sexual abuse, ensuring they receive essential personal care items at a time when dignity and comfort matter most.

Each bag contains toiletries donated by Boots, including shampoo, shower gel, toothpaste, and a toothbrush. These bags are distributed through 58 Sexual Assault Referral Centres (SARCs) across the UK. In 2024, the initiative entered its second year, and we were honoured to attend an event at Buckingham Palace, along with a number of the SARCs, where Her Majesty The Queen officially relaunched the programme.

This year, we distributed 9,500 wash bags, ensuring more survivors receive support when they need it most. We remain committed to expanding this initiative and working with our partners to offer care and dignity.

“The wash bags we receive from In Kind Direct are amazing. They are so convenient to hand over to the client when they attend here for their medical examination. Everything that is in the washbag is appropriate and needed by the client. They are always happy to receive one.”

Spring Lodge SARC, Lincolnshire

[Refurbished tech](#)

In Kind Direct continues to expand our efforts to bridge the digital divide while promoting sustainability. In March 2023, we partnered with Foxway (formerly Global Resale) to launch a refurbished tech initiative, providing discounted refurbished laptops to our network of charities. This project not only extends the lifespan of valuable technology, reducing electronic waste, but also ensures that charities and communities have access to the digital tools they need.

We strengthened our commitment to tackling digital poverty this year by joining the Digital Poverty Alliance’s National Delivery Committee, working alongside key stakeholders to drive long-term solutions for digital inclusion. By the end of the 2024, we had distributed 200 refurbished laptops, bringing the total to 443 since the initiative began.

On End Digital Poverty Day in September, we joined as a signatory to the Charter for Digital Inclusion. We committed to continuing to improve access to devices and reviewing our own website accessibility.

“The laptop will, with our digital access support and assistive technologies, enable our beneficiary to overcome his dyslexia and become digitally active. This may help him shopping, engaging with family and friends, access benefits, training, other opportunities..”

Symbiont CIC, Liverpool

[Corporate partnerships](#)

This year, In Kind Direct strengthened our corporate partnerships, with 165 companies donating essential products, including 59 new companies, surpassing our targets. These collaborations have enabled us to support thousands of charities and community organisations across the UK.

Our partnerships go beyond product donations. We work with businesses to integrate planned giving, reduce surplus, and contribute meaningfully to social impact initiatives. In 2024, we distributed over £33 million worth of products to those in need, with planned commitments from key partners ensuring a reliable supply of essential goods.

Working with In Kind Direct we’ve been able to reach more charities with more of our products so we can make more of an impact. Their insight, expertise and vast network of charities across the UK means our products can support the most vulnerable and affected by hygiene poverty. Reaching local charities at this scale is something we’d not be able to do on our own. We’re immensely proud of our long-standing partnership and what we achieve together.

Chris Barron, VP Beauty and Personal Care, Unilever UK & Ireland

We assist companies in pinpointing where surplus stock suitable for donation may be found within their operations. We work to be their main route when they have products to donate, through surplus or planned delivery. We inform partners about the two main benefits of donating products: increasing social impact for communities across the UK and supporting the circular economy. By working with us, many can fulfil their CSR and ESG responsibilities, and meet their own environmental targets

Key 2024 achievements and commitments:

- The 4th phase of our multi-supplier hygiene poverty campaign with Tesco aimed to unlock over 1.2m products by the end of the year continuing our long-term supplier collaboration. We will be continuing the project with additional suppliers in April 2025 for the 5th instalment, aiming to unlock an additional 1.5m products.
- Our campaign with P&G & ASDA resulted in a £75,000 donation, supporting several hygiene poverty initiatives.
- An online campaign with Amazon & Multibank secured 98,000 donated items, with 52,000 items distributed to Multibank and 46,000 through In Kind Direct, benefiting 1,178 charitable organisations.
- We launched a two-year partnership with Kendamil on their Bonya Baby Formula initiative, ensuring that for every ten products sold, one is donated to support families in need. This campaign has raised awareness of In Kind Direct while securing essential formula supplies during 2025.
- LEGO Replay Programme: Celebrating our five-year partnership with LEGO, we launched the Replay initiative, reusing donated LEGO bricks. These bricks will be repurposed into storage boxes for toys and learning materials in schools. In 2024, we received 7,000 packs to distribute across our network, with 3,500 sets in Spring and 3,500 in Autumn. This fantastic initiative supports children's creativity and play, while preventing waste.
- We ran a second-hand bedding and homewares trial with Textiles Service Association after recognising demand from our network. Given the success of the trial, more of these products will be donated in 2025.

"Lego is one of the most popular things... it gives children the chance to play and feel included. It leads to adventures, tells stories and fuels the imagination. It's the most popular thing we get from In Kind Direct!"

Kids Cancer Charity, Swansea

The charity increased efforts in the year to engage more companies through trusted intermediaries. Opportunities were created with a number of Trade Associations, including British Footwear Association, 1% for the Planet, B Corp, Confederation of Paper Industries, Absorbent Hygiene Product Manufacturers Association, ISBA and the Sustainable Hospitality Alliance.

Campaigns and branding

Aside from our multi-supplier retailer campaigns, we focused on three major initiatives: Summer of Play, National Hygiene Week in October, and Warmth this Winter. These campaigns helped to raise awareness of hygiene poverty, support families and children during the summer months and provide essential products to people struggling to make ends meet during the colder months.

The Summer of Play campaign continued our partnership with Save the Children, ensuring children had the opportunity to learn and play throughout the summer and return back to school equipped ready to learn. With donations from 60 corporate partners, this campaign enabled £6 million in

savings for our network. During this period, we supported 3062 charitable organisations, welcoming 819 new organisations into our network.

National Hygiene Week (NHW) in October played a key role in spotlighting our latest hygiene poverty research, bringing together businesses, charities, and the public to support. This campaign secured 32 donations, beating our target, with 11 new partners donating much needed hygiene products and over £2,000 donations from the general public. The campaign was seen by over 26m people including online and offline media, influencers and social media to raise awareness and encourage public support. We also leveraged other key sustainability focussed awareness weeks, such as Recycling Week and World Environment Day, to amplify our message, unlock additional product donations, and raise awareness about the importance of circular economy principles.

Our annual Warmth this Winter campaign once again supported people making impossible choices between heating, eating, or keeping clean. National polling data highlighted that a quarter of families on low incomes were planning to forgo presents during the festive season to make ends meet. This campaign drove significant support from our corporate partners, securing donations of essential winter items such as clothing, toiletries, and toys. In total, it resulted in 43 donations, with an additional six new partners donating.

To strengthen our impact, we enhanced storytelling for our major donating partners, focusing on reporting the impact of their donations. Alongside our new research, this has proven to be a key driver in securing further product donations. Data-driven insights have also played a crucial role in shaping our strategy, as we have leveraged data from our eCommerce platform throughout the year to refine and enhance our digital marketing approach.

In addition to our own campaigns, we actively supported and amplified advocacy and policy change initiatives, including Every Period Counts and efforts related to the circular economy. Using our platform to raise awareness about the issues we care about most and unlocking more products will be a major focus of our marketing in 2025 and beyond.

“We got some excellent winter packages with sleeping bags, hats, scarfs and socks. They really helped last winter as we were able to give these as gifts to our service users and donate to families struggling to purchase warm clothing items. Sometimes people will ask for extra sleeping bags as they were using them as an extra layer of warm bedding for children.”

Oak Foundation, London

[Warehouse and Logistics](#)

Our warehouse and logistics operations continue to be central to how we get essential products to people who need them most. In 2024, we supported major campaigns with partners including Unilever, The Hygiene Bank, and Amazon, helping to reach communities across the UK with vital supplies.

A key milestone this year was the successful upgrade of our warehouse management systems, improving how we track stock, process orders, and coordinate deliveries. We also deepened our partnership with Telford Transport Solutions, strengthening on-the-ground capacity and boosting overall efficiency.

Our warehouse handled over 50,000 orders and more than 7,000 pallets, reflecting both increased demand and our growing operational capability. We welcomed corporate partners to the warehouse

for hands-on volunteering experiences, including dedicated packing weeks for the SARC's washbag project, where over 9,000 care packs were prepared for people in crisis.

These improvements mean we're better equipped than ever to respond quickly, work efficiently, and ensure our charity partners receive the right products at the right time.

Business Systems and IT

We continue to invest in our digital infrastructure to ensure our small team can deliver high-quality, efficient services to partners across the UK.

This year, we completed a major systems upgrade that has improved how we manage stock, finances, and operations. With our move to cloud-based platforms, we've increased flexibility, security, and long-term scalability.

We've also begun developing new digital tools to strengthen our work with supporters and manage stories of impact more securely. Looking ahead, these will help us deepen relationships with funders and better showcase the difference our network is making.

Data continues to play a growing role in our decision-making. To support this, members of our team began formal training in data analytics, and we introduced new dashboards to improve reporting and insight across the organisation.

As our technology evolves, we remain focused on security, simplicity, and efficiency—ensuring our systems support both day-to-day operations and future innovation.

Equality, Diversity and Inclusion, and Human Resources

In Kind Direct is committed to all aspects of Equality, Equity Diversity, and Inclusion (EEDI), and we seek to create an environment where everyone can thrive. We are wholly against unlawful and unfair discrimination of any kind. We believe that EEDI goes beyond the basic legal requirements and understand that embracing values-led principles and practices is vital for us to be the best we can be. By ensuring that we have a richness of thinking, views, opinions, and experiences, we support the creation of an environment of respect and openness.

In autumn 2021, the charity carried out an Equality, Diversity, and Inclusion (EDI) review with all staff and trustees, supported by external consultants, Social Justice Collective. In March 2022, the recommendations of the review were shared internally, and a EEDI policy was created. During 2023, we released EEDI guidance and training for new starters and managers at In Kind Direct as well as continuing with our EEDI and Wellbeing & Togetherness working groups.

In 2024, we celebrated our second year of accreditation as a Great Place to Work, after shifting to external team surveys in 2023. 100% of respondents felt people were treated fairly, regardless of their sexual orientation, race or gender, and that they can be themselves at work. Last year, we were also recognised as one of the UK's Best Workplaces for Women.

Everyone employed by the charity can access a range of benefits including performance related remuneration, insurance, learning and development opportunities, volunteering leave, health reimbursement scheme, cycle to work and childcare voucher schemes. A single benefits platform to further remove barriers to accessing these benefits was made available during 2023.

In 2024, we introduced several initiatives to enhance flexibility, wellbeing, and employee support. We launched new policies, including Working from Abroad, Sabbaticals, and updated flexible working hours. We introduced Wellbeing Training and a post 3-month New Starter Survey to improve

onboarding. A Reward Review led to transparent salary benchmarking and a new Company Bonus Scheme, aimed at rewarding staff for organisational targets being met.

In Kind Direct International (IKDI) Network

At the end of 2024, IKDI had three network members: In Kind Direct, the founder member; Innatura, a German licensee and Dons Solidaires, a French licensee.

Collectively, to the end of 2024, IKDI network members have distributed goods with an estimated retail value of over £120 million to over 11,064 charitable organisations, helping over 1.1 million people each week. Demand for the services of established IKDI network members continued in the year. IKDI network members continued to work collaboratively, sharing know-how during working groups (fundraising, donors, sustainability, etc.) and came together for the Annual Conference in France on 26-27 November 2024.

Since the IKDI network was formed in 2013, IKDI network members have distributed over £1bn worth of goods. Goods are shared between network members when they are surplus or better suited for use in another country, for example IKD sent 13 pallets of cycling gear to Innatura in Q2. IKDI continues to review opportunities for the potential expansion into additional countries, either under a licensing model or by considering new models, such as the Product-Giving Network discussions that began with other European partners and resulted in four group meetings in 2024.

During Q3 2024, IKD/IKDI CEO Rosanne Gray officially stepped down and was provisionally replaced by Marc Greene as Acting CEO for the remainder of the year. The board remained unchanged, ensuring the stability of the organisation during the recruitment process.

The financial results of IKDI have been consolidated in the Statement of Financial Activities and balance sheet of the In Kind Direct group, as In Kind Direct is the sole legal member of IKDI. This was the tenth full year of operating for IKDI.

During 2024, IKDI received the following income:

	Unrestricted	Restricted
Licence fees	£56,250	
Other income	£20,000	
Total income	£76,250	nil

IKDI's expenditure was as follows:

	Unrestricted	Restricted
Staff costs	£49,598	
IT/website costs	£2,081	
Licence fees to IKD	£3,000	
Other costs	£3,658	
Total expenditure	£58,337	nil

IKDI's reserves at the end of 2024 were:

	Unrestricted	Restricted
Balance on 1 January 2024	£74,674	£16,333
Movement during 2024	£17,913	£0
Balance on 31 December 2024	£92,587	£16,333

Fundraising & Income Generation

In Kind Direct has a diversified income base comprising the following streams:

1) Contributions paid for our service by benefiting charitable organisations

It is free for charitable organisations to join our network. On ordering, charitable organisations pay a small charge which is a contribution to our costs for the provision of goods and includes UK delivery. This revenue is a crucial part of our unrestricted income mix. In 2024, we received contributions from recipient organisations of £3.0m. As inflation continued to significantly increase retail prices in the year, we maintained charge levels at a lower level and covered our own increasing costs through other sources of income, including trade and the utilisation of designated funds from reserves.

2) Trading income

In 2009, In Kind Direct established Trading IK, a wholly owned trading subsidiary, to create revenue streams for the charity. Taxable profits from Trading IK are entirely gift aided to In Kind Direct.

One aspect of Trading IK's operations involves selling donated goods that aren't suitable for direct distribution to charity partners or are surplus to their needs but still hold commercial value. These products are marketed through platforms like eBay or other third-party avenues or sold directly to consumers or through partner organisations. Permission from the donating corporate partner is always sought before considering any product for this channel, and the needs of charitable partners are prioritised.

Additionally, Trading IK facilitates various affiliate marketing initiatives, providing discounted products and services to charitable organisations, particularly in areas where In Kind Direct struggles to acquire enough donated goods.

At the end of 2024, Trading IK Limited generated £469k profits, up 17% from 2023 (£402k).

3) Fundraising

To deliver our work, In Kind Direct needs to raise funds from a variety of different sources. Support from companies, trusts & foundations and individuals are crucial in delivering our mission. Maintaining a diverse funding stream helps to ensure that we can meet our organisational aims and deliver our work sustainably and minimises the risk of overdependence on any single funding source. Working in partnership with companies and funders to secure products and financial donations is fundamental to ensure our service remains accessible to smaller charitable organisations who rely on the products we provide. Without our Patrons and other funders' support, our ability to maintain our service and trial new initiatives would simply not have been possible.

In 2024, the UK charity sector continued to face significant challenges in fundraising due to various economic pressures. The ongoing cost-of-living crisis severely impacted the public's disposable income, leading to a reduction in charitable donations. Many people had less money to spare for charitable giving, which significantly strained our fundraising efforts. We secured £483k from fundraising activities during 2024, which was just short of our target of £528k. 2024 was a challenging year, with significant gaps in the Philanthropy team and recruitment challenges. By the end of the year, the team had grown from 1 to 1.6 FTE. As we look ahead, this should increase our ability to unlock multi-year philanthropic support from 2025 onwards.

In Kind Direct's fundraising in 2024 was carried out by employed staff. We did not use professional agencies to carry out fundraising activities. Several corporate partners provided significant financial support during the year in tandem with product donations, listed on page 7. We require signed agreements from all of those who fundraise on our behalf controlling any use of our logo or branding. Where we do work with third parties such as corporate partners to raise funds, we have agreements in place with close monitoring of performance in line with these agreements. There were no fundraising complaints within the period.

Fundraising events

On 27th September, we launched an urgent 72-hour fundraising appeal ahead of National Hygiene Week in October. With matched funding, the appeal raised £74,000, less platform fees. This funding enabled us to provide essential hygiene products to nearly 50,000 families across the UK, helping them stay clean and well throughout the winter months. The appeal also gained significant media coverage, with multiple articles reaching a combined audience of 26 million readers.

Earlier in September, we hosted a special event to bring together our extended network of friends, supporters, and partners, expressing our gratitude for their ongoing commitment to our work. This occasion also celebrated the renewal of our Royal Patronage, marking a significant milestone for In Kind Direct. It was a particularly poignant moment as it also served as Rosanne's final event as CEO, giving her the opportunity to personally thank supporters for their contributions over the years and to share the charity's vision for the future.

We rounded off the year with a Winter Supporters & Patrons event in December, held at the Highgrove Shopping event in Chelsea, London. This gathering brought together supporters, partners, and beneficiaries in a festive setting, celebrating the power of giving and community support. We are deeply grateful to our funders and network partners who attended and shared their experiences of working with In Kind Direct. In what has been a particularly challenging time for many, we extend our heartfelt thanks to everyone who has supported our work throughout the year.

Volunteers and pro bono support

In Kind Direct's long-running warehouse volunteer scheme was updated in 2023 to unlock the greatest impact for our network. We welcomed 18 groups across the year from a large range of corporate partners to local businesses in Telford. We extend particular thanks to the numerous groups who helped pack washbags that were distributed to the Sexual Assault Referral Centres across two volunteering weeks in April and October, and to TTS for their pro bono support on this project as well.

During the year, we benefited from John Lewis Partnership's generous pro bono support through the Apprenticeship Levy, enabling three of our employees to undertake a 14-month Level 4 Apprenticeship in Data Analytics. This initiative will significantly enhance In Kind Direct's capacity to make informed, data-driven decisions, while transforming how we use, analyse and visualise the data we hold.

The Trustees are hugely grateful to everyone who supported the charity through volunteering and donating time and expertise this year.

Financial review of 2024

	2024	2023	Variances	
	£	£	£	%
Charges for distributing goods	3,002,135	3,261,603	(259,468)	(-8%)
Unrestricted donations	447,941	308,011	139,930	45%
Restricted donations	35,250	85,000	(49,750)	(-59%)
Total donations	483,191	393,011	90,180	23%
Trading company gross income	675,602	484,998	190,604	27%
Gift aid donation from trading company	462,468	401,976	60,492	17%
Charitable activity costs	4,510,999	4,244,915	266,084	6%
Support costs	2,842,669	2,597,684	244,985	9%

2024 was a year of strong performance in the face of significant external challenge. Increases in Trade income and unrestricted donations helped to offset reductions in catalogue revenue. As the charity continues to provide higher volumes of lower value essential products, this trend may continue.

Trade income exceeded its target for the year, with a reported income of £676k, up from £485k in 2023. This meant that the gift aid payment from the trading company to In Kind Direct also increased from £402k in 2023 to £462k in 2024. In Kind Direct also absorbed additional staff costs from IKDI, with a net impact of approximately £10k.

Logistics costs were effectively managed, unlocking efficiencies despite dispatching lower value orders. Some costs covered by designated funds such as the new Warehouse Management System (WMS) were realised in the year. Savings on central costs were achieved through Essity funding for research, well-managed business continuity costs, and capitalised development costs.

Cashflow remained strong, with £1.4 million in the bank at year-end, £174k more than forecast. Over £32m of In Kind Direct's expenditure was the value of the products distributed which is offset by the same amount recognised as an income for accounting treatment purpose. The nature and complexity of the products donated to In Kind Direct make it near-impossible to value goods at the point of receipt. See note 6 for an analysis of our expenditure.

Plans for the Future

In 2021, we created our 2025 vision, building on the extensive review and planning process initiated in 2020. Our ambition is to triple our impact through to 2025 (on a 2019 base). Our broad strategic priorities are summarised below. Each year we will review our organisational objectives to ensure we remain on track to meet this ambitious target.

In 2025, our new CEO, Michael Gidney joins the organisation. He will lead the delivery of the final year of our ambitious current strategy, and the shaping of our vision and strategy to 2030.

Our current strategic priorities

1. Transform our corporate partnerships

We build partnerships of equals with our corporate partners. We will develop bespoke programmes with our donors which lead to consistent and increasing supply of core products. We will communicate the impact of partnerships in an engaging, valuable and real-time manner.

2. Meet more of the needs of our communities

We will use data effectively to map need, fill gaps and drive decisions. Consistent product supply is key. We will add value for our partners and spread best practice. We will better target new partners with focused sector partnerships and improved, impactful storytelling.

3. Drive operational efficiency

We will review our operating model to build in flexibility and enable growth. We will automate and streamline key systems and use data to inform decisions across teams. We will understand our costs and ROI and implement cost savings where possible.

4. Develop a more consistent and broad-based funding model

We will grow sustainable and long-term support from our corporate partners. We will reduce concentration risk by growing our pipeline of funders and shift to a proactive fundraising strategy. We will innovate and develop packages of funding for projects and impact.

5. Build a strong, fit for purpose organisation with a thriving culture

We will invest in our team as the foundation of our success. We will continue to build a safe and inclusive organisation that lives its values. Data and insight will drive efficiency and resilience. Impact will underpin our strategy, developing our voice to push for systemic change.

Operational Plan for 2025

As we work toward our long-term strategic goals, our operational plans and objectives for 2025 are summarised below. All key metrics will feed into six organisational measures of success:

- 550,000 people supported each week
- 7,000 charitable organisations receiving products
- £28m in savings unlocked for our network partners
- Under 9 tonnes of carbon equivalent emissions per 1,000 orders
- >70% availability of six never out of stock (NOOS) lines across core product areas
- £4.65m income secured from all sources

We have embedded the “In Kind Direct Approach” across the organisation, ensuring the delivery of our operational plans and wider strategic ambition aligns with our purpose and values:

- An organisation that respects and reflects those we serve
- Insight powered by our systems
- Innovation unlocked by asking WHY and HOW
- Improving lives cannot cost the earth
- To be heard, we must make a noise

Objective	Summary Plans
1. More of the right product at the right time	<ul style="list-style-type: none"> • Grow non-core product items, such as toys, beauty and home • Unlock white goods for our network • Initiatives such as the 5th phase of our multi-supplier hygiene poverty campaign with Tesco • Strengthening relationships with other organisations
2. Better understand those we serve and our impact	<ul style="list-style-type: none"> • Research delivery, focussed on hygiene poverty, circular economy and strengthening the VCSE sector • Deliver user-developed initiatives that increase uptake of IKD’s service and meet local needs • Review our community sharing initiative • Network development strategy driven by end user needs

3. Grow our profile and supporter base	<ul style="list-style-type: none"> • Three campaigns during the year to focus on Hygiene Poverty, Mental Health & Children • Engage the government on period equity, child poverty circular economy and digital inclusion. • Relaunch our patrons programme and take a project approach to fundraising. • Refresh the copy on our corporate site.
4. Operational excellence driving insight and efficiency	<ul style="list-style-type: none"> • Analyse the impact of our average order value. • Improve our customer insights data within our systems. • Develop a data strategy • Develop an approach to AI, to increase capacity & impact • Review our warehouse and logistics, improving our new warehouse management system
5. An organisation that lives its values	<ul style="list-style-type: none"> • Develop a robust 2026-2030 strategy • Invest in our people, rolling out a training programme • Release an internal framework for incorporating sustainability into wider decision-making • Increase impact by sharing learnings across our IKDI network • Consider cost/benefit analysis of our London office facility

Structure, governance and management

At the end of the year, there were fourteen trustees who meet quarterly as a Board, as does the Finance and Governance Committee. The latter Committee also constitutes the Remuneration Committee. There is also a Nominations Committee which meets as required. New trustees are recommended by the Nominations Committee and appointed by the members in general meetings. The Board may appoint trustees to hold office until the next AGM where the appointment is approved by the members. Trustees are subject to retirement by rotation.

New trustees are given copies of the charity's legal documents, management information and accounts, together with general reading material about the charity and Charity Commission literature. This is followed by meetings with the Chief Executive and at least one other trustee as part of the induction process. Trustees are sent training updates as appropriate throughout the year and are encouraged to visit and learn from the organisations benefiting from In Kind Direct's work and their beneficiaries. Network partners regularly share their impact and feedback at Board meetings.

In Kind Direct is also a company limited by guarantee. When a term of appointment as trustee/director ceases, membership of the company also ceases. In the event of winding up, the liability of each member of In Kind Direct is limited by guarantee to £10.

Day-to-day management of the charity is delegated to the Leadership Team led by the Chief Executive. Formal reporting by the Chief Executive to Trustees takes place regularly throughout the year. At the end of the reporting year, there were 31 full-time and 2 part-time staff. There were no reportable safeguarding or data compliance incidents identified in the year.

In September, CEO Rosanne Gray stepped down after leading In Kind Direct with dedication for over 5 years. Following her departure, Marc Greene was appointed as Acting CEO, ensuring continuity in leadership and guiding the organisation through the remainder of the reporting year. In January 2025, Michael Gidney joined the charity as CEO.

In the year, two new Trustees were recruited to the Board. Trustees recognised the need to increase diversity on the Board, to represent the wide range of individuals and organisation In Kind Direct works with and for. Processes to ensure regular review of policies and practices continued in the year, helping to build transparent and inclusive practices that align with our People Plan.

Financial policies

Reserves policy

The Board's review of the reserves policy concluded that the charity should aim to achieve unrestricted reserves equivalent to at least three months' operational cashflow. This policy is assessed regularly by the Finance & Governance Committee to ensure that it remains appropriate. The Group reserves as of 31 December 2024 were as follows:

Unrestricted reserves	£ 1,062,807
Restricted reserves	£ 308,846
Total Group reserves as of 31 December 2024	£ 1,371,653

The Group unrestricted reserves balance of £1,062,807 equates to 3 months of operating costs for In Kind Direct and represents a decrease of £203,627 compared to the previous year (2023: £1,266,434).

This means that the Group ended the year having achieved reserves in line with its reserves policy. The designated budget approved by the Trustees included a new warehouse and systems upgrade & integration logistics platform, upgraded websites and commissioned research.

Within the restricted funds (note 15a), £263,846 relates to the grant income received and receivable from Lloyds Banking Group towards the cost of In Kind Direct's offices, less expenditure to date. This includes an accrual of the remaining grant income receivable. A further £44,000 is being retained as a separate restricted fund to pay for office dilapidations.

Investment policy

In Kind Direct's investment policy is to place funds in excess of short-term commitments on deposit for one to three months, leaving a sufficient balance in the current account. It is the opinion of the Board of Trustees that the interest earned is paid at a competitive market rate and that these investments perform to an acceptable level. At year end, funds of £512k were held on deposit.

In Kind Direct's policy with regard to donated shares is that they will generally be sold at the earliest opportunity subject to any restrictions on sale. Staff seek concurrence prior to any proposed disposal from a member of the Finance and Governance Committee before either proceeding with the sale or give an explanation for not realising the value as soon as the restriction has lapsed. Currently no donated shares are held.

Executive Pay and Remuneration

Our approach to pay is to provide fair remuneration packages for people who can help the charity to maximise its impact. To do this we seek to balance the need to attract, develop and retain individuals with a need to ensure value for money for the charity. We aim to provide remuneration packages and benefits that are competitive within the charity sector, proportionate to the complexity and scope of each role, and in line with our charitable objectives. We meet all national pay standards and provide all staff including interns with the Real Living Wage as a minimum.

The Remuneration Committee of the Board reviews and monitors senior staff pay, including the pay of the Chief Executive. Periodically, remuneration levels are reviewed and benchmarked by outside industry specialists. In 2023, a gender pay review was carried out. Whilst this did not identify any issues on the sole grounds of gender, the review highlighted a number of roles that required benchmarking. The outcome of this exercise was approved by the Remuneration Committee and adjustments were made in 2024. Across the organisation, the ratio of our highest salary to our median salary was 3.6.

Qualifying indemnity insurance

Subject to the conditions set out in the Companies Act 2006, in order to indemnify its directors and officers against liability in respect of actions brought by third parties against the Charity, the Charity has purchased Directors and Officers liability insurance, and such insurance remains in force at the date of approving the Trustees report.

Risk policy and management

The Trustees review the assessment of major risks to which the charity is exposed. The Leadership Team maintains a risk register, which is regularly monitored and updated. Risks are scored by likelihood and impact both prior and post mitigation measures taken. Management of risks is an ongoing task of the Leadership Team. Changes are reported to the Board at quarterly meetings.

The top three risks faced by the charity at December 2024 were:

Risk	Management & Mitigation Measures
Reliance on key staff to maintain business continuity	<ul style="list-style-type: none"> • Regular leadership team meetings to share issues • Updated contract notice periods - Exec 1 month, Coord 2 months, Managers 3 months • Ongoing documentation of core processes • Handover across Leadership team for periods of leave • Change management process to maintain business continuity during transition periods • Training on key tasks shared across functions, especially as part of handover for leavers • Relationships maintained with suppliers/consultants for ad hoc support • Finance transactions and payroll outsourced in Q4 2022, FD being recruited • Working groups and teams to share knowledge/responsibility e.g. data team
Economic downturn affects ability to deliver core services	<ul style="list-style-type: none"> • Diversify corporate network • Increase charity network in line with key customer groups • Regular network engagement to understand funding picture/ability to order • Diversify funding sources esp. T&Fs and account credit schemes • Maintain reserves; review designated funds • Regular review of cash flow and budgets • Review expenditure levels and realise savings
Failure to provide goods requested/needed by charity partners	<ul style="list-style-type: none"> • Quarterly impact surveys to capture fresh insight on most needed products • Big 17 essential products driving strategy and Corporate Partner (CP) asks • Availability metrics to monitor key stock levels • Develop/strengthen relationships with Corporate Partners - right product, right time • Goods Acceptance process to drive strong decision making • Weekly Trading and Operations meetings including pipeline review • Current risk being mitigated around food handling compliance within IKD warehouse

Sustainability

Sustainability is at the heart of what we do. We believe improving lives shouldn't cost the Earth. In Kind Direct recognises that good environmental management is an essential part of overall good practice for a national charity. We work towards best practice for environmental standards in all areas of our operation. We focussed on continual improvement and in 2024 worked towards setting targets for reducing our environmental impact.

We are committed to supporting a just transition to net zero and reducing the environmental impact of our operations and service delivery. In 2025 we will be publishing this approach, having set provisional net zero targets. We will aim for net zero in our direct emissions by 2040, and in our supply chain by 2050. These will be confirmed when we release our first sustainability report and strategy in 2025.

Everyone working at the charity and our partners have a part to play. Achieving a proportionate reduction in waste and carbon emissions as the scale of our activities grows is embedded in our approach. In 2023, work began to formalise our commitments and environmental targets, leading to a new organisational KPI of equivalent carbon emissions per thousand orders dispatched. In 2025, we will publish our baseline and initial plans, alongside our contribution to the relevant UN Sustainable Development Goals.

Our direct impact on the environment primarily relates to our energy, material, and water use at our premises and staff travel, as well as our logistics operations. Indirectly, we impact the environment by helping companies provide an alternative to landfill and promoting best practices around waste, encouraging our UK network of charity partners to act responsibly.

In 2024 we were recognised for our sustainability efforts, winning the Gold 2024 Global Good Award, for our achievements in Waste Reduction and Minimisation.

Progress in 2024:

- Reductions in single-use plastic. Moving to paper-based tape saved 903 km of plastic in 2024.
- In 2024 we embedded an environmental metric into our monthly KPIs, which tracked our Scope 1 and 2 emissions (and some Scope 3) per 1000 orders we received. Our target for the year was for this to stay under 9 tonnes of carbon dioxide per 1000 orders.
- We always aim to reduce unnecessary plastic in our operations. Recycling inbound cardboard boxes to replace bubble wrap in our outbound deliveries has saved 2,777 m² of plastic per year.
- Successful trial of pre-used boxes at the start of 2024 has meant that 100% of our carton deliveries are now using reused boxes. In our first 12 months, we saved 3.7 tonnes of carbon dioxide.
- 93% of products were delivered using a logistics partner with ambitious decarbonisation targets. Over 20,000 deliveries in 2024 were made using electric vehicles (EVs).
- We are a Zero Waste to Landfill Organisation. All of the waste generated at our Telford warehouse or London office is either reused, recycled or incinerated for energy.
- We're a proud environmental partner of 1% for the Planet, an international organisation whose members contribute at least 1% of annual revenue to environmental causes.
- We remained digital by default, minimising printing wherever possible.
- Preparatory work began on our wider sustainability strategy.

Our environmental statement and full environmental policy are available on our website.

References and Administrative Details

Directors and Trustees

The directors and trustees of In Kind Direct during the year and up to the date the accounts were approved were as follows:

Teresa Tideman (Chair)
 Ajay Kavan (Deputy Chair)
 Vishal Bansal
 Scott Barton
 Graham Burrige (stepped down 1 October 2024)
 Ayshea Farooq
 Alec Grant
 Tim Hinton
 Tom Moody
 Martin Newman
 Chirag Patel
 Debra Allcock Tyler
 Richard Wolff
 Liz Clarkson (from 14 August 2024)
 Clare Mills (from 12 November 2024)

Chief Executive

Rosanne Gray (to 30 September 2024)
 Marc Greene, Acting CEO (from 1 October 2024)

Independent Auditor

HaysMac LLP
 10 Queen Street Place
 London
 EC4R 1AG

Bankers

Lloyds Banking Group
 109 Finsbury Pavement
 London
 EC2A 1LB

Status

In Kind Direct is a charitable company limited by guarantee, incorporated in England and Wales (company number 03155226) and registered with the Charity Commission (charity registration 1052679). The registered office address is: In Kind Direct, Arc House, 82 Tanner St, London SE1 3GN. It is governed by a Memorandum and Articles of Association dated 16 January 1996, as amended by subsequent Special Resolutions.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.

- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- 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 charitable company will continue in business.

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

The trustees are responsible for the integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to the auditor so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Related Parties

None of In Kind Direct's trustees are employed by a company with which In Kind Direct has a commercial relationship. Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Graham Burrige, who is Chair of the subsidiary, is also a director/trustee of In Kind Direct. Rosanne Gray, Chief Executive also served as a director of Trading IK Ltd during the year but resigned on 30 September, 2024.

In Kind Direct is the sole legal member of IKDI. Three director/trustees of In Kind Direct are director/trustees of IKDI. They are Teresa Tideman, Ajay Kavan and Richard Wolff. Rosanne Gray, Chief Executive of In Kind Direct was also a director/trustee of IKDI but resigned on 30 September 2024.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Auditors

HaysMac LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board

T M Tideman

Teresa Tideman

Date: 15 October 2025

Independent auditor's report to the members of In Kind Direct

Opinion

We have audited the financial statements of In Kind Direct for the year ended 31 December 2024 which comprise Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's and parent charitable company's net movement in funds, including the 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 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. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 28, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, company law and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

Use of our report

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



Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
Date: 15 October 2025

10 Queen Street Place
London
EC4R 1AG

**Consolidated Statement of Financial Activities (including income & expenditure account)
for the year ended 31 December 2024**

	Notes	Unrestricted Funds £	Restricted Funds £	Totals 2024 £	Unrestricted Funds £	Restricted Funds £	Totals 2023 £
INCOME							
Income from donations							
Value of donated goods distributed	4	32,632,394	-	32,632,394	29,154,370	-	29,154,370
Donations	3	447,941	35,250	483,191	308,011	85,000	393,011
Donated services for own use	4	134,326	-	134,326	137,053	-	137,053
Income from charitable activities:							
Charges for providing goods		3,002,135	-	3,002,135	3,261,603	-	3,261,603
Other charitable income		167,377	-	167,377	40,445	-	40,445
Income from other trading activities:							
Commercial trading operations	5	675,602	-	675,602	484,998	-	484,998
Bank Interest		11,551	-	11,551	-	-	-
TOTAL INCOME		<u>37,071,326</u>	<u>35,250</u>	<u>37,106,576</u>	<u>33,386,480</u>	<u>85,000</u>	<u>33,471,480</u>
EXPENDITURE							
Costs of Raising Funds:							
Costs of Fundraising	6	115,487	-	115,487	104,794	-	104,794
Costs of Trading Activities	6	213,133	-	213,133	83,021	-	83,021
		<u>328,620</u>	<u>-</u>	<u>328,620</u>	<u>187,815</u>	<u>-</u>	<u>187,815</u>
Expenditure on Charitable Activities:							
Distribution of donated goods	6	32,632,393	-	32,632,393	29,154,370	-	29,154,370
Other Charitable Costs	6	4,363,190	147,810	4,511,000	4,118,192	126,723	4,244,915
		<u>36,995,583</u>	<u>147,810</u>	<u>37,143,393</u>	<u>33,272,562</u>	<u>126,723</u>	<u>33,399,285</u>
TOTAL EXPENDITURE	6	<u>37,324,203</u>	<u>147,810</u>	<u>37,472,013</u>	<u>33,460,377</u>	<u>126,723</u>	<u>33,587,100</u>
Net Expenditure for the Year Before Transfers		(252,877)	(112,560)	(365,437)	(73,897)	(41,723)	(115,620)
Gross Transfers Between Funds		49,250	(49,250)	-	215,917	(215,917)	-
Net Movement in Funds		<u>(203,627)</u>	<u>(161,810)</u>	<u>(365,437)</u>	<u>142,020</u>	<u>(257,640)</u>	<u>(115,620)</u>
Funds brought forward at 1 January		1,266,434	470,656	1,737,090	1,124,414	728,296	1,852,710
Funds carried forward at 31 December	15a	<u>1,062,807</u>	<u>308,846</u>	<u>1,371,653</u>	<u>1,266,434</u>	<u>470,656</u>	<u>1,737,090</u>

Consolidated Balance Sheet at 31 December 2024

	Notes	Unrestricted Funds	Restricted Funds	Total 2024	Unrestricted Funds	Restricted Funds	Total 2023
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	65,436	-	65,436	78,611	-	78,611
Intangible assets	11	103,159	-	103,159	85,778	-	85,778
Fixed Assets		<u>168,595</u>	<u>-</u>	<u>168,595</u>	<u>164,389</u>	<u>-</u>	<u>164,389</u>
Current assets							
Debtors	13	252,693	1,991	254,684	209,941	7,964	217,905
Inventory		61,000		61,000			
Cash at bank and in hand		1,045,434	306,855	1,352,289	1,264,026	462,692	1,726,718
		<u>1,359,127</u>	<u>308,846</u>	<u>1,667,973</u>	<u>1,473,967</u>	<u>470,656</u>	<u>1,944,623</u>
Creditors: amounts falling due within one year	14	(464,915)	-	(464,915)	(371,922)	-	(371,922)
Net current assets		<u>894,212</u>	<u>308,846</u>	<u>1,203,058</u>	<u>1,102,045</u>	<u>470,656</u>	<u>1,572,701</u>
Net assets		<u>1,062,807</u>	<u>308,846</u>	<u>1,371,653</u>	<u>1,266,434</u>	<u>470,656</u>	<u>1,737,090</u>
Funds							
Balance at 1 January		1,266,434	470,656	1,737,090	1,124,414	728,296	1,852,710
Movement in Funds		(203,627)	(161,810)	(365,437)	142,020	(257,640)	(115,620)
Balance at 31 December	15a	<u>1,062,807</u>	<u>308,846</u>	<u>1,371,653</u>	<u>1,266,434</u>	<u>470,656</u>	<u>1,737,090</u>

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

T M Tideman

Teresa Tideman

Director and Trustee

Date: 15 October 2025

Company number: 03155226

Company Balance Sheet at 31 December 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Fixed assets							
Tangible assets	10	65,436	-	65,436	78,611	-	78,611
Intangible assets	11	103,159	-	103,159	85,778	-	85,778
Investments	12	1	-	1	1	-	1
		<u>168,596</u>	<u>-</u>	<u>168,596</u>	<u>164,390</u>	<u>-</u>	<u>164,390</u>
Current assets							
Debtors	13	331,340	1,991	333,331	261,275	7,964	269,239
Cash at bank and in hand		815,431	306,855	1,122,286	1,024,389	462,692	1,487,081
		<u>1,146,771</u>	<u>308,846</u>	<u>1,455,617</u>	<u>1,285,664</u>	<u>470,656</u>	<u>1,756,320</u>
Creditors: amounts falling due within one year	14	(437,663)	-	(437,663)	(342,203)	-	(342,203)
Net current assets		<u>709,108</u>	<u>308,846</u>	<u>1,017,954</u>	<u>943,461</u>	<u>470,656</u>	<u>1,414,117</u>
Net assets		<u>877,704</u>	<u>308,846</u>	<u>1,186,550</u>	<u>1,107,851</u>	<u>470,656</u>	<u>1,578,507</u>
Funds							
Balance at 1 January		1,107,851	470,656	1,578,507	964,339	728,296	1,692,635
Movement in Funds		(230,147)	(161,810)	(391,957)	143,512	(257,640)	(114,128)
Balance at 31 December	15b	<u>877,704</u>	<u>308,846</u>	<u>1,186,550</u>	<u>1,107,851</u>	<u>470,656</u>	<u>1,578,507</u>

In Kind Direct has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present the Statement of Financial Activities and Income and Expenditure Account of the parent charitable company in these financial statements. Income of the parent company amounted to £36,870,179 (2023: £29,393,481). The result for the year is a net movement of funds of (£391,957) (2023: (£114,128))

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

T M Tideman

Teresa Tideman

Director and Trustee

Date: 15 October 2025

Consolidated and Company Statement of Cash Flows for the year ended 31 December 2024

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash (used in) / provided by operating activities	20	(320,680)	66,599	(311,046)	213,649
Cash flows from investing activities					
Purchase of fixed assets		(53,749)	(105,162)	(53,749)	(105,162)
Cash (used in) investing activities		<u>(53,749)</u>	<u>(105,162)</u>	<u>(53,749)</u>	<u>(105,162)</u>
(Decrease) / increase in cash and cash equivalents in the year		(374,429)	14,581	(364,795)	161,631
Cash and cash equivalents at the beginning of the year		1,726,718	1,712,137	1,487,081	1,325,450
Total cash and cash equivalents at the end of the year		<u>1,352,289</u>	<u>1,726,718</u>	<u>1,122,286</u>	<u>1,487,081</u>

No analysis of changes in net debt is presented as the charity and group has no borrowings.

Notes to the Financial Statements – year ended 31 December 2024

1. Principal accounting policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP, second edition, effective 1 January 2019), the Companies Act 2006 and applicable accounting standards (FRS 102). In Kind Direct meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings as per note 5 of their accounts. The accounts have been consolidated on a line-by-line basis, after eliminating the intercompany balances and transactions in full.

Going concern

The trustees are confident that In Kind Direct will remain a going concern and that there are no known material uncertainties about the charity's ability to continue. A cash flow forecast has been prepared for the 12-month period following the date of signing of the accounts. This forecast includes all funding received to date as well as committed funding. Assumptions have been made around charges for goods income that show an increase in growth against the 2024 targets which is line with the 2025 strategy. Unrestricted cash balances remain positive for the whole period and are expected to exceed the minimum requirement of £100,000.

Fund Accounting

Unrestricted funds (both general & designated) include funds and goods donated for distribution. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The Board of trustees agreed in 2021 to designate £635k of the unrestricted reserve for specific projects to support the 2025 strategy growth. The funds were used for the warehouse move (£320k); systems upgrade (£150k) & marketing/research/support activities (£165k). The remainder has been undesignated (£140k) by trustees.

Restricted funds are funds and goods donated for distribution, which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income

All income is recognised in the SOFA when the charity has entitlement to the income, there is reasonable certainty of receipt, and the amount can be measured. Event income and charges for our service providing products are treated as income in the period to which they relate. Registration fees are generally non-refundable and are applied to income at the beginning of the year to which they relate. Interest receivable is treated as income of the period in which it accrues.

Goods and services donated for the charity's own use

Goods, office cleaning and printing facilities, consultancy work and other services donated for the charity's own use are recognised in the Statement of Financial Activities as both income and expenditure, at the time of supply, at a reasonable estimate of their original market value, or capitalised, if it is a capital item on the basis of the value of the gift to the charity.

Goods donated for onward distribution

Goods donated for onward distribution are included as both income and expenditure, at the time of distribution, at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition. By their very nature, the product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt.

Expenditure

Expenditure is classified in accordance with the Statement of Recommended Practice as shown below:

Charitable Activities - all expenditure directly relating to the objects of the charity including the direct cost of supporting charitable activities and covers the following activities as incurred: Identification of potential donors, obtaining donated goods for onward distribution, the processes for distributing, reporting and accounting for those goods; the recruitment and registration of charities and maintenance of data relating to those charities.

Governance Costs – Being financial, legal, and administrative expenses incurred in connection with enabling the charitable company to comply with external regulations, constitutional and statutory requirements; and in providing support to the trustees in the discharge of their statutory duties. These costs are included within support costs.

Fundraising Costs - The costs incurred to obtain voluntary contributions to the charity including expenditure on increasing In Kind Direct's fundraising resources other than through obtaining registration income or goods for distribution and for improving general awareness of In Kind Direct within the overall community.

Support Costs - Expenditure incurred on activities falling directly within one expenditure classification is charged directly to that classification. Expenditure incurred on activities falling in more than one cost category is apportioned as follows:

Staff costs: According to the time spent by each member of staff on activities within that category.

Office expenses: In the same overall ratio as staff costs.

Depreciation: In the same overall ratio as staff costs

Taxation

As a registered charity, the company is potentially exempt from taxation of its income and gains to the extent that these are applied to its charitable objectives. The company is registered for VAT. Income Tax recoverable under Deeds of Covenant and Gift Aid is accounted for on a receivable basis.

Termination costs

All costs included in terminating employee contracts are accounted for on an accruals basis and disclosed in aggregate within staff costs. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Pension costs

Contributions to group personal money purchase pension schemes are charged to the Statement of Financial Activities on an accruals basis.

Operating leases

Operating lease rentals are charged to the SOFA over the term of the lease. Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

Tangible fixed assets

Fixed assets are capitalised in the balance sheet at cost or, for donated goods, at estimated market value, except for items costing less than £1,000, which are expensed in the year of purchase. Depreciation is calculated so as to write off the cost of tangible fixed assets, less the estimated residual values, on a straight-line basis over the estimated economic lives of the assets concerned. Computers and other capital equipment is written off over five years.

Intangible fixed assets

Intangible assets are initially recognised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. In Kind Direct's intangible fixed assets consist of software development costs. Amortisation is charged on a straight-line basis over the estimated useful economic life of the software (from two to six years) and is included in Finance & IT support costs in the SOFA.

Debtors

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.

Inventory

Inventories are stated at the lower of cost and net realisable value (NRV). Cost comprises purchase price, conversion costs, and other costs incurred in bringing inventory to its present condition. NRV is the estimated selling price less costs to complete and sell. For all items, specific identification is used for costs.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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.

Financial instruments

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.

2. Critical accounting judgements and estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the group's and parent charitable company's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those areas subject to judgement and uncertainty are as follows:

- Valuation of goods distributed
- Valuation of other goods and services received in kind for the charity's own use.
- Cross charges of staff time spent between the 3 group entities.

Goods donated for onward distribution are valued at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition.

Other goods and services received are valued either by the donor, or where no value is given, valued at the equivalent market cost were these to be purchased directly by the charity.

Accrued income and expenditure are estimated where no invoice has been provided. These estimates are based either on third party evidence or on known values as yet not invoiced by the group.

Cross charges of staff time spent are based on reasonable estimates of how much time staff employed by In Kind Direct spend working on matters related to Trading IK Limited or IKDI.

3. Other Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Charitable Trusts	151,159	35,000	186,159	82,756	45,000	127,756
Business donations	104,500	250	104,750	68,000	37,500	105,500
Donations by individuals	192,282	-	192,282	157,255	2,500	159,755
Total Donations	<u>447,941</u>	<u>35,250</u>	<u>483,191</u>	<u>308,011</u>	<u>85,000</u>	<u>393,011</u>

4. Donated goods and services

Donated goods and services were applied to the activities of the charity as follows:

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Total Value of donated goods distributed	32,632,394	-	32,632,394	29,154,370	-	29,154,370
Total Value of Services donated for own use	134,326	-	134,326	137,053	-	137,053
Total Donations	<u>32,766,720</u>	<u>-</u>	<u>32,766,720</u>	<u>29,291,423</u>	<u>-</u>	<u>29,291,423</u>

5. Subsidiary undertakings**Trading IK Limited**

Trading IK Limited (Company no. 06950193) is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its registered office address is 82 Tanner Street, London SE1 3GN.

Its principal activity is generating alternative sources of income such as eBay sales and affiliate marketing agreements. The company gift aids its taxable profits to the parent company. The results for the trading company for the year ended 31 December 2024 were:

	31 December 2024 £	31 December 2023 £
Turnover	675,602	484,998
Cost of sales	(84,174)	(63,398)
Gross profit	<u>591,428</u>	<u>421,600</u>
Distribution costs	(59,572)	(20,524)
Administration costs	(69,388)	900
Profit for the year	<u>462,468</u>	<u>401,976</u>
Gift Aid to In Kind Direct	(462,468)	(401,976)
Movement in Shareholder's Funds After Gift Aid	<u>-</u>	<u>-</u>

Administration costs relate to audit fees, other expenses and professional fees from In Kind Direct to Trading IK Limited (2024: nil; 2023 nil) for the use of staff and resources. These have been eliminated on consolidation.

	£	£
Current assets	226,151	152,219
Creditors and accruals	(226,151)	(152,219)
Net Assets	<u>-</u>	<u>-</u>

At the balance sheet date the company owed a balance of £201,152 (2023: £126,998) to In Kind Direct.

Subsidiary undertakings - Continued**IKDI**

IKDI is a charitable company incorporated in England & Wales, (Charity no. 1157417; Company no. 08478660) of which In Kind Direct is the sole member. Its registered office address is 82 Tanner Street, London, SE1 3GN. The results of the subsidiary charitable company for the year were as follows:

	31 December 2024	31 December 2023
	£	£
Income	76,250	46,750
Expenditure	(58,337)	(48,240)
Net surplus/(expenditure)	17,913	(1,490)
Funds brought forward at 1 January	91,008	92,498
Funds carried forward at 31 December	108,921	91,008

Total expenditure relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2024: £39,914; 2023: £38,217) for the use of staff and resources. These have been eliminated on consolidation.

At the balance sheet date the charity owed a balance of £nil (2023: £nil) to In Kind Direct.

6. Expenditure

	Direct cost £	Support cost £	Total 2024 £	Direct cost £	Support cost £	Total 2023 £
Cost of Charitable Activities						
Distribution of donated goods	32,632,393	-	32,632,393	29,154,370	-	29,154,370
Other charitable costs	1,763,925	2,747,074	4,510,999	1,725,226	2,519,689	4,244,915
	<u>34,396,318</u>	<u>2,747,074</u>	<u>37,143,392</u>	<u>30,879,596</u>	<u>2,519,689</u>	<u>33,399,285</u>
Cost of Raising Funds						
Fundraising activities	19,892	95,595	115,487	26,799	77,995	104,794
Trading activities	213,133	-	213,133	83,021	-	83,021
	<u>233,025</u>	<u>95,595</u>	<u>328,620</u>	<u>109,820</u>	<u>77,995</u>	<u>187,815</u>
Total Expenditure	<u>34,629,343</u>	<u>2,842,669</u>	<u>37,472,012</u>	<u>30,989,416</u>	<u>2,597,684</u>	<u>33,587,100</u>

7. Support costs

Support costs are the costs of premises, facilities, staff and office overheads and are allocated to the activities of the charity as follows:

	Total 2024 £	Total 2023 £
Management/Other	774,746	805,115
Finance & IT	328,724	264,932
Logistics	477,063	411,319
Charities	1,030,154	960,297
Fundraising	79,573	39,948
Premises	152,409	116,073
	<u>2,842,669</u>	<u>2,597,684</u>
Governance costs included in total	<u>81,470</u>	<u>79,432</u>

8. Employees

Staff costs comprise:	Total 2024 £	Total 2023 £
Salaries and wages	1,568,476	1,430,845
Social security costs	163,880	134,526
Other pension costs	134,080	120,138
	<u>1,866,436</u>	<u>1,685,509</u>

The average number of employees during the year, analysed by function, was:

	2024	2023
Distribution of donated goods	29	31
Governance	<u>4</u>	<u>4</u>
	<u>33</u>	<u>35</u>

The number of employees earning in excess of £60,000 is as follows:

£60,001 - £70,000	1	1
£70,001 - £80,000	-	2
£80,001 - £90,000	2	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1

The key management personnel of In Kind Direct, the parent charity, comprise the Chief Executive Officer and Executive Directors.

The total employee benefits (including employer's national insurance contributions) of the key management personnel of In Kind Direct were £494,242 (2023: £571,217).

The trustees did not receive remuneration for their services to the company during the period (2023: £nil).

Travel expenses of £226.03 were reimbursed by the charity to a Trustee during the period (2023: £7.29, one trustee).

9. Net income for the year is stated after charging:

	2024 £	2023 £
Auditor remuneration - audit fee	23,750	20,100
Operating Lease rentals	70,823	72,719
Depreciation	<u>49,543</u>	<u>33,873</u>

10. Tangible Fixed Assets

	Warehouse Equipment	IT Equipment		
	Unrestricted Funds	Unrestricted Funds	Total 2024	Total 2023
	£	£	£	£
Cost as at 1 January 2024	120,135	12,580	132,715	117,719
Additions during year	11,646	-	11,646	14,996
Cost as at 31 December 2024	<u>131,781</u>	<u>12,580</u>	<u>144,361</u>	<u>132,715</u>
Depreciation as at 1 January 2024	(45,999)	(8,105)	(54,104)	(31,353)
Charge for year	<u>(22,305)</u>	<u>(2,516)</u>	<u>(24,821)</u>	<u>(22,751)</u>
Depreciation as at 31 December 2024	<u>(68,304)</u>	<u>(10,621)</u>	<u>(78,925)</u>	<u>(54,104)</u>
Net book value as at 1 January 2024	<u>74,136</u>	<u>4,475</u>	<u>78,611</u>	<u>86,366</u>
Net book value as at 31 December 2024	<u>63,477</u>	<u>1,959</u>	<u>65,436</u>	<u>78,611</u>

£54k was invested in fixed assets in 2024, £42k relating to investment in the warehouse management system and £12k relating to equipment and plant.

11. Intangible Fixed Assets

	IT Systems		
	Unrestricted Funds	Total 2024	Total 2023
	£	£	£
Cost as at 1 January 2024	235,511	235,511	145,345
Additions during year	<u>42,103</u>	<u>42,103</u>	90,166
Cost as at 31 December 2024	<u>277,614</u>	<u>277,614</u>	<u>235,511</u>
Depreciation as at 1 January 2024	(149,733)	(149,733)	(138,611)
Charge for year	<u>(24,722)</u>	<u>(24,722)</u>	<u>(11,122)</u>
Depreciation as at 31 December 2024	<u>(174,455)</u>	<u>(174,455)</u>	<u>(149,733)</u>
Net book value as at 1 January 2024	<u>85,778</u>	<u>85,778</u>	<u>6,734</u>
Net book value as at 31 December 2024	<u>103,159</u>	<u>103,159</u>	<u>85,778</u>

12. Investment
(Charity)

	Unrestricted Funds	Total 2024
	£	£
Shares - subsidiary company Trading IK Ltd	<u>1</u>	<u>1</u>
Cost at 1 January 2024 and 31 December 2024	<u>1</u>	<u>1</u>

13a. Debtors - unrestricted

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Prepayments	113,221	97,772	112,721	97,772
Trade debtors	139,030	102,610	23,525	26,947
Intercompany debtors	-	-	194,652	126,998
Accrued income*	442	9,559	442	9,558
	<u>252,693</u>	<u>209,941</u>	<u>331,340</u>	<u>261,275</u>

*Donations recognised in the 2024 accounts but received early in 2025.

13b. Debtors - restricted

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Grant income debtor*	1,991	7,964	1,991	7,964
	<u>1,991</u>	<u>7,964</u>	<u>1,991</u>	<u>7,964</u>

*This represents the value of the grant receivable by In Kind Direct until March 2025 in respect of the charity's office accommodation.

14. Creditors: amounts falling due within one year - unrestricted

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	(221,417)	(91,248)	(221,423)	(90,247)
Accruals	(110,380)	(126,687)	(90,751)	(103,111)
Taxation and social security	(133,118)	(153,987)	(125,492)	(148,845)
	<u>(464,915)</u>	<u>(371,922)</u>	<u>(437,666)</u>	<u>(342,203)</u>

15a. Reserves (Group) 2024

	Balance at 1 Jan 2024	Income	Expenditure	Transfers to General Fund	Transfers between funds	Balance at 31 Dec 2024
	£	£	£	£	£	£
Restricted Funds:						
1 Lloyds Bank Premises Fund	416,055	-	(147,809)	-	(4,400)	263,846
2 Premises Fund 3 - dilaps	39,600	-	-	-	4,400	44,000
3 The Privy Purse	15,000	24,000	-	(39,000)	-	-
4 Lego	-	10,000	-	(10,000)	-	-
5 Richard Wolff	-	1,000	-	-	-	1,000
6 VD day	-	250	-	(250)	-	-
Total Restricted Funds	470,655	35,250	(147,809)	(49,250)	-	308,846
Unrestricted Funds - General	1,126,435	37,071,326	(37,274,954)		140,000	1,062,807
13 Unrestricted Funds - Designated	140,000				(140,000)	-
Total Unrestricted Funds	1,266,435	37,071,326	(37,274,954)		-	1,062,807
Total Funds	1,737,090	37,106,576	(37,422,763)	-	-	1,371,653

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
 - (2) Funds towards legal/professional fees and office dilapidations.
 - (3) Funds towards the SARC's (Sexual Assault Referral Centres) project
 - (4) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
 - (5) Funds towards the SARC's (Sexual Assault Referral Centres) project
 - (6) Funds towards a corporate volunteering day in IKD's warehouse
- (13) The remainder of designated funds has been undesignated (£140,000) by trustees

15a. Reserves (Group) 2023

	Balance at 1 Jan 2023	Income	Expenditure	Transfers to General Fund	Transfers between funds	Balance at 31 Dec 2023
	£	£	£	£	£	£
Restricted Funds:						
1 Lloyds Bank Premises Fund	531,928	-	(111,473)	-	(4,400)	416,055
2 Premises Fund 3 - dilaps	35,200	-	-	-	4,400	39,600
3 Peoples Postcode Lottery	27,000	30,000	(250)	(56,750)	-	-
4 Amazon	13,000	-	-	(13,000)	-	-
5 Kimberley Clark	30,353	-	-	(30,353)	-	-
6 Barclays COVID-19	10,815	-	-	(10,815)	-	-
7 Santander	25,000	25,000	-	(50,000)	-	-
8 Lego	5,000	-	-	(5,000)	-	-
9 JHRT	50,000	-	-	(50,000)	-	-
10 Essity		12,500	(12,500)	-	-	-
11 The Privy Purse		15,000	-	-	-	15,000
12 Teresa Tideman		2,500	(2,500)	-	-	-
Total Restricted Funds	728,296	85,000	(126,723)	(215,918)	-	470,655
Unrestricted Funds - General	829,414	33,386,480	(33,460,377)	215,918	155,000	1,126,435
13 Unrestricted Funds - Designated	295,000				(155,000)	140,000
Total Unrestricted Funds	1,124,414	33,386,480	(33,460,377)	215,918	-	1,266,435
Total Funds	1,852,710	33,471,480	(33,587,100)	-	-	1,737,090

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations (distribution)
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Funds towards Period Equity research
- (11) & (12) Funds towards the SARC's (Sexual Assault Referral Centres) project
- (13) Board agreed to designate £635,000 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy growth

15b. Reserves (Charity) 2024

	Balance at 1 Jan 2024 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2024 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	416,056	-	(147,810)	(4,400)	263,846
2 Premises Fund 3 - dilaps	39,600	-	-	4,400	44,000
3 The Privy Purse	15,000	24,000	(39,000)	-	-
4 Lego	-	10,000	(10,000)	-	-
5 Richard Wolff	-	1,000	-	-	1,000
6 VD day	-	250	(250)	-	-
7	-	-	-	-	-
Total Restricted Funds	470,656	35,250	(197,060)	-	308,846
Unrestricted Funds - General	967,851	36,834,929	(37,065,079)	140,000	877,701
13 Unrestricted Funds - Designated	140,000	-	-	(140,000)	-
Total Unrestricted Funds	1,107,851	36,834,929	(37,065,079)	-	877,701
Total Funds	1,578,507	36,870,179	(37,262,139)	-	1,186,547

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards the SARC's (Sexual Assault Referral Centres) project
- (4) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (5) Funds towards the SARC's (Sexual Assault Referral Centres) project
- (6) Funds towards a corporate volunteering day in IKD's warehouse

(13) The remainder of designated funds has been undesignated (£140,000) by trustees

15b. Reserves (Charity) 2023

	Balance at 1 Jan 2023 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2023 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	531,929	-	(111,473)	(4,400)	416,056
2 Premises Fund 3 - dilaps	35,200	-	-	4,400	39,600
3 Peoples Postcode Lottery	27,000	30,000	(57,000)	-	-
4 Amazon	13,000	-	(13,000)	-	-
5 Kimberley Clark	30,353	-	(30,353)	-	-
6 Barclays COVID-19	10,815	-	(10,815)	-	-
7 Santander	25,000	25,000	(50,000)	-	-
8 Lego	5,000	-	(5,000)	-	-
9 JHRT	50,000	-	(50,000)	-	-
10 Essity	-	12,500	(12,500)	-	-
11 The Privy Purse	-	15,000	-	-	15,000
12 Teresa Tideman	-	2,500	(2,500)	-	-
Total Restricted Funds	728,297	85,000	(342,641)	-	470,656
Unrestricted Funds - General	669,339	33,316,115	(33,172,603)	155,000	967,851
Unrestricted Funds - Designated	295,000	-	-	(155,000)	140,000
Total Unrestricted Funds	964,339	33,316,115	(33,172,603)	-	1,107,851
Total Funds	1,692,636	33,401,115	(33,515,244)	-	1,578,507

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations (distribution)
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Funds towards Period Equity research
- (11) & (12) Funds towards the SARC's (Sexual Assault Referral Centres) project
- (13) Board agreed to designate £635,000 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy growth

16. Donation of services for own use

The financial statements include the following donated services

	2024	2023
	£	£
Office cleaning & printing charges	10,338	13,024
Web hosting & IT services	79,466	64,400
Marketing & PR	21,553	56,485
Staff costs/training	22,969	3,144
	<u>134,326</u>	<u>137,053</u>

17. Obligation under operating lease

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for one office premises as set out below:

Minimum rentals falling due:	2024	2023
	£	£
Within 1 year	35,953	71,676
Between 1 and 5 years	-	35,953
More than 5 years	-	-
	<u>35,953</u>	<u>107,629</u>

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 included in the lease of In Kind Direct's offices.

18. Related party transactions

Due to the nature of the IKD group charitable activities which relies on donated goods by companies and the composition of the board of trustees being drawn from corporations, transactions may take place with businesses in which the trustees have an interest. All transactions involving such companies are conducted in accordance with the requirements of the SORP and followed the IKD financial policies & procurement procedures relating to connected and related party transactions. All Board members are required to sign a related party disclosure.

HM King Charles III is the founder of In Kind Direct.

The total amount of donations made by trustees to the charity in 2024 was £4,606 (2023: £2,500). There were no other related party transactions.

19. Capital commitments

There were no capital commitments at the end of 2024 (2023: £0).

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	(365,437)	(115,620)	(385,457)	(114,128)
Adjustments for:				
Depreciation	49,543	33,873	49,543	33,873
increase in inventory	(61,000)	-	-	-
(Increase) / decrease in debtors	(36,779)	29,435	(70,592)	186,796
Increase in creditors	92,993	118,911	95,460	107,108
Net cash (used in)/provided by operating activities	<u>(320,680)</u>	<u>66,599</u>	<u>(311,046)</u>	<u>213,649</u>

21 Post Balance Sheet Events

There are no events after the Statements of Financial Position date.

IN KIND DIRECT

England & Wales - Charity number 1052679

Accounts



IN KIND DIRECT

(a company limited by guarantee)

**Trustee Report and Financial Statements
for the year ended 31 December 2023**

Registered Company no: 03155226

Registered Charity no: 1052679

Report and Financial Statements

for the year ended 31 December 2023

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REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Teresa Tideman (Chair)
Ajay Kavan (Deputy Chair)
Vishal Bansal (appointed 4th April 2023)
Scott Barton

Graham Burrige
Ayshea Farooq

Alec Grant
Tim Hinton

Graham Inglis (resigned 28th September 2023)
Tom Moody
Martin Newman

Chirag Patel
Debra Allcock Tyler
Richard Wolff

Senior Advisor, Quarto Advisors
Senior Advisor KKR, Piper Equity
VP & CFO Amazon Transportation
MD, Corporate & Institutional
Coverage, Lloyds Banking Group
CFO, Pentland Brands
Development Director, The Oak
Foundation
CTO, C-Tech
Head of Corporate & Commercial
Banking, Santander UK
Retired
VP & MD, P&G Northern Europe
Founder, The Customer First
Group
CEO, Pentland Brands
CEO, Directory of Social Change
Founder, Javelin Group

Chief Executive

Rosanne Gray (returned 17th July 2023)
Paul Buchanan, Interim CEO (to 21st July 2023)

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Lloyds Banking Group
109 Finsbury Pavement
London
EC2A 1LB

Status

In Kind Direct is:

- ◆ a company limited by guarantee, number 03155226.
- ◆ a charity registered in the United Kingdom, number 1052679.

It is governed by a Memorandum and Articles of Association dated 16 January 1996, as amended by subsequent Special Resolutions.

Who we are

We are a UK charity who work with charitable organisations and companies to ensure everyone has access to the products they need to live well.

Our Purpose

Creating powerful partnerships, enabling more communities to thrive.

Our Belief

Everyone deserves access to life's essentials, and no usable product should go to waste. Product giving is a practical way to address the widening gap in need across society.

What we do

We distribute products including personal hygiene, household items, clothes, toys and technology, donated by manufacturers and retailers, to charities, community groups, food banks and schools across the UK. By the end of 2023, we were supporting 445,000 people each week. In 2023, we unlocked over £26m in savings into the voluntary sector. This helped charitable organisations meet the increasing need in their communities, at a time when their own resources were stretched.

Alongside this practical response to immediate need, we deliver new research, public campaigns and convene cross-sector partnerships to push for long term, systemic change. Increasing awareness of social issues and reducing the shame too many people feel is key.

Our role

We are a practical response to the widening gap in society. We help meet today's need and use our insights to reduce tomorrow's. 2023 was the third year of our ambitious five-year strategy to triple our impact by 2025. We will do this by:

- Continuing our 25+ year history of distributing products to people that need them today
- Connecting charities, companies and other organisations to find new solutions
- Building a strong evidence base of real-time local insight
- Amplifying the voice of local organisations and advocating for change on behalf of communities
- Delivering targeted projects that meet the needs of those we exist to serve

Since 1996

Since being founded at the end of 1996 by HM King Charles III, we have distributed over £350m of essential products, diverted 38,000 tonnes from waste, and supported over 15,200 charitable organisations.

Our Values

Kindness

It's in our name. We are compassionate and always working for the greatest good to increase equity and justice.

Togetherness

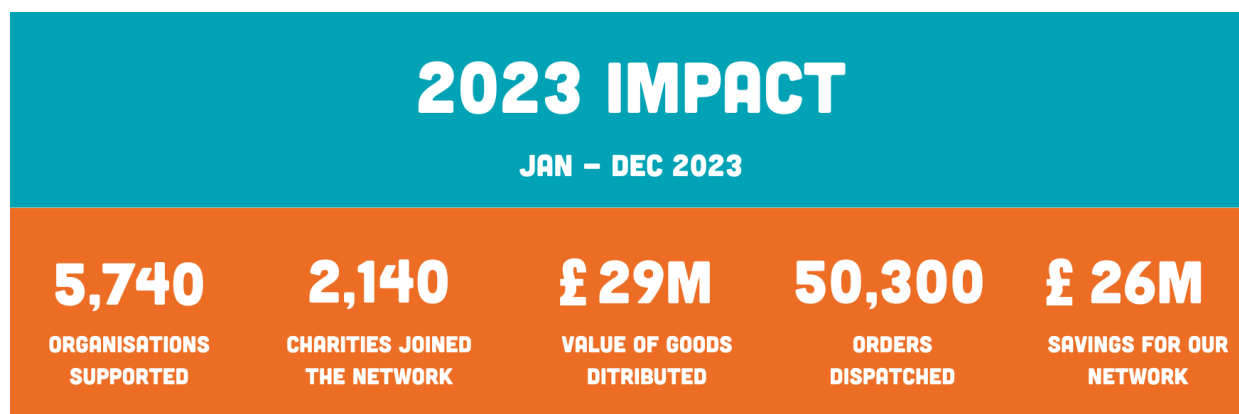
Positive change in society is not the job of one individual, group, or organisation. Our impact is greatest when we collaborate, act as one and all move forward together.

Integrity

How things are done is as impactful as what is done. We are open, accountable, and transparent and always strive to do the right thing.

Innovation

Just as our founder challenged the status quo, we are always looking to evolve and improve. Our curiosity, creativity and resilience enable us to think big and adapt at pace.



1.9M
TOILET ROLLS



845,000
NAPPIES



382,000
BOTTLES OF HANDWASH



1M
LAUNDRY PRODUCTS



306,000
TUBES OF TOOTHPASTE



3.4M
PERIOD PRODUCTS

SUPPORTING 445,000 PEOPLE EACH WEEK

[View our 2023 Impact Report.](#)

2023: a year in focus

In 2023, In Kind Direct worked tirelessly to tackle hygiene poverty across the UK, ensuring essential products reached those in need. Through partnerships with manufacturers, retailers, and charities, we supported 5,740 charitable organisations and their communities.

UK poverty continues to deepen with the growing cost-of-living. Households are struggling to meet their basic needs as inflation soars, and monthly budgets cannot keep up. Too many families are making choices between heating their homes, putting food on the table, and maintaining personal hygiene.

In addition to rising living costs, the UK is grappling with a significant increase in energy and raw product prices, further straining household budgets. The impact of these economic pressures is evident in the growing demand for food/product banks, welfare assistance, and charitable support. In Kind Direct plays a vital role in alleviating pressure by providing essential products. Our updated research in 2023 showed 9 million adults are in hygiene poverty across the UK.

Our national campaign, "Not A Choice," helped increase public awareness of hygiene poverty. Securing extensive media coverage, the campaign evidenced the scale and impact of hygiene poverty, and worked to reduce the shame and stigma too many people feel every day. In response to the rising cost of living, we distributed over 262,000 hygiene packs, helping families maintain their dignity and confidence. Our efforts supported 445,000 people weekly. 73% of our network told us these products helped people feel valued and cared for.

We received donations from 133 corporate partners, distributing these essential items to our network of charitable organisations, and unlocking £26m in savings. This helped them do more for less and reach more people in their communities. As a charity ourselves, we faced our own challenges with team recruitment, and fundraising as a medium-

sized infrastructure organisation. Our ability to demonstrate our impact has been vital in attracting others to join us, and in unlocking the potential of new and existing corporate partnerships. Our commitment to our values and inclusive culture saw us recognised as a Great Place to Work in October.

We also launched a pioneering multi-supplier campaign in Tesco stores with major brands Unilever, Kimberly-Clark, Essity, and Haleon. This initiative engaged shoppers to donate products, significantly bolstering our supply of hygiene essentials. Additionally, our "Summer of Play" campaign, in collaboration with Save the Children, provided toys, books, and games to children, enriching their lives and supporting their development.

Our commitment to environmental sustainability saw us divert 2,700 tonnes of products from landfill, reinforcing our belief that supporting people cannot cost the earth. In July, we created a new Quality & Sustainability Manager role, to continue our work introducing greener practices in our own operations, as well as with our partners. This included using a logistics partner with ambitious decarbonisation goals, and packaging improvements.

We also made significant improvements to our IT infrastructure, migrating our Enterprise Resource Planning (ERP) system to the cloud-based Business Central, enabling better operational efficiency and flexibility.

2023 was the third year of our five year strategy to go further in meeting the needs of the communities we serve. Compiling new evidence and stories allows us to raise public awareness, reduce the stigma felt by too many people, and unlock more of the most needed products, at the right time. We continue to meet the immediate need of thousands of charities, families and individuals, whilst pushing for the long-term change to the systems that keep so many people going without. Our work is only possible with the support of our phenomenal partners. Thank you.

Our Supporters and Partners

In Kind Direct gratefully acknowledges support in 2023 from many individuals and organisations by way of encouragement, donated goods or services and funding. This support is provided by the people and organisations listed below, as well as those who wish to remain anonymous.

Our Patrons

In Kind Direct's Patrons are a group of like-minded individuals and organisations who understand and recognise the unique impact that In Kind Direct's work has in communities.

Our Patrons' generosity is absolutely core to what we do. They have been instrumental in helping us respond to the particular challenges of the increasing cost of living for households, communities and our network of charitable organisations. Their support has also given us the confidence to invest in our infrastructure, to enable sustainable growth for our 2025 strategy.

Without their support, our work would simply not be possible. We thank all those who have supported us in the year, including those named in this report.

Patrons

Mr & Mrs Kenneth & Fiona Acheson
Amazon UK
Mr Tomas Cupr
Dunelm
Kenvue
LEGO
Lloyds Banking Group

Massachusetts Financial Services
Mr & Mrs Anthony & Eleanor Nutt
The players of the People's Postcode Lottery
The Privy Purse
Mr Andy Rubin
Santander
The Warwick Trust

Other Financial Supporters

The Cecil Pilkington Charitable Trust
Disney
The Maud Elkington Charitable Trust
Mondays
The Morgan Charitable Trust
Procter & Gamble
PZ Cussons

Rothschild & Co
The Simon Gibson Charitable Trust
Streamline Merchandise
The Tartan Blanket Co.
Mrs Teresa Tideman
Unilever

Donated Services

Abamentis
Amazon Web Services
The Customer First Group
Data Aid
Essity
JC Decaux
Google
Great Place To Work
Javelin

John Lewis Partnership
Lloyds Banking Group
Microsoft
Mitie
The OR Society
Santander
Sainsbury's
Nectar
Voipfone

Donated Goods

Household and Health

Aesop UK Limited
 Anglo American Plc
 Atassi Foundation
 Axil Integrated Services Ltd
 Balsam Brands
 Baylis and Harding
 Beiersdorf UK
 Boots Group
 Bower Collective Ltd
 Bulldog Natural Skincare
 Burt's Bees
 By Sarah London
 Childs Farm
 Colgate Palmolive
 Consuma Paper Products
 DECIEM
 Denman International Limited
 Dermal Laboratories Ltd
 DIP
 Escentual
 Essity
 Estée Lauder
 Ethique
 Ethosa
 Faith in Nature
 Gama Health Care
 Genesis Biosciences
 Gerrard International
 H and A
 Johnson & Johnson
 Lil-lets Group
 Lindt & Sprungli (UK)
 L'Occitane Group
 Look Good Feel Better
 L'Oreal
 Luxoft UK
 Mama Bamboo
 McBride
 Merumaya
 MIBELLE Ltd
 Mondays
 MonthLies
 Rascal + Friends
 Shave Kit
 Starface
 Streamline
 Superdrug

The Tartan Blanket Co. Limited
 TOTM
 TSL Healthcare
 Vispring

Household appliances, Tools & Electronics

4Imprint UK
 Bitmore
 Duracell UK
 Frog Bikes
 Poddy & Black
 Versuni (Philips DA)

General Retail

Amazon.co.uk
 ASDA Stores
 Haleon
 Kenvue
 Kimberly-Clark
 Kimberly-Clark Professional
 Procter & Gamble
 Pentland Brands plc
 PZ Cussons
 Tesco
 Unilever UK

Toys, Baby & Educational

Aurora World
 Beano Studios
 Character Group
 For Aisha
 Genie Toys
 Great Gizmos
 Hasbro
 Hornby Hobbies Ltd
 Hornit
 Imooore
 Keel Toys Ltd
 Lapland UK
 LEGO
 Manhattan Toy
 Mattel
 Micro Scooters
 Orchard Toys
 Persan
 Sacoma Global LTD
 The Disney Store

Toikido
Vivid Imaginations
WOW Toys

Work & Office

Edding
EVO Group
JCB
Karst Stone Paper
Martha Brook
Oxford University Press
Papier
Premier Paper Group
Ricoh
Sainsbury's

Clothing, Footwear & Sports

Banner UK
Bombas

Cancha Bags
ChattyFeet
Decathlon UK Ltd
Healthy Bean Ltd
Hotmilk
JD Foundation
John Lewis & Partners
London Marathon Events
Modibodi
Nike UK
Pangaia
Primark
Printberry
SERGO
The All England Lawn Tennis Club
Urban Gilt
VF Corporation
William Lamb Group

Trustees' report for the year ended 31 December 2023

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 December 2023.

Public benefit, objectives and activities

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission on determining the activities undertaken by a charity. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on can achieve the aims and principles of public benefit.

The charity's objects are as follows:

- 1) to apply funds or make donations to or for such charitable institution or institutions or for such charitable purposes as the Trustees shall decide, in particular, but without limitation, by the distribution of donated goods;
- 2) to encourage environmentally efficient, sustainable waste management and recycling practices through the advancement of education by the collection and dissemination of information and/or the promotion of research and/or development relating to waste management and recycling.

In Kind Direct distributes products donated by companies to UK charitable organisations working in the UK and overseas. Founded in 1996 by HM King Charles III, we offer a simple solution to connect companies and their products to thousands of charities, community groups, foodbanks and schools supporting our communities.

In Kind Direct makes it easy for companies and brands to have a positive social impact with the products they make and sell. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charitable organisations. We inspire confidence in companies to donate, by working with charitable organisations in our network to ensure the most needed products reach communities.

We enable charitable organisations to do more for less and put their local knowledge at the heart of our work. Charitable organisations register for free, and request goods via our online catalogue. They pay a small charge for products, which includes UK delivery. This contributes to our operational costs and protects companies from incurring VAT on their product donations.

The result is an efficient, practical solution which diverts usable goods from going to waste and unlocks huge additional resource into the sector. In 2023, we unlocked £26m in savings and reached 445,000 people each week. Charitable organisations in our network used these savings to cover core costs, deliver new services, and reach an average 50% more people with the products they need during the ongoing cost of living crisis.

In addition to our service distributing donated products from companies, In Kind Direct, along with our trading company, helps charitable organisations to access valuable resources by negotiating discounts on new and refurbished essential products and services through affiliate schemes.

Since our inception, we have distributed £350m of essential products, supporting 15,200 charitable organisations and millions of people, and diverting 38,000 tonnes of usable goods from waste.

The Trustees have identified the following public benefits that flow from the charity's objects and activities:

- **Unlocking savings for charitable organisations:** Our service means partners can secure the goods they need for a fraction of the usual cost, freeing up valuable funds. Most of the organisations we support are small, local organisations with limited resources, who have been particularly affected by increased need for their services and increased operating costs. In 2023, we welcomed 2,140 new organisations into our network, a 50% increase on 2022.
- **Helping charitable organisations improve and extend their services:** By opening up access to high quality products for those with limited budgets, we enable charitable organisations to improve the services they offer and do more for the people they support. 22% say products help them to reach more diverse groups of people with the products they receive.
- **Relieving hardship, building confidence, self-esteem and bringing joy:** The products we distribute are helping to alleviate poverty and hardship across the UK. With high quality products, charities can provide essential practical support, restore dignity and self-esteem to people in crisis as longer-term solutions are put in place.
- **Reducing waste and environmental damage:** Providing companies with a practical and trusted way to donate usable product reduces external recycling and landfill, enables a more circular economy of resource use, and supports social responsibility goals.
- **Amplifying and sharing local insight to power systemic change:** Building on over 25 years of experience and insight, we recognise the need to understand and challenge the systems that force people and communities to need our service. We consolidate and amplify insight from our network, as well as delivering new research; to evidence and advocate for long-term change.

Our Achievements and Performance in 2023

2023 was the third year of our five-year strategy. Our ambition is to triple our pre-pandemic impact by 2025, driven by the needs of communities. Having embedded learnings in 2022, 2023 was the second year of the “invest and enhance” phase of our strategy. We continued to grow the team and pilot new initiatives, as well as realising efficiencies from our 2022 warehouse move. Our efforts to provide a consistent supply of essential products for communities, as well as specific products at the right time have been recognised by our network and continues to be a priority as we grow.

The items we receive are so important to the people we work with. Those in the asylum system get £40 per week to cover food, clothing, travel, phone top ups and toiletries. Any help we can give means that money can go a little bit further and makes a huge difference. Giving people the dignity to be able to choose what they spend their money on is so important. Regular deliveries from In Kind Direct allows us to do that.

Refuweege, a refugee welcome charity, led by the community in Glasgow

Cost of living crisis

The cost-of-living crisis in the UK has placed unprecedented strain on households, with many struggling to afford basic necessities. This challenging economic climate has amplified the need for support from charities like In Kind Direct, highlighting the vital role we play in providing essential goods to those in need. This year, we have concentrated on offering the most essential items to help our charity partners accomplish more with less and to fulfil the increasing demand as family budgets are stretched. 9 million individuals in the UK are projected to be living in hygiene poverty, based on our polling in Spring 2023.

The charity has grown, despite this difficult environment, and at the end of the year, we were helping 29% more people each week than in 2022. We also had a 45% growth on the value of products we were distributing, unlocking significant savings to our charitable network. These are generally used to cover running costs, reach more people, or provide more support per person through their services. 50% more partners have joined our network than in 2022, highlighting the impact the ongoing impact of the cost-of-living crisis. **We are fulfilling more requests for the most essential goods and working with more charities.** In recognition of our impact and approach, we were delighted to be shortlisted for the 2023 Better Society Awards for Circular Economy and Charity Partnerships.

Impact measure	2023 Achieved	2023 Target	2022 Achieved	% Growth on last year
People supported each week	445,000	389,000	345,000	+29%
Value of products distributed	£29m	£26m	£20m	+45%
Organisations receiving products	5,740	5,200	3,995	+44%
Orders distributed	50,300	42,500	35,977	+40%
New partners joining the network	2,140	1,970	1,429	+50%
Average saving for each organisation	£4,530	£4,520	£5,006	-10%

[Essential support for local communities](#)

In Kind Direct's network is diverse and inclusive, supporting charitable organisations of all sizes, and supporting all communities. This includes community centres, foodbanks, disability support groups, schools, health and wellbeing charities, housing projects, child and youth support groups, and community nurseries. The majority are small and locally focussed, with annual incomes under £100,000 per year. **The products we provide, and the savings we generate for them, are an essential part of their model and funding mix.** 82% of our network partners are based outside London, and 64% are supporting school aged children.

We're really grateful for the chance to be able to access toothpaste from you so cheaply as we just wouldn't be able to afford it otherwise. As it is one of life's necessities, we do really want to be able to give it out with our food parcels as we consider basic toiletries such as toothpaste and soap to be just as necessary as food, and they are often the things that people have to do without if they're struggling financially. And, we are well aware of the wider impact that poor dental hygiene can have on overall health and wellbeing.

Foodbank, Burngreave

For a breakdown of all organisations receiving products in 2023 by geographic area and focus area see figures A and B.

In 2023, we continued to prioritise 17 core product lines, covering essential hygiene and cleaning supplies, based on feedback from our network. We ended the year with 51% product availability, realising our commitment for greater consistency of the most needed products. We distributed 50,300 orders to organisations in the UK, over 14,000 more than in 2022. We also delivered a further £4.6m worth of products through other initiatives including placements and bespoke projects. For a breakdown of goods distributed, see figure C.

Our aspiration is for every charitable organisation we support to pass through our verification and monitoring processes, receive our communications and be included in our impact measurements by being registered with us – whether they receive products directly or indirectly from us. We launched a community sharing scheme last year to better track and monitor the sharing of In Kind Direct's products among communities in our network, with the aim to bring these additional organisations into our network. 1,527 organisations were supported via community sharing in 2023.

Understanding our impact

In Kind Direct exists to enable communities to thrive. We regularly gather national data, and stories of the impact we generate across the UK. This includes surveys, visits, focus groups and end of order feedback. In our biannual impact surveys, at least 85% of our network consistently reported an increase in demand for their services, and 72% reported the number of people they were supporting had increased. Our Insights Panel is engaged monthly, with 128 network partners during 2023. In the year, this enabled in-depth feedback to support the co-design, testing and delivery of our communications, campaigns, and approach to advocacy.

We believe everyone deserves access to life's essentials. In 2023, due to the continuing cost of living crisis people were still being forced to make the decision between heating, eating and keeping clean. Throughout the year, In Kind Direct stepped up to deliver even more support to our charitable network and their local communities. We also commissioned new research to deepen our understanding of hygiene poverty, informing brand new initiatives that increased awareness of hygiene poverty, reduced stigma and secured more product for those who need it.

We connect the corporate and charity sectors for public good, working with manufacturers and retailers to unlock essential products which we then distribute to local charitable organisations. Together, we helped ensure everyone can access the product they need to keep clean and well. We also evolved how we share this impact, to explain what these products really mean for the people who receive this. In the year, this included:

- 3.4m period products, enabling 172k periods with dignity
- 1m laundry products, enough to support over 211k families for a month
- 845k nappies, a week's supply for 15k happy babies
- 1.9m toilet rolls, enough to help 122k families for a month
- 305k tubes of toothpaste, keeping 95k people smiling for 3 months.

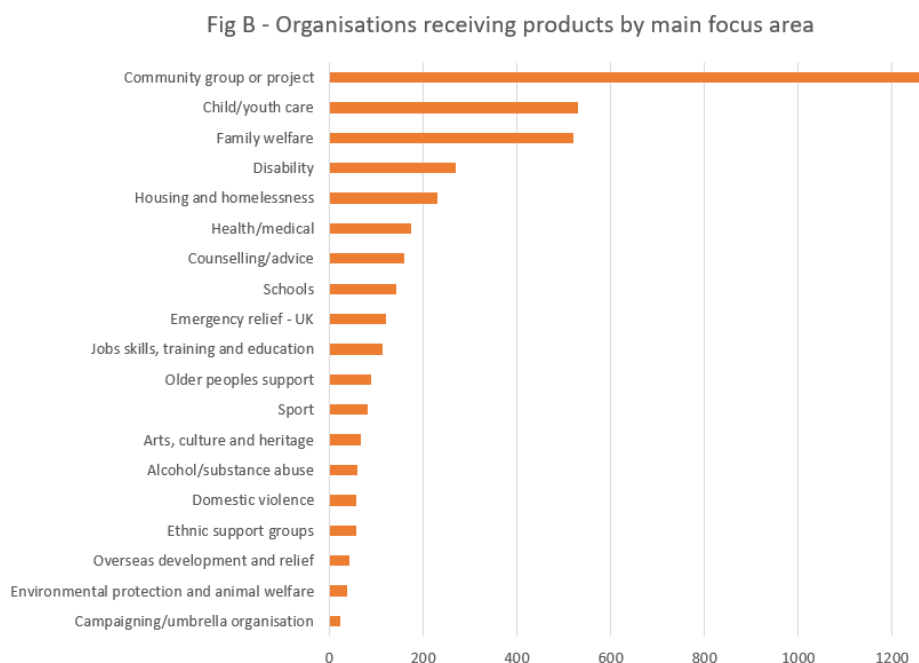
"We would not be able to support our community to the extent we do without In Kind Direct."

Cranhill Development Trust, Glasgow

This year, we were proud to join the National Delivery Committee of the Digital Poverty Alliance, working alongside a range of organisations to help end UK digital poverty by 2030. We continue to learn from our Tech4Schools pilot, which provided over 600 students with devices, skills and support and we launched a new partnership with Foxway, providing our charitable network access to refurbished laptops. We donated 1,050 tech products throughout the year, keeping hundreds of people and communities connected.

“The laptop, with our digital access support and assistive technologies, will enable our beneficiary to overcome his dyslexia and become digitally active helping him with shopping, engaging with family and friends, accessing benefits, training and other opportunities.”

Symbiont CIC, Liverpool



Human Right to Hygiene – One Year On

In Kind Direct's mission is to ensure that no one in the UK has to choose between heating, eating, and keeping clean. In October 2022, we released our first "[Human Right to Hygiene](#)" report, which mapped the systemic causes of hygiene poverty and proposed a Roadmap for Change. [One year on](#), we shared our progress against our Roadmap in tackling hygiene poverty along with updated national research into the scale of the issue.

Key Achievements outlined in the One Year On report include:

- The "Not A Choice" campaign raised national awareness about hygiene poverty, reaching a significant audience through media coverage and educational resources.
- New data was gathered to strengthen the evidence base for tackling hygiene poverty, estimating that 9 million UK adults are affected – 1 million more than 2022.
- We formed a multi-supplier partnership, resulting in the donation of up to 2.4 million hygiene products and the distribution of over 262,000 hygiene packs.
- In Kind Direct supported broader campaigns and participated in government consultations to address hygiene poverty within wider social and economic strategies, bringing this issue to the main stage.

The "Not A Choice" campaign marked a significant milestone in raising awareness and reducing the stigma associated with hygiene poverty. This year, we formed a first-of-its-kind multi-supplier partnership to tackle hygiene poverty. Bringing together Unilever, Tesco, Kimberly-Clark, Essity and Haleon, we engaged shoppers across 700 Tesco locations, sharing information about hygiene

poverty and the opportunity to donate product through a 'buy 2, donate 1' campaign. The partnership unlocked a donation of 2.4m hygiene products throughout the campaign.

In Kind Direct continues to advocate for policy changes and financial support for households and charities. We are committed to delivering targeted support through innovative projects and maintaining strong collaborations with corporate partners to address hygiene poverty effectively. In 2024, In Kind Direct aims to support 6,500 charitable organisations, improve the lives of 486,000 individuals, achieve £30 million in sector savings, and distribute 360,000 hygiene packs. We continue to call for support from organisations, companies, and individuals to further our mission to eradicate hygiene poverty in the UK.

We have been partners with In Kind Direct for 24 years to get our products into the hands of families and individuals furthest away from being able to go into a shop and buy them. We believe clean is a feeling everyone should have, and we're proud to stand with In Kind Direct in being a force for clean. Alongside donating a million toilet rolls this year, we are committed to being part of the change to the systems that make this necessary.

Matt Stone, Marketing Director – Family Care, Kimberly-Clark (including the Andrex brand)

Sector partnerships

At In Kind Direct, our values of togetherness and innovation drive our approach to working in partnership. Throughout the year, we engaged in collaborative campaigns, launched initiatives to broaden our network, and submitted evidence for shaping national policy. Across the year, we have piloted opportunities to be a logistics solution for the sector, providing support to other charities that struggle to handle high volumes of product donation. Some examples of these partnerships include:

- In 2023, the **Tech4Schools** initiative, in partnership with the Learning Foundation, Amazon UK and Teach First, delivered £360k of devices and data to over 600 students across 25 schools.
- We launched new **research into period equity** during the year, to quantify the scale, scope and impact of period inequity in the UK, and showing the significant societal harm these issues will cause if not addressed. We drew on expertise from others in the period equity sector by forming a cross-sector advisory group. Our 2024 report will strengthen and support existing recommendations and advocacy, develop new recommendations for change and drive forward action at a national level on period equity and dignity.
- In 2023, we joined the **Digital Poverty Alliance's National Delivery Committee** – aiming to end digital poverty by 2030. Access to devices, digital skills and connectivity are key barriers to overcome with digital poverty identified as a key driver of hygiene poverty in our 2022 report. We supported the first End Digital Poverty Day on 12th September.
- We made submissions of evidence to the House of Lords Digital Communications Committee and the Centre for Social Justice on the **lesser-known facets of poverty such as digital and hygiene poverty**. We also submitted responses to UK Government consultations on the cost-of-living support payments, prevention in health and social care and made a submission to the Scottish Governments consultation on their circular economy bill.
- We worked for a second year with **Save the Children** to deliver a Summer of Play campaign, securing new product donations of toys to help children be happy, healthy and active over summer and go back to school or nursery equipped and ready to learn.
- **Network recruitment initiatives** were progressed with Trussell Trust, Charity Digital, FareShare, Business in the Community (BitC), Feeding Britain and Your Local Pantry, as well as many local infrastructure organisations, supporting the voluntary and community sector. Efforts in the year saw 2,139 new charitable partners join our network (up from 1,429 in 2022).

Affiliate partnerships

Organisations registered with In Kind Direct also get discounted access to other products and services through our trusted partners. Last year, we completed a full review of current affiliate partners. Our streamlined offering is focussed on providing the greatest value to our network partners and providing a source of income for In Kind Direct. Continuing schemes include working with Office Depot, Ricoh, and Directory of Social Change. These deliver savings on office supplies, refurbished photocopiers, and training and resources for charities. During the year, we supported 257 organisations with products from our affiliate partners.

“Without the items we access from In Kind Direct at such a reduced price, we would not be able to offer them to the many vulnerable families who are still struggling with the effect of Covid as well as the rise of the cost of living. Families are not able to afford basic toiletries and hygiene products and are struggling to keep clean and safe. When they come to us or when we sometimes deliver, they are delighted to receive good, branded items and are very grateful. We have also used some of the toys and arts items in our family community activities and coffee mornings. These items have helped us deliver some great activities.”

Feed the Poor (ISRA-UK), a befriending service for older people in Doncaster

[Support for overseas relief](#)

Our primary focus remains distributing essential goods to UK charitable organisations for use in the UK. In addition, we also distribute products to UK emergency relief and development charities working overseas in Eastern Europe, the Middle East and Africa. £3.3m (2022: £4.1m) in value of stock was distributed to UK charities supporting emergency relief and development work over the course of the year.

[Supporting victims of sexual violence](#)

Caring for people who are at their most vulnerable is at the heart of this programme. We have worked in partnership with Her Majesty The Queen to provide a wash bag to victims of rape and sexual abuse. Each bag contains personal care items donated by Boots such as shampoo, shower gel, toothpaste and a toothbrush and will be given out through 58 Sexual Assault Referral Centres (SARCs) across the UK. In 2023, we distributed 4,330 wash bags to SARCs in the UK.

“I can say that handing over the wash bags is always a high point of our interaction with our clients. They are hugely grateful, and it helps them leave us in a far more positive frame of mind than when they arrived.”

Blue Sky Centre SARC, Nuneaton

[Refurbished Tech](#)

In March 2023, In Kind Direct partnered with Foxway (formally Global Resale) to launch a refurbished tech project aimed at providing discounted refurbished laptops to our network of charities. This initiative prioritises sustainability and supports our commitment to reducing digital poverty. By offering refurbished laptops, we not only extend the lifecycle of valuable technology, reducing electronic waste, but also empower charities with the tools they need to bridge the digital divide. The project underlines our dedication to both environmental responsibility and increasing digital access for charities and communities. By the end of 2023, we had distributed 248 refurbished laptops to local communities.

“It has helped our clients to access and complete necessary forms and applications when they do not have access to a computer.”

Isaiah Project, Southend-on-Sea

Corporate Partnerships

In the year, the charity received donations from 133 companies, 34 of which were new to us. For a summary of the volume of essential products that reached communities across the UK, see page 5.

In Kind Direct collaborates with and receives goods from a diverse array of manufacturers, retailers, and other organisations. We build long-lasting relationships that often go beyond product donation. We assist them in pinpointing where surplus stock suitable for donation may be found within their operations. We work to be their main route when they have products to donate, through surplus or planned delivery. We inform partners about the two main benefits of donating products: increasing social impact for communities across the UK and supporting the circular economy. By working with us, many can fulfil their CSR and ESG responsibilities, and meet their own environmental targets.

Working with In Kind Direct we've been able to reach more charities with more of our products so we can make more of an impact. Their insight, expertise and vast network of charities across the UK means our products can support the most vulnerable and affected by hygiene poverty. Reaching local charities at this scale is something we'd not be able to do on our own. We're immensely proud of our long-standing partnership and what we achieve together.

Chris Barron, VP Beauty and Personal Care, Unilever UK & Ireland

In 2023, product donations from businesses led to £29 million worth of products being distributed to those in need. We also hosted six corporate packing days, collaborating with employees at Kimberly-Clark, L'Oreal, Kenvue, Amazon, and Unilever. Excitingly, In Kind Direct started working with 54 new corporate partners in 2023 as foundations were laid for future product pipeline.

A key part of delivering our 2025 ambition is the ability to unlock regular, planned donations of the products most needed by communities. In the year, 16 companies made planned commitments, increasing the consistency of supply for our network. This included core product ranges such as period products, toilet roll, toys, cleaning products, baby food and copier paper. In the year, activity also focused on unlocking support and stock from retailers. We entered the third phase of our multi-supplier campaign with Tesco. Building on success in 2022, two further bursts in the year unlocked another 1.8m products. Significant media coverage and in-store visibility was also achieved.

Key highlights and commitments in 2023 included:

- Superdrug donated a **year's supply** of handwash.
- March 2023 partnership with Morrisons **to donate 100,000 period products** as part of their International Women's Day - Live in 250 stores.
- P&G committed 1 million Always period products and launched a retailer campaign in ASDA stores which resulted in a **£75,000 donation**.
- Kimberly-Clark donated **1 million Andrex toilet rolls** and ran a 'Buy a pack, donate a roll' campaign in 2,500 Co-op stores across the UK.

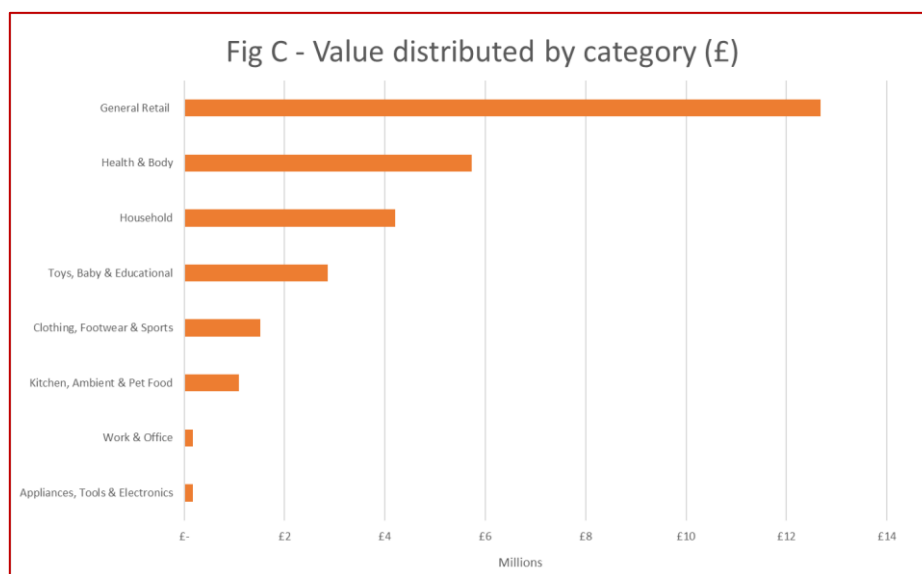
- Essity committed to an annual donation of **1 million toilet rolls & 1.2 million Bodyform period pads** in addition to quarterly donations of Tork Professional Hygiene Products to coincide with their charity Tork fit out scheme for 4 charity network partners.
- Micro Scooter made **monthly donations of refurbished scooters** through their Scooter Aid scheme.
- TOTM continued their year-round online “Buy One, Donate a Pad” initiative & Christmas Giving Campaign generating a donation of **25,000 period products**.
- Colgate campaign in Tesco unlocked **500,000 toothbrushes: 400,000 children’s toothbrushes and 100,000 adult toothbrushes**.
- IKD named as official partner for LEGO on the Replay project launching in the UK. **Distributing 7,000 boxes of recycled sets to children** across the UK through 2024

“Our customers love hearing about our philanthropic giving, and In Kind Direct make it so easy to reach hundreds of charitable organisations with just one delivery. They also provide feedback from their network and impact stats so we can bring to life how our donations are supporting families in need. We’re proud to have donated over 50,000 meals to date and supported over 300 charitable organisations with In Kind Direct”

Rachael Best - Brand Manager, For Aisha

The charity increased efforts in the year to engage more companies through trusted intermediaries. Opportunities were created with a number of Trade Associations, including British Footwear Association, 1% for the Planet, B Corp, and the Sustainable Hospitality Alliance.

For a full list of organisations donating product in the year see page 7.



Campaigns & Brand

Throughout the year, our campaigns focused on three key areas - raising awareness of hygiene poverty, supporting children and families during the summer holidays and bringing warmth to people at winter.

The Human Right to Hygiene report underpinned all activities. The disruptive ‘Not a Choice’ campaign raised awareness of hygiene poverty, start the conversation to help reduce stigma, so

more people felt comfortable to ask for help. The campaign also had a public fundraising element, helping us secure coverage with Sky News, Free radio and The Mirror.

The campaign helped raise awareness of both hygiene poverty and In Kind Direct. It increased product donations and recruited hundreds of new charitable organisations into our network. We are grateful to JC Decaux, who showcased our Not A Choice adverts on billboard across the UK for 6 weeks across October and November. We supported 1,959 organisations during this time and reached 127m people through media coverage.

We believe every child should have the opportunity to learn and play during the summer months, returning to school equipped to learn. With this shared vision, we continued our partnership with Save The Children to support local charities, community groups and parents/carers with product donations and free resources. The Summer of Play campaign achieved donations from 14 brands, generating £6m in savings for our network. During the campaign, we supported 2,552 charitable organisations, with 578 new organisations joining our network.

We continued our relationship with our ambassador, Jawahir Roble, the UK's first female Muslim football referee. Throughout 2023, she visited many partners in our network, highlighting their growing need for support and volunteering her time to coach children.

In November and December, the Warmth this Winter campaign focussed on supporting making tough decisions whether to eat, heat or keep clean every day. Our national polling data indicated a quarter of families on a low income would be forgoing presents for festive celebrations to make ends meet. The campaign successfully drove donations from 34 corporate partners of the most needed products, including clothing, toiletries and toys. 200 charitable organisations into our network.

“Winter is the worst time for families living in crisis. Bills soar and warm clothing and footwear is always difficult to source. Products we access from In Kind Direct help us support so many families.”

Threehills Community Supermarket.

Warehouse & Logistics

At the start of the year, we established ambitious targets to ensure our logistics capacity could meet our anticipated growth and that we consistently had the right products available at the right times. Achieving this required a concerted effort to engage more deeply with Telford Transport Solutions (TTS), our warehouse management company. Throughout the year, we focused on improving operational effectiveness by working closely with TTS, enhancing communication, and strengthening their on-site team. This collaboration was pivotal in streamlining our processes, and we are particularly grateful for their dedicated support in helping to pack the SARCs washbags.

By the end of the year, we had shipped 50,104 orders via the warehouse, which is 11% more than the targeted figure and an increase of over 35% on 2022's output. Our efficiencies have positioned us well to continue meeting and exceeding our growth targets during 2024.

In 2022 we moved to a larger, more versatile warehousing space, allowing us to extend our capacity. The number of pallets worked through and made available at the warehouse in 2023 was 7,181, which was an almost 27% increase on the total for 2022 (5,669), highlighting the needed extra capacity at the new premises. The move also meant improved office space, including more desks and a dedicated meeting room. This created an operational hub, accessible to all staff. The majority of the customer support team are based in Telford, alongside the fulfilment team. All new starters based from the London office visit the Telford site in their first three months. In July, the whole IKD

team spent time at the new premises and took part in strategic planning exercises. This was followed by the Board of trustees in October for an away day at the warehouse.

Throughout the year, our warehouse and logistics operations played a crucial role in supporting our mission. Thanks to broader planning and innovative strategies, logistics costs were effectively managed, unlocking efficiencies despite accelerated growth. Our dedicated team ensured that resources were optimally utilised, allowing us to handle increased volumes without compromising on service quality. This streamlined approach not only maintained cost-effectiveness but also enhanced our overall operational performance, enabling us to better serve our network. The successful implementation of the logistics element of the move from Dynamics 365 Navision to the new Business Central system went smoothly but crucially, this has laid the foundations for the Warehouse Management System integration in 2024.

We also delivered on our sustainability commitments of:

- Using FSC cardboard as minimum
- Improving pre-used cartons sourced and utilised where available, paving the way for the step change expected in 2024, this will be sourced from Reuseabox.
- Using only shredded excess cardboard for void-fill material and where not available from inbound donations.
- Our plastic wrap containing a minimum of 30% recycled plastic, and our plastic bags containing a minimum of 95% recycled plastic.
- We switched plastic tape to paper-based tape.
- We continued the use of a carton courier with ambitious carbon reduction targets for 93% of deliveries.
- We continued to keep the percentage of orders sent as pallets below 7% (4.58% for the year, and 3.67% in H2). Pallet deliveries have a much higher carbon footprint than using carton deliveries.

Systems & IT

In Kind Direct has a reputation for high-quality IT systems, enabling a small staff team to deliver excellent and efficient service to our partners. Our primary business applications, infrastructure, web platforms, and data services are managed internally with support from key suppliers. All aspects of the service are monitored for availability, scalability, and security.

Throughout the year, traffic and volumes on our e-commerce and operational systems continued to increase annually, yet customers still received the stable and consistent service they are accustomed to. Two new roles were recruited in 2023 within systems & IT, one to assist with the ERP migration to Business Central, and another to assist with IT maintenance and service desk help.

A key activity this year was migrating our internal Enterprise Resource Planning (ERP) system from Dynamics Navision 2018 (NAV) to the fully cloud-hosted Business Central, funded by trustee-designated reserves. This move significantly enhances our operational efficiency and data and financial management capabilities, offering greater flexibility and scalability. The advanced features and user-friendly interface of Business Central have streamlined our processes, improved data accessibility and cybersecurity, and will support the planned Warehouse Management System (WMS) migration to the cloud in 2024. By moving to a continual upgrade and subscription model, we can better support business development and growth.

Enabling internal teams to better self-serve, especially with business insights retrieval, has been a priority. The Systems team collaborated with the Corporate Partnerships team to visualise their lead-to-opportunity process, allowing for data visualisation through dashboard creation. Improved reporting has been enabled with better product category attributes.

Quality and security of data are critical to In Kind Direct, with data processes continually reviewed throughout the year. The Data Protection Code of Practice guides the organisation in handling all types of data.

Improving project management is a new priority. During 2023, Monday.com was successfully rolled out to all staff. Its visual project tracking and integration with various third-party applications have facilitated better communication and efficient task delegation, proving beneficial across all departments.

Thanks to prior investment in cloud technology, the charity maintained a hybrid working approach. All office-based staff were equipped to work remotely, promoting flexibility, and recognising the increased costs of commuting. To support effective remote work, ongoing internal staff training across systems ensures real-time reporting and understanding of data protection principles.

[Equality, Diversity and Inclusion, HR](#)

In Kind Direct is committed to all aspects of Equality, Equity Diversity, and Inclusion (EEDI), and we seek to create an environment where everyone can thrive. We are wholly against unlawful and unfair discrimination of any kind. We believe that EEDI goes beyond the basic legal requirements and understand that embracing EEDI principles and practices is vital for us to be the best we can be by ensuring that we have a richness of thinking, views, opinions, and experiences, as well as supporting the creation of an environment of respect and openness.

In autumn 2021, the charity carried out an Equality, Diversity, and Inclusion (EDI) review with all staff and trustees, supported by external consultants, Social Justice Collective. In March 2022, the recommendations of the review were shared internally, and a EEDI policy was created. During 2023, we released EEDI guidance and training for new starters and managers at In Kind Direct as well as continuing with our EEDI and Wellbeing & Togetherness working groups.

In Kind Direct were proud to have become a Great Place to Work certified employer in October 2023. 89% of all statements in the employee survey were positive, which is considerably higher than the 64% required to achieve certification. 100% of responses said that people are treated fairly, regardless of their sexual orientation, race or gender.

Everyone employed by the charity can access a range of benefits including performance related remuneration, insurance, learning and development opportunities, volunteering leave, health reimbursement scheme, cycle to work and childcare voucher schemes. A single benefits platform to further remove barriers to accessing these benefits was made available during 2023.

In 2023, 7 new roles were recruited across the organisation. This allowed us to address skills gaps, support the creation and stewardship of impactful partnerships, prioritise fundraising, ramp up our efforts across our environmental impact and establish our voice externally. In addition, our paid internships provide experience within a dynamic work environment, usually for individuals looking to start a career in the sector. In the year, one internship was created, assisting our Ecommerce Manager to deliver a system benefiting our internal operations and network of charities. With support from John Lewis Partnership, one employee also began a 14-month Level 4 Data Apprenticeship in the year.

[In Kind Direct International \(IKDI\) Network](#)

At the end of 2023, IKDI had four network members: In Kind Direct, the founder member; Innatura, a German licensee; Dons Solidaires, a French licensee and a Swiss licensee, MateriaBona.

Collectively, to the end of 2023, IKDI network members have distributed goods with an estimated retail value of over £915 million, received from more than 1,928 corporate product donors, to over 22,290 charitable organisations.

Work continued during 2023, to support the establishment of a new network member in Italy with monthly support and follow-up calls.

Demand for the services of established IKDI network members continued in the year. IKDI network members continued to work collaboratively, sharing know-how, experience, innovation, and donations, when appropriate. Regular online meetings took place between IKDI network members throughout the year and new working groups were established in 2023, monthly network Directors calls and the introduction of a Sustainability Working Group. In May 2023, an in-person IKDI conference took place in London.

Since the IKDI network was formed in 2013, IKDI network members have shared donated goods between network members with an estimated retail value of over £18 million. Goods are shared between network members if they are surplus to the requirements of the receiving network member or because a particular type of product is better suited to use in another country, for example due to need, size, labelling or configuration. IKDI continues to review opportunities for potential expansion of the IKDI network in additional countries.

During the second half of 2023, IKDI recruited an IKDI Network Manager to take over the network management from the Chief Operating Officer (Valerie Jaffe) who stepped down and was thanked by the Board for her longstanding commitment to IKDI. In December 2023, during a IKDI Board Meeting, Trustees also approved and confirmed that Ajay Kavan would become IKDI Trustee in replacement of Graham Inglis who ended his Board tenure mid-2023.

The financial results of IKDI have been consolidated in the Statement of Financial Activities and balance sheet of the In Kind Direct group, as In Kind Direct is the sole legal member of IKDI. This was the tenth full year of operating for IKDI.

During 2023, IKDI received the following income:

	Unrestricted	Restricted
Licence fees	£21,750	-
Other income	-	-
Donations and gift aid	£25,000	-
Total income	£ 46,750	-

IKDI's expenditure was as follows:

	Unrestricted	Restricted
Staff costs	£38,217	-
Audit and accounting services	£200	-
Licence fees to IKD	£2,756	-
Legal fees	£1,833	-
Other costs	£5,235	-
Total expenditure	£48,241	-

IKDI's reserves at the end of 2023 were:

	Unrestricted	Restricted
Balance on 1 January 2023	£76,166	£16,333
Movement during 2023	(£1,491)	-
Balance on 31 December 2023	£74,675	£16,333

Fundraising & Income Generation

In Kind Direct has a diversified income base comprising the following streams:

1) Contributions paid for our service by benefiting charitable organisations

It is free for charitable organisations to join our network. On ordering, charitable organisations pay a small charge which is a contribution to our costs for the provision of goods and includes UK delivery. This revenue is a crucial part of our unrestricted income mix. In addition, we are required to levy a charge to protect donor companies from otherwise incurring VAT on the value of their donated goods. In 2023, we received contributions from recipient organisations of £3.3m, an increase of 42% on the previous year (£2.3m). As inflation continued to significantly increase retail prices in the year, the charity maintained charge levels at a lower level and covered its own increasing costs through other sources of income, include trade and the utilisation of designated funds from reserves.

2) Trading income

In 2009, In Kind Direct established Trading IK, a wholly owned trading subsidiary, to create revenue streams for the charity. Taxable profits from Trading IK are entirely gift aided to In Kind Direct.

One aspect of Trading IK's operations involves selling donated goods that aren't suitable for direct distribution to charity partners or are surplus to their needs, but still hold commercial value. These products are marketed through platforms like eBay or other third-party avenues or sold directly to consumers or through partner organisations. Permission from the donating corporate partner is always sought before considering any product for this channel, and the needs of charitable partners are prioritised.

Additionally, Trading IK facilitates various affiliate marketing initiatives, providing discounted products and services to charitable organisations, particularly in areas where In Kind Direct struggles to acquire enough donated goods.

At the end of 2023, Trading IK Limited generated £402k profits, up 40% from 2022 (£240k).

3) Fundraising

To deliver our work, In Kind Direct needs to raise funds from a variety of different sources. Support from companies, trusts & foundations and individuals are crucial in delivering our mission. Maintaining a diverse funding stream helps to ensure that we can meet our organisational aims and deliver our work sustainably and minimises the risk of overdependence on any single funding source. Working in partnership with companies and funders to secure products and financial donations is fundamental to ensure our service remains accessible to smaller charitable organisations who rely on the products we provide. Without our Patrons and other funders' support, our ability to maintain our service and trial new initiatives would simply not have been possible.

In 2023, the UK charity sector faced significant challenges in fundraising due to various economic pressures. The ongoing cost-of-living crisis severely impacted the public's disposable income, leading to a reduction in charitable donations. Many people had less money to spare for charitable giving, which significantly strained our fundraising efforts. We secured £522k from fundraising activities during 2023, which was below our target of £690k. The charity invested to grow the team, from 0.6FTE to 2FTE in the year, to increase our ability to unlock multi-year philanthropic support from 2024 onwards.

In Kind Direct's fundraising in 2023 was carried out by employed staff. We did not use professional agencies to carry out fundraising activities in the year. Several corporate partners provided significant financial support during the year in tandem with product donations, including Amazon,

Essity, LEGO, Kenvue, Dunelm, Unilever, P&G, PZ Cussons, Mondays, Streamline Merchandise, Disney and the Tartan Blanket Co. Our thanks also go to Lloyds Banking Group, our longest standing funder, for their continued stalwart support, and to Santander for their support to address the UK's digital divide. We require signed agreements from all of those who fundraise on our behalf controlling any use of our logo or branding. Where we do work with third parties such as corporate partners to raise funds, we have agreements in place with close monitoring of performance in line with these agreements.

In December 2023, In Kind Direct hosted a Winter Supporters & Patrons fundraising event at the Highgrove Shopping event in Chelsea, London. The event brought together supporters, partners, and beneficiaries in a festive atmosphere, celebrating the spirit of giving and community support. We are grateful to the current funders and network partners who joined us and shared their experience of working with In Kind Direct. In what has been a particularly challenging time for many, we are hugely grateful and extend our thanks to everyone who provided support to the charity throughout the year.

Volunteers & Pro Bono Support

In Kind Direct's long-running warehouse volunteer scheme was updated in 2023 to unlock the greatest impact for our network. We welcomed 12 groups across the year from a large range of corporate partners to local businesses in Telford. We extend particular thanks to the two groups who helped pack the Boots toiletry products into washbags that were distributed to the Sexual Assault Referral Centres, and to TTS for their pro bono support on this project as well.

We were fortunate to receive the support of several companies and individuals who provided their services pro bono during the year. Our particular thanks go to The Giving Department, who support us to participate in two data "hackathons" with DataAid and Sainsbury's in 2023. Both hackathons helped us understand our environmental data, starting us on the journey to monitor and reduce our carbon footprint. We also wish to thank Jawahir Roble, JJ, for her committed support to raising awareness of hygiene poverty and the charity's work as our ambassador in the year.

During the year, we benefited from John Lewis Partnership's generous pro bono support, enabling one of our employees to undertake a 14-month Level 4 Apprenticeship in Data Analytics. In 2024, two more employees will enrol on the same course. This initiative will significantly enhance In Kind Direct's capacity to make informed, data-driven decisions.

The Trustees are hugely grateful to everyone who supported the charity through volunteering and donating time and expertise this year.

Financial review of 2023

	2023	2022	Variances	
	£	£	£	%
Charges for distributing goods	3,261,603	2,301,450	960,153	42%
Unrestricted donations	308,011	329,622	(21,611)	-7%
Restricted donations	85,000	151,335	(66,335)	-44%
Total donations	393,011	480,957	(87,946)	-18%
Trading company gross income	484,998	313,363	171,635	55%
Gift aid donation from trading company	401,976	240,192	161,784	67%
Charitable activity costs	4,244,915	3,398,552	846,363	21%
Support costs	2,597,684	2,189,998	407,686	21%

2023 was a very strong year for In Kind Direct, with our catalogue revenue and trade income exceeding the original budget by £522k and surpassing 2022 figures by over £1 million. This overperformance resulted in £82k of additional variable logistics costs, yet the net contribution remained robust at 47%.

Trade income met its target for the year, with a reported income of £485k, up from £313k in 2022. This meant that the gift aid payment from the trading company to In Kind Direct also increased from £240k in 2022 to £402k in 2023. In Kind Direct also absorbed additional staff costs from IKDI, with a net impact of approximately £10k.

Logistics costs were effectively managed, unlocking efficiencies despite accelerated growth. Some costs covered by designated funds such as the new Warehouse Management System (WMS) will primarily be realised in Q1 2024. Savings on central costs were achieved through Essity funding for research, well-managed business continuity costs, and capitalised development costs. Additionally, the operational contingency of £30k was not utilised.

Cashflow remained very strong, with £1.73 million in the bank at year-end, £174k more than forecast. Over £29m of In Kind Direct's expenditure was the value of the products distributed which is offset by the same amount recognised as an income for accounting treatment purpose. The nature and complexity of the products donated to In Kind Direct make it near-impossible to value goods at the point of receipt. See note 6 for an analysis of our expenditure.

Plans for the Future

In 2021, we created our 2025 vision, building on the extensive review and planning process initiated in 2020. Our ambition is to triple our impact through to 2025 (on a 2019 base). Our broad strategic priorities are summarised below. Each year we will review our organisational objectives to ensure we remain on track to meet this ambitious target.

[Our Strategic Priorities](#)

1. Transform our corporate partnerships

We build partnerships of equals with our corporate partners. We will develop bespoke programmes with our donors which lead to consistent and increasing supply of core products. We will communicate the impact of partnerships in an engaging, valuable and real-time manner.

2. Meet more of the needs of our communities

We will use data effectively to map need, fill gaps and drive decisions. Consistent product supply is key. We will add value for our partners and spread best practice. We will better target new partners with focused sector partnerships and improved, impactful storytelling.

3. Drive operational efficiency

We will review our operating model to build in flexibility and enable growth. We will automate and streamline key systems and use data to inform decisions across teams. We will understand our costs and ROI and implement cost savings where possible.

4. Develop a more consistent and broad-based funding model

We will grow sustainable and long-term support from our corporate partners. We will reduce concentration risk by growing our pipeline of funders and shift to a proactive fundraising strategy. We will innovate and develop packages of funding for projects and impact.

5. Build a strong, fit for purpose organisation with a thriving culture

We will invest in our team as the foundation of our success. We will continue to build a safe and inclusive organisation that lives its values. Data and insight will drive efficiency and resilience. Impact will underpin our strategy, developing our voice to push for systemic change.

Operational Plan for 2024

As we work toward our long-term strategic goals, our operational plans and objectives for 2024 are summarised below. All key metrics will feed into six organisational measures of success:

- 486,000 people supported each week
- 6,500 charitable organisations receiving products
- £27m in savings unlocked for our network partners
- Equivalent carbon emissions per 1,000 orders reduced
- >70% availability of six never out of stock (NOOS) lines across core product areas
- £4.9m income secured from all sources

We have embedded the “In Kind Direct Approach” across the organisation, ensuring the delivery of our operational plans and wider strategic ambition aligns with our purpose and values.

The In Kind Direct Approach

- An organisation that respects and reflects those we serve
- Insight powered by our systems
- Innovation unlocked by asking WHY and HOW
- Improving lives cannot cost the earth
- To be heard, we must make a noise

Objective	Summary Plans
1. More of the right product at the right time	<ul style="list-style-type: none"> • Maintain growth of key product category availability • Grow offering with affiliate partners to unlock more value for our network partners • Initiatives to increase access to specific categories e.g. tech, and to engage specific community groups e.g. schools • A focus on building strong relationships with retailers
2. Better understand those we serve and our impact	<ul style="list-style-type: none"> • Research delivery, focussed on period equity and UK polling • Deliver user-developed initiatives that increase uptake of IKD’s service and meet local needs • Impact dashboard and reporting expanded to include environmental metrics • Network development strategy driven by end user needs
3. Grow our profile and supporter base	<ul style="list-style-type: none"> • Strategic campaign delivery to raise awareness • Define and develop IKD’s advocacy voice • Develop IKD’s storytelling approach, engaging those with lived experience • Patron’s programme, focussed on multi-year support
4. Operational excellence driving insight and efficiency	<ul style="list-style-type: none"> • Systems migration, automation and improvements • Provide logistics support to wider sector • Rollout IKD project management approach • Improve customer onboarding and key journeys
5. An organisation that lives its values	<ul style="list-style-type: none"> • Team development and learning, including 5 new roles • EEDI and Wellbeing, and Togetherness working group activity plans • Environmental, Social, and Governance (ESG) framework and report published, outlining future activity

Structure, governance and management

In Kind Direct was founded in 1996 by our Royal Founding Patron, HM King Charles III. At the end of the year, there were thirteen trustees who meet quarterly as a Board, as does the Finance and Governance Committee. The latter Committee also constitutes the Remuneration Committee. There is also a Nominations Committee which meets as required. New trustees are recommended by the Nominations Committee and appointed by the members in general meetings. The Board may appoint trustees to hold office until the next AGM where the appointment is approved by the members. Trustees are subject to retirement by rotation.

New trustees are given copies of the charity's legal documents, management information and accounts, together with general reading material about the charity and Charity Commission literature. This is followed by meetings with the Chief Executive and at least one other trustee as part of the induction process. Trustees are sent training updates as appropriate throughout the year and are encouraged to visit and learn from the organisations benefiting from In Kind Direct's work and their beneficiaries. Network partners regularly share their impact and feedback at Board meetings.

In Kind Direct is also a company limited by guarantee. When a term of appointment as trustee/director ceases, membership of the company also ceases. In the event of winding up, the liability of each member of In Kind Direct is limited by guarantee to £10.

Day-to-day management of the charity is delegated to the Leadership Team led by the Chief Executive. Formal reporting by the Chief Executive to Trustees takes place regularly throughout the year. At the end of the period under review there were 28 full-time and 3 part-time staff. There were no reportable safeguarding or data compliance incidents identified in the year.

In the year, one trustee resigned, and one trustee was recruited from the corporate sector. Trustees recognised the need to increase diversity on the Board, to represent the wide range of individuals and organisation In Kind Direct works with and for. Processes to ensure regular review of policies and practices continued in the year, helping to build transparent and inclusive practices that align with our People Plan.

Financial policies

Reserves policy

In 2018, the Board's review of the reserves policy concluded that the charity should aim to achieve unrestricted reserves equivalent to at least four months' operational cashflow with a longer-term aspiration that the Group achieve a minimum of six months' unrestricted reserves. This policy is assessed annually by the Finance & Governance Committee to ensure that it remains appropriate. The Group reserves as of 31 December 2023 were as follows:

Unrestricted reserves	£ 1,126,434
Restricted reserves	£ 470,656
Designated reserves	£ 140,000

Total Group reserves as of 31 December 2023 £ 1,737,090

The Group unrestricted reserves balance of £1,126,434 equates to 4 months of operating costs for In Kind Direct and represents an increase of £297,020 compared to the previous year (2022: £829,414).

This means that the Group ended the year having achieved reserves in line with its reserves policy. The designated budget approved by the Trustees included a new warehouse and systems upgrade & integration logistics platform, upgraded websites and commissioned research.

Within the restricted funds (note 15a), £416,056 relates to the grant income received and receivable from Lloyds Banking Group towards the cost of In Kind Direct's offices, less expenditure to date. This includes an accrual of the remaining grant income receivable. A further £39,600 is being retained as a separate restricted fund to pay for office dilapidations, should a break clause within the lease be exercised after 4 years.

Investment policy

In Kind Direct's investment policy is to place funds in excess of short-term commitments on deposit for one to three months, leaving a sufficient balance in the current account. It is the opinion of the Board of Trustees that the interest earned is paid at a competitive market rate and that these investments perform to an acceptable level. At year end, no funds were held on deposit. £500k was placed on deposit early in 2024.

In Kind Direct's policy with regard to donated shares is that they will generally be sold at the earliest opportunity subject to any restrictions on sale. Staff seek concurrence prior to any proposed disposal from a member of the Finance and Governance Committee before either proceeding with the sale or give an explanation for not realising the value as soon as the restriction has lapsed. Currently no donated shares are held.

Executive Pay and Remuneration

Our approach to pay is to provide fair remuneration packages for people who can help the charity to maximise its impact. To do this we seek to balance the need to attract, develop and retain individuals with a need to ensure value for money for the charity. We aim to provide remuneration packages and benefits that are competitive within the charity sector, proportionate to the complexity and scope of each role, and in line with our charitable objectives. We meet all national pay standards and provide all staff including interns with the Real Living Wage as a minimum.

The Remuneration Committee of the Board reviews and monitors senior staff pay, including the pay of the Chief Executive. Periodically, remuneration levels are reviewed and benchmarked by outside industry specialists. In the year, a gender pay review was carried out. Whilst this did not identify any issues on the sole grounds of gender, the review highlighted a number of roles that required benchmarking. The outcome of this exercise was approved by the Remuneration Committee and adjustments were made from 1st January 2024. Across the organisation, the ratio of our highest salary to our median salary was 3.6.

In the year, the charity's CEO Rosanne Gray returned from maternity leave. Paul Buchanan left the organisation in July, having been on secondment from the UK charity, Business in the Community.

Qualifying indemnity insurance

Subject to the conditions set out in the Companies Act 2006, in order to indemnify its directors and officers against liability in respect of actions brought by third parties against the Charity, the Charity has purchased Directors and Officers liability insurance, and such insurance remains in force at the date of approving the Trustees report.

Risk policy and management

The Trustees review the assessment of major risks to which the charity is exposed. The Leadership Team maintains a risk register, which is regularly monitored and updated. Risks are scored by likelihood and impact both prior and post mitigation measures taken. Management of risks is an ongoing task of the Leadership Team. Changes are reported to the Board at quarterly meetings.

The top three risks faced by the charity at December 2023 were:

Risk	Management & Mitigation Measures
Reliance on key staff to maintain business continuity	<ul style="list-style-type: none"> • Regular leadership team meetings • 3 months' notice period for new managers • Documentation of all operational processes • Handover across Leadership team for periods of leave • Change management process for times of transition • Training on key tasks shared across functions • Strong supplier relationships for ad hoc/outsourced support if necessary • Cross-team working groups to share knowledge
Economic downturn affects ability to deliver core services	<ul style="list-style-type: none"> • Diversify corporate network and new business team • Regular network engagement for early visibility of risk • Diversify funding sources and build fundraising team • Maintain reserves and regular review of designated funds, regular review of cashflow and budgets • Review and stagger new expenditure as required
Failure to provide goods requested/needed by charity partners	<ul style="list-style-type: none"> • Regular communication across teams to identify core product categories and quantify need • Strengthen relationships with current partners • Monitoring of type and quantities of products requested • Process for Goods Acceptance • Regular Trading and Operations meetings • New availability metrics to monitor key stock levels

Sustainability

Sustainability is at the heart of what we do. We believe improving lives shouldn't cost the Earth. In Kind Direct recognises that good environmental management is an essential part of overall good practice for a national charity. We work towards best practice for environmental standards in all areas of our operation. We focus on continual improvement and in 2024 will work towards setting targets for reducing our environmental impact.

Everyone working at IKD, and our partners has a part to play. Achieving a proportionate reduction in waste and carbon emissions as the scale of our activities grows is embedded in our approach. In 2023, work began to formalise our commitments and environmental targets, leading to a new organisational KPI of equivalent carbon emissions per thousand orders dispatched. In 2024, the charity plans to publish its baseline and initial plans. Next year, we will also establish an internal decision-making framework to assess actions and services that have a positive environmental impact, but which may require more resource to implement, as well as the impact of new projects.

Our direct impact on the environment primarily relates to our energy, material, and water use at our premises and staff travel, as well as our logistics operations. Indirectly, we impact the environment by helping companies provide an alternative to landfill and promoting best practices around waste, encouraging our UK network of charity partners to act responsibly, advocating for a circular economy with a reduce, reuse, and recycle approach.

In Kind Direct is committed to supporting a just transition to net zero and reducing the environmental impact of our operations and service delivery. We committed to monitoring our carbon emissions and resource usage, which we started in 2022 by establishing our baseline impact. We are working towards publishing an environmental impact report in 2024, outlining our transition plan and a

potential net zero target. This also includes our contribution to the relevant UN Sustainable Development Goals (SDGs).

Current progress:

- Quality & Sustainability Manager recruited to increase internal expertise and resource.
- Reductions in single-use plastic. Moving to paper-based tape saved 903 km of plastic in 2023.
- Recycled cardboard boxes replaced bubble wrap, saving 2,777 m² of plastic.
- Successful trial of pre-used boxes, which made up 25% of our carton deliveries.
- 93% of products were delivered using a logistics partner with ambitious decarbonisation targets. 20,000 deliveries in 2023 were made using electric vehicles (EVs).
- Refurbished tech project with Foxway. In 2023, we saved 78,000kg of CO₂e, the equivalent of taking 700 cars off the road.
- We're a proud environmental partner of 1% for the Planet, an international organisation whose members contribute at least 1% of annual revenue to environmental causes.
- We remained digital by default, minimising printing wherever possible.
- Preparatory work began on our wider sustainability strategy.

Our environmental statement and full environmental policy are available on our website.

Directors and trustees

The directors and trustees of In Kind Direct during the year and up to the date the accounts were approved were as follows:

Debra Allcock Tyler	
Scott Barton	
Graham Burrige	
Tim Hinton	
Graham Inglis	Resigned 28 September 2023
Ajay Kavan	
Tom Moody	
Martin Newman	
Teresa Tideman (Chair)	
Richard Wolff	
Alec Grant	
Ayshea Farooq	
Chirag Patel	
Vishal Bansal	Appointed 4 th April 2023

Changes in fixed assets

£105.2k was invested in fixed assets in 2023, £90.2k relating to investment in the Business Central accounting system and £15k relating to warehouse equipment and plant.

Statement of trustees' responsibilities

The Trustees, who are also directors of In Kind Direct for the purposes of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- 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 charitable company will continue in business.

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

The trustees are responsible for the integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to the auditor so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Related Parties

None of In Kind Direct's trustees are employed by a company with which In Kind Direct has a commercial relationship. Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Graham Burrige, who is Chair of the subsidiary, is also a director/trustee of In Kind Direct. Rosanne Gray, Chief Executive also served as a director of Trading IK Ltd during the year. Paul Buchanan, Interim CEO also served as a director for TIK, in the year.

In Kind Direct is the sole legal member of IKDI. Three director/trustees of In Kind Direct are director/trustees of IKDI. They are Teresa Tideman, Graham Inglis and Richard Wolff. In the year, Graham Inglis resigned as a trustee, and Ajay Kavan was accepted to serve as an IKDI trustee. Rosanne Gray, Chief Executive, replaced in the year by Paul Buchanan as Interim CEO, of In Kind Direct is also a director/trustee of IKDI.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Auditors

Haysmacintyre LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board

T M Tideman

Teresa Tideman

Date: 06/09/2024.....

Independent auditor's report to the members of In Kind Direct

Opinion

We have audited the financial statements of In Kind Direct for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statement of Cash Flows and notes to the financial statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 December 2023 and of the group's and charitable company's net movement in funds, including the 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 group and charitable company'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. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report (which includes the strategic report and the directors' 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' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the group and charitable company; or
- the group and charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 31, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to company law and applicable employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll taxes and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

Use of our report

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



Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 9 September 2024

10 Queen Street Place
London
EC4R 1AG

**Consolidated Statement of Financial Activities (including income & expenditure account)
for the year ended 31 December 2023**

	Notes	Unrestricted Funds £	Restricted Funds £	Totals 2023 £	Unrestricted Funds £	Restricted Funds £	Totals 2022 £
INCOME							
Income from donations							
Value of donated goods distributed	4	29,154,370	-	29,154,370	20,277,481	-	20,277,481
Donations	3	308,011	85,000	393,011	329,622	151,335	480,957
Donated services for own use	4	137,053	-	137,053	116,459	-	116,459
Income from charitable activities:							
Retail donation registration fees		-	-	-	-	-	-
Charges for providing goods		3,261,603	-	3,261,603	2,301,450	-	2,301,450
Other charitable income		40,445	-	40,445	116,289	-	116,289
Income from other trading activities:							
Commercial trading operations	5	484,998	-	484,998	380,941	-	380,941
Bank Interest		0	-	0	2,173	-	2,173
TOTAL INCOME		<u>33,386,480</u>	<u>85,000</u>	<u>33,471,480</u>	<u>23,524,415</u>	<u>151,335</u>	<u>23,675,750</u>
EXPENDITURE							
Costs of Raising Funds:							
Costs of Raising Funds	6	104,794	0	104,794	154,174	-	154,174
Costs of Trading Activities	6	83,021	-	83,021	71,572	-	71,572
		<u>187,815</u>	<u>0</u>	<u>187,815</u>	<u>225,746</u>	<u>0</u>	<u>225,746</u>
Expenditure on Charitable Activities:							
Distribution of donated goods	6	29,154,370	-	29,154,370	20,277,481	-	20,277,481
Other Charitable Costs	6	4,118,192	126,723	4,244,915	3,293,597	121,419	3,415,016
		<u>33,272,562</u>	<u>126,723</u>	<u>33,399,285</u>	<u>23,571,078</u>	<u>121,419</u>	<u>23,692,497</u>
TOTAL EXPENDITURE	6	<u>33,460,377</u>	<u>126,723</u>	<u>33,587,100</u>	<u>23,796,824</u>	<u>121,419</u>	<u>23,918,243</u>
Net Income for the Year Before Transfers		(73,897)	(41,723)	(115,620)	(272,409)	29,916	(242,493)
Gross Transfers Between Funds		215,918	(215,918)	-	-	-	-
Net Movement in funds		<u>142,021</u>	<u>(257,641)</u>	<u>(115,620)</u>	<u>(272,409)</u>	<u>29,916</u>	<u>(242,493)</u>
Funds brought forward at 1 January		1,124,414	728,296	1,852,710	1,396,823	698,380	2,095,203
Funds carried forward at 31 December	15a	<u>1,266,435</u>	<u>470,655</u>	<u>1,737,090</u>	<u>1,124,414</u>	<u>728,296</u>	<u>1,852,710</u>

Consolidated Balance Sheet at 31 December 2023

	Notes	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	78,611	-	78,611	80,070	-	80,070
Intangible assets	11	85,778	-	85,778	66,175	-	66,175
Public benefit concessionary loan		-	-	-	-	-	-
Fixed Assets		<u>164,389</u>	<u>-</u>	164,389	<u>146,245</u>	<u>-</u>	146,245
Current assets							
Debtors	13	209,941	7,964	217,905	71,150	176,189	247,339
Cash at bank and in hand		<u>1,264,026</u>	<u>462,692</u>	1,726,718	<u>1,160,031</u>	<u>552,107</u>	<u>1,712,138</u>
		1,473,967	470,656	1,944,623	1,231,181	728,296	1,959,477
Creditors: amounts falling due within one year	14	<u>(371,922)</u>	<u>-</u>	(371,922)	<u>(253,012)</u>	<u>-</u>	<u>(253,012)</u>
Net current assets		<u>1,102,045</u>	<u>470,656</u>	1,572,701	<u>978,169</u>	<u>728,296</u>	<u>1,706,465</u>
Net assets		<u>1,266,434</u>	<u>470,656</u>	<u>1,737,090</u>	<u>1,124,414</u>	<u>728,296</u>	<u>1,852,710</u>
Funds							
Balance at 1 January		1,124,414	728,296	1,852,710	1,396,823	698,380	2,095,203
Movement in Funds		142,020	(257,640)	(115,620)	(272,409)	29,916	(242,493)
Balance at 31 December	15a	<u>1,266,434</u>	<u>470,656</u>	<u>1,737,090</u>	<u>1,124,414</u>	<u>728,296</u>	<u>1,852,710</u>

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

Teresa Tideman

Teresa Tideman

Director and Trustee

Date: 06/09/2024

Company Balance Sheet at 31 December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Fixed assets							
Tangible assets	10	78,611	-	78,611	80,070	-	80,070
Intangible assets	11	85,778	-	85,778	66,174	-	66,174
Investments	12	1	-	1	1	-	1
		<u>164,390</u>	<u>-</u>	<u>164,390</u>	<u>146,245</u>	<u>-</u>	<u>146,245</u>
Current assets							
Debtors	13	261,275	7,964	269,239	279,846	176,189	456,035
Investments		-	-	-	-	-	-
Cash at bank and in hand		<u>1,024,389</u>	<u>462,692</u>	<u>1,487,081</u>	<u>773,343</u>	<u>552,107</u>	<u>1,325,450</u>
		1,285,664	470,656	1,756,320	1,053,189	728,296	1,781,485
Creditors: amounts falling due within one year	14	(342,203)	-	(342,203)	(235,095)	-	(235,095)
		<u>943,461</u>	<u>470,656</u>	<u>1,414,117</u>	<u>818,094</u>	<u>728,296</u>	<u>1,546,390</u>
Net current assets							
		<u>1,107,851</u>	<u>470,656</u>	<u>1,578,507</u>	<u>964,339</u>	<u>728,296</u>	<u>1,692,635</u>
Funds							
Balance at 1 January		964,339	728,296	1,692,635	1,242,317	698,380	1,940,697
Movement in Funds		143,512	(257,640)	(114,128)	(277,978)	29,916	(248,062)
Balance at 31 December	15b	<u>1,107,851</u>	<u>470,656</u>	<u>1,578,507</u>	<u>964,339</u>	<u>728,296</u>	<u>1,692,635</u>

In Kind Direct has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present the Statement of Financial Activities and Income and Expenditure Account of the parent charitable company in these financial statements. Income of the parent company amounted to £29,393,481 (2022: £23,675,750). The result for the year is a net movement of funds of (£114,129) (2022: (£248,062)).

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

T M Tideman

Teresa Tideman

Director and Trustee

Date: 06/09/2024

Consolidated and Company Statement of Cash Flows

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash provided/(used in) by operating activities	20	66,599	119,408	213,649	(100,027)
Cash flows from investing activities					
Interest income		-	-	-	-
Transfer of cash to current asset investments		-	-	-	-
Purchase of fixed assets		(105,162)	(145,429)	(105,162)	(145,429)
Cash (used in) investing activities		(105,162)	(145,429)	(105,162)	(145,429)
Cash flows from financing activities					
Increase/(decrease) in cash and cash equivalents in the year		14,581	(1,845)	161,631	(241,279)
Cash and cash equivalents at the beginning of the year		1,712,138	1,713,983	1,325,450	1,566,729
Total cash and cash equivalents at the end of the year		1,726,719	1,712,138	1,487,081	1,325,450

No analysis of changes in net debt is presented as the charity and group has no borrowings.

Notes to the Financial Statements – year ended 31 December 2023**1. Principal accounting policies****General Information**

In Kind Direct is a charitable company limited by guarantee, incorporated in England and Wales (company number 03155226) and registered with the Charity Commission (charity registration 1052679). The registered office address is: 11 – 15 St Mary at Hill, London, EC3R 8EE.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts, the Companies Act 2006 and applicable accounting standards (FRS 102). In Kind Direct meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings as per note 5 of their accounts. The accounts have been consolidated on a line-by-line basis, after eliminating the intercompany balances and transactions in full.

Going concern

The trustees are confident that In Kind Direct will remain a going concern and that there are no known material uncertainties about the charity's ability to continue. A cash flow forecast has been prepared for the 12-month period following the date of signing of the accounts. This forecast includes all funding received to date as well as committed funding. Assumptions have been made around charges for goods income that show an increase in growth against the 2023 targets which is in line with the 2025 strategy. Unrestricted cash balances remain positive for the whole period and are expected to exceed the minimum requirement of £100,000.

Fund Accounting

Unrestricted funds (both general & designated) include funds and goods donated for distribution. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The Board of trustees agreed in 2021 to designate £635k of the unrestricted reserve for specific projects to support the 2025 strategy growth. The funds were used for the warehouse move (£320k); systems upgrade (£150k) & marketing/research/support activities (£165k). The remainder is to be spent on facilities upgrades.

Restricted funds are funds and goods donated for distribution, which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income

All income is recognised in the SOFA when the charity has entitlement to the income, there is reasonable certainty of receipt, and the amount can be measured. Event income and charges for our service providing products are treated as income in the period to which they relate. Registration fees are generally non-refundable and are applied to income at the beginning of the year to which they relate. Interest receivable is treated as income of the period in which it accrues.

Goods and services donated for the charity's own use

Goods, office cleaning and printing facilities, consultancy work and other services donated for the charity's own use are recognised in the Statement of Financial Activities as both income and expenditure or capitalised if it is a capital item on the basis of the value of the gift to the charity.

Goods donated for onward distribution

Goods donated for onward distribution are included as both income and expenditure, at the time of distribution, at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition. By their very nature, the product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt.

Expenditure

Expenditure is classified in accordance with the Statement of Recommended Practice as shown below:

Charitable Activities - all expenditure directly relating to the objects of the charity including the direct cost of supporting charitable activities and covers the following activities as incurred:

Identification of potential donors, obtaining donated goods for onward distribution, the processes for distributing, reporting and accounting for those goods; the recruitment and registration of charities and maintenance of data relating to those charities.

Governance Costs – Being financial, legal, and administrative expenses incurred in connection with enabling the charitable company to comply with external regulations, constitutional and statutory requirements; and in providing support to the trustees in the discharge of their statutory duties. These costs are included within support costs.

Fundraising Costs - The costs incurred to obtain voluntary contributions to the charity including expenditure on increasing In Kind Direct's fundraising resources other than through obtaining registration income or goods for distribution and for improving general awareness of In Kind Direct within the overall community.

Support Costs - Expenditure incurred on activities falling directly within one expenditure classification is charged directly to that classification. Expenditure incurred on activities falling in more than one cost category is apportioned as follows:

According to the time spent by each member of staff on activities within that category.

Office expenses: In the same overall ratio as staff costs.

Depreciation: In the same overall ratio as staff costs

Taxation

As a registered charity, the company is potentially exempt from taxation of its income and gains to the extent that these are applied to its charitable objectives. The company is registered for VAT. Income Tax recoverable under Deeds of Covenant and Gift Aid is accounted for on a receivable basis.

Termination costs

All costs included in terminating employee contracts are accounted for on an accrual basis and disclosed in aggregate within staff costs. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Pension costs

Contributions to group personal money purchase pension schemes are charged to the Statement of Financial Activities on an accruals basis.

Operating leases

Operating lease rentals are charged to the SOFA over the term of the lease. Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

Tangible fixed assets

Fixed assets are capitalised in the balance sheet at cost or, for donated goods, at estimated market value, except for items costing less than £2,000, which are expensed in the year of purchase. Depreciation is calculated so as to write off the cost of tangible fixed assets, less the estimated residual values, on a straight-line basis over the estimated economic lives of the assets concerned. Computers and other capital equipment is written off over three years.

Intangible fixed assets

Intangible assets are initially recognised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. In Kind Direct's intangible fixed assets consist of software development costs. Amortisation is charged on a straight line basis over the estimated useful economic life of the software (from two to six years) and is included in Finance & IT support costs in the SOFA.

Public benefit concessionary loans

The group provides a loan to further its charitable purposes at rates below prevailing market rates. In accordance with section 34 of FRS102 this loan has been classified and accounted for as a concessionary loan. Such loans are initially recognised and measured at the amount provided and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairments.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

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

Creditors and provisions are recognised where the charity 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.

Financial instruments

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.

2. Critical accounting judgements and estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the group's and parent charitable company's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those areas subject to judgement and uncertainty are as follows:

- Valuation of goods distributed
- Valuation of other goods and services received in kind for the charity's own use.
- Accrued income and expenditure
- Cross charges of staff time spent between the 3 group entities.

Goods donated for onward distribution are valued at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition.

Other goods and services received are valued either by the donor, or where no value is given, valued at the equivalent market cost were these to be purchased directly by the charity.

Accrued income and expenditure are estimated where no invoice has been provided. These estimates are based either on third party evidence or on known values as yet not invoiced by the group.

Cross charges of staff time spent are based on reasonable estimates of how much time staff employed by In Kind Direct spend working on matters related to Trading IK Limited or IKDI.

3. Other Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Charitable Trusts	82,756	45,000	127,756	31,084	110,000	141,084
Business donations	68,000	37,500	105,500	146,100	41,335	187,435
Donations by individuals	157,255	2,500	159,755	152,439	-	152,439
Total Donations	<u>308,011</u>	<u>85,000</u>	<u>393,011</u>	<u>329,623</u>	<u>151,335</u>	<u>480,958</u>

4. Donated goods and services

Donated goods and services were applied to the activities of the charity as follows:

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Total Value of donated goods distributed	29,154,370	-	29,154,370	20,277,481	-	20,277,481
Total Value of Services donated for own use	137,053	-	137,053	116,459	-	116,459
Total Donations	<u>29,291,423</u>	<u>-</u>	<u>29,291,423</u>	<u>20,393,940</u>	<u>-</u>	<u>20,393,940</u>

5. Subsidiary undertakings

Trading IK Limited

Trading IK Limited (Company no. 06950193) is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its registered office address is 11 -15 St Mary at Hill, London, EC3R 8EE.

Its principal activity is generating alternative sources of income such as eBay sales and affiliate marketing agreements. The company gift aids its taxable profits to the parent company. The results for the trading company for the year ended 31 December 2023 were:

	31 December 2023 £	31 December 2022 £
Turnover	484,998	313,363
Cost of sales	<u>(63,398)</u>	<u>(48,185)</u>
Gross profit	421,600	265,178
Distribution costs	(20,524)	(18,125)
Administration costs	900	(6,861)
Profit for the year	<u>401,977</u>	<u>240,191</u>
Gift Aid to In Kind Direct	(401,976)	(240,192)
Movement in Shareholder's Funds After Gift	<u>1</u>	<u>(1)</u>

Administration costs relate to audit fees and other professional fees from In Kind Direct to Trading IK Limited (2023: nil; 2022 £3,600) for the use of staff and resources. These have been eliminated on consolidation.

	£	£
Current assets	152,219	236,889
Creditors and accruals	<u>(152,218)</u>	<u>(236,889)</u>
Net Assets	<u>1</u>	<u>(0)</u>

At the balance sheet date the company owed a balance of £126,998 to In Kind Direct.

Subsidiary undertakings - Continued

IKDI

IKDI is a charitable company incorporated in England & Wales, (Charity no. 1157417; Company no. 08478660) of which In Kind Direct is the sole member. Its registered office address is 11 - 15 St Mary at Hill, London, EC3R 8EE. The results of the subsidiary charitable company for the year were as follows:

	31 December 2023	31 December 2022
	£	£
Income	46,750	94,075
Expenditure	(48,240)	(88,504)
Net surplus/(expenditure)	<u>(1,490)</u>	<u>5,571</u>
Funds brought forward at 1 January	92,498	86,927
Funds carried forward at 31 December	<u><u>91,008</u></u>	<u><u>92,498</u></u>

Total expenditure relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2023: £38,217 ; 2022: £57,350) for the use of staff and resources . These have been eliminated on consolidation.

At the balance sheet date the charity owed a balance of £nil to In Kind Direct.

6. Expenditure

	Direct cost £	Support cost £	Total 2023 £	Direct cost £	Support cost £	Total 2022 £
Cost of Charitable Activities						
Distribution of donated goods	29,154,370	-	29,154,370	20,277,481	-	20,277,481
Other charitable costs	1,725,226	2,519,689	4,244,915	1,247,437	2,167,578	3,415,015
	<u>30,879,596</u>	<u>2,519,689</u>	<u>33,399,285</u>	<u>21,524,918</u>	<u>2,167,578</u>	<u>23,692,496</u>
Cost of Generating Funds						
Fundraising activities	26,799	77,995	104,794	62,790	91,384	154,174
Trading activities	83,021	-	83,021	71,572	-	71,572
	<u>109,820</u>	<u>77,995</u>	<u>187,815</u>	<u>134,362</u>	<u>91,384</u>	<u>225,746</u>
Total Expenditure	<u><u>30,989,416</u></u>	<u><u>2,597,684</u></u>	<u><u>33,587,100</u></u>	<u><u>21,659,280</u></u>	<u><u>2,258,962</u></u>	<u><u>23,918,242</u></u>

7. Support costs

Support costs are the costs of premises, facilities, staff and office overheads and are allocated to the activities of the charity as follows:

	Cost of Charitable Activities £	Total 2023 £	Total 2022 £
Management/Other	805,115	805,115	836,794
Finance & IT	264,932	264,932	109,977
Logistics	411,319	411,319	395,173
Charities	960,297	960,297	807,781
Fundraising	39,948	39,948	62,526
Premises	116,073	116,073	87,956
	<u>2,597,684</u>	<u>2,597,684</u>	<u>2,300,207</u>
Governance costs total		<u>79,432</u>	<u>86,471</u>
Fundraising costs total		<u>77,995</u>	<u>91,384</u>

8. Employees

Staff costs comprise:	Total	Total
	2023	2022
	£	£
Salaries and wages	1,430,845	1,182,025
Social security costs	134,526	126,668
Other pension costs	120,138	95,762
Org. restructure costs*	-	-
	<u>1,685,509</u>	<u>1,404,455</u>

* Organisation restructure costs comprise those costs associated with the termination of employee contracts

The average number of employees during the year, analysed by function, was:

	2023	2022
Distribution of donated goods	31	23
Governance	<u>4</u>	<u>4</u>
	<u>35</u>	<u>27</u>

The number of employees earning in excess of £60,000 is as follows:

£60,001 - £70,000	1	-
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-
£150,000 - £160,000	-	1

The key management personnel of In Kind Direct, the parent charity, comprise the Chief Executive Officer and Executive Directors.

The total employee benefits (including employer's national insurance contributions) of the key management personnel of In Kind Direct were £571,217 (2022: £553,111).

The trustees did not receive remuneration for their services to the company during the period (2022: £nil).

Expenses of £7.29 incurred by a trustee were reimbursed by the charity during the period (2022: £199.20).

9. Net income for the year is stated after charging:

	2023	2022
	£	£
Auditor remuneration - audit fee	20,100	19,000
Operating Lease rentals	72,719	51,766
Depreciation	<u>33,873</u>	<u>68,148</u>

10. Tangible Fixed Assets

	Warehouse Equipment	IT Equipment		
	Unrestricted Funds	Unrestricted Funds	Total 2023	Total 2022
	£	£	£	£
Cost as at 1 January 2023	105,139	12,580	117,719	23,995
Additions during year	14,996	-	14,996	86,713
Transfer to intangible assets	-	-	-	-
Cost as at 31 December 2023	<u>120,135</u>	<u>12,580</u>	<u>132,715</u>	<u>110,708</u>
Depreciation as at 1 January 2023	(25,764)	(5,589)	(31,353)	(22,602)
Charge for year	<u>(20,235)</u>	<u>(2,516)</u>	<u>(22,751)</u>	<u>(8,036)</u>
Depreciation as at 31 December 2023	<u>(45,999)</u>	<u>(8,105)</u>	<u>(54,104)</u>	<u>(30,638)</u>
Net book value as at 1 January 2023	<u>79,374</u>	<u>6,991</u>	<u>86,366</u>	<u>1,393</u>
Net book value as at 31 December 2023	<u>74,136</u>	<u>4,475</u>	<u>78,611</u>	<u>80,071</u>

11. Intangible Fixed Assets

	IT Systems		
	Unrestricted Funds		Total 2022
	£	Total 2023	£
Cost as at 1 January 2023	145,345	145,345	152,355
Additions during year	<u>90,166</u>	<u>90,166</u>	<u>58,716</u>
Cost as at 31 December 2023	<u>235,511</u>	<u>235,511</u>	<u>211,071</u>
Depreciation as at 1 January 2023	(138,611)	(138,611)	(84,784)
Charge for year	<u>(11,122)</u>	<u>(11,122)</u>	<u>(60,113)</u>
Depreciation as at 31 December 2023	<u>(149,733)</u>	<u>(149,733)</u>	<u>(144,897)</u>
Net book value as at 1 January 2023	<u>6,734</u>	<u>6,734</u>	<u>67,571</u>
Net book value as at 31 December 2023	<u>85,778</u>	<u>85,778</u>	<u>66,175</u>

**12. Investment
(Charity)**

	Unrestricted Funds	
	£	Total 2023
	£	£
Shares - subsidiary company Trading IK Ltd	<u>1</u>	<u>1</u>
Cost at 1 January 2023 and 31 December 2023	<u>1</u>	<u>1</u>

In Kind Direct

13a. Debtors - unrestricted

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Prepayments	97,772	70,629	97,772	70,629
Trade debtors	102,610	(14,479)	26,947	(35,955)
Intercompany debtors	-	-	126,998	230,172
Taxation and social security	-	-	-	-
Accrued income*	<u>9,559</u>	<u>15,000</u>	<u>9,558</u>	<u>15,000</u>
	<u>209,941</u>	<u>71,150</u>	<u>261,275</u>	<u>279,846</u>

*Donations recognised in the 2023 accounts but received early in 2024.

13b. Debtors - restricted

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Grant income debtor*	7,964	176,189	7,964	176,189
	<u>7,964</u>	<u>176,189</u>	<u>7,964</u>	<u>176,189</u>

*This represents the value of the grant receivable by In Kind Direct until March 2025 in respect of the charity's office accommodation.

14. Creditors: amounts falling due within one year - unrestricted

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	(91,248)	(39,411)	(90,247)	(144,476)
Accruals	(126,688)	(158,099)	(103,111)	(146,799)
Taxation and social security	<u>(153,987)</u>	<u>(55,502)</u>	<u>(148,845)</u>	<u>(43,027)</u>
	<u>(371,923)</u>	<u>(253,012)</u>	<u>(342,203)</u>	<u>(334,302)</u>

15a. Reserves (Group) 2023

	Balance at 1 Jan 2023	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2023
	£	£		£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	531,928	-	(111,473)	(4,400)	416,055
2 Premises Fund 3 - dilaps	35,200	-	-	4,400	39,600
3 Peoples Postcode Lottery	27,000	30,000	(250)	(56,750)	-
4 Amazon	13,000	-	-	(13,000)	-
5 Kimberley Clark	30,353	-	-	(30,353)	-
6 Barclays COVID-19	10,815	-	-	(10,815)	-
7 Santander	25,000	25,000	-	(50,000)	-
8 Lego	5,000	-	-	(5,000)	-
9 JHRT	50,000	-	-	(50,000)	-
10 Essity	-	12,500	(12,500)	-	-
11 The Privy Purse	-	15,000	-	-	15,000
12 Teresa Tideman	-	2,500	(2,500)	-	-
					-
Total Restricted Funds	728,296	85,000	(126,723)	(215,918)	470,655
Unrestricted Funds - General	829,414	33,386,480	(33,460,377)	370,918	1,126,435
10 Unrestricted Funds - Designated	295,000	-	-	(155,000)	140,000
Total Unrestricted Funds	1,124,414	33,386,480	(33,460,377)	215,918	1,266,435
Total Funds	1,852,710	33,471,480	(33,587,100)	-	1,737,090

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4)-(5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations (distribution)
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Funds towards Period Equity research
- (11) & (12) Funds towards the SARC's (Sexual Assault Referral Centres) project
- (13) Board agreed to designate £635,000 fund for the warehouse move(£320k), systems upgrade (£150k)& research/marketing/other (£165k) to support the 2025 strategy growth

15a. Reserves (Group) 2022

	Balance at 1 Jan 2022	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2022
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	656,303	(32,018)	(87,956)	(4,400)	531,928
2 Premises Fund 3 - dilaps	30,800	-	-	4,400	35,200
3 Peoples Postcode Lottery	-	60,000	(33,000)	-	27,000
4 Amazon	-	13,000	-	-	13,000
5 Kimberley Clark	-	30,353	-	-	30,353
6 Barclays COVID-19	11,277	-	(463)	-	10,815
7 Santander	-	25,000	-	-	25,000
8 Lego	-	5,000	-	-	5,000
9 JHRT	-	50,000	-	-	50,000
Total Restricted Funds	698,380	151,335	(121,419)	-	728,296
Unrestricted Funds - General	761,823	23,524,415	(23,796,824)	340,000	829,414
10 Unrestricted Funds - Designated	635,000	-	-	(340,000)	295,000
Total Unrestricted Funds	1,396,823	23,524,415	(23,796,824)	-	1,124,414
Total Funds	2,095,203	23,675,750	(23,918,242)	-	1,852,710

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4)-(5) Funds are for the purpose of enabling charities to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations in distributing technology products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Board agreed to designate £647,457 fund for the warehouse move(£320k), systems upgrade (£150k)& research/marketing/other (£165k) to support the 2025 strategy growth

15b. Reserves (Charity) 2023

	Balance at 1 Jan 2023 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2023 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	531,929	-	(111,472)	(4,400)	416,057
2 Premises Fund 3 - dilaps	35,200	-	-	4,400	39,600
3 Peoples Postcode Lottery	27,000	30,000	(250)	(56,750)	-
4 Amazon	13,000	-	-	(13,000)	-
5 Kimberley Clark	30,353	-	-	(30,353)	-
6 Barclays COVID-19	10,814	-	-	(10,815)	-
7 Santander	25,000	25,000	-	(50,000)	-
8 Lego	5,000	-	-	(5,000)	-
9 JHRT	50,000	-	-	(50,000)	-
10 Essity	-	12,500	(12,500)	-	-
11 The Privy Purse	-	15,000	-	-	15,000
12 Teresa Tideman	-	2,500	(2,500)	-	-
Total Restricted Funds	728,296	85,000	(126,722)	(215,918)	470,657
Unrestricted Funds - General	669,339	33,316,115	(33,388,522)	370,918	967,850
13 Unrestricted Funds - Designated	295,000	-	-	(155,000)	140,000
Total Unrestricted Funds	964,339	33,316,115	(33,388,522)	215,918	1,107,850
Total Funds	1,692,635	33,401,115	(33,515,244)	-	1,578,507

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations (distribution)
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Funds towards Period Equity research
- (11) & (12) Funds towards the SARC's (Sexual Assault Referral Centres) project
- (13) Board agreed to designate £635,000 fund for the warehouse move(£320k), systems upgrade (£150k)& research/marketing/other (£165k) to support the 2025 strategy growth

15b. Reserves (Charity) 2022

	Balance at 1 Jan 2022 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2022 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	656,303	(32,018)	(87,956)	(4,400)	531,928
2 Premises Fund 3 - dilaps	30,800	-	-	4,400	35,200
3 Peoples Postcode Lottery	-	60,000	(33,000)	-	27,000
4 Amazon	-	13,000	-	-	13,000
5 Kimberley Clark	-	30,353	-	-	30,353
6 Barclays COVID-19	11,277	-	(463)	-	10,815
7 Santander	-	25,000	-	-	25,000
8 Lego	-	5,000	-	-	5,000
9 JHRT	-	50,000	-	-	50,000
Total Restricted Funds	698,380	151,335	(121,419)	-	728,296
Unrestricted Funds - General	607,317	23,426,619	(23,704,597)	340,000	669,339
10 Unrestricted Funds - Designated	635,000	-	-	(340,000)	295,000
Total Unrestricted Funds	1,242,317	23,426,619	(23,704,597)	-	964,338
Total Funds	1,940,697	23,577,954	(23,826,016)	-	1,692,635

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations (distribution)
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Board agreed to designate £635,000 fund for the warehouse move(£320k), systems upgrade (£150k)& research/marketing/other (£165k) to support the 2025 strategy growth

16. Donation of services for own use

The financial statements include the following donated services

	2023	2022
	£	£
Office cleaning & printing charges	13,024	6,713
Web hosting & IT services	64,400	48,000
Marketing & PR	56,485	56,286
Consultancy	-	5,460
Staff costs/training	3,144	-
	<u>137,053</u>	<u>116,459</u>

17. Obligation under operating lease

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for one office premises as set out below:

Minimum rentals falling due:	2023	2022
	£	£
Within 1 year	71,676	53,757
Between 1 and 5 years	35,953	107,629
More than 5 years	-	-
	<u>107,629</u>	<u>161,386</u>

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 included in the lease of In Kind Direct's offices.

18. Related party transactions

Due to the nature of the IKD group charitable activities which relies on donated goods by companies and the composition of the board of trustees being drawn from corporations, transactions may take place with businesses in which the trustees have an interest. All transactions involving such companies are conducted in accordance with the requirements of the SORP and followed the IKD financial policies & procurement procedures relating to connected and related party transactions. All Board members are required to sign a related party disclosure.

HM King Charles III is the founder of In Kind Direct.

The total amount of donations made by trustees to the charity in 2023 was £2,500 (2022: £0).

19. Capital commitments

There were no capital commitments at the end of 2023 (2022: £0).

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(115,620)	(242,493)	(114,128)	(248,062)
Adjustments for:				
Depreciation	33,873	68,148	33,873	68,148
Dividends, interest and rents from investments	-	-	-	-
Decrease/(increase) in debtors	29,435	252,243	186,796	35,715
Increase/(decrease) in creditors	118,911	41,510	107,108	44,172
Net cash provided by/(used in) operating activities	<u>66,599</u>	<u>119,408</u>	<u>213,649</u>	<u>(100,027)</u>

21 Post Balance Sheet Events

There are no events after the Statements of Financial Position date.

IN KIND DIRECT

England & Wales - Charity number 1052679

Accounts



IN KIND DIRECT

(a company limited by guarantee)

**Trustee Report and Financial Statements
for the year ended 31 December 2022**

Registered Company no: 03155226

Registered Charity no: 1052679

Report and Financial Statements

for the year ended 31 December 2022

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REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Teresa Tideman (Chair)
Ajay Kavan (Deputy Chair)
Vishal Bansal (appointed 4th April 2023)
Scott Barton

Graham Burridge
Ayshea Farooq

Barry Furlong (resigned 14th December 2022)
Alec Grant
Tim Hinton

Graham Inglis
Tom Moody
Martin Newman

Chirag Patel
Andy Rubin (resigned 31st March 2022)
Debra Allcock Tyler
Richard Wolff

Senior Advisor, Quarto Advisors
Senior Advisor KKR, Piper Equity
VP & CFO Amazon Transportation
MD, Corporate & Institutional
Coverage, Lloyds Banking Group
CFO, Pentland Brands
Development Director, The Oak
Foundation
VP & GM, Prime Video EMEA
CTO, C-Tech
Head of Corporate & Commercial
Banking, Santander UK
Retired
VP & MD, P&G Northern Europe
Founder, The Customer First
Group
CEO, Pentland Brands
Retired
CEO, Directory of Social Change
Founder, Javelin Group

Chief Executive

Rosanne Gray (maternity leave from 3rd October 2022)
Paul Buchanan, Interim CEO

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Lloyds Banking Group
109 Finsbury Pavement
London
EC2A 1LB

Status

In Kind Direct is:

- ◆ a company limited by guarantee, number 03155226.
- ◆ a charity registered in the United Kingdom, number 1052679.

It is governed by a Memorandum and Articles of Association dated 16 January 1996, as amended by subsequent Special Resolutions.

Who we are

We are a UK charity who work with charitable organisations and companies to ensure everyone has access to the products they need to keep clean, safe and well.

Our Purpose

Creating powerful partnerships, enabling more communities to thrive.

Our Belief

Everyone deserves access to life's essentials, and no usable product should go to waste. Product giving is a practical way to address the widening gap in need across society.

What we do

We distribute products including personal hygiene, household, clothes, toys and technology, donated by manufacturers and retailers, to charities, community groups, food banks and schools across the UK. By the end of 2022, we were supporting 345,000 people each week. In 2022 we unlocked over £18m in savings into the voluntary sector. This helped charitable organisations meet the increasing need in their communities, at a time when their own resources were stretched.

Our role

We are a practical response to the widening gap in society. We help meet today's need and use our insights to reduce tomorrow's. 2022 was the second year of our ambitious five-year strategy to triple our impact by 2025. We will do this by:

- Continuing our 25 year history of distributing products to people that need them today
- Connecting charities, companies and other organisations to find new solutions
- Building a strong evidence base of real-time local insight
- Amplifying the voice of local organisations and advocating for change on behalf of communities
- Delivering targeted projects that meet the needs of those we exist to serve

Since 1996

2022 was our 25th anniversary. Since being founded at the end of 1996 by HM King Charles III, we have distributed over £317m of essential products, diverted 34,820 tonnes from waste, and supported over 12,350 charitable organisations.

Our Values

Kindness

It's in our name. We are compassionate and always working for the greatest good to increase equity and justice.

Togetherness

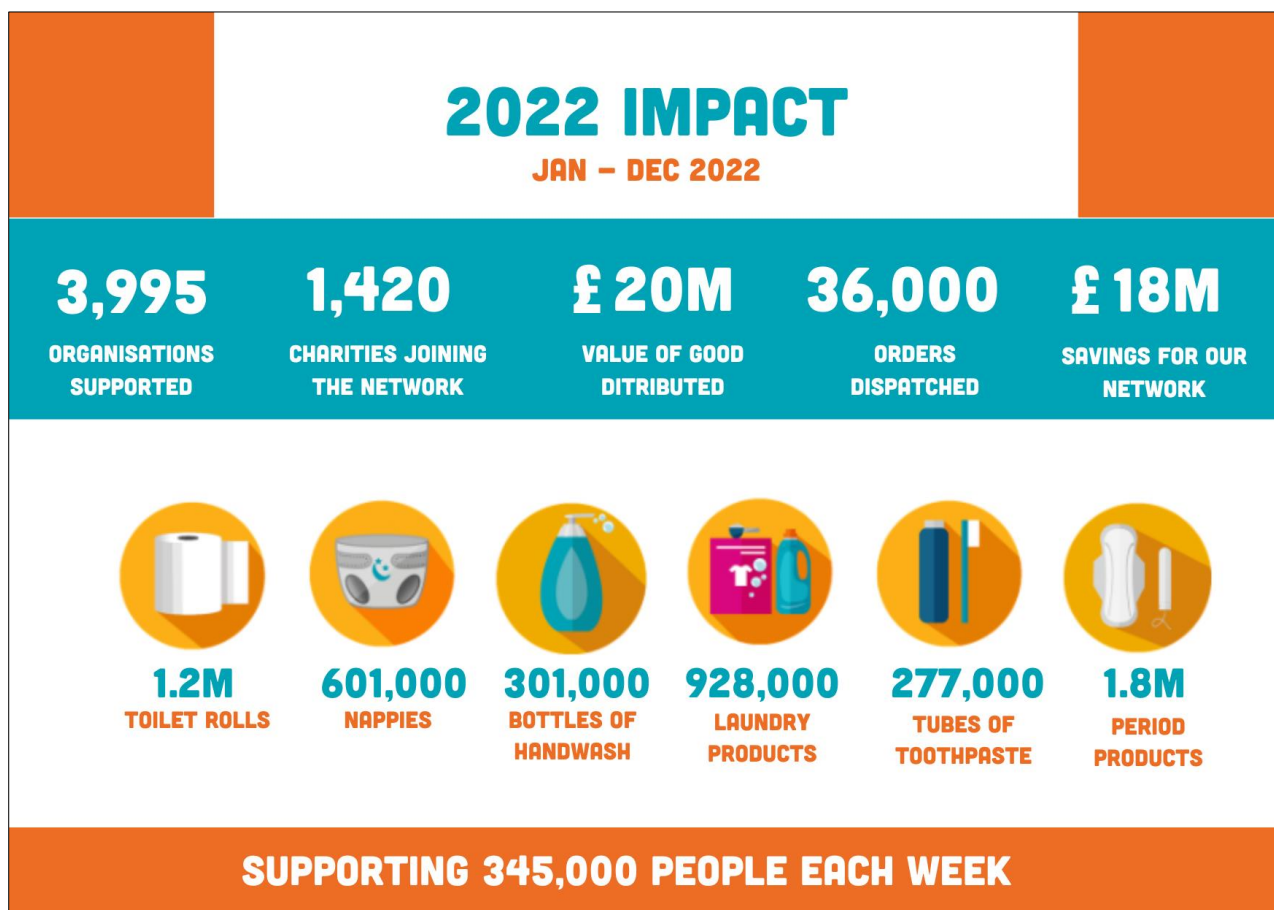
Positive change in society is not the job of one individual, group, or organisation. Our impact is greatest when we collaborate, act as one and all move forward together.

Integrity

How things are done is as impactful as what is done. We are open, accountable, and transparent and always strive to do the right thing.

Innovation

Just as our founder challenged the status quo, we are always looking to evolve and improve. Our curiosity, creativity and resilience enable us to think big and adapt at pace.



Our 2022 Impact Report is available at inkinddirect.org/our-impact.

Our 25th Anniversary

This year marked In Kind Direct's 25th anniversary. We celebrated milestone relationships with our longest standing partners across the charity and corporate sectors. Over the last 25 years, our friends and partners have stood with us steadfastly. Together, we have helped meet the immediate needs of millions of people, supported the local organisations those communities rely on, and maximised the impact of products that would otherwise go to waste. We know the hard work is far from over. We pause to reflect and to celebrate the extraordinary efforts made by many.

The Covid-19 pandemic showed the power of In Kind Direct to connect charities, communities and companies in times of extended crisis. In 2021, we developed our five year strategy, recognising the disproportionate impact of austerity measures and a pandemic on those already going without. We recognised the need to evolve beyond product distribution, to also tackle the root causes within society that keep people from being able to afford the essentials. Foodbanks, community centres and other charitable organisations have felt the immense pressure of being a safety net for growing numbers of people and families. The breathing space that we create for them is vital. By the end of 2022, we were helping network partners to reach 45% more people each week and had unlocked £18m in savings to help meet their own rising costs.

In our 25th operating year, we delivered the second year of our 2025 strategy, to triple our pre-pandemic impact. This will unlock £35m in savings each year for our sector and reach 600,000 people each week with the products they need. In the autumn, we published two pieces of research, drawing on the insight, evidence and stories of many. [Human Right to Hygiene](#) mapped the systems behind hygiene poverty, and crucially, outlined a roadmap to change for policymakers, businesses, and charities. [More than Products](#) showed the immense value of In Kind Direct to our network, unlocking £14 of impact for every £1 we spend. Our work in the coming years will

build from this, as we establish ourselves as a national voice for those we serve.

This year saw huge inflation of household and manufacturing costs, and ongoing uncertainty with the war in Ukraine. Our research indicates that because of this, a growing number of people have been pushed into poverty for the first time. They are less familiar with the resources and support available to them, and many are too embarrassed to seek support. Many smaller charitable organisations and funders used their reserves to survive recent years and are now facing huge uncertainty, coupled with increased need. The economic landscape has been brutal for many we support, meaning the need for our services has continued to increase. In response, our dual focus this year has been in ensuring a reliable supply of the most needed products and gathering new data to fuel action.

Our corporate partners have also faced real uncertainty. It is testament to their vision and values that in challenging times, many have strengthened their partnership with us. A growing number have made regular, planned commitments of the most needed products. They have also amplified and funded our work.

To deliver our purpose, 2022 has been an investment year for In Kind Direct. We have grown our team and created an inclusive culture that celebrates our values of Kindness, Togetherness, Integrity and Innovation. Ending 2022 as a team of just 25 direct staff, our systems and premises are key to achieving what we do at scale. In the summer, we successfully moved to a new warehouse with 40% more capacity. We relaunched our website and delivered the [Powered by Kind](#) campaign, securing national media coverage and helping us welcome over 1,400 organisations into our network. From our earliest days of paper catalogues and telephone orders, we have come a long way!

The difference we make to people's lives is only possible with our phenomenal partners.

Our Supporters and Partners

In Kind Direct gratefully acknowledges support in 2022 from many individuals and organisations by way of encouragement, donated goods or services and funding. This support is provided by the people and organisations listed below, as well as those who wish to remain anonymous.

The trustees wish to record their sadness at the passing of HM Queen Elizabeth II in September, and offer their condolences to the royal family, including the charity's founding patron, HM King Charles III.

Our Patrons

In Kind Direct's Patrons are a group of like-minded individuals and organisations who understand and recognise the unique impact that In Kind Direct's work has in communities.

Our Patrons' generosity is absolutely core to what we do. They have been instrumental in helping us respond to the particular challenges of the cost of living crisis for households, communities and our network of charitable organisations. Their support has also given us the confidence to invest in our infrastructure, to enable sustainable growth in line with our 2025 strategy.

Without their support, our work would simply not be possible. We thank all those who have supported us in the year, including those named in this report.

Patrons

Mr & Mrs Kenneth & Fiona Acheson
Amazon UK
Ms Anita Balchandani
Colombia Threadneedle (Services) Ltd
Julia and Hans Rausing Trust
Kimberly-Clark Corporation
Lloyds Banking Group

Massachusetts Financial Services
Mr & Mrs Anthony & Eleanor Nutt
The players of the People's Postcode Lottery
Procter & Gamble
Mr Andy Rubin
Santander
The Warwick Trust

Other Financial Supporters

The Cecil Pilkington Charitable Trust
The Charities Trust
The Dischma Trust
J Reginald Corah Foundation Fund
Mr Aron Gelbard
Simon Gibson Charitable Trust

The Haremead Trust
LEGO
The Maud Elkington Charitable Trust
The Morgan Charitable Trust
SC Johnson
Mr Richard Woolf

Donated Services

Amazon Web Services
Mark Aspinall
The Customer First Group
Directory of Social Change
Google
Javelin
Lloyds Banking Group
Microsoft

The Oak Foundation
The OR Society
Jawahir Roble
Pentland Brands
Procter & Gamble
Santander
Voipfone

Donated goods:

Household

Balsam Brands
 Beauty Kitchen
 Beiersdorf UK
 Bulldog Natural Skincare
 Bunzl Catering Supplies
 Childs Farm
 Colgate Palmolive
 Consuma Paper Products
 Diversey (ex Sealed Air)
 Duracell UK
 Dynamic Wipe Industries
 Escentual
 Essity and Essity - Bodyform
 Estée Lauder
 Ethique
 Evo Lifestyle Products
 Exclusively Housewares
 Faith in Nature
 Henkel
 Inca Glasses
 Johnson & Johnson
 Kimberly-Clark
 Koh
 Lil-lets Group
 L'Oreal
 MaCher
 Mama Bamboo
 McBride
 Mondays
 Procter & Gamble
 Persan
 PZ Cussons
 Rascal + Friends
 Reckitt Benckiser
 SC Johnson
 Sodexo
 Superdrug
 The Body Shop
 TOTM
 Two White Bears Ltd
 Unilever UK
 Whirlpool

Household appliances, Tools & Electronics

Bitmore

Giff Gaff
 Philips Electronics UK
 Samsung Electronics

General Retail

Amazon.co.uk
 ASDA Stores
 Banner UK
 Co-op
 Tesco
 Very Group
 Waitrose & Partners
 Zebra A/S - Flying Tiger Copenhagen

Toys, Baby & Educational

Cath Kidston
 Character Group
 Confident Games
 The Disney Store
 Gamesys
 Genie Toys
 H and A
 Hasbro
 LEGO
 Meri Meri
 Micro Scooters
 TCC Global
 The Works
 Usborne Publishing

Work & Office

Active International
 Association of Graduate Recruiters
 Newell Brands
 Oxford University Press
 Papier
 Premier Paper Group
 Ricoh

Clothing, Footwear & Sports

Arcadia Branded Merchandise
 Bombas
 Brand Addition
 ChattyFeet
 Decathlon UK Ltd
 Hotmilk
 Human Race

London Marathon Events
Modibodi
Nike UK
Pentland Brands plc
Playful Promises
Reydon Sports
Stand4socks
VCSEP
William Lamb Group

Kitchen, Ambient & Pet Food

Bidfood
For Aisha
Hill's Pet Nutrition
Lindt & Sprungli (UK)
OXO
Pladis Global

Trustees' report for the year ended 31 December 2022

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 December 2022.

Public benefit, objectives and activities

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission on determining the activities undertaken by a charity. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on can achieve the aims and principles of public benefit.

The charity's objects are as follows:

- 1) to apply funds or make donations to or for such charitable institution or institutions or for such charitable purposes as the Trustees shall decide, in particular, but without limitation, by the distribution of donated goods;
- 2) to encourage environmentally efficient, sustainable waste management and recycling practices through the advancement of education by the collection and dissemination of information and/or the promotion of research and/or development relating to waste management and recycling.

In Kind Direct distributes products donated by companies to UK charitable organisations working in the UK and overseas. Founded in 1996 by HM King Charles III, we offer a simple solution to connect companies and their products to thousands of charities, community groups, foodbanks and schools supporting our communities.

In Kind Direct makes it easy for companies and brands to have a positive social impact with the products they make and sell. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charitable organisations. We inspire confidence in companies to donate, by working with charitable organisations in our network to ensure the most needed products reach the communities that need them.

We enable charitable organisations to do more for less and put their local knowledge at the heart of our work. Charitable organisations register for free, and request goods via our online catalogue. They pay a small charge for products, which includes UK delivery. This contributes to our operational costs and protects companies from incurring VAT on their product donations.

The result is an efficient, practical solution which diverts usable goods from going to waste and unlocks huge additional resource into the sector. In 2022, we unlocked £18m in savings and reached 345,000 people each week. Charitable organisations in our network used these savings to cover core costs, deliver new services, and reach an average 45% more people with the products they need during the cost of living crisis.

In addition to our service distributing donated products from companies, In Kind Direct, along with our trading company, helps charitable organisations to access valuable resources by negotiating discounts on new and refurbished essential products and services through affiliate schemes.

Since our inception, we have distributed £317m of essential products, supporting 12,350 charitable organisations and millions of people, and diverting 34,820 tonnes of usable goods from waste.

The Trustees have identified the following public benefits that flow from the charity's objects and activities:

- **Unlocking savings for charitable organisations:** Our service means partners can secure the goods they need for a fraction of the usual cost, freeing up valuable funds. Most of the organisations we support are small, local organisations with limited resources, who have been particularly affected by increased need for their services and increased operating costs. In 2022, we welcomed 1,429 new organisations into our network, a 50% increase on 2021.
- **Helping charitable organisations improve and extend their services:** By opening up access to high quality products for those with limited budgets, we enable charitable organisations to improve the services they offer and do more for their beneficiaries. 25% say products help them to reach more diverse groups of people with the products they receive.
- **Relieving hardship, building confidence, self-esteem and bringing joy:** The products we distribute are helping to alleviate poverty and hardship across the UK. With high quality products, charities can provide essential practical support, restore dignity and self-esteem to people in crisis as longer-term solutions are put in place.
- **Reducing waste and environmental damage:** Providing companies with a practical and trusted way to donate usable product reduces external recycling and landfill, enables a more circular economy of resource use, and supports social responsibility goals.
- **Amplifying and sharing local insight to power systemic change:** Building on 25 years of experience and insight, we recognise the need to understand and challenge the systems that force people and communities to need our service. We are evolving to consolidate and amplify insight from our network and deliver new research; to push for action and long-term change.

Our Achievements and Performance in 2022

2022 was the second year of our five-year strategy and the charity's 25th anniversary. Our ambition is to triple our pre-pandemic impact by 2025, driven by the needs of communities. Having embedded learnings in 2021, 2022 was the start of the "invest and enhance" phase of our strategy. We piloted new initiatives, commissioned new research, grew the team, and made infrastructure investment to enable growth. This included moving to a larger warehouse in the year. We are striving to provide a consistent supply of essential products for communities, as well as specific products at the right time.

The items we receive are so important to the people we work with. Those in the asylum system get £40 per week to cover food, clothing, travel, phone top ups and toiletries. Any help we can give means that money can go a little bit further and makes a huge difference. Giving people the dignity to be able to choose what they spend their money on is so important. Regular deliveries from In Kind Direct allows us to do that.

Refuweege, a refugee welcome charity, led by the community in Glasgow

Cost of living crisis

The Covid-19 pandemic showed the vital role In Kind Direct has for charities, communities and companies in times of extended crisis. Our work this year has focussed on providing the most needed products, both to support of charitable partners to do more for less, and to meet the growing need as household budgets are stretched to the limit. Our representative population polling with YouGov in the year showed a huge increase in people seeking support for the first time. We estimated 8m people would be going without at least one hygiene product in the winter.

In this challenging climate, the charity has continued to grow and at the end of the year, we were supporting almost twice as many people each week as during the peak of the pandemic in 2020 (345,000 vs 174,000). As summarised in the table below, the profile of our impact has changed, as the needs of communities have become more acute. We are supporting more organisations and distributing more orders of the most needed products. As more people struggle to afford essentials like toiletries, period products and household cleaners, we distributed a higher volume of essentials with a lower monetary value. This led to a reduction in the overall financial value of products we distributed, and the savings we unlocked. We are confident this shift reflects the changing needs of those we serve and will continue to use our network's insight to drive our product strategy. In recognition of our impact and approach, we were delighted to be shortlisted for the 2022 Civil Media Environmental and Conservation award.

Impact measure	2022 Achieved	2022 Target	2021 Achieved	% Growth on last year
People supported each week	345,000	311,000	249,000	+39%
Value of products distributed	£20m	£30m	£29m	-31%
Organisations receiving products	3,995	4,200	3,198	+25%
Orders distributed	35,977	36,000	33,693	+7%
New partners joining the network	1,429	1,600	952	+50%
Average saving for each organisation	£5,006	£5,640	£9,130	-43%

Essential support for local communities

In Kind Direct's network comprises a wide range of organisations addressing issues right across the charitable spectrum at a local, regional, and national level. Among the network are community centres, foodbanks, disability support groups, schools, health and wellbeing charities, housing projects, child and youth support groups, and community nurseries. Most of the network are small and locally focussed. The majority have an income less than £100,000 per year. Over 80% of our network partners are based outside London and over 40% work with school-aged children.

Thanks to generous support from the players of the People's Postcode Lottery and utilising our own reserves, we were able to provide account credits to 265 organisations in our network ahead of winter, unlocking an estimated £280,000 of products to families and households most affected by the cost of living crisis. The Community Gateways programme recognised the role that products play in acting as a route to more people accessing the range of support and services provided by our network partners.

The products we access from In Kind Direct allow us to increase what we can provide to the families that use our foodbank. Providing additional and sometimes unexpected items can lead to conversations which help us to find out more about the current situation and identify other ways that we or other organisations can support the family.

Wheely Tots, a UK social integration charity based in London

For a breakdown of all organisations receiving products in 2022 by geographic area and focus area see figures A and B.

In 2022, we continued to prioritise 17 core product lines, covering essential hygiene and cleaning supplies. Through strong partnerships with longstanding corporate partners, we also continued efforts to improve the consistency of availability of these key products. We distributed 35,977 orders to organisations across the UK, and a further £4.5m worth of products through other initiatives including placements and bespoke projects. For a breakdown of goods distributed, see figure C.

[Understanding our impact](#)

In Kind Direct exists to enable communities to thrive. We regularly gather quantitative data and stories of the impact we generate across the UK, and how we can do more. This includes surveys, visits, focus groups and end of order feedback. In our biannual impact surveys, at least 80% of our network consistently reported an increase in demand, whilst no less than 75% reported the number of people they were supporting had increased. Our Insight Panel enabled us to engage monthly with 120 network partners. In the year, this enabled in-depth feedback to support the co-design, testing and delivery of our communications, campaigns, research and policy approach.

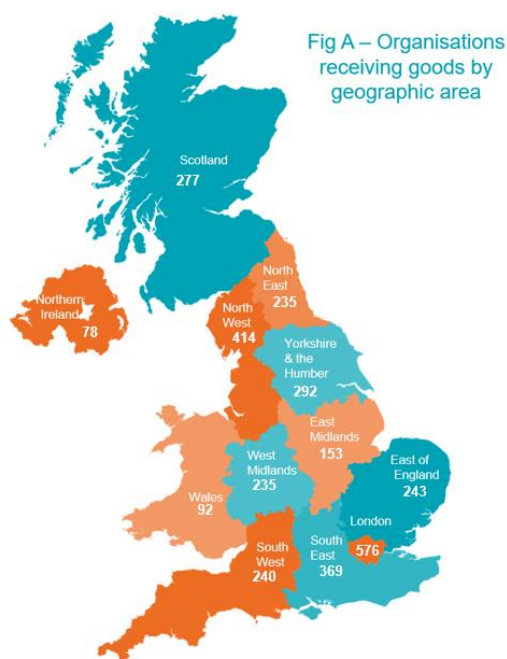
As part of our 25th anniversary projects, we commissioned [More than Products](#), working with the New Economics Foundation (NEF). This social cost-benefit analysis focused on our three priority user groups: families living on a low income, young people 18-24, and smaller charitable organisations. Through a theory of change workshop with six network partners, qualitative interviews with individuals who received products from In Kind Direct, and a survey completed by 52 of our network partners, we identified that for every £1 spent delivering our work, we return £14 of social value (based on 2021 figures). This includes savings on products, strengthening local community partnerships, and our network's ability to reach more people.

This research also began to explore the social outcomes we deliver for the people who receive products. For young people aged 18-24, this includes increasing their confidence, autonomy and sense of belonging. For low-income families, this includes reducing parental stress, and increasing a sense of belonging and attendance for school-aged children. This initial work suggests at least a further £3.3m in social value each year.

In 2022, our work meant:

- Two-thirds of our network partners could reach more people with more products
- 25% said products helped increase the diversity of the people accessing their services
- 78% said products helped the people they support to feel valued and cared for
- 15% of network partners could start a new service or activity with the savings they made with us

In Kind Direct works at the intersection of social and environmental impact, reducing waste and redirecting products to enable communities to thrive. As we work towards our 2025 vision to triple our social impact, we continue to track our carbon emissions each year. As we have scaled our operations and moved to a new warehouse, we have piloted recycled packing materials and reduced the volume of pallet deliveries to help us improve lives without costing the earth.



Hygiene Poverty – a new approach

Since coining the phrase Hygiene Poverty in 2017, we have distributed products that everyone needs to feel clean and well. As we evolve our model to alleviate immediate need and target the causes of hygiene poverty, we commissioned new research in the year. [Human Right to Hygiene](#) was published in the autumn, supported by Andrex and carried out by New Philanthropy Capital (NPC). This mapping sought to understand how we can change the systems that stop people living well.

This research laid the foundation for In Kind Direct to establish itself in the public policy space over the next 3-5 years. Key themes emerged around wider causes of hardship, the generational poverty cycle and raising awareness to reduce stigma. A clear roadmap set out the actions needed to assess, act, amplify and advocate for change. The [full systems map](#) is publicly available. We are grateful to those that gave their time and insight to create and validate this pioneering research. The full list of project partners is provided in the [Executive Summary report](#).

We have been partners with In Kind Direct for 24 years to get our products into the hands of families and individuals furthest away from being able to go into a shop and buy them. We believe clean is a feeling everyone should have, and we're proud to stand with In Kind Direct in being a force for clean. Alongside donating a million toilet rolls this year, we are committed to being part of the change to the systems that make this necessary.

Matt Stone, Marketing Director – Family Care, Kimberly-Clark (including the Andrex brand)

Sector partnerships

In Kind Direct's values of togetherness and innovation drive our belief that working in partnership achieves more impact for the communities we support. Across the year, this has included joint campaigns, initiatives to extend our network and impact, and supporting calls for evidence to inform national policy. We also regularly work with other sector partners that receive product donation offers they cannot process and facilitate direct placements of products. Examples include:

- The **Tech4Schools** initiative was launched, in partnership with the Learning Foundation, Amazon UK and Teach First. The project saw £360k worth of devices and data provided to over 600 students across over 20 schools. Alongside digital skills training, the project and its evaluation will continue into 2023.
- We worked with the Disaster Emergency Committee (DEC) and others to support the distribution of needed products to **people displaced by the war in Ukraine**. This included specific product donations from Pentland Brands, Johnson & Johnson and Procter & Gamble.
- We made **submissions of evidence** to DCMS and the Treasury on cost-of-living impact for charitable organisations and their communities, as well as engaging with the Dormant Asset Spend Consultation. The Spring 2023 budget reflected the evidence provided by the sector.
- We worked for a second year with Save the Children to deliver a **Summer of Play** campaign, securing new product donations of toys to help every child can enjoy their summer.
- **Network recruitment** initiatives were progressed with Trussell Trust, Charity Digital, FareShare, Business in the Community (BitC), Feeding Britain and Little Village, as well as multiple CVS networks. Efforts in the year saw 1,429 new partners join our network (2021: 952).

The charity continues to be an active member in a number of alliances, including the Civil Society Group (CSG), National Business Response Network (NBRN), Voluntary and Community Sector Emergency Partnership (VCSEP), Community Wealth Fund Alliance (CWFA), and the Digital Poverty Alliance (DPA).

Affiliate Partnerships

Organisations registered with In Kind Direct gain discounted access to office and facility supplies, IT equipment and services, and training via affiliate schemes with Ricoh, Ryman, Robert Dyas, Office Depot, Directory of Social Change and Enterprise Rent-a-Car. In the year, 176 organisations accessed additional savings and services through these schemes.

It [the photocopier] has certainly made a difference, especially over the last year when our income generation reduced due to us heavily relying on fundraising and people coming to our clubs. It has meant that we have been able to redirect the funding we receive to other crucial areas of the service e.g. extra telephone calls during lockdown. Thank you for enabling our charity to do this.

Friendship at Home, a befriending service for older people in Doncaster

Support for overseas relief

Our primary focus remains distributing essential goods to UK charitable organisations for use in the UK. In addition, we also distribute products to UK emergency relief and development charities working overseas in Eastern Europe, the Middle East and Africa. £4.1m (2021: £3.4m) in value of stock was distributed to UK charities supporting emergency relief and development work over the course of the year.

Corporate Partnerships

In the year, the charity received donations from 99 companies, 28 of which were new to us. For a summary of the volume of essential products that reached communities across the UK, see page 5.

In Kind Direct engages and accepts goods from a wide range of manufacturers, retailers, and other organisations. We develop mutually beneficial multi-level relationships with our corporate partners. We help them to identify where stock available to donate may exist within their business and we

strive to be front of mind for any company which has products to donate. We educate companies on the value of product giving to secure the range of essential consumer products required by charitable organisations and their beneficiaries.

Working with In Kind Direct we've been able to reach more charities with more of our products so we can make more of an impact. Their insight, expertise and vast network of charities across the UK means our products can support the most vulnerable and affected by hygiene poverty. Reaching local charities at this scale is something we'd not be able to do on our own. We're immensely proud of our long-standing partnership and what we achieve together.

Chris Barron, VP Beauty and Personal Care, Unilever UK & Ireland

A key part of delivering our 2025 ambition is the ability to unlock regular, planned donations of the products most needed by communities. In the year, 14 companies made planned commitments, increasing the consistency of supply for our network. This included core product ranges such as period products, toilet roll, toys, cleaning products, baby food and copier paper. In the year, activity also focused on unlocking support and stock from retailers. For example, a hygiene poverty campaign was developed with Unilever and Tesco. In its first year, it unlocked 420k hygiene products worth £1.1m. Increasingly, we work with companies and brands to develop high impact collaborative campaigns. By working with In Kind Direct, brands can deliver on their corporate responsibility objectives, enhance, and protect their reputations and build awareness and conversion. Key commitments in the year included:

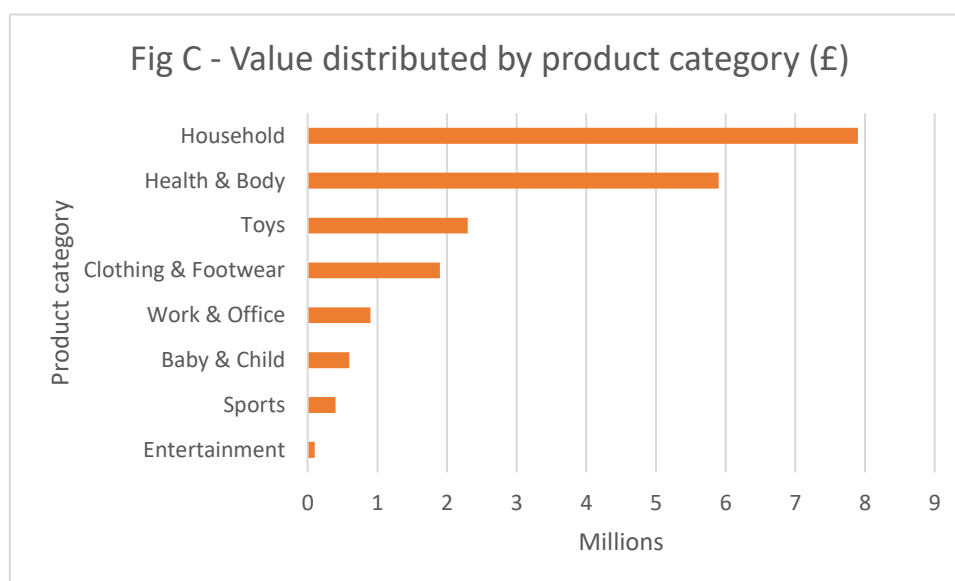
- P&G committed 500k Pampers nappies and 1 million Always period products.
- L'Oréal donated 1,500 gift sets as part of their Mother's Day campaign.
- Kimberly-Clark donated 1 million Andrex toilet rolls as regular deliveries across the year, as well as supporting the delivery of the Human Right to Hygiene research in the year.
- PZ Cussons donated 460k Carex core products including handwash.
- Pentland brand Canterbury donated £100k worth of sports kit, as part of their Fair Game campaign to provide PE kits to schoolchildren affected by the cost of living crisis.
- Essity committed 1 million Velvet toilet rolls and regular donations of Bodyform pads. They also fitted out a number of network partners with new dispensers, to receive donated Tork toilet rolls.
- Micro Scooter made monthly donations of refurbished scooters through their Scotter Aid scheme.

TOTM exists to drive positive change. We're committed to supporting organisations and initiatives that share our desire to have a positive impact on the world. We're proud to partner with In Kind Direct as part of our vision to improve access to period products. In Kind Direct's team are a pleasure to work with. They make it easy to reach period dignity projects across the UK and provide us with ongoing feedback of the real impact that TOTM donations are making."

Ruby Parmer, Chair, TOTM (Planet-friendly period care)

The charity increased efforts in the year to engage more companies through trusted intermediaries. Opportunities were created with a number of Trade Associations, including British Footwear Association, 1% for the Planet, and B Corp. We exhibited for a second year with Exclusively Housewares, and through sector partners including Business in the Community (BitC).

For a full list of organisations donating product in the year see page 6.



Campaigns & Brand

In the year, we consolidated our campaigns approach, to raise awareness of both the charity and our impact, and topical issues that contribute to so many people going without. As well as providing a calendar of engagement for current and prospective partners, campaigns offer a strong mechanism for recruiting new charitable organisations to our network, and securing local, regional, and national PR coverage. Our campaigns reflected the impact of increased costs for our network and their communities. They also built from a growing body of evidence, data and stories drawn from the insight of our network, in-house analysis, and research commissioned in the year. This work was supported by the recruitment of the charity's first Policy & Research Manager in September 2022.

Efforts begun in 2021 to establish the charity's distinct tone of voice and develop awareness of our brand, continued in the year. As part of our 25th anniversary activities, our website was relaunched, emphasising the impact and breadth of our work, and improving user experience. Resource was also invested in reviewing and taking a targeted approach to social media content and PR efforts. Website dwell time, social media engagement and media coverage all grew in the year as a result. We achieved 66 media articles across national and sector titles, as well as 41 broadcast moments.

As part of our 25th anniversary activation plans, we began working with a new ambassador, former refugee and the UK's first female Muslim football referee, Jawahir Roble. This helped extend our reach to new audiences and secure coverage in regional and sector publications. We are immensely grateful to Jawahir, also known as JJ, for her openness to sharing her own lived experience of going without essential products, and her commitment to amplifying our work.

Our main campaign in the year, Powered by Kind, gave us the opportunity to lead the conversation around hygiene poverty as part of the cost of living crisis. It focussed on the power of product giving to enable dignity and confidence, as well as improving people's wellbeing. This was evidenced by new national data, and stories from our network. The campaign achieved a 107% uplift in registrations to join our charitable network, compared to the same period in 2021.

In November and December, our Warmth this Winter campaign raised awareness of the impossible choices thousands of families were facing. Our national polling data indicated a quarter of families on a low income would be forgoing presents for festive celebrations to make ends meet. The campaign drove donations of the most needed products for the winter months, including clothing, toiletries and toys.

Warehouse & Logistics

The charity completed a successful warehouse move in late summer 2022. A move to larger, more versatile premises was a key part of achieving the charity's 2025 ambition and meeting the needs of more communities. To retain organisational knowledge and key personnel, as well as maintain a central base for UK distribution, warehousing remained in Telford and contracted staff were transferred under TUPE. The move came at the end of a longstanding and prosperous partnership with TSB Supply Chain. Our warehouse fulfilment partner from this year is Telford Transport Solution (TTS), who supported the charity with additional storage and transportation during the pandemic.

The trustees extend their thanks to TSB for their generous commitment over the last decade, in particular to Graham Best and Phil Smith. They also thank TTS for their support in a smooth transition to new premises, and Mark Aspinall and Javelin for their time and expertise. Special recognition is given to the entire project team, led by Neil Chawla, Operations Director, for completing the move ahead of schedule and budget, and with minimum disruption to our service.

The move also meant improved office space, including more desks and a dedicated meeting room. This created an operational hub, accessible to all staff. The majority of the customer support team are now based in Telford, alongside the fulfilment team. All new starters based from the London office visit the Telford site in their first three months. In the year, a number of trustees and the whole IKD team spent time at the new premises.

Operational efficiencies in 2021 were maintained and exceeded across the year. Global shortages of packaging materials saw those costs increase, offset by savings in other areas, including overflow storage costs going to nil. To mitigate risk as operations continue to grow, and align with our carbon reduction aspirations, the use of pre-used cartons was successfully piloted in the year.

Because of the quantity, nature, and complexity of the products we handle, In Kind Direct has unique challenges in processing donated stock for distribution, including receiving very mixed product donations. These can be difficult to identify and categorise prior to reworking. Significant strides have been made in this area, with a significant increase in planned, pre-sorted and single category donations being received. Whilst our incoming stock remains variable, it is impractical to value goods on receipt. Goods are valued after being sorted, ahead of being sent to our network partners.

Our warehouse volunteer programme sees teams from our corporate partners come into the warehouse to sort, pack and prepare donations of stock for distribution. We welcomed 14 groups in the year, primarily from a range of our corporate partners. We are hugely grateful for their time.

Systems & IT

In Kind Direct has a reputation for high quality IT systems, to support a small staff team to deliver an excellent service to our partners. Our primary business applications, infrastructure, web platforms and data services are managed internally, with support from key suppliers. All aspects of the service are monitored for availability, scalability, and security.

Throughout the year, traffic and volumes on our e-commerce and operational systems continued to increase year on year. Customers continued to receive the stable and consistent service they are used to. In the year, we launched a new corporate website which saw average dwell time on the site increase by 41% (4.3 minutes to 6.1 minutes).

Key activity in the year included steps to shift more fully to systems that will grow with the organisation and remove future one-off major upgrade costs. Activities will automate many processes, improve data collection and retention, and improve network registration and renewal:

- Migration and adoption of Dynamics 365 across teams, focused on corporate partner management and customer service. Scoping work was carried out for case study and consent management and fundraising functionality and will continue into 2023 to find practical solutions.
- With the investment of funds designated by the trustees from reserves, the charity commenced a major system implementation project to migrate away from Dynamics Nav 2018, to Business Central. Preparatory work involved all teams in the year and go-live is scheduled for mid-2023.

Thanks to our prior program of investment in cloud technology the charity remained able to maintain a hybrid working approach. All office-based staff were provided with equipment to work remotely, to promote a flexible approach to working patterns, and recognise the increased costs of commuting. To support the team to work well, internal staff training across systems was ongoing, supporting real time reporting and ensuring understanding of data protection principles. To support a growing team, a new Business Systems Coordinator role was recruited in the year, based in Telford.

[Equality, Diversity and Inclusion, HR](#)

In Kind Direct is committed to its values of Kindness, Togetherness, Integrity and Innovation. To live these values, we strive to be an inclusive partner and employer. Our service is open to UK charitable organisations, serving a wide range of communities. The very nature of our work increases their reach; 25% of our network said products helped increase the diversity of the people accessing their services.

In autumn 2021, the charity carried out an Equality, Diversity and Inclusion (EDI) review with all staff and trustees, supported by external consultants, Social Justice Collective. In March 2022, the recommendations of the review were shared internally, and helped shape our first holistic People Plan. Activities in the year included:

- EDI and Wellbeing and Togetherness working groups set up. Both groups met regularly to help shape aspects of the People Plan.
- Awareness training was provided for all staff to increase understanding and encourage courageous conversations around topics including neurodivergence, bias, disability and personal resilience.
- “Leadership Academy” training was launched for all managers, embedding tools and guidance to nurture inclusive practices and promote wellbeing in their teams.
- “My Story, Our Story, Big Story” training was provided to all new starters, to understand their natural preferences, key strengths, and how their core purpose aligns with the charity’s.
- Review of recruitment and induction materials and processes was started, to continue in 2023.
- Review of staff benefits including sick pay, parental leave and increased annual leave allowance.
- Policies were reviewed and updated in the year, focused on proactive inclusion and considering a wider range of current and potential personal circumstances.
- Three new trustees were recruited in the year, reflecting those we partner with, and serve.

Everyone employed by the charity can access a range of benefits including performance related remuneration, insurance, learning and development opportunities, volunteering leave, health reimbursement scheme, cycle to work and childcare voucher schemes. A single benefits platform to further remove barriers to accessing these benefits will be in place in 2023. Trustees recognised the impact of the cost of living crisis on the team in the year and were unanimous in bringing forward a cost of living salary increase of 4% to all eligible staff from October.

In 2022, 7 new roles were recruited across the organisation. This allowed us to address skills gaps, support the creation and stewardship of impactful partnerships, utilise our systems to deliver robust reporting and financial planning, and establish our voice externally. In addition, our paid internships provide experience within a dynamic work environment, usually for individuals looking to start a career in the sector. In the year, one internship was created, working to embed storytelling in our communications. The individual successfully moved into one of the newly created permanent roles.

In Kind Direct International (IKDI) Network

At the start of 2022, IKDI had five network members: In Kind Direct, the founder member; Innatura, a German licensee; Dons Solidaires, a French licensee; In Kind Direct (Singapore); and a newly established Swiss licensee, MateriaBona.

Collectively, to the end of 2022, IKDI network members have distributed goods with an estimated retail value of over £753 million, received from more than 1,780 corporate product donors, to over 18,100 charitable organisations.

As a result of board member and staffing changes in Singapore, a decision was taken during 2022, by the board of In Kind Direct (Singapore), to close operations. As a result of this decision, IKDI no longer has a licensee operating in Singapore. In Kind Direct (Singapore) had been established as a licensee of IKDI in 2018 and was granted charitable status in March 2021. During the period for which it was operating, In Kind Direct (Singapore) distributed donated products valued at S\$500,000 (approximately £290,000) to 29 charitable organisations, some of which served up to 10,000 beneficiaries. Recipient organisations have shown appreciation for the services provided.

Work continued during 2022, to support the establishment of a new network member in Italy.

Demand for the services of established IKDI network members in the UK, France and Germany, continued in the year. IKDI network members continued to work collaboratively, sharing know-how, experience, innovation, and donations, when appropriate. Regular online meetings took place between IKDI network members throughout the year. This included an abridged virtual annual conference, in anticipation of an in-person event taking place in the first half of 2023.

Since the IKDI network was formed in 2013, IKDI network members have shared donated goods between network members with an estimated retail value of over £16 million. Goods are shared between network members if they are surplus to the requirements of the receiving network member or because a particular type of product is better suited to use in another country, for example due to need, size, labelling or configuration. IKDI continues to review opportunities for potential expansion of the IKDI network in additional countries.

The financial results of IKDI have been consolidated in the Statement of Financial Activities and balance sheet of the In Kind Direct group, as In Kind Direct is the sole legal member of IKDI. This was the ninth full year of operating for IKDI.

During 2022, IKDI received the following income:

	Unrestricted	Restricted
Licence fees	£69,000	-
Other income	£75	-
Donations and gift aid	£25,000	-
Total income	£ 94,075	-

IKDI's expenditure was as follows:

	Unrestricted	Restricted
Staff costs	£57,350	-
Audit and accounting services	£1,850	-
Licence fees to IKD	£6,000	-
Legal fees	£2,686	-
Other costs	£20,619	-
Total expenditure	£88,926	-

IKDI's reserves at the end of 2022 were:

	Unrestricted	Restricted
Balance on 1 January 2022	£70,595	£16,333
Movement during 2022	£5,571	-
Balance on 31 December 2022	£76,166	£16,333

Fundraising & Income Generation

In Kind Direct has a diversified income base comprising the following streams:

1) Contributions paid for our service by benefiting charitable organisations

It is free for charitable organisations to join our network. On ordering, charitable organisations pay a small charge which is a contribution to our costs for the provision of goods and includes UK delivery. This revenue is a crucial part of our unrestricted income mix. In addition, we are required to levy a charge to protect donor companies from otherwise incurring VAT on the value of their donated goods. In 2022, we received contributions from recipient organisations of £2.3m, an increase of 5% on the previous year (£2.2m). As inflation significantly increased retail prices in the year, the charity maintained charge levels at a lower level and covered its own increasing costs through other sources of income, include trade and the utilisation of designated funds from reserves.

2) Trading income

In Kind Direct has a wholly owned trading subsidiary called Trading IK which was set up in 2009 to help develop commercial income streams for the charity. All trading company net profits are gift aided to In Kind Direct.

One strand of the work is the public sale of goods donated to In Kind Direct, which are not suitable for distribution to our charity partners or are in excess of their requirements and have a commercial value. Products are sold via eBay or other third parties, directly to purchasers or via partner organisations. No product is ever considered for this route without the explicit permission of the donating corporate partner, and prioritisation of the needs of our charitable partners. One example of this was through our partnership with Amazon UK FBA (fulfilled by Amazon) and maximising the benefit of product donated by specific distribution centres.

Trading IK also facilitates various affiliate marketing schemes giving charitable organisations access to discounted products and services, particularly in categories where In Kind Direct struggles to secure adequate supplies of donated product. In 2022, we continued our existing schemes with Ryman, Robert Dyas, Office Depot and Enterprise Rent-a-Car to provide discounted access to office supplies, IT equipment and services to our charitable partners.

3) Fundraising

Support from companies, trusts & foundations and individuals who are inspired by the impact of our work allow us to plan with confidence for the future. Their support closes the gap to deliver our work each year and ensures charges for providing goods are kept as low as is sustainable. This ensures our service remains accessible to smaller charitable organisations who rely on the products we provide. Without our Patrons and other funders' support, our ability to maintain our service and trial new initiatives would simply not have been possible.

In Kind Direct's fundraising in 2022 was carried out by employed staff. Our activities principally comprised seeking funding from trusts and foundations and the development of partnerships with

companies and individuals through our Patrons programme. We did not use professional agencies to carry out fundraising activities in the year.

Several corporate partners provided significant financial support during the year in tandem with product donations, including PZ Cussons, Pampers, Andrex and Amazon. Our thanks also go to Lloyds Banking Group, our longest standing funder, for their continued stalwart support, and to Santander for their support to explore ways to address the UK's digital divide.

As a mark of our deepest respect and sympathy, our Patrons event in September at Highgrove estate was cancelled, with news of the passing of Her Majesty the Queen. In the winter, we launched a corporate fundraising campaign to secure support, and meet the growing need for millions of people heading into a challenging winter. Significant product donations were secured in the lead up to Christmas, enabling us to reach more people with products to bring warmth at winter. This included gifts, toys, blankets and essential hygiene products.

In Kind Direct is a member of the Fundraising Regulator. We work hard to comply with the Code of Fundraising Practice for the UK across all our fundraising activities. We comply with the key principles and behaviours of the Code to ensure that any vulnerable persons are treated fairly. No complaints about fundraising activity were received during the year.

We require signed agreements from all of those who fundraise on our behalf controlling any use of our logo or branding. We had four Commercial Participation Agreement relating to financial donations in place during the year with corporate partners. Where we do work with third parties such as corporate partners to raise funds, we have agreements in place with close monitoring of performance in line with these agreements.

In what has been a particularly challenging time for many. We are hugely grateful and extend our thanks to everyone who provided support to the charity throughout the year.

[Volunteers & Pro Bono Support](#)

In Kind Direct's long-running warehouse volunteer scheme continued in the year. We were delighted to welcome 14 groups across the year from a range of corporate partners, following two years of disruption by the pandemic.

We were fortunate to receive the support of several companies and individuals who provided their services pro bono during the year. Our particular thanks go to Mark Aspinall at Javelin, regarding their further support to deliver on the recommendations of the logistics review in 2021 and support the successful warehouse move in the year. We also wish to thank Jawahir Roble, JJ, for her committed support to raising awareness of hygiene poverty and the charity's work as our Ambassador in the year.

The Trustees are hugely grateful to everyone who supported the charity through volunteering and donating time and expertise this year.

Financial review of 2022

	2022	2021	Variances	
	£	£	£	%
Charges for distributing goods	2,301,450	2,174,115	127,336	6%
Unrestricted donations	329,623	318,983	10,639	3%
Restricted donations	151,335	36,000	115,335	320%
Total donations	480,957	354,983	125,974	35%
Trading company gross income	313,363	242,528	70,835	29%
Gift aid donation from trading company	240,192	96,599	143,593	149%
Charitable activity costs	3,398,552	2,786,858	611,694	22%
Support costs	2,189,998	1,906,312	283,686	15%

In Kind Direct's logistics operations generated income of £2.30m (2021: £2.17m). Revenue charges income increased slightly by £127k compared to 2021. The charity maintained the strong growth, demonstrating that sustainable growth will be possible in future years.

Trade income through the trading company has continued to increase in the year to £313,363. This was due to new initiatives to generate income from products not suitable to support the work of our network partners, which would otherwise have gone to landfill or incineration. This meant that the gift aid payment from the trading company to In Kind Direct also increased from £96,599 in 2021 to £240,192 in 2022.

Over £20m of In Kind Direct's expenditure was the value of the products distributed which is offset by the same amount recognised as an income for accounting treatment purpose. As outlined previously, the nature and complexity of the products donated to In Kind Direct make it near-impossible to value goods at the point of receipt. A further £1.247m related to the costs of our logistics operation; the costs of maintaining our online ordering system; and the costs of In Kind Direct employees engaged in sourcing goods and servicing charity partners, as well as warehouse, distribution, and office expenses. See note 6 for an analysis of our expenditure.

Plans for the Future

In 2021, we created our 2025 vision, building on the extensive review and planning process initiated in 2020. Our ambition is to triple our impact through to 2025 (on a 2019 base). Our broad strategic priorities are summarised below. Each year we will review our organisational objectives to ensure we remain on track to meet this ambitious target.

[Our Strategic Priorities](#)

1. Transform our corporate partnerships

We build partnerships of equals with our corporate partners. We will develop bespoke programmes with our donors which lead to consistent and increasing supply of core products. We will communicate the impact of partnerships in an engaging, valuable and real-time manner.

2. Meet more of the needs of our communities

We will use data effectively to map need, fill gaps and drive decisions. Consistent product supply is key. We will add value for our partners and spread best practice. We will better target new partners with focused sector partnerships and improved, impactful storytelling.

3. Drive operational efficiency

We will review our operating model to build in flexibility and enable growth. We will automate and streamline key systems and use data to inform decisions across teams. We will understand our costs and ROI and implement cost savings where possible.

4. Develop a more consistent and broad-based funding model

We will grow sustainable and long-term support from our corporate partners. We will reduce concentration risk by growing our pipeline of funders and shift to a proactive fundraising strategy. We will innovate and develop packages of funding for projects and impact.

5. Build a strong, fit for purpose organisation with a thriving culture

We will invest in our team as the foundation of our success. We will continue to build a safe and inclusive organisation that lives its values. Data and insight will drive efficiency and resilience. Impact will underpin our strategy, developing our voice to push for systemic change.

Operational Plan for 2023

As we work toward our long-term strategic goals, our operational plans and objectives for 2023 are summarised below. All key metrics will feed into six organisational measures of success:

- 389,000 people supported each week
- 5,200 charitable organisations receiving products
- £23.5m in savings unlocked for our network partners
- Environmental impact reduced
- 6 never out of stock (NOOS) lines across core product areas
- £4.1m income secured from all sources

We have embedded the “In Kind Direct Approach” across the organisation, ensuring the delivery of our operational plans and wider strategic ambition aligns with our purpose and values.

The In Kind Direct Approach

- An organisation that respects and reflects those we serve
- Insight powered by our systems
- Innovation unlocked by asking WHY and HOW
- Improving lives cannot cost the earth
- To be heard, we must make a noise

Objective	Summary Plans
1. More of the right product at the right time	<ul style="list-style-type: none"> • Reinvigorated corporate partner strategy, focussed on core products lines and including sector partnerships • Ownership and strategic plan for impact beyond our catalogue • Initiatives to support hygiene, play and access to tech • A focus on building strong relationships with retailers
2. Better understand those we serve and our impact	<ul style="list-style-type: none"> • Second phase of research delivery, focussed on wellbeing and social value metrics • Enable a user-developed service through Insights Panel, surveys, and inclusion in research scoping • Impact assessment review and continuous improvement • Network development strategy driven by end user needs
3. Grow our profile and supporter base	<ul style="list-style-type: none"> • Scope and define our role in increasing volunteering • Strategic campaign delivery to raise awareness • Sector strategy focus for great impact, and initial activities to develop In Kind Direct’s voice for change • Patron’s programme, focussed on multi-year support

4.Operational excellence driving insight and efficiency	<ul style="list-style-type: none"> • Systems migration, automation and improvements • Real time reporting and dashboarding to support self-serve for internal and external stakeholders • Business modelling and scenario planning improvements to drive robust decision making and future strategy • Improve customer onboarding and key journeys
5.An organisation that lives its values	<ul style="list-style-type: none"> • Rollout out of new staff benefits and learning and development opportunities • Team development – 5 new roles • Equity, Equality, Diversity & Inclusion, and Wellbeing & Togetherness working group activity plans • Environmental, Social, and Governance (ESG) framework and carbon emissions baseline tracked

Structure, governance and management

In Kind Direct was founded in 1996 by our Royal Founding Patron, HM King Charles III. There are fourteen trustees who meet quarterly as a Board, as does the Finance and Governance Committee. The latter Committee also constitutes the Remuneration Committee. There is also a Nominations Committee which meets as required. New trustees are recommended by the Nominations Committee and appointed by the members in general meeting. The Board may appoint trustees to hold office until the next AGM where the appointment is approved by the members. Trustees are subject to retirement by rotation.

New trustees are given copies of the charity's legal documents, management information and accounts, together with general reading material about the charity and Charity Commission literature. This is followed by meetings with the Chief Executive and at least one other trustee as part of the induction process. Trustees are sent training updates as appropriate throughout the year and are encouraged to visit and learn from the organisations benefiting from In Kind Direct's work and their beneficiaries. Network partners regularly share their impact and feedback at Board meetings.

In Kind Direct is also a company limited by guarantee. When a term of appointment as trustee/director ceases, membership of the company also ceases. In the event of winding up, the liability of each member of In Kind Direct is limited by guarantee to £10.

Day-to-day management of the charity is delegated to the Leadership Team led by the Chief Executive. Formal reporting by the Chief Executive to Trustees takes place regularly throughout the year. At the end of the period under review there were 22 full-time and 3 part-time staff. There were no reportable safeguarding or data compliance incidents identified in the year.

From late 2020 to early 2022, In Kind Direct undertook a Governance Review. In the year, this review was completed and evolved into procedures to support ongoing review of the charity's governance. In the year, two trustees resigned, and three trustees were recruited from across the corporate and charity sector. In early 2023 a further trustee was recruited. Trustees recognised the need to increase diversity on the Board, to represent the wide range of individuals and organisation In Kind Direct works with and for. Processes to ensure regular review of policies and practices were introduced. These steps help build transparent and inclusive practices that align with our People Plan.

Financial policies

Reserves policy

In 2018, the Board's review of the reserves policy concluded that the charity should aim to achieve unrestricted reserves equivalent to at least four months' operational cashflow with a longer-

term aspiration that the Group achieve a minimum of six months' unrestricted reserves. This policy is assessed annually by the Finance & Governance Committee to ensure that it remains appropriate. The Group reserves as of 31 December 2022 were as follows:

Unrestricted reserves	£	829,414
Restricted reserves	£	728,296
Designated reserves	£	295,000
Total Group reserves as of 31 December 2022	£	1,852,710

The Group unrestricted reserves balance of £829,414 equates to 4.2 months of operating costs for In Kind Direct and represents an increase of £67,591 compared to the previous year (2021: £761,823).

This means that the Group ended the year having achieved reserves in line with its reserves policy. The designated budget approved by the Trustees included a new warehouse and systems upgrade & integration logistics platform, upgraded websites and commissioned research.

Within the restricted funds (note 15a), £531,928 relates to the grant income received and receivable from Lloyds Banking Group towards the cost of In Kind Direct's offices, less expenditure to date. This includes an accrual of the remaining grant income receivable. A further £35,200 is being retained as a separate restricted fund to pay for office dilapidations, should a break clause within the lease be exercised after 4 years.

Investment policy

In Kind Direct's investment policy is to place funds in excess of short-term commitments on deposit for one to three months, leaving a sufficient balance in the current account. It is the opinion of the Board of Trustees that the interest earned is paid at a competitive market rate and that these investments perform to an acceptable level. In the year, two short term deposits were placed, realising £2k in investment income. At year end, no funds were held on deposit.

In Kind Direct's policy with regard to donated shares is that they will generally be sold at the earliest opportunity subject to any restrictions on sale. Staff seek concurrence prior to any proposed disposal from a member of the Finance and Governance Committee before either proceeding with the sale or give an explanation for not realising the value as soon as the restriction has lapsed. Currently no donated shares are held.

Executive Pay and Remuneration

Our approach to pay is to provide fair remuneration packages for people who can help the charity to maximise its impact. To do this we seek to balance the need to attract, develop and retain individuals with a need to ensure value for money for the charity. We aim to provide remuneration packages and benefits that are competitive within the charity sector, proportionate to the complexity and scope of each role, and in line with our charitable objectives. We meet all national pay standards and provide all staff including interns with the Real Living Wage as a minimum.

The Remuneration Committee of the Board reviews and monitors senior staff pay, including the pay of the Chief Executive. Periodically, remuneration levels are reviewed and benchmarked by outside industry specialists. In the year, a benchmarking exercise was carried out for the three director roles. Across the organisation, the ratio of our highest salary to our median salary was 3.6.

In the year, the charity's CEO Rosanne Gray took maternity leave. Paul Buchanan joined as Interim CEO in September. Paul is on a 10-month secondment from his role as Executive Director, Delivery and Impact at the UK charity, Business in the Community (BITC).

Qualifying indemnity insurance

The charitable company has granted an indemnity to its directors and officers against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such insurance remains in force as at the date of approving the Trustees' report.

Risk policy and management

The Trustees review the assessment of major risks to which the charity is exposed. The Leadership Team maintains a risk register, which is regularly monitored and updated. Risks are scored by likelihood and impact both prior and post mitigation measures taken. Management of risks is an ongoing task of the Leadership Team. Changes are reported to the Board at quarterly meetings.

The top three risks faced by the charity at December 2022 were:

Risk	Management & Mitigation Measures
Reliance on key staff to maintain business continuity	<ul style="list-style-type: none"> • Regular leadership team meetings • 3 month notice period for new managers • Documentation of all operational processes • Handover across Leadership team for periods of leave • Change management process for times of transition • Training on key tasks shared across functions • Strong supplier relationships for ad hoc/outsourced support if necessary
Excessive reliance on a small number of companies/key contacts at these companies	<ul style="list-style-type: none"> • New business development to spread risk • Strengthen relationships with current partners • Multi-layer stewardship across organisations • Corporate Partner tiering process in place • Regular reporting and migration to Dynamics
Failure to provide goods requested/needed by charity partners	<ul style="list-style-type: none"> • Regular communication across teams to identify core product categories and quantify need • Strengthen relationships with current partners • Monitoring of type and quantities of products requested • Process for Goods Acceptance • Regular Trading and Operations meetings including pipeline review • New availability metrics to monitor key stock levels

In the year, finance resourcing was a key challenge for the charity. In October, transactional and management accounting, and payroll were outsourced to multiple teams at Mazars LLP. Lessons learned have been carried forward and a new Finance Manager joined us in January 2023.

Environmental policy

In Kind Direct, a registered charity, distributes product from manufacturers and retailers to UK charitable organisations working at home and abroad. As well as helping charitable organisations, our work has a positive impact on the environment by diverting usable goods that might otherwise go to waste. We also support an environmentally conscious approach by:

- Encouraging and supporting network partners to act in an environmentally responsible way
- Advocating a reduce, reuse, recycle approach to products
- Supporting the trial and distribution of "green" products and having a clear ethical donation policy for accepting donated products and services

We recognise our obligation to comply with the law and to carry out our work in an as environmentally sound manner as possible. In the year we calculated our carbon emissions, to support our future efforts to set meaningful reduction targets from our baseline in 2021.

In Kind Direct is committed to supporting a just transition to net zero and reducing the environmental impact of our operations and service delivery. We commit to monitoring our carbon emissions and resource usage, and seeking solutions that balance the needs of our communities in the short term, with the long term needs for the planet. We support UN sustainable Development Goals (SDGs) 1 (no poverty), 3 (good health and wellbeing) and 12 (responsible consumption and production).

In the year, efforts to reduce our impact on the environment continued. This included:

- A significant reduction in pallet deliveries, reducing our emissions and haulage costs, and providing a better to service to our network partners without large vehicle access.
- Piloting the use of pre-used cartons for dispatching orders. Carton deliveries made up 93% of deliveries, made via carbon-neutral couriers.
- Continuing to reduce single-use plastic and packaging in our own supply chain.
- Increased proportion of eco-friendly and plastic-free products distributed. This gave more choice to recipients and included hygiene items with plastic-free packaging.
- A requirement for quarterly environmental reporting and efforts for continual improvement being included in our new warehouse agreement.
- Reusing racking from the previous warehouse space in the new facility and furnishing the new office with pre-used office desks.
- An organisational shift to prioritise online meetings and to group physical meetings to reduce travel beyond the office. This included virtual focus groups, webinars and drop-in sessions for our network partners, which also enabled a wider geographical mix of partners to convene.
- Preparatory work to launch a refurbished tech initiative, to launch in 2023.

We recognised the need for additional knowledge and resource to deliver further improvements and embed good practice across all our activities. In 2023, the charity will be recruiting a Quality & Sustainability Manager to support this. This will include building a decision-making framework which supports staff to assess actions and services that have a positive environmental impact, but which may require more resource to implement, as well as the impact of new projects.

Our environmental statement and full environmental policy are available on our website.

Directors and trustees

The directors and trustees of In Kind Direct during the year and up to the date the accounts were approved were as follows:

Debra Allcock Tyler	
Scott Barton	
Graham BurrIDGE	
Barry Furlong	Resigned 14 th December 2022
Tim Hinton	
Graham Inglis	
Ajay Kavan	
Tom Moody	
Martin Newman	
Andrew Rubin	Resigned 31 March 2022
Teresa Tideman (Chair)	
Richard Wolff	
Alec Grant	Appointed 29 th June 2022

Ayshea Farooq	Appointed 29 th June 2022
Chirag Patel	Appointed 29 th June 2022
Vishal Bansal	Appointed 4 th April 2023

Changes in fixed assets

£145.4k was invested in fixed assets in 2022, £86.7k relating to warehouse move costs & £58.7k investment on the Business Central accounting system.

Statement of trustees' responsibilities

The Trustees, who are also directors of In Kind Direct for the purposes of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- 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 charitable company will continue in business.

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

The trustees are responsible for the integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to the auditor so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Related Parties

None of In Kind Direct's trustees are employed by a company with which In Kind Direct has a commercial relationship. Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Graham Burrige, who is Chair of the subsidiary, is also a director/trustee of In Kind Direct. Rosanne

Gray, Chief Executive also served as a directors of Trading IK Ltd during the year. Paul Buchanan, Interim CEO also served as a director for TIK, in the year.

In Kind Direct is the sole legal member of IKDI. Three director/trustees of In Kind Direct are director/trustees of IKDI. They are Teresa Tideman, Graham Inglis and Richard Wolff. Rosanne Gray, Chief Executive, replaced in the year by Paul Buchanan as Interim CEO, of In Kind Direct is also a director/trustee of IKDI.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Auditors

Haysmacintyre LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board

T M Tideman

Teresa Tideman

Date: 15/08/2023

Independent Auditor's report to the members of In Kind Direct

Opinion

We have audited the financial statements of In Kind Direct for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statement of Cash Flows and notes to the financial statements. 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 parent charitable company's affairs as at 31 December 2022 and of the group's net movement in funds, including the 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 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. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, and we considered the extent to which non-compliance might have a material effect on the

financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of the meeting minutes of the board of trustees and sub-committees;
- Identifying and testing journals, in particular journal entries posted that significantly impact on the result for the year, posting in areas subject to significant judgements or estimates, postings in accounts that are considered higher risk; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company's members, as a body, for our audit work, for this report, or for the opinion we have formed.



.....
Richard Weaver (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date 16/08/2023.....

**Consolidated Statement of Financial Activities (including income & expenditure account)
for the year ended 31 December 2022**

	Notes	Unrestricted Funds £	Restricted Funds £	Totals 2022 £	Unrestricted Funds £	Restricted Funds £	Totals 2021 £
INCOME							
Income from donations							
Value of donated goods distributed	4	20,277,481	-	20,277,481	29,198,822	-	29,198,822
Donations	3	329,623	151,335	480,957	318,983	36,000	354,983
Donated services for own use	4	116,459	-	116,459	97,874	-	97,874
Income from charitable activities:							
Retail donation registration fees		-	-	-	-	-	-
Charges for providing goods		2,301,450	-	2,301,450	2,174,115	-	2,174,115
Other charitable income		116,289	-	116,289	65,482	-	65,482
Income from other trading activities:							
Commercial trading operations	5	380,941	-	380,941	242,528	-	242,528
Bank Interest		2,173	-	2,173	-	-	-
TOTAL INCOME		23,524,415	151,335	23,675,750	32,097,804	36,000	32,133,804
EXPENDITURE							
Costs of Raising Funds:							
Costs of Raising Funds	6	154,174	0	154,174	103,685	11,177	114,862
Costs of Trading Activities	6	71,572	-	71,572	73,551	-	73,551
		225,746	0	225,746	177,236	11,177	188,413
Expenditure on Charitable Activities:							
Distribution of donated goods	6	20,277,481	-	20,277,481	29,198,822	-	29,198,822
Other Charitable Costs	6	3,293,597	121,419	3,415,016	2,602,730	184,128	2,786,858
		23,571,078	121,419	23,692,497	31,801,552	184,128	31,985,680
TOTAL EXPENDITURE	6	23,796,824	121,419	23,918,242	31,978,788	195,305	32,174,093
Net Income for the Year Before Transfers		(272,409)	29,916	(242,493)	119,016	(159,305)	(40,289)
Gross Transfers Between Funds		-	-	-	-	-	-
Net Movement in funds		(272,409)	29,916	(242,493)	119,016	(159,305)	(40,289)
Funds brought forward at 1 January		1,396,823	698,380	2,095,203	1,277,807	857,685	2,135,492
Funds carried forward at 31 December	15a	1,124,414	728,296	1,852,710	1,396,823	698,380	2,095,203

The financial activities above relate wholly to the continuing activities of In Kind Direct. There are no recognised gains or losses other than those dealt with in the above statement.

The notes on page 35 to 46 form part of these financial statements.

Consolidated Balance Sheet at 31 December 2022

	Notes	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	80,070	-	80,070	1,393	-	1,393
Intangible assets	11	66,174	-	66,174	71,748	-	71,748
Public benefit concessionary loan		-	-	-	20,000	-	20,000
Fixed Assets		<u>146,244</u>	<u>-</u>	<u>146,244</u>	<u>93,142</u>	<u>-</u>	<u>93,142</u>
Current assets							
Debtors	13	71,150	176,189	247,339	130,866	368,716	499,582
Cash at bank and in hand		<u>1,160,031</u>	<u>552,107</u>	<u>1,712,138</u>	<u>1,384,319</u>	<u>329,664</u>	<u>1,713,983</u>
		1,231,181	728,296	1,959,477	1,515,185	698,380	2,213,565
Creditors: amounts falling due within one year	14	(253,012)	-	(253,012)	(211,503)	-	(211,503)
Net current assets		<u>978,169</u>	<u>728,296</u>	<u>1,706,465</u>	<u>1,303,682</u>	<u>698,380</u>	<u>2,002,062</u>
Net assets		<u>1,124,414</u>	<u>728,296</u>	<u>1,852,710</u>	<u>1,396,823</u>	<u>698,380</u>	<u>2,095,204</u>
Funds							
Balance at 1 January		1,396,823	698,380	2,095,203	1,277,807	857,685	2,135,492
Movement in Funds		(272,409)	29,916	(242,493)	119,016	(159,305)	(40,289)
Balance at 31 December	15a	<u>1,124,414</u>	<u>728,296</u>	<u>1,852,710</u>	<u>1,396,823</u>	<u>698,380</u>	<u>2,095,203</u>

The financial statements were approved and authorised for issue by the directors and were signed on its behalf by:

T M Tideman

Teresa Tideman

Director and Trustee

15/08/2023
Date:

The notes on page 35 to 46 form part of these financial statements.

Company number: 03155226

Company Balance Sheet at 31 December 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Fixed assets							
Tangible assets	10	80,070	-	80,070	1,393	-	1,393
Intangible assets	11	66,174	-	66,174	71,748	-	71,748
Investments	12	1	-	1	1	-	1
		<u>146,245</u>	<u>-</u>	<u>146,245</u>	<u>73,142</u>	<u>-</u>	<u>73,142</u>
Current assets							
Debtors	13	279,846	176,189	456,035	123,034	368,716	491,750
Investments		-	-	-	-	-	-
Cash at bank and in hand		<u>773,343</u>	<u>552,107</u>	<u>1,325,450</u>	<u>1,237,065</u>	<u>329,664</u>	<u>1,566,729</u>
		1,053,189	728,296	1,781,485	1,360,099	698,380	2,058,479
Creditors: amounts falling due within one year	14	<u>(235,095)</u>	<u>-</u>	<u>(235,095)</u>	<u>(190,924)</u>	<u>-</u>	<u>(190,924)</u>
Net current assets		<u>818,094</u>	<u>728,296</u>	<u>1,546,390</u>	<u>1,169,175</u>	<u>698,380</u>	<u>1,867,555</u>
Net assets		<u>964,339</u>	<u>728,296</u>	<u>1,692,635</u>	<u>1,242,317</u>	<u>698,380</u>	<u>1,940,697</u>
Funds							
Balance at 1 January		1,242,317	698,380	1,940,697	1,166,961	857,685	2,024,646
Movement in Funds		<u>(277,978)</u>	<u>29,916</u>	<u>(248,062)</u>	<u>75,356</u>	<u>(159,305)</u>	<u>(83,949)</u>
Balance at 31 December	15b	<u>964,339</u>	<u>728,296</u>	<u>1,692,635</u>	<u>1,242,317</u>	<u>698,380</u>	<u>1,940,697</u>

In Kind Direct has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present the Statement of Financial Activities and Income and Expenditure Account of the parent charitable company in these financial statements. Income of the parent company amounted to £23,675,750 (2021: £32,017,947). The result for the year is a net movement of funds of (£248,062) (2021: (£83,949)).

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

T M Tideman

Teresa Tideman

Director and Trustee

Date: 15/08/2023

The notes on page 35 to 46 form part of these financial statements.

Consolidated and Company Statement of Cash Flows

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash provided/(used in) by operating activities	20	119,408	63,730	(100,027)	(447)
Cash flows from investing activities					
Interest income		-	-	-	-
Transfer of cash to current asset investments		-	-	-	-
Purchase of fixed assets		(145,429)	(15,098)	(145,429)	(15,098)
Cash (used in) investing activities		<u>(145,429)</u>	<u>(15,098)</u>	<u>(145,429)</u>	<u>(15,098)</u>
Cash flows from financing activities					
Increase/(decrease) in cash and cash equivalents in the year		(1,845)	48,632	(241,279)	(15,545)
Cash and cash equivalents at the beginning of the year		1,713,983	1,665,351	1,566,729	1,582,274
Total cash and cash equivalents at the end of the year		<u><u>1,712,138</u></u>	<u><u>1,713,983</u></u>	<u><u>1,325,450</u></u>	<u><u>1,566,729</u></u>

No analysis of changes in net debt is presented as the charity and group has no borrowings.

Notes to the Financial Statements – year ended 31 December 2022

1. Principal accounting policies

General Information

In Kind Direct is a charitable company limited by guarantee, incorporated in England and Wales (company number 03155226) and registered with the Charity Commission (charity registration 1052679). The registered office address is: 11 – 15 St Mary at Hill, London, EC3R 8EE.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts, the Companies Act 2006 and applicable accounting standards (FRS 102). In Kind Direct meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings as per note 5 of their accounts. The accounts have been consolidated on a line-by-line basis, after eliminating the intercompany balances and transactions in full.

Going concern

The trustees are confident that In Kind Direct will remain a going concern and that there are no known material uncertainties about the charity's ability to continue. A cash flow forecast has been prepared for the 12-month period following the date of signing of the accounts. This forecast includes all funding received to date as well as committed funding. Assumptions have been made around charges for goods income that show an increase in growth against the 2022 targets which is line with the 2025 strategy. Unrestricted cash balances remain positive for the whole period and are expected to exceed the minimum requirement of £100,000.

Fund Accounting

Unrestricted funds (both general & designated) include funds and goods donated for distribution. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The Board of trustees agreed in 2021 to designate £635k of the unrestricted reserve for specific projects to support the 2025 strategy growth. The fund will be used for the warehouse move (£320k), systems upgrade (£150k) & marketing/research/support activities (£165k).

Restricted funds are funds and goods donated for distribution, which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income

All income is recognised in the SOFA when the charity has entitlement to the income, there is reasonable certainty of receipt, and the amount can be measured. Event income and charges for our service providing products are treated as income of the period to which they relate. Registration fees are generally non-refundable and are applied to income at the beginning of the year to which they relate. Interest receivable is treated as income of the period in which it accrues.

Goods and services donated for the charity's own use

Goods, office cleaning and printing facilities, consultancy work and other services donated for the charity's own use are recognised in the Statement of Financial Activities as both income and expenditure or capitalised if it is a capital item on the basis of the value of the gift to the charity.

Goods donated for onward distribution

Goods donated for onward distribution are included as both income and expenditure, at the time of distribution, at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition. By their very nature, the product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt.

Expenditure

Expenditure is classified in accordance with the Statement of Recommended Practice as shown below:

Charitable Activities - all expenditure directly relating to the objects of the charity including the direct cost of supporting charitable activities and covers the following activities as incurred:

Identification of potential donors, obtaining donated goods for onward distribution, the processes for distributing, reporting and accounting for those goods; the recruitment and registration of charities and maintenance of data relating to those charities.

Governance Costs – Being financial, legal, and administrative expenses incurred in connection with enabling the charitable company to comply with external regulations, constitutional and statutory requirements; and in providing support to the trustees in the discharge of their statutory duties. These costs are included within support costs.

Fundraising Costs - The costs incurred to obtain voluntary contributions to the charity including expenditure on increasing In Kind Direct's fundraising resources other than through obtaining registration income or goods for distribution and for improving general awareness of In Kind Direct within the overall community.

Support Costs - Expenditure incurred on activities falling directly within one expenditure classification is charged directly to that classification. Expenditure incurred on activities falling in more than one cost category is apportioned as follows:

According to the time spent by each member of staff on activities within that category.

Office expenses:	In the same overall ratio as staff costs.
Depreciation:	In the same overall ratio as staff costs

Taxation

As a registered charity, the company is potentially exempt from taxation of its income and gains to the extent that these are applied to its charitable objectives. The company is registered for VAT. Income Tax recoverable under Deeds of Covenant and Gift Aid is accounted for on a receivable basis.

Termination costs

All costs included in terminating employee contracts are accounted for on an accrual basis and disclosed in aggregate within staff costs. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Pension costs

Contributions to group personal money purchase pension schemes are charged to the Statement of Financial Activities on an accruals basis.

Operating leases

Operating lease rentals are charged to the SOFA over the term of the lease. Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

Tangible fixed assets

Fixed assets are capitalised in the balance sheet at cost or, for donated goods, at estimated market value, except for items costing less than £2,000, which are expensed in the year of purchase. Depreciation is calculated so as to write off the cost of tangible fixed assets, less the estimated residual values, on a straight-line basis over the estimated economic lives of the assets concerned. Computers and other capital equipment is written off over three years.

Intangible fixed assets

Intangible assets are initially recognised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. In Kind Direct's intangible fixed assets consist of software development costs. Amortisation is charged on a straight line basis over the estimated useful economic life of the software (from two to six years) and is included in Finance & IT support costs in the SOFA.

Public benefit concessionary loans

The group provides a loan to further its charitable purposes at rates below prevailing market rates. In accordance with section 34 of FRS102 this loan has been classified and accounted for as a concessionary loan. Such loans are initially recognised and measured at the amount provided and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairments.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

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

Creditors and provisions are recognised where the charity 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.

Financial instruments

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.

2. Critical accounting judgements and estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the group's and parent charitable company's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those areas subject to judgement and uncertainty are as follows:

- Valuation of goods distributed
- Valuation of other goods and services received in kind for the charity's own use.
- Accrued income and expenditure
- Cross charges of staff time spent between the 3 group entities.

Goods donated for onward distribution are valued at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition.

Other goods and services received are valued either by the donor, or where no value is given, valued at the equivalent market cost were these to be purchased directly by the charity.

Accrued income and expenditure are estimated where no invoice has been provided. These estimates are based either on third party evidence or on known values as yet not invoiced by the group.

Cross charges of staff time spent are based on reasonable estimates of how much time staff employed by In Kind Direct spend working on matters related to Trading IK Limited or IKDI.

3. Other Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Charitable Trusts	31,084	110,000	141,084	276,839	318	277,157
Business donations	146,100	41,335	187,435	37,826	30,000	67,826
Donations by individuals	152,439	-	152,439	4,318	5,682	10,000
Total Donations	<u>329,623</u>	<u>151,335</u>	<u>480,958</u>	<u>318,983</u>	<u>36,000</u>	<u>354,983</u>

4. Donated goods and services

Donated goods and services were applied to the activities of the charity as follows:

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Total Value of donated goods distributed	20,277,481	-	20,277,481	29,198,822	-	29,198,822
Total Value of Services donated for own use	116,459	-	116,459	97,874	-	97,874
Total Donations	<u>20,393,940</u>	<u>-</u>	<u>20,393,940</u>	<u>29,296,696</u>	<u>-</u>	<u>29,296,696</u>

5. Subsidiary undertakings**Trading IK Limited**

Trading IK Limited (Company no. 06950193) is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its registered office address is 11 - 15 St Mary at Hill, London, EC3R 8EE.

Its principal activity is generating alternative sources of income such as eBay sales and affiliate marketing agreements. The company gift aids its taxable profits to the parent company. The results for the trading company for the year ended 31 December 2022 were:

	31 December 2022 £	31 December 2021 £
Turnover	313,363	242,528
Cost of sales	<u>(48,185)</u>	<u>(71,512)</u>
Gross profit	265,178	171,016
Distribution costs	(18,125)	(3,226)
Administration costs	(6,861)	(3,613)
Profit for the year	240,191	164,177
Gift Aid to In Kind Direct	(240,192)	(96,599)
Movement in Shareholder's Funds After Gift	<u>(1)</u>	<u>67,578</u>

Administration costs relate to audit fees and other professional fees from In Kind Direct to Trading IK Limited (2022: £3,600; 2021 £4,800) for the use of staff and resources. These have been eliminated on consolidation.

	£	£
Current assets	236,889	133,009
Creditors and accruals	<u>(236,889)</u>	<u>(65,431)</u>
Net Assets	<u>(0)</u>	<u>67,578</u>

At the balance sheet date the company owed a balance of £225,272 to In Kind Direct.

Subsidiary undertakings - Continued

IKDI

IKDI is a charitable company incorporated in England & Wales, (Charity no. 1157417; Company no. 08478660) of which In Kind Direct is the sole member. Its registered office address is 11 - 15 St Mary at Hill, London, EC3R 8EE. The results of the subsidiary charitable company for the year were as follows:

	31 December 2022	31 December 2021
	£	£
Income	94,075	74,227
Expenditure	(88,504)	(67,868)
Net surplus/(expenditure)	5,571	6,359
Funds brought forward at 1 January	86,927	80,568
Funds carried forward at 31 December	92,498	86,927

Total expenditure relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2022: £57,350 ; 2021: £57,224) for the use of staff and resources . These have been eliminated on consolidation.

At the balance sheet date the charity owed a balance of £4,900 to In Kind Direct.

6. Expenditure

	Direct cost £	Support cost £	Total 2022 £	Direct cost £	Support cost £	Total 2021 £
Cost of Charitable Activities						
Distribution of donated goods	20,277,481	-	20,277,481	29,198,822	-	29,198,822
Other charitable costs	1,247,437	2,167,578	3,415,015	1,036,260	1,750,598	2,786,858
	<u>21,524,918</u>	<u>2,167,578</u>	<u>23,692,496</u>	<u>30,235,082</u>	<u>1,750,598</u>	<u>31,985,680</u>
Cost of Generating Funds						
Fundraising activities	62,790	91,384	154,174	5,214	109,648	114,862
Trading activities	71,572	-	71,572	73,551	-	73,551
	<u>134,362</u>	<u>91,384</u>	<u>225,746</u>	<u>78,765</u>	<u>109,648</u>	<u>188,413</u>
Total Expenditure	<u>21,659,280</u>	<u>2,258,962</u>	<u>23,918,242</u>	<u>30,313,847</u>	<u>1,860,246</u>	<u>32,174,093</u>

7. Support costs

Support costs are the costs of premises, facilities, staff and office overheads and are allocated to the activities of the charity as follows:

	Cost of Charitable Activities £	Total 2022 £	Total 2021 £
Management/Other	836,794	836,794	725,707
Finance & IT	109,977	109,977	218,637
Logistics	395,173	395,173	354,370
Charities	807,781	807,781	404,665
Fundraising	62,526	62,526	57,266
Premises	87,956	87,957	99,601
	<u>2,300,207</u>	<u>2,300,207</u>	<u>1,860,246</u>
Governance costs total		<u>86,471</u>	<u>74,121</u>
Fundraising costs total*		<u>154,174</u>	<u>114,862</u>

* During the course of the year we have revisited the basis for calculating fundraising costs and the resultant change provides more reliable, appropriate and relevant information. This update has been retrospectively applied to provide comparatives for the prior year.

8. Employees

Staff costs comprise:	Total	Total
	2022	2021
	£	£
Salaries and wages	1,182,025	921,202
Social security costs	126,668	97,578
Other pension costs	95,762	82,315
Org. restructure costs*	-	113,127
	<u>1,404,455</u>	<u>1,214,222</u>

* Organisation restructure costs comprise those costs associated with the termination of employee contracts

The average number of employees during the year, analysed by function, was:

	2022	2021
Distribution of donated goods	23	20
Governance	<u>4</u>	<u>2</u>
	<u>27</u>	<u>22</u>

The number of employees earning in excess of £60,000 is as follows:

£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,000 - £100,000	1	-
£140,000 - £160,000	1	1
	<u>4</u>	<u>3</u>

The key management personnel of In Kind Direct, the parent charity, comprise the Chief Executive Officer and Executive Directors.

The total employee benefits (including employer's national insurance contributions) of the key management personnel of In Kind Direct were £553,111 (2021: £472,674).

The trustees did not receive remuneration for their services to the company during the period (2021: £nil).

Expenses of £199.20 incurred by a trustee were reimbursed by the charity during the period (2021: £nil).

9. Net income for the year is stated after charging:

	2022	2021
	£	£
Auditor remuneration - audit fee	19,000	15,750
Operating Lease rentals	51,766	71,676
Depreciation	<u>68,148</u>	<u>37,989</u>

10. Tangible Fixed Assets

	Warehouse	IT Equipment		
	Equipment	Unrestricted	Total	Total
	Unrestricted	Funds	2022	2021
	Funds	£	£	£
	£	£		
Cost as at 1 January 2022	18,425	5,570	23,995	15,907
Additions during year	86,713	-	86,713	8,088
Transfer to intangible assets	-	-	-	-
Cost as at 31 December 2022	<u>105,138</u>	<u>5,570</u>	<u>110,708</u>	<u>23,995</u>
Depreciation as at 1 January 2022	(18,425)	(4,177)	(22,602)	(12,300)
Charge for year	<u>(7,339)</u>	<u>(697)</u>	<u>(8,036)</u>	<u>(10,302)</u>
Depreciation as at 31 December 2022	<u>(25,764)</u>	<u>(4,874)</u>	<u>(30,638)</u>	<u>(22,602)</u>
Net book value as at 1 January 2022	-	1,393	1,393	3,607
Net book value as at 31 December 2022	<u>79,374</u>	<u>696</u>	<u>80,070</u>	<u>1,393</u>

11. Intangible Fixed Assets

	IT Systems		
	Unrestricted Funds £	Total 2022 £	Total 2021 £
Cost as at 1 January 2022	152,355	152,355	145,345
Additions during year	<u>58,716</u>	<u>58,716</u>	<u>7,010</u>
Cost as at 31 December 2022	<u>211,071</u>	<u>211,071</u>	<u>152,355</u>
Depreciation as at 1 January 2022	(84,784)	(84,784)	(52,920)
Charge for year	<u>(60,113)</u>	<u>(60,113)</u>	<u>(27,687)</u>
Depreciation as at 31 December 2022	<u>(144,897)</u>	<u>(144,897)</u>	<u>(80,607)</u>
Net book value as at 1 January 2022	<u>67,571</u>	<u>67,571</u>	<u>92,425</u>
Net book value as at 31 December 2022	<u>66,174</u>	<u>66,174</u>	<u>71,748</u>

12. Investment
(Charity)

	Unrestricted Funds £	Total 2022 £
Shares - subsidiary company Trading IK Ltd	<u>1</u>	<u>1</u>
Cost at 1 January 2022 and 31 December 2022	<u>1</u>	<u>1</u>

13a. Debtors - unrestricted

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Prepayments	70,629	4,667	70,629	4,667
Trade debtors	(14,479)	36,356	(35,955)	14,879
Intercompany debtors	-	-	230,172	51,561
Taxation and social security	-	-	-	-
Accrued income*	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
	<u>71,150</u>	<u>56,023</u>	<u>279,846</u>	<u>86,107</u>

*Donations recognised in the 2022 accounts but received early in 2023.

13b. Debtors - restricted

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Grant income debtor*	176,189	368,716	176,189	368,716
	<u>176,189</u>	<u>368,716</u>	<u>176,189</u>	<u>368,716</u>

*This represents the value of the grant receivable by In Kind Direct until March 2025 in respect of the charity's office accommodation.

14. Creditors: amounts falling due within one year - unrestricted

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	(39,411)	(144,475)	(39,411)	(144,475)
Accruals	(158,099)	(158,099)	(146,799)	(146,799)
Taxation and social security	<u>(55,502)</u>	<u>(43,207)</u>	<u>(48,885)</u>	<u>(43,027)</u>
	<u>(253,012)</u>	<u>(345,781)</u>	<u>(235,095)</u>	<u>(334,302)</u>

15a. Reserves (Group) 2022

	Balance at 1 Jan 2022	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2022
Restricted Funds:	£	£	£	£	£
1 Lloyds Bank Premises Fund	656,303	(32,018)	(87,956)	(4,400)	531,928
2 Premises Fund 3 - dilaps	30,800	-	-	4,400	35,200
3 Peoples Postcode Lottery	-	60,000	(33,000)	-	27,000
4 Amazon	-	13,000	-	-	13,000
5 Kimberley Clark	-	30,353	-	-	30,353
6 Barclays COVID-19	11,277	-	(463)	-	10,815
7 Santander	-	25,000	-	-	25,000
8 Lego	-	5,000	-	-	5,000
9 JHRT	-	50,000	-	-	50,000
Total Restricted Funds	698,380	151,335	(121,419)	-	728,296
Unrestricted Funds - General	761,823	23,524,415	(23,796,824)	340,000	829,414
10 Unrestricted Funds - Designated	635,000	-	-	(340,000)	295,000
Total Unrestricted Funds	1,396,823	23,524,415	(23,796,824)	-	1,124,414
Total Funds	2,095,203	23,675,750	(23,918,242)	-	1,852,710

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations in distributing technology products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Board agreed to designate £647,457 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy growth

15a. Reserves (Group) 2021

	Balance at 1 Jan 2021	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2021
Restricted Funds:	£	£	£	£	£
1 Lloyds Bank Premises Fund	760,303	-	(99,600)	(4,400)	656,303
2 Premises Fund 3 - dilaps	26,400	-	-	4,400	30,800
3 P&G Emergency Fund	982	-	(982)	-	-
4 Sir James Knott	-	5,000	(5,000)	-	-
5 GJW Turner Trust	-	1,000	(1,000)	-	-
6 Barclays COVID-19	70,000	-	(58,723)	-	11,277
7 The Prince of Wales's Charitable Foundation	-	30,000	(30,000)	-	-
Total Restricted Funds	857,685	36,000	(195,304)	-	698,380
Unrestricted Funds - General	1,277,807	32,097,804	(31,978,788)	(635,000)	761,823
Unrestricted Funds - Designated	-	-	-	635,000	635,000
Total Unrestricted Funds	1,277,807	32,097,804	(31,978,788)	-	1,396,823
Total Funds	2,135,492	32,133,804	(32,174,092)	-	2,095,203

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations and to put in place additional infrastructure required to respond to the pandemic

15b. Reserves (Charity) 2022

	Balance at 1 Jan 2022 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2022 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	656,303	(32,018)	(87,956)	(4,400)	531,928
2 Premises Fund 3 - dilaps	30,800	-	-	4,400	35,200
3 Peoples Postcode Lottery	-	60,000	(33,000)	-	27,000
4 Amazon	-	13,000	-	-	13,000
5 Kimberley Clark	-	30,353	-	-	30,353
6 Barclays COVID-19	11,277	-	(463)	-	10,815
7 Santander	-	25,000	-	-	25,000
8 Lego	-	5,000	-	-	5,000
9 JHRT	-	50,000	-	-	50,000
Total Restricted Funds	698,380	151,335	(121,419)	-	728,296
Unrestricted Funds - General	607,317	23,426,619	(23,704,597)	340,000	669,339
10 Unrestricted Funds - Designated	635,000	-	-	(340,000)	295,000
Total Unrestricted Funds	1,242,317	23,426,619	(23,704,597)	-	964,338
Total Funds	1,940,697	23,577,954	(23,826,016)	-	1,692,635

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations (distribution)
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Board agreed to designate £635,000 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy grov

15b. Reserves (Charity) 2021

	Balance at 1 Jan 2021 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2021 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	760,303	-	(99,600)	(4,400)	656,303
2 Premises Fund 3 - dilaps	26,400	-	-	4,400	30,800
3 P&G Emergency Fund	982	-	(982)	-	0
4 Sir James Knott	-	5,000	(5,000)	-	-
5 JR Corah Foundation Fund	-	1,000	(1,000)	-	-
6 Barclays COVID-19	70,000	-	(58,723)	-	11,277
7 Santander	-	30,000	(30,000)	-	-
Total Restricted Funds	857,685	36,000	(195,305)	-	698,380
Unrestricted Funds - General	1,166,961	31,981,947	(31,906,591)	(635,000)	607,317
8 Unrestricted Funds - Designated	-	-	-	635,000	635,000
Total Unrestricted Funds	1,166,961	31,981,947	(31,906,591)	0	1,242,317
Total Funds	2,024,646	32,017,947	(32,101,896)	0	1,940,697
			- 83,949		1,940,697
					- 0

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations and to put in place additional infrastructure required to respond to the pandemic
- (8) Board agreed to designate £635,000 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy grov

16. Donation of services for own use

The financial statements include the following donated services

	2022	2021
	£	£
Web hosting & IT services	48,000	63,500
Marketing & PR	56,286	28,074
Consultancy	5,460	6,300
Staff costs/training	-	-
	<u>116,459</u>	<u>97,874</u>

17. Obligation under operating lease

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for one office premises as set out below:

Minimum rentals falling due:	2022	2021
	£	£
Within 1 year	53,757	53,757
Between 1 and 5 years	107,629	161,386
More than 5 years	-	-
	<u>161,386</u>	<u>215,143</u>

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 included in the lease of In Kind Direct's offices.

18. Related party transactions

Due to the nature of the IKD group charitable activities which relies on donated goods by companies and the composition of the board of trustees being drawn from corporations, transactions may take place with businesses in which the trustees have an interest. All transactions involving such companies are conducted in accordance with the requirements of the SORP and followed the IKD financial policies & procurement procedures relating to connected and related party transactions. All Board members are required to sign a related party disclosure.

HM King Charles III is the founder of In Kind Direct.

The total amount of donations made by trustees to the charity in 2022 was £0 (2021: £15,682).

19. Capital commitments

There were no capital commitments at the end of 2022 (2021: £0).

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(242,493)	(40,289)	(248,062)	(83,949)
Adjustments for:				
Depreciation	68,148	37,989	68,148	37,989
Dividends, interest and rents from investments	-	-	-	-
Decrease/(increase) in debtors	252,243	148,527	35,715	133,860
Increase/(decrease) in creditors	41,509	(82,497)	44,172	(88,347)
Net cash provided by/(used in) operating activities	<u>119,408</u>	<u>63,730</u>	<u>(100,027)</u>	<u>(447)</u>

21 Post Balance Sheet Events

There are no events after the Statements of Financial Position date.

IN KIND DIRECT

England & Wales - Charity number 1052679

Accounts



IN KIND DIRECT
(a company limited by guarantee)

Trustee Report and Financial Statements
for the year ended 31 December 2021

Registered Company no: 03155226

Registered Charity no: 1052679

Report and Financial Statements

for the year ended 31 December 2021

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REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Teresa Tideman (Chair)
Ajay Kavan (Deputy Chair)
Scott Barton
Graham Burridge
Barry Furlong
Tim Hinton
Graham Inglis
Tom Moody
Martin Newman
Andrew Rubin
Debra Allcock Tyler
Richard Wolff
Ayesha Farooq
Alec Grant
Chirag Patel

Chief Executive

Rosanne Gray

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Lloyds Banking Group
109 Finsbury Pavement
London
EC2A 1LB

Status

In Kind Direct is:

- ◆ a company limited by guarantee, number 03155226.
- ◆ a charity registered in the United Kingdom, number 1052679.

It is governed by a Memorandum and Articles of Association dated 16 January 1996, as amended by subsequent Special Resolutions.

Supporters

In Kind Direct gratefully acknowledges support in 2021 from many individuals and organisations by way of encouragement, donated goods or services and funding. This support is provided by the people and organisations listed below, as well as those who wish to remain anonymous:

Our Patrons

In Kind Direct's Patrons are a group of like-minded individuals and organisations who understand and recognise the unique impact that In Kind Direct's work has in communities.

Our Patrons' generosity is absolutely core to what we do. They have been instrumental in helping us respond to the particular challenges of the ongoing Covid-19 pandemic and helped us to sustain our service and increase our impact.

Without their support, our work would simply not be possible. We thank all those who have supported us in the year, including those named in this report.

The Investors' Circle:

Lloyds Banking Group

Nutt, Mr & Mrs Anthony & Eleanor

Diamond Patrons:

Amazon UK

Patrons:

Acheson, Mr & Mrs Kenneth & Fiona

Santander

Other Financial Supporters

Amazon Smile

Barclays 100x100 UK COVID-19

Community Relief Fund

Essity TORK

Henkel

Lally, Tina

Lovat Parks

Primark

The 29th May 1961 Charitable Trust

The Cecil Pilkington Charitable Trust

The JR Corah Foundation Trust

The Warwick Trust

The Haremead Trust

The Marsh Charitable Trust

The Morgan Charitable Trust

Sassoli, Danielle

The Simon Gibson Charitable Trust

The Sir James Knott Trust

The Sobell Foundation

Tideman, Mrs Teresa

Donated Services

Abamentis
Amazon Web Services
Aspinall, Mark
Directory of Social Change
Google
Javelin
Lloyds Banking Group

Microsoft
Pentland Brands
Procter & Gamble
Santander
The Customer First Group
Voipfone

Donated goods:

Household

Balsam Brands
Beauty Kitchen
Beiersdorf UK
BAPS UK
Bulldog Natural Skincare
Charles Worthington
Chemiteq
Church & Dwight
Colgate Palmolive
Consuma Paper Products
Contis
Danidean Holdings
DHL
Duracell UK
Dynamic Wipe Industries
Ecotone
Escentual
Essity
Essity - Bodyform
Essity (formerly SCA Tissue)
Estée Lauder
Evo Lifestyle Products
Faith in Nature
Genesis Biosciences
Henkel
Johnson & Johnson
Kimberly-Clark
Kimberly-Clark Professional
Lil-lets Group
L'Oreal
Mama Bamboo
McBride
Modibodi
Naked Sprout
Rowan International
Sanxiderm
SC Johnson
Sodexo
Sykes Global Services
Tangle Teezer
TCC Global
Thornton & Ross
Trendsetter Home Furnishings
Unilever UK
Vi-Spring
V-TAC Exports

Household appliances, Tools & Electronics

Philips Electronics UK
Prêt à Pousser
Samsung Electronics

General Retail

Amazon.co.uk
ASDA Stores
Banner UK
John Lewis & Partners
M&S
Tesco
Very Group
Zebra A/S - Flying Tiger Copenhagen
Zenith Hygiene

Toys, Baby & Educational

Big Game Hunters
Big Potato Games
Cath Kidston
Character Group
Colart
Genie Toys
H and A
Hasbro
Lapland UK
Learning Resources
LEGO
Little Adventures
Meri
Michael O'Mara
Micro Scooters
The Den Kit Company
The Disney Store
Usborne Publishing
Winning Moves
World of Books
WOW Toys

Work & Office

Martha Brook
Newell Brands
PG Paper Company
Premier Paper Group
Ricoh

Clothing, Footwear & Sports

Babcock
Beano Studios
Brand Addition
Decathlon UK Ltd
Esska Shoes
Lacoste
Levi Strauss (UK)
London Marathon Events
Nike UK
Outsourced Events
Pantherella
Pentland Brands plc
Petit Bateau UK
Primark
Reydon Sports

Samba Sports
Shush Sports
Vans Europe
William Lamb Group

Kitchen, Ambient & Pet Food

Bidfood
Costa Coffee
Exclusively Housewares (Event)
Greene King
Hill's Pet Nutrition
JUST Water
Lindt & Sprungli (UK)
Meyer Group
Pladis Global
The Waiter's Friend Company

Our Purpose

Creating powerful partnerships, enabling more communities to thrive.

Our Belief

Everyone deserves access to life's essentials, and no usable product should go to waste. Product giving is a practical way to address the widening gap in need across society.

Our Values

Kindness

It's in our name. We are compassionate and always working for the greatest good to increase equity and justice.

Togetherness

Positive change in society is not the job of one individual, group, or organisation. Our impact is greatest when we collaborate, act as one and all move forward together.

Integrity

How things are done is as impactful as what is done. We are open, accountable, and transparent and always strive to do the right thing.

Innovation

Just as our founder challenged the status quo, we are always looking to evolve and improve. Our curiosity, creativity and resilience enable us to think big and adapt at pace.

Since 1996

£297 million at retail value of products distributed to charitable organisations.
11,655 charitable organisations have benefited from accessing our service.

2025 Ambition

We will triple our impact to help ensure everyone can feel clean, safe and well, and to reduce the number of people forced to choose whether to heat, eat, or be clean.

Our 2025 Impact



WE SUPPORTED OVER 249,000 PEOPLE EVERY WEEK

Trustees' report for the year ended 31 December 2021

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 December 2021.

Public benefit, objectives and activities

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission on determining the activities undertaken by a charity. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on can achieve the aims and principles of public benefit.

The charity's objects are as follows:

- 1) to apply funds or make donations to or for such charitable institution or institutions or for such charitable purposes as the Trustees shall decide, in particular, but without limitation, by the distribution of donated goods;
- 2) to encourage environmentally efficient, sustainable waste management and recycling practices through the advancement of education by the collection and dissemination of information and/or the promotion of research and/or development relating to waste management and recycling.

In Kind Direct distributes products donated by companies to UK charitable organisations working in the UK and overseas. Founded in 1996 by HRH The Prince of Wales, we offer a simple solution to connect companies and their products to thousands of charities, community groups, foodbanks and schools supporting our communities.

In Kind Direct makes it easy for companies and brands to have a positive social impact with the products they make and sell. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charitable organisations. We inspire confidence in companies to donate, by working with charitable organisations in our network to ensure the most needed products reach the communities that need them.

We enable charitable organisations to do more for less and put their local knowledge at the heart of our work. Charitable organisations register for free, and request goods via our online catalogue. They pay a small charge for products, which includes UK delivery. This contributes to our operational costs and protects companies from incurring VAT on their product donations.

The result is an efficient, practical solution which diverts usable goods from going to waste and unlocks huge additional resource into the sector. In 2021, we unlocked £27m in savings and reached 249,000 people each week. Charitable organisations in our network used these savings to cover core costs, deliver new services, and reaching those they otherwise could not during the Covid-19 pandemic.

In addition to our core service distributing donated products from companies, In Kind Direct, along with our trading company, also helps charitable organisations to access valuable resources by negotiating discounts on new and refurbished essential products and services through affiliate schemes.

So far, we have distributed £297m of essential products, supporting 11,655 charitable organisations and millions of people, and diverting 32,700 tonnes of usable goods from waste.

The Trustees have identified the following public benefits flow from the charity's objects and activities:

- **Unlocking savings for charitable organisations:** Our service means partners can secure the goods they need for a fraction of the usual cost, freeing up valuable funds and enabling the delivery of new and enhanced services. Most of the charities we support are small, local organisations with limited resources. Almost 60% of the charities in our network have an income of less than £100k per year. 98% of the charities using our service say we save them money.
- **Helping charitable organisations improve and extend their services:** By opening up access to high quality products for those with limited budgets, we enable charitable organisations to improve the services they offer, do more for their beneficiaries and provide for people they may not otherwise reach.
- **Relieving hardship, building confidence, self-esteem and bringing joy:** The products we distribute are helping to mitigate poverty and hardship in some of the most disadvantaged communities across the UK. With high quality products, charities can provide essential practical support, restore dignity and self-esteem to people in crisis as longer-term solutions are put in place.
- **Reducing waste and environmental damage:** Providing companies with a practical and secure way to donate usable product reduces external recycling and landfill, enables a more circular economy of resource use and supports their social responsibility goals.

Achievements and performance 2021

2021 was the first year of our five-year strategy. Our ambition is to triple our impact by 2025 and place the needs of the communities we support at the heart of our approach. By taking a campaign-based approach this year, the charity was able to provide a consistent supply of core essentials, as well as specific products at the right time for communities across the year.

Covid-19 Pandemic Response

In Kind Direct's work in the year continued to be driven by our response to the Covid-19 pandemic. 2021 was focussed on embedding new learnings, continuing to provide a high level of support, and creating our 2025 strategy. We maintained the record impact achieved in 2020 and increased the number of people supported each week. In recognition of the charity's achievements, we were delighted to be finalists for both the prestigious Third Sector Charity of The Year, and Waste2Zero Best Closed Loop Project awards.

Impact measure	2021 Achieved	2021 Target	2020 Achieved	% Growth on last year
People supported each week	249,000	175,000	174,000	+43%
Value of products distributed	£29m	£29m	£26m	+12%
Organisations receiving products	3,198	3,333	3,312	-3%
Orders distributed	33,693	33,000	31,400	+7%
New partners joining the network	952	1,000	1,526	-38%
Average saving for each organisation	£9,130	£8,100	£7,850	+16%

[Essential Support for Local Communities](#)

In Kind Direct's network comprises a wide range of organisations addressing issues right across the charitable spectrum at a local, regional, and national level. Among the network are community centres, foodbanks, disability support groups, schools, health and wellbeing charities, housing projects, child and youth support groups, and community nurseries. Most of the network are small and locally focussed. 56% have an income less than £100,000 per year and 86% have an income less than £500,000 per year. Over 80% of the organisations we supported are based outside London.

Almost 60% work to support those from ethnic minorities. Ongoing restrictions in the year brought significant challenges to charitable organisations, unable to fundraise to maintain their income and meet increasing demand for their support.

"Being able to access items from In Kind Direct has meant that we have been able to support families and their children within Bridgend Borough. Families who are suffering because of the impact that COVID-19 has had on them financially, emotionally, causing a massive decrease in their mental health and well-being."

Splice Child and Family Project

Thanks to generous support from the Barclays 100x100 UK COVID-19 Community Relief Fund, we were able to provide account credits to 350 organisations in our network, unlocking at least £500,000 of products to families and households most affected by the pandemic. This was achieved by prioritising regions reporting the highest increase in demand for support (Wales, Scotland, Northern Ireland, Northeast England, West Midlands, and London) and those organisations that had not received crisis funding from other sources.

For a breakdown of the organisations receiving products in 2021 by geographic area and focus area see figures A and B.

Working with our corporate partners, we were able to supply a wide range of the most needed products to our local charitable partners. We identified 17 core product lines, covering essential hygiene and cleaning supplies, as well as products specifically supporting learning, development and safe social interaction. We distributed 33,693 orders to organisations across the UK, and a further £11.5m worth of products through other initiatives including placements and bespoke projects. For a breakdown of goods distributed, see figure C.

[A Needs-based Approach](#)

Following a strategic review in 2020, the charity has established a new five-year strategy, placing the needs of people and communities at the heart of strategic decision making. This included consultation with our network of over 4,000 charitable organisations, and a range of corporate and sector partners. We evidenced a significant continuing need for the practical support provided by In Kind Direct, as well as opportunity for the charity to service this demand with new supply and an expanded operation.

Even as the pandemic eased, the economic and social impact continued to reverberate across the UK. We believe no one should be forced to choose whether to heat, eat or keep clean. We know the impact a lack of access to essential hygiene supplies has on mental and physical wellbeing. As well as continuing to provide a broad and inclusive service, we identified three groups where In Kind Direct's service add particular value. These were:

- **Charitable organisations:** our sector lost £10bn in 2020 but demand for support remains high. 56% of organisations in our network have an annual income under £100k/yr.
- **Low-income families:** there are 5m UK households in persistent poverty. Foodbank usage has >doubled since 2015. The poverty premium for this group is estimated at up to £1200/year, and they have been disproportionately affected by cost-of-living increases.
- **Young people 18-24:** there are 800,000 NEETs (Not in Education, Employment or Training) in the UK. They have been disproportionately affected by the pandemic in terms of unemployment, mental health, and homelessness.

Our activities in the year, and as part of our 2025 strategy, have prioritised these groups. Their needs have informed our product and network recruitment strategies, as well as the partnerships we have strengthened and created.

Our Impact

We regularly gather quantitative data and stories of the impact we generate and how it can be improved. This includes surveys, visits, focus groups and end of order feedback. In our quarterly impact surveys, at least two thirds of our network consistently reported an increase in demand, whilst no less than 40% reported decreased income. In November, we launched an Insights Panel of 90 network partners. This provides a mechanism for in-depth feedback to support the co-design and testing of our communications, campaigns, research and product strategy.

In September 2021 we updated our “*Products in a Pandemic: working together to keep people clean, safe and well*” report to cover the period March 2020 to August 2021:

- In total, In Kind Direct’s service supported an average of 249,000 people per week
- 73% of our network reported that demand for their services had increased
- 61% supported people with mental health problems
- 74% are focussed on combatting isolation
- 76% said products help people feel valued and cared for

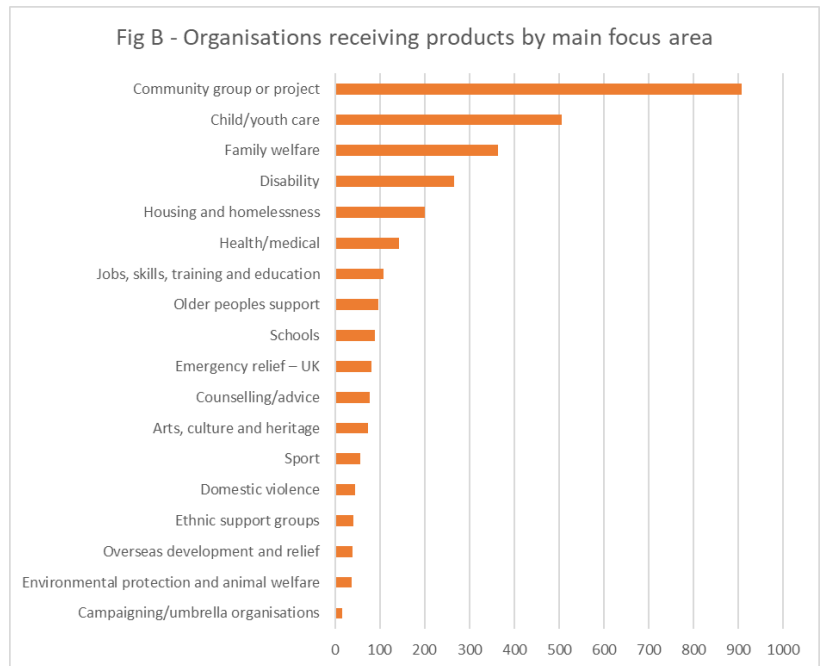
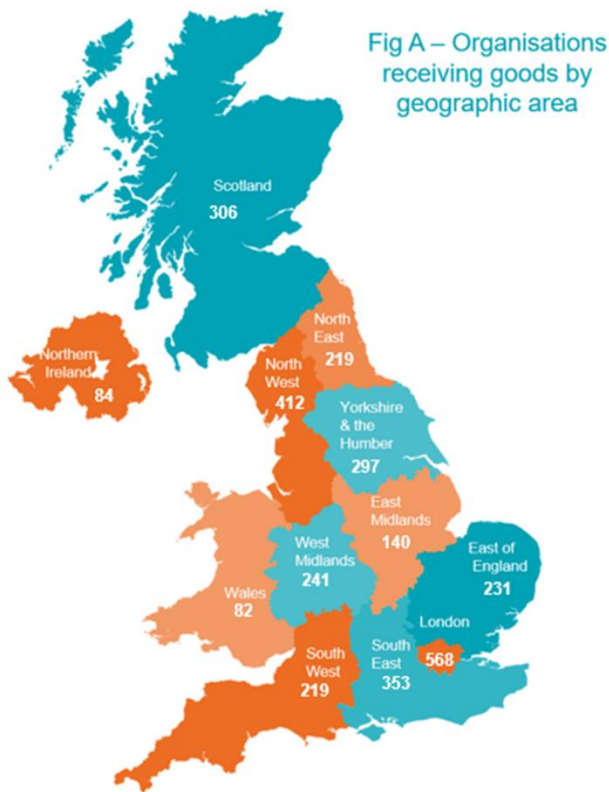
“To remain open safely, we have had to triple the use of PPE and hand sanitizers, hand washing soap and disinfectant, this has had a huge impact on our finances. Without the support of In Kind Direct, we would be looking at reducing staff hours to pay for this. We are eternally grateful for the hard work of the In Kind Direct team and the support they continue to offer communities and charities.”

St Peters Pre-School

In 2021, our work meant:

- 1 in 5 of our network partners could deliver new services with the savings we unlock
- 54% said that products helped people facing cost of living increases
- 55% of organisations could reach more people with our support
- 27% said products served as a gateway to other support services
- 33% were able to engage people they otherwise could not

In Kind Direct works at the intersection of social and environmental impact, reducing waste and redirecting products to enable communities to thrive. Our work supports UN SDG 1 (No Poverty), 3 (Good Health & Wellbeing) and 12 (Responsible Consumption & Production). As we work towards our 2025 vision to triple our social impact, we established our carbon emissions baseline in the year, ahead of setting meaningful reduction targets in 2022.



Charity & Public Sector Partnerships

In Kind Direct’s values of togetherness and innovation drive our belief that working in partnership achieves more impact for the communities we support.

In May 2021 we celebrated the first year of the Product Giving Alliance with our partners FareShare, International Health Partners and Charity Digital. The Alliance aims to unlock the maximum social good from both surplus and donated products and services, by distributing these in an efficient way to communities. Together, the Alliance provides a single solution for any business wanting to benefit society. By May 2021, £68m of products and services had been distributed by Alliance members, to over 16,700 charities and communities.

We partnered with Business in the Community (BitC) and Charity Digital to deliver the *Ditching the Digital Divide* virtual roundtable in July. Likeminded companies and charities came together to discuss potential strategic and streamlined solutions to meet the need for increased tech product and digital skills for charities, schools, and communities. As a result of the connections made, in 2022 In Kind Direct will be part of a pilot project to meet the needs of schools.

We regularly work with other sector partners that receive product donation offers they cannot process and facilitate direct placements of products. Specific examples in the year included:

- Providing targeted placements to network partners supporting families and individuals arriving from Afghanistan to the UK in September. Specific product donations from Pentland, Amazon and Johnson & Johnson saw over £200,000 of essential footwear, clothing and baby essentials distributed.
- Working with the British Red Cross to distribute donated sportswear to their branches, and our wider network of charitable partners.
- Partnering with Save the Children for our #SummerOfPlay campaign to raise awareness of the need for children to access play to support their social development.

Ongoing Brexit negotiations meant our fulfilment to partners in Northern Ireland remained under constant review, following a brief suspension of services in December 2020. Under the extended “grace period”, we were able to keep meeting community needs with small orders. In the year we supported 84 communities with £614,000 of products. We also submitted an expression of interest for membership of the Domestic Advisory Group and Civil Society Forum for the Trade and Cooperation Agreement (TCA). Notification is expected in 2022.

Store & Affiliate Partnerships

Organisations registered with In Kind Direct gain discounted access to office and facility supplies, IT equipment and services, and training via affiliate schemes with Ricoh, Ryman, Robert Dyas, Office Depot, Directory of Social Change and Enterprise Rent-a-Car. Through our Retail Donation Initiative, organisations are matched directly with local Disney Stores.

Sadly, the ongoing disruptions caused to the retail sector by the pandemic meant that our store partnerships, including our partnership with Disney Store, were significantly affected in the year.

Support for overseas relief

Our primary focus remains distributing essential goods to UK charitable organisations for use in the UK. In addition, we also distribute products to UK emergency relief and development charities working overseas in Eastern Europe, the Middle East and Africa. £3.4m (2020: £2.5m) in value of stock was distributed to UK charities supporting emergency relief and development work over the course of the year.

Corporate Partnerships

In Kind Direct engages and accepts goods from a wide range of manufacturers, retailers, and other organisations. We develop mutually beneficial multi-level relationships with our corporate partners. We help them to identify where stock available to donate may exist within their business and we strive to be front of mind for any company which has products to donate. We educate companies on the value of product giving to secure the range of essential consumer products required by charitable organisations and their beneficiaries.

“We are so proud to be supporting In Kind Direct with regular donations of refurbished Micro-Scooters. We want our Scooter Aid scheme to benefit children across the country, and our partnership with In Kind Direct allows us to reach communities in need everywhere in the UK, through a single point of contact.”

Ben Gibson,
Managing Director, Micro Scooters

Increasingly, we work with companies and brands to develop high impact collaborative campaigns. By working with In Kind Direct, brands can deliver on their corporate responsibility objectives, enhance, and protect their reputations and build awareness and conversion.

Key brand campaigns run in the year included:

- Primark donated 23,000 children’s winter coats during the January lockdown
- We celebrated our 20-year partnership with P&G in September, including a joint press release and social media content
- Pampers (P&G) donated an initial 10,000 nappies through a “Buy One, Donate One” campaign as part of #PampersforPremie in November and December, which will lead to a forecasted 500,000 nappy donation in 2022
- Carex (PZ Cussons) donated 500,00 bottles of handwash, and ran an in-store promotion campaign with on product logo placement

“We’re committed to ensuring no family goes without baby essentials such as nappies and through partnerships like this with In Kind Direct, we can help be there for babies and their families when they need us.”

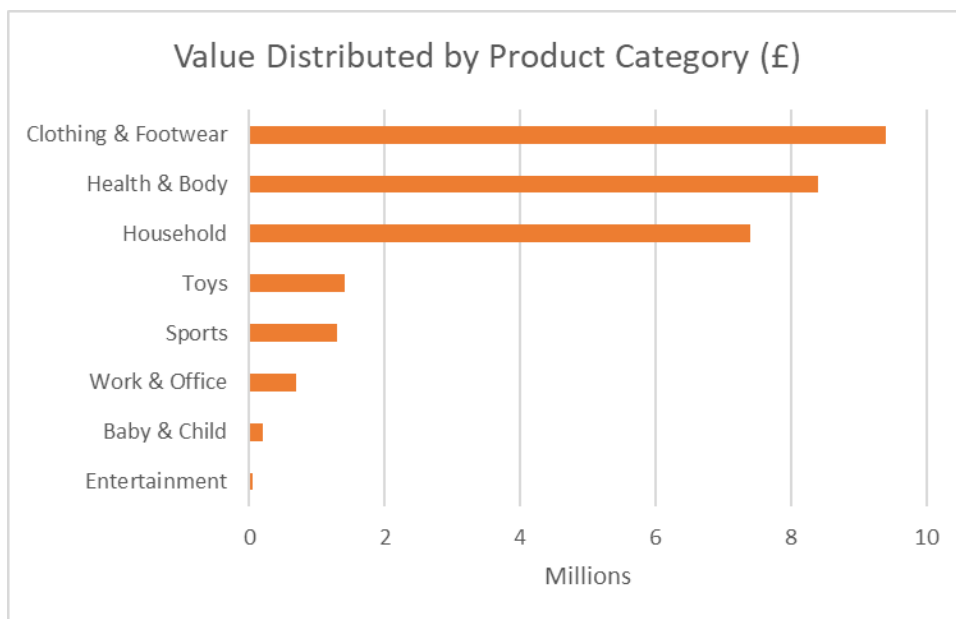
Selina Butler
Baby & Fem Care Communications
Manager, Pampers

- Escentual donated 18,000 units of children’s sunscreen alongside an online campaign to raise awareness of sun poverty
- Cif (Unilever) donated 250,000 Anti-Bac & Shine eco-refills
- Faith In Nature donated 3,400 bottles of bodywash through a “Buy One, Give One” campaign in September

Overall, we received 6,417 pallets of goods (equivalent to 247 lorry loads) from 118 companies during the year, 44 of which were new to working with us. This was almost 80% of the volume donated during the first wave of the pandemic across 2020 (8,078 pallets).

For a full list of organisations donating product in the year see page 6.

Fig C: Value of donated goods distributed in 2021 by product category



Campaigns & Brand

In the year, we ran campaigns across different communication channels aimed at raising awareness of our work and opportunities to address topical issues. As well as providing a calendar of engagement for current and prospective corporate partners, campaigns offer a strong mechanism for recruiting new charitable organisation to our network, and securing local, regional, and national PR coverage.

In the year we also began work to establish our tone of voice and develop awareness of our brand, and its potential. This positioning work will continue into 2022, as we relaunch our websites, continue our PR and social media efforts, and celebrate our 25th anniversary. We recruited a new Marketing Manager role to oversee these activities.

“We had a resident who had been showering in washing up liquid. Since we’ve been able to provide them with shower gel and hair products, she said she is feeling ‘human’ again”.

Streets Ahead for Information

Across the first half of the year, we ran our #commUNITY campaign. From February, the first campaign wave focussed on the reopening of community hubs and centres. The second wave focussed on supporting families and children’s mental health and wellbeing.

In July, we launched #SummerOfPlay in partnership with Save The Children. It supported children and lower-income families to get active during the summer, recognising the impact of lockdown restrictions on children's wellbeing and development. We distributed toys, games, sport supplies and books across the summer holidays. The insight of our network to identify key needs drove our conversations, including with five new companies, collectively donating 60,000 products. Through this six-week campaign, we distributed almost £500,000 of essential products to 1,400 local organisations.

In November and December, our "Warmth This Winter" campaign provided support to over 1,500 organisations in our network and focussed on our belief that everyone should feel emotional and physical warmth. Centred around a real essentials gift list of hygiene and other products, eight pieces of PR coverage were secured, across regional titles and radio. Over 75,000 winter products were distributed, and 126 charitable organisations joined our network.

Warehouse & Logistics

With a dramatic and sustained increase in orders, the increased demand and lockdown restrictions of the pandemic continued in the year. Based on our learnings from 2020, we remained operational throughout the entire year, with appropriate safety measures in place.

Over our twenty-five year operational history, we have developed a deep understanding of the specific processes and strategies required to deliver an efficient service for our corporate and charitable partners. Our Telford pick and pack operation and courier management is provided by a third party contractor, The Service Business (TSB), with whom we have worked closely to improve performance and efficiency since 2009. During further lockdown periods, the TSB fulfilment team maintained a weekly furlough cycle.

Operational efficiencies were achieved across the year, with streamlined picking, packing and storage solutions, as well as the rationalisation of temporary staff support. Orders were fulfilled more quickly, meaning products reached network partners and individuals that much sooner. Costs were also rationalised, with total logistics savings of over £130k in the year. Haulage costs and delays were experienced across the UK towards the end of the year, and In Kind Direct was no exception. Increased costs were largely offset by operational efficiencies and enabled robust cost modelling to support longer-term strategic planning. The charity experienced delays in some donations reaching the warehouse, due to the national shortage of lorry drivers.

As we embedded lessons from 2020, we continued our logistics review to facilitate projected growth. Our thanks to Mark Aspinall and Javelin for their generous support in this process.

The trustees extend their gratitude to TTS for their continued support with additional storage and transportation between warehouses across the year.

Because of the quantity, nature, and complexity of the products we handle, In Kind Direct has unique challenges in processing donated stock for distribution. Often, the product donations we receive from companies are hugely mixed and difficult to identify and categorise prior to reworking. This makes it impractical to value goods on receipt and, accordingly, goods are valued after being sorted, prepared and ready to be made available to charitable organisations.

Our well-established warehouse volunteer programme sees teams of volunteers from our corporate partners come into the warehouse to sort, pack and prepare donations of stock for distribution. With the lifting of some pandemic restrictions, we welcomed four groups from Lloyds Banking Group and Essity TORK in the year.

Systems & IT

In Kind Direct has a reputation for high quality IT systems that give an excellent standard of service and support to our customers. Our primary business applications, infrastructure, web platforms and data services are managed internally, with support from key suppliers. All aspects of the service are monitored for availability, scalability, and security.

Thanks to our prior program of investment in cloud technology and the resilience and flexibility it provides, In Kind Direct remained well positioned to adapt its operations as the pandemic continued. Office-based staff were able to move successfully between fully remote and hybrid working patterns as necessary. We recognise the adaptability of the team who together ensured the charity to exceed key KPIs and scale up our operations.

Throughout the year, traffic and volumes on our e-commerce and operational systems remained above pre-pandemic levels. Despite this, customers continued to receive the stable and consistent service they are used to. The charity continued to develop its systems and use of technology. This included:

- Continued adoption and integration of Dynamics 365, the third phase in a major 18-month systems upgrade. In the year this included donation pipeline management, corporate partner management and customer service
- Migration of finance processes to purpose-built systems, and automation of key tasks
- Initial review and development of network registration and renewal processes
- Staff training across systems, to support real-time reporting and insight
- Investment in improved meeting room technology to support hybrid working
- Recruitment of a new Business Systems Manager role within the Operations division

Equality, Diversity and Inclusion, HR & Restructuring

From September, we carried out an Equality, Diversity and Inclusion (EDI) review with all staff and trustees, supported by external consultants, Social Justice Collective. Building on our new purpose, values and 2025 vision as well as the updated Charity Governance Code, we want In Kind Direct to be an inclusive organisation, and ultimately to reflect more fully those we exist to serve. Awareness sessions, workshops and a people survey in the autumn helped inform our approach and next actions. From 2022 we will be delivering our new holistic People Plan.

With a new leadership team in place from December 2020, five new manager roles were recruited in the year to support our growth. In November we continued the transition to a structure to deliver on our 2025 vision. By mid-2022, a further six new roles will be recruited. This will allow us to address skills gaps, support the creation and stewardship of impactful partnerships, utilise our systems to deliver robust reporting and financial planning, and establish our voice externally.

In Kind Direct is fortunate to benefit from a dedicated and skilled staff team who have performed very well during this challenging period. We provide a range of staff benefits including performance related remuneration, insurance, learning and development opportunities, volunteering leave, health reimbursement scheme, cycle to work and childcare voucher schemes.

Our paid internships provide six to nine months' experience within a dynamic work environment. We are delighted that the intern scheme has helped provide a valuable starting point for individuals looking to start a career within the sector. In the year, no new internships were created. The two interns recruited in 2020 both successfully moved into permanent roles with the charity.

In Kind Direct International (IKDI) Network

In the year, there were four IKDI network members: In Kind Direct, the founder member; Innatura, a German licensee; Dons Solidaires, a French licensee; and In Kind Direct (Singapore). Collectively to date, IKDI network members have distributed goods with an estimated retail value of £630 million, received from more than 1,660 corporate product donors, to over 15,800 charitable organisations. During 2021, work took place to support the establishment of new network members in Switzerland and Italy:

- A new licensee, MateriaBona, joined the IKDI network in December 2021 and is operating in Switzerland.
- In Kind Direct (Italia) was incorporated in early 2021 and is expected to become operational once further work on the structure of the organisation has been completed to comply with Italian charity law requirements.

IKDI continues to review opportunities for potential expansion of the IKDI network.

In Kind Direct (Singapore) was granted charitable status in March 2021. Operations in Singapore continued to grow in the year, with the receipt of regular donations from two multinational donors. 29 charities received goods from In Kind Direct (Singapore) during the year. A review of the operating model was being carried out to assess the future strategic direction.

Demand for the services of established IKDI network members in the UK, France and Germany, continued during 2021, as network members supported communities affected by the Covid-19 pandemic. IKDI network members continued to work collaboratively during 2021, sharing know-how, experience, innovation, and donations, when appropriate. Regular conference calls were held throughout the year and the 2-day annual conference in November 2021 took place once again as a virtual event, due to the pandemic.

Since the IKDI network was formed in 2013, IKDI network members have shared donated goods between network members with an estimated retail value of £15.5 million. Goods are shared between network members if they are surplus to the requirements of the receiving network member or because a particular type of product is better suited to use in another country, for example due to need, size, labelling or configuration.

The financial results of IKDI have been consolidated in the Statement of Financial Activities and balance sheet of the In Kind Direct group, as In Kind Direct is the sole legal member of IKDI. This was the eighth year that IKDI has operated.

During 2021, IKDI received the following income:

	Unrestricted	Restricted
Licence fees	£39,000	-
Other income	£227	-
Donations and gift aid	£35,000	-
Total income	£74,227	-

IKDI's expenditure was as follows:

	Unrestricted	Restricted
Staff costs	£57,224	-
Audit and accounting services	£1,450	-
Licence fees to IKD	£2,998	-
Legal fees	£5,465	-
Other costs	£731	-
Total expenditure	£67,868	-

IKDI's reserves at the end of 2021 were:

	Unrestricted	Restricted
Balance on 1 January 2021	£64,235	£16,333
Movement during 2021	£6,359	-
Balance on 31 December 2021	£70,594	£16,333

Fundraising & Income Generation

In Kind Direct has a diversified income base comprising the following streams:

1) Contributions paid for our service by benefiting charitable organisations

It is free for charitable organisations to join our network. On ordering, charitable organisations pay a small charge which is a contribution to our costs for the provision of goods and includes UK delivery. This revenue is a crucial part of our income mix. In addition, we are required to levy a charge to protect donor companies from otherwise incurring VAT on the value of their donated goods. In 2021, we received contributions from recipient organisations of £2.2m, a decrease of 6% on the previous year (£2.3m).

2) Trading income

In Kind Direct has a wholly owned trading subsidiary called Trading IK which was set up in 2009 to help develop commercial income streams for the charity. All trading company net profits are gift aided to In Kind Direct.

One strand of the work is the public sale of goods donated to In Kind Direct, which are not suitable for distribution to our charity partners or are in excess of their requirements and have a commercial value. Products are sold via eBay, directly to purchasers or via partner organisations. No product is ever considered for this route without the explicit permission of the donating corporate partner, and consideration of the needs of our charitable partners.

Trading IK also facilitates various affiliate marketing schemes giving charitable organisations access to discounted products and services, particularly in categories where In Kind Direct struggles to secure adequate supplies of donated product. In 2021, we continued our existing schemes with Ryman, Staples Solutions, Robert Dyas, Office Depot and Enterprise Rent-a-Car to provide discounted access to office supplies, IT equipment and services to our charitable partners. Several of these schemes were severely affected by Covid-19 restrictions.

3) Fundraising

Another essential part of our income is support from companies, trusts & foundations and individuals who understand and are inspired by the unique impact of In Kind Direct's work. Fundraising is particularly important in ensuring charges for providing goods are as low as is sustainable. This ensures our service remains accessible to smaller charitable organisations who rely on the products we provide. Without our Patrons and other funders' support, our ability to maintain our service and trial new initiatives would simply not have been possible.

In Kind Direct's fundraising in 2021 was carried out by employed staff and a retained consultant. In December, a new Philanthropy Partnerships Manager was recruited. Our activities principally comprised seeking funding from trusts and foundations and the development of partnerships with companies and individuals through our Patrons programme. We did not use professional agencies to carry out fundraising activities in the year.

Several corporate partners provided significant financial support during the year in tandem with product donations, including Procter & Gamble, Primark, Amazon and Essity TORK. Our thanks also go to Lloyds Banking Group, our longest standing funder, for their continued stalwart support, and to Santander for their support to explore ways to address the UK's digital divide.

In October, we were delighted to host a Patrons event in London, as Covid-19 restrictions were eased. We welcomed individuals, grant givers and corporate partners to hear about our impact during the pandemic, and our 2025 vision. It was a wonderful opportunity to reconnect with longstanding partners in person, and to nurture new relationships. After being postponed in 2020, the London Marathon also went ahead, and we extend our enormous thanks to Daniele Sassoli and Tina Lally, who ran for In Kind Direct and together raised £2,600. We also carried out small scale public facing fundraising campaigns using the JustGiving platform.

In Kind Direct is a member of the Fundraising Regulator. We work hard to comply with the Code of Fundraising Practice for the UK across all our fundraising activities. We comply with the key principles and behaviours of the Code to ensure that any vulnerable persons are treated fairly. No complaints about fundraising activity were received during the year.

We require signed agreements from all of those who fundraise on our behalf controlling any use of our logo or branding. We had two Commercial Participation Agreement relating to financial donations in place during the year with a corporate partner. Where we do work with third parties such as corporate partners to raise funds, we have agreements in place with close monitoring of performance in line with these agreements.

In what has been a particularly challenging time for many we are hugely grateful and extend our thanks to everyone who provided support to the charity throughout the year.

Volunteers & Pro Bono Support

In Kind Direct's long-running warehouse volunteer scheme continued to be disrupted by the pandemic. Towards the end of the year, we welcomed four groups from Lloyds Banking Group and Essity TORK as restrictions allowed.

We were fortunate to receive the support of several companies and individuals who provided their services pro bono during the year. Our particular thanks go to Mark Aspinall at Javelin, regarding their support through our strategic review process regarding our logistics and operations.

The Trustees are hugely grateful to everyone who supported the charity through volunteering and donating time and expertise this year.

Financial review of 2021

	2021	2020	Variances	
	£	£	£	%
Charges for distributing goods	2,174,115	2,339,205	(165,090)	-7%
Unrestricted donations	318,983	710,536	(391,553)	-55%
Restricted donations	36,000	152,000	(116,000)	-76%
Total donations	354,983	862,536	(507,553)	-59%
Trading company gross income	242,528	113,100	129,428	114%
Gift aid donation from trading company	96,599	55,278	41,321	75%
Charitable activity costs	2,786,858	2,718,106	68,752	3%
Support costs	1,906,312	1,586,258	320,054	20%

In Kind Direct's logistics operations generated income of £2.17m (2020: £2.34m). Revenue charges income decreased slightly by £165k compared to 2020. The charity maintained the record growth of 2020, demonstrating that sustainable growth will be possible in future years.

Trade income through the trading company has more than doubled in the year to £242,528. This was due to new initiatives to generate income from products not suitable to support the work of our network partners, that would otherwise have gone to landfill or incineration. This meant that the gift aid payment from the trading company to In Kind Direct also increased from £55,278 in 2020 to £96,599 in 2021.

Over £29m of In Kind Direct's expenditure was the value of the products distributed which is offset by the same amount recognised as an income for accounting treatment purpose. As outlined previously, the nature and complexity of the products donated to In Kind Direct make it near-impossible to value goods at the point of receipt. A further £1.114m related to the costs of our logistics operation; the costs of maintaining our online ordering system; and the costs of In Kind Direct employees engaged in sourcing goods and servicing charity partners, as well as warehouse, distribution, and office expenses. See note 6 for an analysis of our expenditure.

Plans for the Future

In 2021, we created our 2025 vision, building on the extensive review and planning process initiated in 2020. Our ambition is to triple our impact through to 2025 (on a 2019 base). Our broad strategic priorities are summarised below. Each year we will review our organisational objectives to ensure we remain on track to meet this ambitious target.

[Our Strategic Priorities](#)

1. Transform our corporate partnerships

We build partnerships of equals with our corporate partners. We will develop bespoke programmes with our donors which lead to consistent and increasing supply of core products. We will communicate the impact of partnerships in an engaging, valuable and real-time manner.

2. Meet more of the needs of our communities

We will use data effectively to map need, fill gaps and drive decisions. Consistent product supply is key. We will add value for our partners and spread best practice. We will better target new partners with focused sector partnerships and improved, impactful storytelling.

3. Drive operational efficiency

We will review our operating model to build in flexibility and enable growth. We will automate and streamline key systems and use data to inform decisions across teams. We will understand our costs and ROI, and implement cost savings where possible.

4. Develop a more consistent and broad-based funding model

We will grow sustainable and long-term support from our corporate partners. We will reduce concentration risk by growing our pipeline of funders and shift to a proactive fundraising strategy. We will innovate and develop packages of funding for projects and impact.

5. Build a strong, fit for purpose organisation with a thriving culture

We will invest in our team as the foundation of our success. We will continue to build a safe and inclusive organisation that lives its values. Data and insight will drive efficiency and resilience. Impact will underpin our strategy, developing our voice to push for systemic change.

Operational Plan for 2022

As we work toward our long-term strategic goals, our operational plans and objectives for 2022 are summarised below. All key metrics will feed into six organisational measures of success:

- 311,000 people supported each week
- 4,200 charitable organisations receiving products
- £29.8m in savings unlocked for our network partners
- Environmental impact reduced (targets to be set in the year)
- 6 never out of stock (NOOS) lines across core product areas
- £3.7m income secured from all sources

We have embedded the “In Kind Direct Approach” across the organisation, ensuring the delivery of our operational plans and wider strategic ambition aligns with our purpose and values.

The In Kind Direct Approach

- An organisation that respects and reflects those we serve
- Insight powered by our systems
- Innovation unlocked by asking WHY and HOW
- Improving lives can’t cost the earth
- To be heard, we must make a noise

Objective	Summary Plans
1. More of the right product at the right time	<ul style="list-style-type: none"> • Reinvigorated corporate partner strategy, focussed on Big 17 core products lines • Ownership and strategic plan for impact beyond our catalogue • Innovative solutions for specialist product e.g., tech • Employee engagement programme for corporate partners
2. Better understand those we serve and our impact	<ul style="list-style-type: none"> • Delivery of four strands of commissioned research • Enable a user-developed service through Insights Panel, surveys, and inclusion in research scoping • Impact assessment review and continuous improvement • Network development strategy driven by end user needs and where In Kind Direct can have greatest impact
3. Grow our profile and supporter base	<ul style="list-style-type: none"> • Development of corporate website and ecommerce platform to improve user experience and engagement • 25th Anniversary programme • Sector strategy focus for great impact, and to determine where In Kind Direct has a voice for change • Patrons programme, focussed on multi-year support
4. Operational excellence driving insight and efficiency	<ul style="list-style-type: none"> • Operational review completed and recommendations implemented • Systems migration, automation and improvements including account management, finance and fundraising • Real time reporting and dashboarding to support self-serve for internal and external stakeholders • Know, track and reduce our cost to serve, to support a pricing model review • Improve customer onboarding and key journeys

<p>5. An organisation that lives its values</p>	<ul style="list-style-type: none"> • Implementation of EDI recommendations and framework • Governance review and trustee recruitment • Team development – 6 new roles • Develop staff benefits including learning and professional development opportunities • Carbon emissions baseline and reduction targets
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Structure, governance and management

In Kind Direct was founded in 1996 by our Royal Founding Patron, HRH The Prince of Wales. There are twelve trustees who meet quarterly as a Board, as does the Finance and Governance Committee. The latter Committee also constitutes the Remuneration Committee. There is also a Nominations Committee which meets as required.

New trustees are recommended by the Nominations Committee and appointed by the members in general meeting. The Board may appoint trustees to hold office until the next AGM where the appointment is approved by the members. Trustees are subject to retirement by rotation.

New trustees are given copies of the charity's legal documents, management information and accounts, together with general reading material about the charity and Charity Commission literature. This is followed by meetings with the Chief Executive and at least one other trustee as part of the induction process.

Trustees are sent training updates as appropriate throughout the year and are encouraged to visit and learn from the organisations benefiting from In Kind Direct's work and their beneficiaries. Network partners regularly share their impact and feedback at Board meetings.

In Kind Direct is also a company limited by guarantee. When a term of appointment as trustee/director ceases, membership of the company also ceases. In the event of winding up, the liability of each member of In Kind Direct is limited by guarantee to £10.

Day-to-day management of the charity is delegated to the Leadership Team led by the Chief Executive. Formal reporting by the Chief Executive to Trustees takes place regularly throughout the year. At the end of the period under review there were fifteen full-time and six part-time staff.

Since late 2020, In Kind Direct has been undertaking a Governance Review. A sub-group of the Board of Trustees and senior staff was created with delegated authority to explore, review, and recommend improvements to current practices. In September, this working group was disbanded, and the Finance and Audit Committee was reconvened as the Finance and Governance Committee with updated terms of reference and membership. The Governance Review is ongoing and will be completed in 2022. The extension of the Review was to accommodate the timing of, and enable the full engagement with, the charity's EDI Review which began in September. As well as a review of all operational and staff policies, changes to the Governance Code of Practice in 2020 will also be incorporated to the Governance Review, alongside developing and reviewing processes around how trustees are recruited, upskilled and their performance reviewed. These steps will align with our broader People Plan, building transparent and inclusive practices for all staff and volunteers.

Financial policies

Reserves policy

In 2018, the Board's review of the reserves policy concluded that the charity should aim to achieve unrestricted reserves equivalent to at least four months' operational cashflow (2021: £567,000), with a longer-term aspiration that the Group achieve a minimum of six months' unrestricted

reserves. This policy is assessed annually by the Finance & Governance Committee to ensure that it remains appropriate. The Group reserves as at 31 December 2021 were as follows:

Unrestricted reserves	£ 761,823
Restricted reserves	£ 698,380
Designated reserves	£ 635,000

Total Group reserves as at 31 December 2021 £ 2,095,203

The Group unrestricted reserves balance of £761,823 equates to 5.3 months of operating costs for In Kind Direct and represents a decrease of £515,984 compared to the previous year (2020: £1,277,807). This is mainly due to the designation of £635,000 for specific projects to deliver our 2025 strategy, which is offset with an operating surplus of £119,016 in the year.

This means that the Group ended the year having achieved reserves in line with its reserves policy. The designated budget approved by the Trustees included a new warehouse and systems upgrade & integration logistics platform, upgraded websites and commissioned research.

Within the restricted funds (note 15a), £656,303 relates to the grant income received and receivable from Lloyds Banking Group towards the cost of In Kind Direct's offices, less expenditure to date. This includes an accrual of the remaining grant income receivable. A further £30,800 is being retained as a separate restricted fund to pay for office dilapidations, should a break clause within the lease be exercised after 4 years.

Investment policy

In Kind Direct's investment policy is to place funds in excess of short-term commitments on deposit for one to three months, leaving a sufficient balance in the current account. It is the opinion of the Board of Trustees that the interest earned is paid at a competitive market rate and that these investments perform to an acceptable level. Currently no funds are held on deposit. A review of the charity's investments will be carried out in 2022.

In Kind Direct's policy with regard to donated shares is that they will generally be sold at the earliest opportunity subject to any restrictions on sale. Staff seek concurrence prior to any proposed disposal from a member of the Finance and Governance Committee before either proceeding with the sale or give an explanation for not realising the value as soon as the restriction has lapsed. Currently no donated shares are held.

Executive Pay and Remuneration

Our approach to pay is to provide fair remuneration packages for people who can help the charity to maximise its impact. To do this we seek to balance the need to attract, develop and retain individuals with a need to ensure value for money for the charity.

We aim to provide remuneration packages and benefits that are competitive within the charity sector, proportionate to the complexity and scope of each role, and in line with our charitable objectives. We meet all national pay standards and provide all staff including interns with the Real Living Wage as a minimum.

The Remuneration Committee of the Board reviews and monitors senior staff pay, including the pay of the Chief Executive. Periodically, remuneration levels are reviewed and benchmarked by outside industry specialists.

Qualifying indemnity insurance

The charitable company has granted an indemnity to its directors and officers against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity insurance remains in force as at the date of approving the Trustees' report.

Risk policy and management

The Trustees review the assessment of major risks to which the charity is exposed. The Leadership Team has compiled a risk register, which they also regularly monitor and amend as necessary. Risks are scored by likelihood and impact both prior and post mitigation measures taken. Management of risks with strategies to minimise and mitigate them is an ongoing task of the Leadership Team. Changes are reported to the Board at quarterly meetings. The top three risks faced by the charity at December 2021 were:

Risk	Example Management & Mitigation Measures
Excessive reliance on a small number of companies/key contacts at these companies	<ul style="list-style-type: none"> • New business development to spread risk • Strengthen relationships with current partners • Multi-layer stewardship across organisations • Corporate Partner tiering process in place • Regular reporting and migration to Dynamics
Reliance on key staff to maintain business continuity	<ul style="list-style-type: none"> • Regular leadership team meetings • 3 month notice period for new managers • Documentation of all operational processes • Handover across Leadership team for periods of leave • Robust change management process to maintain business continuity during transition periods • Training on key tasks shared across functions
Failure to provide goods requested/needed by charity partners	<ul style="list-style-type: none"> • Regular communication across teams to identify core product categories and quantify need • Strengthen relationships with current partners • Monitoring of type and quantities of products requested • Process for Goods Acceptance

Environmental policy

In Kind Direct, a registered charity, distributes product from manufacturers and retailers to UK charitable organisations working at home and abroad. As well as helping charitable organisations, our work has a positive impact on the environment by diverting goods that might otherwise go to waste as landfill or external recycling, generating greenhouse gases. We also support an environmentally conscious approach by:

- Encouraging and supporting network partners to act in an environmentally responsible way
- Advocating a reduce, reuse, recycle approach to products
- Supporting the trial and distribution of "green" products and having a clear ethical donation policy for accepting donated products and services

We recognise our obligation to comply with the law and to carry out our work in an as environmentally sound manner as possible. In the year we established our baseline carbon emissions, to help us to set meaningful reduction targets from 2022.

In Kind Direct is committed to supporting a just transition to net zero and reducing the environmental impact of our operations and service delivery. We commit to monitoring our carbon emissions and resource usage. We will also establish a decision-making framework which supports staff to assess actions and services that have a positive environmental impact, but which may require more resource to implement, as well as the impact of new projects.

Our environmental statement and full environmental policy is available on our website.

Directors and trustees

The directors and trustees of In Kind Direct during the year and up to the date the accounts were approved were as follows:

Debra Allcock Tyler	
Scott Barton	
Graham Burridge	
Barry Furlong	
Tim Hinton	
Graham Inglis	
Ajay Kavan	
Tom Moody	
Martin Newman	
Andrew Rubin	Resigned 31 March 2022
Teresa Tideman (Chair)	
Richard Wolff	
Alec Grant	Appointed 29 th June 2022
Ayshea Farooq	Appointed 29 th June 2022
Chirag Patel	Appointed 29 th June 2022

Changes in fixed assets

£15.1k was invested in fixed assets in 2021 relating to video conferencing equipment & investment on the accounts payable automation systems in response to changes to the way we operated during the pandemic.

Statement of trustees' responsibilities

The Trustees, who are also directors of In Kind Direct for the purposes of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;

- 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 charitable company will continue in business.

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

The trustees are responsible for the integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to the auditor so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Related Parties

None of In Kind Direct's trustees are employed by a company with which In Kind Direct has a commercial relationship. However, one of the Trustee (Graham Burrige) was engaged as a consultant and paid for his service as interim finance manager until the position was filled (see note 8).

Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Graham Burrige, who is Chair of the subsidiary, is also a director/trustee of In Kind Direct. Rosanne Gray, Chief Executive also served as a directors of Trading IK Ltd during the year. Linda Kelly, Head of Finance left In Kind Direct, also serving as a director for TIK, in the year.

In Kind Direct is the sole legal member of IKDI. Three director/trustees of In Kind Direct are director/trustees of IKDI. They are Teresa Tideman, Graham Inglis and Richard Wolff. Rosanne Gray, Chief Executive of In Kind Direct is also a director/trustee of IKDI.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Auditors

Haysmacintyre LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board

T M Tideman

Teresa Tideman

Date: 28th August 2022

Independent Auditor's report to the members of In Kind Direct Opinion

We have audited the financial statements of In Kind Direct for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statement of Cash Flows and notes to the financial statements. 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 parent charitable company's affairs as at 31 December 2021 and of the group's net movement in funds, including the 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 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. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of the meeting minutes of the board of trustees and sub-committees;
- Identifying and testing journals, in particular journal entries posted that significantly impact on the result for the year, posting in areas subject to significant judgements or estimates, postings in accounts that are considered higher risk; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company's members, as a body, for our audit work, for this report, or for the opinion we have formed.



Richard Weaver (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 30 August 2022

Consolidated Statement of Financial Activities (including income & expenditure account) for the year ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Totals 2021 £	Unrestricted Funds £	Restricted Funds £	Totals 2020 £
INCOME							
Income from donations							
Value of donated goods distributed	4	29,198,822	-	29,198,822	16,302,722	10,002,005	26,304,727
Donations	3	318,983	36,000	354,983	710,536	152,000	862,536
Donated services for own use	4	97,874	-	97,874	252,305	-	252,305
Income from charitable activities:							
Retail donation registration fees		-	-	-	3,315	-	3,315
Charges for providing goods		2,174,115	-	2,174,115	2,339,205	-	2,339,205
Other charitable income		65,482	-	65,482	72,851	-	72,851
Income from other trading activities:							
Commercial trading operations	5	242,528	-	242,528	113,100	-	113,100
Investment income		-	-	-	212	-	212
TOTAL INCOME		<u>32,097,804</u>	<u>36,000</u>	<u>32,133,804</u>	<u>19,794,246</u>	<u>10,154,005</u>	<u>29,948,251</u>
EXPENDITURE							
Costs of Raising Funds:							
Costs of Raising Funds	6	103,685	11,177	114,862	88,027	5,240	93,267
Costs of Trading Activities	6	73,551	-	73,551	54,222	-	54,222
		<u>177,236</u>	<u>11,177</u>	<u>188,413</u>	<u>142,249</u>	<u>5,240</u>	<u>147,489</u>
Expenditure on Charitable Activities:							
Distribution of donated goods	6	29,198,822	-	29,198,822	16,302,722	10,002,005	26,304,727
Other Charitable Costs	6	2,602,730	184,128	2,786,858	2,560,741	157,365	2,718,106
		<u>31,801,552</u>	<u>184,128</u>	<u>31,985,680</u>	<u>18,863,463</u>	<u>10,159,370</u>	<u>29,022,833</u>
TOTAL EXPENDITURE	6	<u>31,978,788</u>	<u>195,305</u>	<u>32,174,093</u>	<u>19,005,712</u>	<u>10,164,610</u>	<u>29,170,322</u>
Net Income for the Year Before Transfers		119,016	(159,305)	(40,289)	788,534	(10,605)	777,929
Gross Transfers Between Funds		-	-	-	-	-	-
Net Movement in funds		<u>119,016</u>	<u>(159,305)</u>	<u>(40,289)</u>	<u>788,534</u>	<u>(10,605)</u>	<u>777,929</u>
Funds brought forward at 1 January		1,277,807	857,685	2,135,492	489,273	868,290	1,357,563
Funds carried forward at 31 December	15a	<u>1,396,823</u>	<u>698,380</u>	<u>2,095,203</u>	<u>1,277,807</u>	<u>857,685</u>	<u>2,135,492</u>

The financial activities above relate wholly to the continuing activities of In Kind Direct. There are no recognised gains or losses other than those dealt with in the above statement.

The notes on page 35 to 46 form part of these financial statements.

Consolidated Balance Sheet at 31 December 2021

	Notes	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	1,393	-	1,393	3,607	-	3,607
Intangible assets	11	71,748	-	71,748	92,424	-	92,424
Public benefit concessionary loan		20,000	-	20,000	20,000	-	20,000
Fixed Assets		<u>93,142</u>	<u>-</u>	<u>93,142</u>	<u>116,032</u>	<u>-</u>	<u>116,031</u>
Current assets							
Debtors	13	130,866	368,716	499,582	129,087	519,023	648,110
Cash at bank and in hand		<u>1,384,319</u>	<u>329,664</u>	<u>1,713,983</u>	<u>1,326,689</u>	<u>338,662</u>	<u>1,665,351</u>
		1,515,184	698,380	2,213,565	1,455,776	857,685	2,313,461
Creditors: amounts falling due within one year	14	(211,503)	-	(211,503)	(294,000)	-	(294,000)
Net current assets		<u>1,303,681</u>	<u>698,380</u>	<u>2,002,062</u>	<u>1,161,775</u>	<u>857,685</u>	<u>2,019,460</u>
Net assets		<u>1,396,823</u>	<u>698,380</u>	<u>2,095,203</u>	<u>489,273</u>	<u>868,290</u>	<u>2,135,492</u>
Funds							
Balance at 1 January		1,277,807	857,685	2,135,492	489,273	868,290	1,357,563
Movement in Funds		119,016	(159,305)	(40,289)	788,534	(10,605)	777,929
Balance at 31 December	15a	<u>1,396,823</u>	<u>698,380</u>	<u>2,095,203</u>	<u>1,277,807</u>	<u>857,685</u>	<u>2,135,492</u>

These financial statements were approved and authorised for issue by the directors and were signed on their behalf by:

T M Tideman

Teresa Tideman

Director and Trustee

28th August 2022
Date:.....

The notes on page 35 to 46 form part of these financial statements.

Company Balance Sheet at 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fixed assets							
Tangible assets	10	1,393	-	1,393	3,607	-	3,607
Intangible assets	11	71,748	-	71,748	92,424	-	92,424
Investments	12	1	-	1	1	-	1
		<u>73,142</u>	<u>-</u>	<u>73,142</u>	<u>96,032</u>	<u>-</u>	<u>96,032</u>
Current assets							
Debtors	13	123,034	368,716	491,750	106,588	519,023	625,610
Investments		-	-	-	-	-	-
Cash at bank and in hand		1,237,065	329,664	1,566,729	1,243,612	338,662	1,582,274
		<u>1,360,099</u>	<u>698,380</u>	<u>2,058,479</u>	<u>1,350,200</u>	<u>857,685</u>	<u>2,207,885</u>
Creditors: amounts falling due within one year	14	(190,924)	-	(190,924)	(279,271)	-	(279,271)
Net current assets		<u>1,169,175</u>	<u>698,380</u>	<u>1,867,555</u>	<u>1,070,929</u>	<u>857,685</u>	<u>1,928,614</u>
Net assets		<u>1,242,317</u>	<u>698,380</u>	<u>1,940,697</u>	<u>1,166,961</u>	<u>857,685</u>	<u>2,024,646</u>
Funds							
Balance at 1 January		1,166,961	857,685	2,024,646	366,740	868,291	1,235,031
Movement in Funds		75,356	(159,305)	(83,949)	800,221	(10,606)	789,615
Balance at 31 December	15b	<u>1,242,317</u>	<u>698,380</u>	<u>1,940,697</u>	<u>1,166,961</u>	<u>857,685</u>	<u>2,024,646</u>

In Kind Direct has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present the Statement of Financial Activities and Income and Expenditure Account of the parent charitable company in these financial statements. Income of the parent company amounted to £32,017,947 (2020: £29,859,964). The result for the year is a net movement of funds of (£83,949) (2020: £789,615).

These financial statements were approved and authorised for issue by the directors and were signed on their behalf by:

T M Tideman

Teresa Tideman

Director and Trustee

Date: 28th August 2022
Date:.....

The notes on pages 35 to 46 form part of these financial statements.

Consolidated and Company Statement of Cash Flows

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash provided/(used in) by operating activities	20	63,730	1,226,439	(447)	1,249,676
Cash flows from investing activities					
Interest income		-	212	-	212
Transfer of cash to current asset investments		-	-	-	-
Purchase of fixed assets		(15,098)	(36,551)	(15,098)	(36,551)
Cash (used in) investing activities		(15,098)	(36,340)	(15,098)	(36,340)
Cash flows from financing activities					
Increase/(decrease) in cash and cash equivalents in the year		48,632	1,190,099	(15,545)	1,213,336
Cash and cash equivalents at the beginning of the year		1,665,351	475,252	1,582,274	368,938
Total cash and cash equivalents at the end of the year		<u>1,713,983</u>	<u>1,665,351</u>	<u>1,566,729</u>	<u>1,582,274</u>

No analysis of changes in net debt is presented as the charity and group has no borrowings.

Notes to the Financial Statements – year ended 31 December 2021

1. Principal accounting policies

General Information

In Kind Direct is a charitable company limited by guarantee, incorporated in England and Wales (company number 03155226) and registered with the Charity Commission (charity registration 1052679). The registered office address is: 11 – 15 St Mary at Hill, London, EC3R 8EE.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts, the Companies Act 2006 and applicable accounting standards (FRS 102). In Kind Direct meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings as per note 5 of their accounts. The accounts have been consolidated on a line-by-line basis, after eliminating the intercompany balances and transactions in full.

Going concern

The trustees are confident that In Kind Direct will remain a going concern and that there are no known material uncertainties about the charity's ability to continue. A cash flow forecast has been prepared for the 12-month period following the date of signing of the accounts. This forecast includes all funding received to date as well as committed funding. Assumptions have been made around charges for goods income that show an increase of 16% growth against the 2021 targets which is in line with the 2025 strategy. Unrestricted cash balances remain positive for the whole period and are expected to exceed the minimum requirement of £100,000.

Fund Accounting

Unrestricted funds (both general & designated) include funds and goods donated for distribution. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds of the charity that the trustees have set aside for particular purposes. The Board of trustees agreed in 2021 to ringfence £635k of the unrestricted reserve for specific projects to support the 2025 strategy growth (see note 15 for details).

Restricted funds are funds and goods donated for distribution, which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income

All income is recognised in the SOFA when the charity has entitlement to the income, there is reasonable certainty of receipt, and the amount can be measured. Event income and charges for our service providing products are treated as income of the period to which they relate. Registration fees are generally non-refundable and are applied to income at the beginning of the year to which they relate. Interest receivable is treated as income of the period in which it accrues.

Goods and services donated for the charity's own use

Goods, office cleaning and printing facilities, consultancy work and other services donated for the charity's own use are recognised in the Statement of Financial Activities as both income and expenditure or capitalised if it is a capital item on the basis of the value of the gift to the charity.

Goods donated for onward distribution

Goods donated for onward distribution are included as both income and expenditure, at the time of distribution, at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition. By their very nature, the product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt.

Expenditure

Expenditure is classified in accordance with the Statement of Recommended Practice as shown below:

Charitable Activities - all expenditure directly relating to the objects of the charity including the direct cost of supporting charitable activities and covers the following activities as incurred:

Identification of potential donors, obtaining donated goods for onward distribution, the processes for distributing, reporting and accounting for those goods; the recruitment and registration of charities and maintenance of data relating to those charities.

Governance Costs – Being financial, legal, and administrative expenses incurred in connection with enabling the charitable company to comply with external regulations, constitutional and statutory requirements; and in providing support to the trustees in the discharge of their statutory duties. These costs are included within support costs.

Costs of Generating Funds - The costs incurred to obtain voluntary contributions to the charity including expenditure on increasing In Kind Direct's general resources other than through obtaining registration income or goods for distribution and for improving general awareness of In Kind Direct within the overall community.

Support Costs - Expenditure incurred on activities falling directly within one expenditure classification is charged directly to that classification. Expenditure incurred on activities falling in more than one cost category is apportioned as follows:

According to the time spent by each member of staff on activities within that category.

Office expenses:	In the same overall ratio as staff costs.
Depreciation:	In the same overall ratio as staff costs

Taxation

As a registered charity, the company is potentially exempt from taxation of its income and gains to the extent that these are applied to its charitable objectives. The company is registered for VAT. Income Tax recoverable under Deeds of Covenant and Gift Aid is accounted for on a receivable basis.

Termination costs

All costs included in terminating employee contracts are accounted for on an accrual basis and disclosed in aggregate within staff costs. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Pension costs

Contributions to group personal money purchase pension schemes are charged to the Statement of Financial Activities on an accruals basis.

Operating leases

Operating lease rentals are charged to the SOFA over the term of the lease. Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

Tangible fixed assets

Fixed assets are capitalised in the balance sheet at cost or, for donated goods, at estimated market value, except for items costing less than £2,000, which are expensed in the year of purchase. Depreciation is calculated so as to write off the cost of tangible fixed assets, less the estimated residual values, on a straight-line basis over the estimated economic lives of the assets concerned. Computers and other capital equipment is written off over three years.

Intangible fixed assets

Intangible assets are initially recognised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. In Kind Direct's intangible fixed assets consist of software development costs. Amortisation is charged on a straight-line basis over the estimated useful economic life of the software (from two to six years) and is included in Finance & IT support costs in the SOFA.

Public benefit concessionary loans

The group provides a loan to further its charitable purposes at rates below prevailing market rates. In accordance with section 34 of FRS102 this loan has been classified and accounted for as a concessionary loan. Such loans are initially recognised and measured at the amount provided and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairments.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

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

Creditors and provisions are recognised where the charity 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.

Financial instruments

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.

2. Critical accounting judgements and estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the group's and parent charitable company's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those areas subject to judgement and uncertainty are as follows:

- Valuation of goods distributed
- Valuation of other goods and services received in kind for the charity's own use.
- Accrued income and expenditure
- Cross charges of staff time spent between the 3 group entities.

Goods donated for onward distribution are valued at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition.

Other goods and services received are valued either by the donor, or where no value is given, valued at the equivalent market cost were these to be purchased directly by the charity.

Accrued income and expenditure are estimated where no invoice has been provided. These estimates are based either on third party evidence or on known values as yet not invoiced by the group.

Cross charges of staff time spent are based on reasonable estimates of how much time staff employed by In Kind Direct spend working on matters related to Trading IK Limited or IKDI.

3. Other Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Charitable Trusts	276,839	318	277,157	331,837	82,000	413,837
Business donations	37,826	30,000	67,826	344,914	70,000	414,914
Donations by individuals	4,318	5,682	10,000	33,785		33,785
Total Donations	318,983	36,000	354,983	710,536	152,000	862,536

4. Donated goods and services

Donated goods and services were applied to the activities of the charity as follows:

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Total Value of donated goods distributed	29,198,822	-	29,198,822	10,002,005	16,302,722	26,304,727
Total Value of Services donated for own use	97,874	-	97,874	-	252,305	252,305
Total Donations	29,296,696	-	29,296,696	10,002,005	16,555,027	26,557,032

5. Subsidiary undertakings

Trading IK Limited

Trading IK Limited (Company no. 06950193) is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its registered office address is 11 -15 St Mary at Hill, London, EC3R 8EE.

Its principal activity is generating alternative sources of income such as eBay sales and affiliate marketing agreements. The company gift aids its taxable profits to the parent company. The results for the trading company for the year ended 31 December 2021 were:

	31 December 2021 £	31 December 2020 £
Turnover	242,528	113,100
Cost of sales	(71,512)	(40,138)
Gross profit	171,016	72,962
Distribution costs	(3,226)	(11,156)
Administration costs	(3,613)	(6,528)
Profit for the year	164,177	55,278
Gift Aid to In Kind Direct	(96,599)	(41,513)
Movement in Shareholder's Funds After Gift Aid	67,578	13,765

Administration costs relate to audit fees and other professional fees from In Kind Direct to Trading IK Limited (2021: £4,800; 2020 £3,600) for the use of staff and resources. These have been eliminated on consolidation.

	£	£
Current assets	133,009	49,205
Creditors and accruals	(65,431)	(18,926)
Net Assets	67,578	30,278

At the balance sheet date the company owed a balance of £46,660 to In Kind Direct.

Subsidiary undertakings - Continued

IKDI

IKDI is a charitable company incorporated in England & Wales, (Charity no. 1157417; Company no. 08478660) of which In Kind Direct is the sole member. Its registered office address is 11 - 15 St Mary at Hill, London, EC3R 8EE. The results of the subsidiary charitable company for the year were as follows:

	31 December 2021 £	31 December 2020 £
Income	74,227	39,246
Expenditure	(67,868)	(64,698)
Net surplus/(expenditure)	6,359	(25,452)
Funds brought forward at 1 January	80,568	106,020
Funds carried forward at 31 December	86,927	80,568

Total expenditure relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2021: £57,224 ; 2020: £57,370) for the use of staff and resources . These have been eliminated on consolidation.

At the balance sheet date the charity owed a balance of £22,041 to In Kind Direct.

6. Expenditure

	Direct cost £	Support cost £	Total 2021 £	Direct cost £	Support cost £	Total 2020 £
Cost of Charitable Activities						
Distribution of donated goods	29,198,822	-	29,198,822	26,304,727	-	26,304,727
Other charitable costs	<u>1,036,260</u>	<u>1,750,598</u>	2,786,858	<u>1,223,999</u>	<u>1,494,107</u>	2,718,106
	30,235,082	1,750,598	31,985,680	27,528,726	1,494,107	29,022,833
Cost of Generating Funds						
Fundraising activities	5,214	109,648	114,862	1,116	92,151	93,267
Trading activities	<u>73,551</u>	<u>-</u>	73,551	<u>54,222</u>	<u>-</u>	54,222
	78,765	109,648	188,413	55,338	92,151	147,489
Total Expenditure	<u>30,313,847</u>	<u>1,860,246</u>	32,174,093	<u>27,584,064</u>	<u>1,586,258</u>	29,170,322

7. Support costs

Support costs are the costs of premises, facilities, staff and office overheads and are allocated to the activities of the charity as follows:

	Cost of Charitable Activities £	Costs of generating funds £	Total 2021 £	Total 2020 £
Management/Other	683,966	41,741	725,707	668,227
Finance & IT	206,061	12,576	218,637	189,376
Logistics	333,987	20,383	354,370	227,400
Charities	378,740	25,925	404,665	163,203
Fundraising	53,972	3,294	57,266	250,722
Premises	93,872	5,729	99,601	87,331
	<u>1,750,598</u>	<u>109,648</u>	1,860,246	<u>1,586,258</u>

Support costs are included in the expenditure in the SOFA and have been allocated on the basis of time spent.

Governance costs total	<u>74,121</u>	<u>85,117</u>
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8. Employees

Staff costs comprise:	Total	Total
	2021	2020
	£	£
Salaries and wages	921,202	841,093
Social security costs	97,578	82,991
Other pension costs	82,315	68,434
Org. restructure costs*	113,127	-
	<u>1,214,222</u>	<u>992,518</u>

* Organisation restructure costs comprise those costs associated with the termination of employee contracts

The average number of employees during the year, analysed by function, was:

	2021	2020
Distribution of donated goods	20	18
Governance	<u>2</u>	<u>1</u>
	<u>22</u>	<u>19</u>

The number of employees earning in excess of £60,000 is as follows:

£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,000 - £100,000	1	-
£140,000 - £150,000	<u>1</u>	<u>1</u>

The key management personnel of In Kind Direct, the parent charity, comprise the Chief Executive Officer and Executive Directors. The comparatives for 2020 comprises the CEO & 6 head of departments. The total employee benefits (including employer's national insurance contributions) of the key management personnel of In Kind Direct were £472,674 (2020: £549,150).

The trustees did not receive remuneration for their services to the company during the period (2020: £nil), however one Trustee (Graham Burrige) has received £10,890 for his service as interim finance manager until the position was filled.

No expenses incurred by any trustee were reimbursed by the charity (2020: £nil).

9. Net income for the year is stated after charging:

	2021	2020
	£	£
Auditor remuneration - audit fee	15,750	12,750
Operating Lease rentals	71,676	65,736
Depreciation	<u>37,989</u>	<u>39,955</u>

10. Tangible Fixed Assets

	Warehouse Equipment Unrestricted Funds £	IT Equipment Unrestricted Funds £	Total 2021 £
Cost as at 1 January 2021	15,907	-	15,907
Additions during year	2,518	5,570	8,088
Transfer to intangible assets	-		-
Cost as at 31 December 2021	<u>18,425</u>	<u>5,570</u>	<u>23,995</u>
Depreciation as at 1 January 2021	(12,300)	-	(12,300)
Charge for year	(6,125)	(4,177)	(10,302)
Depreciation as at 31 December 2021	<u>(18,425)</u>	<u>(4,177)</u>	<u>(22,602)</u>
Net book value as at 1 January 2021	<u>3,607</u>	-	<u>3,607</u>
Net book value as at 31 December 2021	<u>-</u>	<u>1,393</u>	<u>1,393</u>

11. Intangible Fixed Assets

	IT Systems Unrestricted Funds £	Total 2021 £
Cost as at 1 January 2021	145,345	145,345
Additions during year	<u>7,010</u>	<u>7,010</u>
Cost as at 31 December 2021	<u>152,355</u>	<u>152,355</u>
Depreciation as at 1 January 2021	(52,920)	(52,920)
Charge for year	<u>(27,687)</u>	<u>(27,687)</u>
Depreciation as at 31 December 2021	<u>(80,607)</u>	<u>(80,607)</u>
Net book value as at 1 January 2021	<u>92,425</u>	<u>92,425</u>
Net book value as at 31 December 2021	<u>71,748</u>	<u>71,748</u>

**12. Investment
(Charity)**

	Unrestricted Funds £	Total 2021 £
Shares - subsidiary company Trading IK Ltd	<u>1</u>	<u>1</u>
Cost at 1 January 2021 and 31 December 2021	<u>1</u>	<u>1</u>

13a. Debtors - unrestricted

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Prepayments	4,667	53,107	4,667	53,107
Trade debtors	86,037	53,093	9,503	10,900
Intercompany debtors	-	-	68,701	26,767
Taxation and social security	-	158	-	-
Accrued income*	40,162	22,729	40,162	15,814
	130,866	129,087	123,034	106,588

* Mostly donations recognised in the 2021 accounts but received early in 2021, and commissions due to trading subsidiary (group accounts).

13b. Debtors - restricted

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Grant income debtor*	368,716	519,023	368,716	519,023
	368,716	519,023	368,716	519,023

*This represents the value of the grant receivable by In Kind Direct until March 2025 in respect of the charity's office accommodation. The 2021 grant was received at the end of 2021

14. Creditors: amounts falling due within one year - unrestricted

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	(82,764)	(154,985)	(66,479)	(154,034)
Accruals	(50,451)	(32,249)	(44,758)	(21,107)
Taxation and social security	(78,288)	(106,766)	(79,687)	(104,130)
	(211,503)	(294,000)	(190,924)	(279,271)

15a. Reserves (Group) 2021

	Balance at 1 Jan 2021	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2021
Restricted Funds:	£	£	£	£	£
1 Lloyds Bank Premises Fund	760,303	-	(99,600)	(4,400)	656,303
2 Premises Fund 3 - dilaps	26,400	-	-	4,400	30,800
3 P&G Emergency Fund	982	-	(982)	-	-
4 Sir James Knott	-	5,000	(5,000)	-	-
5 JR Corah Foundation Fund	-	1,000	(1,000)	-	-
6 Barclays COVID-19	70,000	-	(58,723)	-	11,277
7 Santander	-	30,000	(30,000)	-	-
8 Value of goods distributed	-	-	-	-	-
Total Restricted Funds	857,685	36,000	(195,305)	-	698,380
Unrestricted Funds - General	1,277,807	32,097,804	(31,978,788)	(635,000)	761,823
9 Unrestricted Funds - Designated	-	-	-	635,000	635,000
Total Unrestricted Funds	1,277,807	32,097,804	(31,978,788)	-	1,396,823
Total Funds	2,135,492	32,133,804	(32,174,093)	-	2,095,203

Details

1. Funds to pay rent, service charge, utilities and other office running costs.
2. Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
3. Funds towards supporting charities helping people affected by emergency situations.
4. Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the IKD service.
5. Same purpose as no. 4 above.
6. Funds towards helping charities in their community efforts against COVID-19.
7. Funds towards supporting IKD's operations in distributing technology products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
8. These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.
9. Board agreed to designate £635,000 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy growth.

15a. Reserves (Group) 2020

	Balance at 1 Jan 2020	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2020
Restricted Funds:	£	£	£	£	£
1 Lloyds Bank Premises Fund	845,034	-	(80,331)	(4,400)	760,303
2 Premises Fund 3 - dilaps	22,000	-	-	4,400	26,400
3 P&G Emergency Fund	1,257	-	(275)	-	982
4 Sir James Knott	-	5,000	(5,000)	-	-
5 GJW Turner Trust	-	2,000	(2,000)	-	-
6 Barclays COVID-19	-	70,000	-	-	70,000
7 The Prince of Wales Charitable Foundation	-	75,000	(75,000)	-	-
8 Value of goods distributed	-	10,002,005	(10,002,005)	-	-
Total Restricted Funds	868,291	10,154,005	(10,164,610)	-	857,685
Unrestricted Funds	489,273	19,794,246	(19,005,712)	-	1,277,807
Total Funds	1,357,564	29,948,251	(29,170,322)	-	2,135,492

Details

1. Funds to pay rent, service charge, utilities and other office running costs.
2. Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
3. Funds towards supporting charities helping people affected by emergency situations.
4. Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the IKD service.
5. Same purpose as no. 4 above.
6. Funds towards helping charities in their community efforts against COVID-19.
7. Funds towards supporting IKD's operations in distributing technology products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
8. These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

15b. Reserves (Charity) 2021

	Balance at 1 Jan 2021 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2021 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	760,303	-	(99,600)	(4,400)	656,303
2 Premises Fund 3 - dilaps	26,400	-	-	4,400	30,800
3 P&G Emergency Fund	982	-	(982)	-	-
4 Sir James Knott	-	5,000	(5,000)	-	-
5 JR Corah Foundation Fund	-	1,000	(1,000)	-	-
6 Barclays COVID-19	70,000	-	(58,723)	-	11,277
7 Santander	-	30,000	(30,000)	-	-
8 Value of goods distributed	-	-	-	-	-
Total Restricted Funds	857,685	36,000	(195,305)	-	698,380
Unrestricted Funds - General	1,166,961	31,981,947	(31,906,591)	(635,000)	607,317
9 Unrestricted Funds - Designated	-	-	-	635,000	635,000
Total Unrestricted Funds	1,166,961	31,981,947	(31,906,591)	-	1,242,317
Total Funds	2,024,646	32,017,947	(32,101,896)	-	1,940,697

Details

1. Funds to pay rent, service charge, utilities and other office running costs.
2. Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
3. Funds towards supporting charities helping people affected by emergency situations.
4. Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the IKD service.
5. Same purpose as no. 4 above.
6. Funds towards helping charities in their community efforts against COVID-19.
7. Funds towards supporting IKD's operations in distributing technology products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
8. These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.
9. Board agreed to designate £635,000 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy growth.

15b. Reserves (Charity) 2020

	Balance at 1 Jan 2020 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2020 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	845,034	-	(80,331)	(4,400)	760,303
2 Premises Fund 3 - dilaps	22,000	-	-	4,400	26,400
3 P&G Emergency Fund	1,257	-	(275)	-	982
4 Sir James Knott	-	5,000	(5,000)	-	-
5 GJW Turner Trust	-	2,000	(2,000)	-	-
6 Barclays COVID-19	-	70,000	-	-	70,000
7 The Prince of Wales Charitable Foundation	-	75,000	(75,000)	-	-
8 Value of goods distributed	-	10,002,005	(10,002,005)	-	-
	-	-	-	-	-
Total Restricted Funds	868,291	10,154,005	(10,164,611)	-	857,685
Unrestricted Funds	366,740	19,705,959	(18,905,738)	-	1,166,961
Total Funds	1,235,031	29,859,964	(29,070,349)	-	2,024,646

Details

1. Funds to pay rent, service charge, utilities and other office running costs.
2. Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
3. Funds towards supporting charities helping people affected by emergency situations.
4. Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the IKD service.
5. Same purpose as no. 4 above.
6. Funds towards helping charities in their community efforts against COVID-19.
7. Funds towards supporting IKD's operations in distributing technology products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
8. These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

16. Donation of services for own use

The financial statements include the following donated services

	2021	2020
	£	£
Web hosting & IT services	63,500	33,250
Marketing & PR	28,074	-
Consultancy	6,300	216,500
Staff costs/training	-	2,555
	<u>97,874</u>	<u>252,305</u>

17. Obligation under operating lease

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for one office premises as set out below:

Minimum rentals falling due:	2021	2020
	£	£
Within 1 year	53,757	53,757
Between 1 and 5 years	161,386	215,143
More than 5 years	-	-
	<u>215,143</u>	<u>268,900</u>

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 included in the lease of In Kind Direct's offices.

18. Related party transactions

Due to the nature of the IKD group charitable activities which relies on donated goods by companies and the composition of the board of trustees being drawn from corporations, transactions may take place with businesses in which the trustees have an interest. All transactions involving such companies are conducted in accordance with the requirements of the SORP and followed the IKD financial policies & procurement procedures relating to connected and related party transactions. All Board members are required to sign a related party disclosure.

His Royal Highness, The Prince of Wales is Royal Founding Patron of In Kind Direct.

The total amount of donations made by trustees to the charity in 2021 was £15,682 (2020: £10,625).

19. Capital commitments

There were no capital commitments at the end of 2021 (2020: nil).

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(40,289)	777,929	(83,949)	789,615
Adjustments for:				
Depreciation	37,989	39,955	37,989	39,955
Dividends, interest and rents from investments	-	(212)	-	(212)
Decrease/(increase) in debtors	148,527	284,187	133,860	299,738
Increase/(decrease) in creditors	(82,497)	124,579	(88,347)	120,580
Net cash provided by/(used in) operating activities	<u>63,730</u>	<u>1,226,439</u>	<u>(447)</u>	<u>1,249,677</u>

21 Post Balance Sheet Events

A loan of £20,000 was granted by IKD International to IKDI Singapore to assist with its development. The loan was unsecured and repayable annually in four equal instalments commencing on the fourth anniversary of the date of the loan agreement (10 May 2018). Interest accrues daily on the loan, chargeable at one percentage point above the Bank of England base rate, with interest levied payable quarterly in arrears. The IKDI Board approved at their March 2022 meeting to write-off the loan after they were informed the plan to close the IKDI Singapore operation at the end of 2022.

IN KIND DIRECT

England & Wales - Charity number 1052679

Accounts



IN KIND DIRECT
(a company limited by guarantee)

Report and Financial Statements
for the year ended 31 December 2020

Registered Company no: 03155226
Registered Charity no: 1052679

Report and Financial Statements

for the year ended 31 December 2020

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REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Teresa Tideman (Chair)
Ajay Kavan (Deputy Chair)
Scott Barton
Graham Burridge
Barry Furlong
Tim Hinton
Graham Inglis
Tom Moody
Martin Newman
Andrew Rubin
Debra Allcock Tyler
Richard Wolff

Chief Executive

Rosanne Gray

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Lloyds Banking Group
109 Finsbury Pavement
London
EC2A 1LB

Honorary Solicitors

Addleshaw Goddard
60 Chiswell Street
London
EC1Y 4AG

Status

In Kind Direct is:

- ◆ a company limited by guarantee, number 03155226.
- ◆ a charity registered in the United Kingdom, number 1052679.

It is governed by a Memorandum and Articles of Association dated 16 January 1996, as amended by subsequent Special Resolutions.

Supporters

In Kind Direct gratefully acknowledges support in 2020 from many individuals and organisations by way of encouragement, donated goods or services and direct funding. This support is provided by the people and organisations listed below:

Our Patrons

In Kind Direct's Patrons are a group of like-minded individuals and organisations who understand and recognise the unique impact that In Kind Direct's work has in communities.

Our Patrons' generosity is absolutely core to what we do: they have been instrumental in helping us respond quickly and efficiently to the Covid-19 crisis and in helping us sustain and expand our service.

Without their support, our work would simply not be possible. We thank all those who have supported us in the year, both those named in this report, and those that wish to remain anonymous.

The Investors' Circle:

Garfield Weston Foundation
Kimberly-Clark
Lloyds Banking Group

Nutt, Mr & Mrs Anthony & Eleanor
Procter & Gamble

Diamond Patrons:

Amazon UK
Essity

McBride
ReBOUND Returns

Patrons:

Acheson, Mr & Mrs Kenneth & Fiona
Britford Bridge Trust
L'Oréal

Santander
The Walt Disney Company

Other Financial Supporters

Amazon Smile
Barclays 100x100 UK COVID-19 Community Relief Fund
Donr.com
eBay UK
Foster, Mr R & Hulm, Ms S
GJW Turner Trust
Marsh Christian Trust
Mosheim, Mr & Mrs
Postgraduate Medical Group
Rotary Club of Princes Risborough

Sir James Knott Trust
The 29th May 1961 Charitable Trust
The Haramead Trust
The J Reginald Corah Foundation
The Maud Elkington Charitable Trust
The Morgan Charitable Foundation
The Prince of Wales's Charitable Fund
The Simon Gibson Charitable Trust
The Warwick Trust
Tideman, Mrs Teresa

Donated Services

Abamentis
Amazon
Amazon Web Services
Barker, Ms Annie
Chandler, Ms Daisy
Directory of Social Change
Javelin
ITL (Pete Evans)
Lloyds Banking Group
MatchesFashion
Microsoft
Pearson, Ms Amy
OC & C
Pentland Brands
Procter & Gamble

ReBOUND Returns
Reprise Digital Agency
Ricoh
Scarlet
Santander
TES
The Customer First Group
The Service Business
TSB Supply Chain
Viridis Associates
Voipfone
Willingham, Ms Sarah
Xerox

Donated goods:

Household

Beauty Kitchen
 Beiersdorf
 British Airways
 Bulldog Natural Skincare
 Bumboo
 Burt's Bees
 Charles Worthington
 Childs Farm
 Church & Dwight
 Colgate Palmolive
 Conair
 Consuma Paper Products
 Dunelm Group
 Duracell UK
 Dynamic Wipe Industries
 Essity
 Estee Lauder
 FTJDI Global
 H and A
 Henkel
 Ideal Manufacturing
 Johnson & Johnson
 Kimberly Clark
 L'Oreal
 P&G
 PZ Cussons
 Rascal + Friends
 Reckitt Benckiser
 Rowan International
 SC Johnson
 Sykes Global Services
 Thornton & Ross
 Trendsetter Home Furnishings
 Unilever UK

Household Appliances, Tools & Electronics

Dixons Carphone
 SharkNinja

General Retail

Amazon.co.uk
 Asda Stores
 Boots Group
 Tesco
 Zebra A/S - Flying Tiger Copenhagen
 Zenith Hygiene

Toys, Baby & Educational

Big Potato Games
 Carrolla Pty Ltd
 Hobbycraft
 Hornit
 Lapland UK
 LEGO
 Skip Hop
 The Disney Store
 Usborne Publishing

Work & Office

Newell Brands
 Premier Paper Group
 Spicers

Clothing, Footwear & Sports

British Red Cross
 LiveNation
 Modibodi
 Nike UK
 Pantherella
 Pentland Brands plc
 Petit Bateau UK
 Po-Zu
 Raceahead
 Regatta
 Ties and Stuff
 Vans Europe
 VF Corporation

Cookware, Kitchen, Ambient & Pet Food

Abbott Laboratories
 BSB Product
 Bunzl Catering Supplies
 Burtons Biscuits
 Delta Global
 Foodbuy
 Hill's Pet Nutrition
 Lindt & Sprungli
 Meyer Group
 Pladis Global
 Onion Media
 Vitabiotics
 Virgin Media
 W.K.Thomas

Purpose

In Kind Direct's purpose is to inspire product giving for social good.

2020 Impact

Jan-Dec 2020



Pandemic response

March-Dec 2020



Since 1996

£268 million at retail value of products distributed to charitable organisations

Over 11,000 charitable organisations have benefited from our service providing goods

Trustees' report for the year ended 31 December 2020

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 December 2020.

Public benefit, objectives and activities

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission on determining the activities undertaken by a charity. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on can achieve the aims and principles of public benefit.

The charity's objects are as follows:

- 1) to apply funds or make donations to or for such charitable institution or institutions or for such charitable purposes as the Trustees shall decide, in particular, but without limitation, by the distribution of donated goods;
- 2) to encourage environmentally efficient, sustainable waste management and recycling practices through the advancement of education by the collection and dissemination of information and/or the promotion of research and/or development relating to waste management and recycling.

In Kind Direct distributes goods donated by companies to UK charitable organisations working in the UK and overseas. Founded in 1996 by HRH The Prince of Wales, we offer a simple solution to connect companies and their products to thousands of charities, community groups, foodbanks and schools supporting our communities.

In Kind Direct makes it easy for companies and brands to have a positive social impact with the products they make and sell. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charitable organisations. We inspire confidence in companies to donate, by working with charitable organisations in our network to ensure products are used only for charitable purposes.

We empower charitable organisations to do more for less and put their local knowledge at the heart of our work. Charitable organisations request goods via our online catalogue. They pay a small charge for goods ordered which includes UK delivery. This makes an important contribution towards covering our costs and protects our donor companies from incurring VAT on their product donations.

The result is an efficient, practical solution which diverts usable goods from going to waste and unlocks huge additional resource into the voluntary sector.

In addition to our core service distributing donated products from companies, In Kind Direct, along with our trading company, also helps charitable organisations to access valuable resources by negotiating discounts on new and refurbished essential products and services through affiliate schemes.

So far, we have distributed over £268m worth of essential products, supporting over 11,000 charitable organisations and millions of people, as well as diverting 30,600 tonnes of usable goods from waste. The savings we generate for our network enable them to support on average twice as many people each week with life's essentials.

The Trustees have identified the following public benefits flow from the charity's objects and activities:

- Saving charitable organisations money: By securing goods from In Kind Direct, organisations can stretch their budgets for the essential goods they need many times over. This can reduce their need to fundraise and help them become more financially resilient.
- Helping charitable organisations improve and extend their services: By opening up access to high quality products for those with limited budgets, we enable charitable organisations to improve the services they offer, do more for their beneficiaries and provide for people they may not otherwise reach.
- Relieving hardship, building confidence, self-esteem and bringing joy: In Kind Direct's service providing goods enables charitable organisations to give direct support to people experiencing financial hardship and to build confidence and self-esteem amongst the people they support. Product giving can bring joy, especially to people who are lonely or isolated.
- Reducing waste and environmental damage: Providing companies with a practical and secure way to donate usable product reduces external recycling and landfill, enables a more circular economy of resource use and supports their social responsibility goals.

Achievements and performance 2020

Covid-19 Pandemic Response

In Kind Direct's work in 2020 has been dominated by our response to the Covid-19 Pandemic. When the crisis hit in March, we realised quickly that In Kind Direct would have an important role in responding to growing needs of households across the UK, working with our corporate, local charity and funding partners.

Like many organisations, this year has brought unprecedented pressures and has tested our operation to the limit. We are delighted that the charity has responded very well and delivered record impact across all of our main measures, as summarised below:

Impact measure	2020 Target	2020 Achieved	2019 Achieved	% growth on previous year (2019)
Value of products distributed	£16m	£26m*	£16m	+65%
Number of organisations receiving products	3,300	3,312	2,605	+30%
Number of orders for product distributed	21,800	31,400	19,840	+60%
Number of new partners joining the network	600	1,526	1,022	+50%
Average saving for each recipient organisation	£5,500	£7,850	£5,692	+38%

*includes £5.8m to NHS staff and organisations with Blue Light Card

Essential support for local communities

As the Covid-19 pandemic hit, In Kind Direct saw a dramatic spike in demand for our service from the voluntary and community organisations that we supply goods to across the UK.

"In Kind Direct has been an absolute lifesaver for our community. We feel we have a valued partnership and you understand the needs we are trying to support."

Hornsley Lane Estate Community Association

In Kind Direct's network comprises a wide range of organisations addressing issues right across the charitable spectrum at a local, regional, and national level. Among the network are community centres, foodbanks, disability support groups, schools, health and wellbeing charities, housing projects, child and youth support groups, and community nurseries. The vast majority of the network are small and locally focussed. 50% have an income of less than £100,000 per year and 80% have an income of less than £500,000 per year. 72% of our partners are based outside London. 40% work to support BAME communities.

For a breakdown of the organisations receiving products in 2020 by geographic area and focus area see figures A and B.

Our research in 2020 indicated that 95% of the charities within our network remained operational during the initial lockdown, although the vast majority of these made dramatic changes to their support provision. As the pandemic hit, many of our charity partners pivoted quickly to provide essential care packs and support services to their beneficiaries, often using their local knowledge and expertise to fill gaps in statutory provision of emergency support. Products from In Kind Direct have proven crucial in tackling real destitution and helping community organisations to support people living in isolation throughout the pandemic.

Working with our corporate partners, we were able to supply a wide range of products our local charitable partners were consistently struggling to source from mainstream outlets because of cost or availability, such as toilet roll, hand sanitiser and cleaning products. For a breakdown of the goods distributed by category, see figure C

Throughout the year we gather information and case studies about the impact we generate and how it can be improved. We also gain insight through visits, focus groups and end of order feedback.

"Bleach, dishwasher tablets and toilet rolls have helped us keep our building and facilities clean and safe during the crisis; enabling us to stay open and provide hot food takeaway and food parcels to our homeless and vulnerable community"

Bury Christian Fellowship

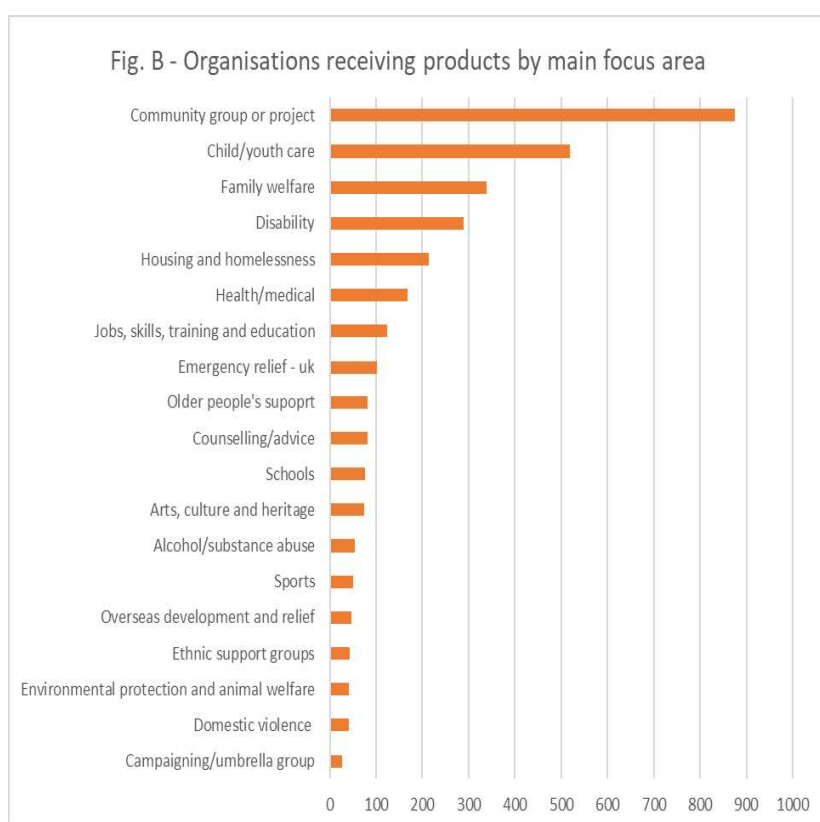
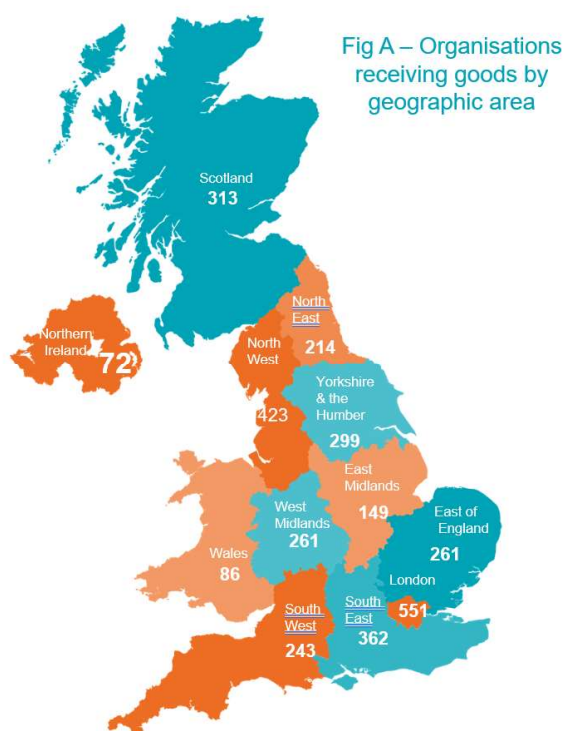
In Summer 2020, we carried out a review of the impact that the charity's work had had through the first phase of the pandemic between March & August. The report sought insight into how the pandemic has impacted our charity network and how In Kind Direct had supported them.

The report – *"Products in a Pandemic: working together to keep people clean, safe and well"* - was published digitally in October. Among its findings were:

- Local partners told us they were able to help twice as many people by working with In Kind Direct.

- In total, In Kind Direct’s service supported an average of 174,000 people per week
- almost two-thirds of our network had been distributing essential care packs of toiletries, household supplies, nappies and period products.
- 65% of charities were worried they would have to temporarily reduce or adapt their services due to their own financial challenges.
- 71% were enabling households to shield or self-isolate safely.
- 35% had kept children learning remotely
- 40% were supporting marginalised BAME communities
- 45% directly supported older people.
- 76% of charities told us people had become more vulnerable than before the crisis.

More information and results of our ongoing impact assessment work are available on our website.



Charity & Public Sector Partnerships

In Kind Direct believes that working in partnership with others helps us to deliver much more impact for the communities we seek to support.

In May 2020 we launched the Product Giving Alliance with our partners FareShare, International Health Partners and Charity Digital. The Alliance aims to unlock the maximum social good from both surplus and donated products and services, by distributing these in an efficient way to communities. Together, the Alliance provides a single solution for any business wanting to use their goods and services to benefit society.

We also became a Network member of Business in the Community's National Business Response Network. The NBRN identifies national and local community needs from community groups, schools, local authorities, local resilience bodies, charities and alliances such as the British Red Cross Voluntary and Community Sector Emergencies Partnership and small businesses. They then connect business resources to meet local needs for food, technology, community support and small businesses.

We are also proud that during the year we delivered a project with Blue Light Card and our corporate partners, sending over 750 "pick me up" pallets of toiletries and welfare products to 70 NHS Trusts across the UK and Republic of Ireland. Over 550,000 frontline staff received products through the scheme.

Store & Affiliate Partnerships

Through our Retail Donation Initiative, charitable organisations are matched directly with local Disney Stores across the UK. Once matched, they collect in-store surplus goods, building strong partnerships with the Disney employees which often extend considerably beyond the receipt of the goods. At the beginning of 2020, 27 Disney Stores were matched with organisations in our network.

Organisations registered with In Kind Direct also gain discounted access to office supplies and IT equipment and services via negotiated affiliate schemes with Ricoh, Ryman, Robert Dyas, Office Depot, Directory of Social Change and Enterprise Rent-a-Car.

Sadly, the disruptions caused to the retail sector and lockdowns meant that our store partnerships, including our partnership with Disney Store, were significantly affected for most of the year.

Support for emergencies and overseas distribution

Our primary focus remains distributing essential goods to UK charitable organisations for use in the UK. In addition, we also distribute products to UK emergency relief and development charities working overseas in Eastern Europe, the Middle East and Africa. Because of restrictions brought about by the pandemic, there were more limited opportunities to distribute stock overseas this year. £2.5m (2019: £6.4m) in value of stock was distributed to UK charities supporting emergency relief and development work over the course of the year.

Corporate Partnerships

In Kind Direct solicits and accepts goods from a wide range of manufacturers, retailers and other organisations. We develop mutually beneficial multi-level relationships with our donor companies. We help them to identify where stock available to donate may exist within their business and we strive to be front of mind for any company which has products to donate. We educate companies about the value of in kind giving and aim to secure the range of essential consumer products required by charitable organisations and their beneficiaries.

Increasingly, we work with companies and brands to develop high impact collaborative campaigns. By working with In Kind Direct, brands can deliver on their corporate responsibility objectives, enhance and protect their reputations and build awareness and conversion.

88% of corporate partners in our survey of partners in 2020 said that working with In Kind Direct helps to meet their corporate responsibility objectives to a significant extent.

"PZ Cossons works with In Kind Direct to donate hygiene and personal care products, including hand wash to thousands of charities across the UK. In Kind Direct are easy to work with, flexible and help us to meet our CSR objectives effectively and efficiently."

Michelle Plant
Senior Brand Manager, PZ Cossons

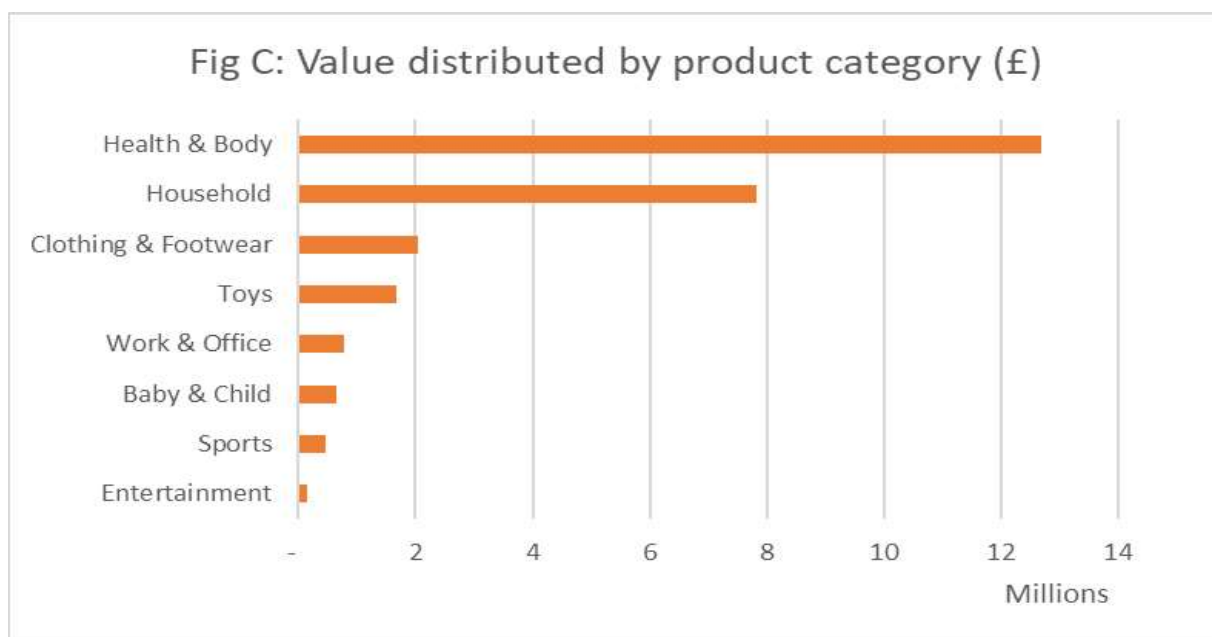
Some of the key brand campaigns run in 2020 included:

- Andrex (Kimberly-Clark), donated 1.5 million toilet rolls alongside running a social media and TV advertisement campaign (#shareasquare);
- Always (P&G), donated 1 million sanitary towels alongside an in-store promotion campaign and TV advertisement;
- Carex (PZ Cussons), donated 350,000 bottles of hand soap via an in-store promotion of “Buy One, Donate One”;
- Huggies (Kimberly-Clark), donated 100,000 packs of nappies and wipes with an online “Buy One, Donate One” campaign;
- LifeBuoy (Unilever) as part of their re-launch in the UK LifeBuoy donated 30,000 bespoke hand hygiene kits to In Kind Direct.

Alongside these brand campaigns, In Kind Direct continued to receive fantastic ongoing support from other manufacturers such as Essity (Bodyform), Lego, L’Oréal, Henkel, Reckitt Benckiser, Pentland, Colgate-Palmolive and Johnson & Johnson as well as from retailers including Amazon, Asda, The Disney Store, Dunelm Group, Zebra A/S - Flying Tiger Copenhagen and Boots UK.

Overall, we received 8,078 pallets of goods (equivalent to 311 lorry loads) from 97 companies during the year, 27 of which were new to In Kind Direct. This was 87% growth in the volume donated in 2019 (4,308 pallets).

For a full list of organisations donating product in the year see page 6.



Campaigns & Events

Over the course of year, we ran various campaigns across different communication channels aimed at raising awareness of our work and providing opportunities to work with our partners to address topical issues.

In July, we launched “Holiday at Home”, a campaign for product donations to keep people safe, clean and entertained over the Summer. The campaign featured lead donor partner Flying Tiger

Copenhagen who donated a huge assortment of Summer products, including crafting supplies, lolly moulds, fans and picnic and party items.

Our “Back to Basics” campaign in September focused on three core product areas identified as particularly needed in our July survey of charity partners: School & Office, Household and Health & Beauty. Large donations were received from a range of suppliers benefiting hundreds of charities.

In December, our “Christmas With Kindness” campaign drew attention to the challenges facing households and local communities in the face of a very different Christmas, with restrictions on being with loved ones and financial uncertainty taking their toll. The campaign featured an “Alternative Gift List,” highlighting the products that are most needed by local charities at this time of year. A parallel “Wrapping Up Kindness” campaign sought support from industry partners for packaging supplies - much needed at In Kind Direct’s busiest time of year.

Pandemic restrictions unfortunately meant that it was impossible to run any in-person events for our network during the year. However, between August and November we launched a monthly virtual “Speaker Series” which provided a valuable opportunity for our charity, corporate and other partners to come to together and discuss aspects of the work being done collaboratively around product giving in the face of the pandemic. Alongside representatives from our charity network, speakers included Martin Newman of the Customer First Group; Debra Allcock Tyler of Directory of Social Change; Trine Pondal, Sustainability Manager for Flying Tiger Copenhagen; Morgan Bestwick from Joseph Rowntree Foundation; Matt Stone, Marketing Director at Kimberly-Clark and Sarah Willingham, previously on BBC's Dragon's Den, and In Kind Direct Ambassador.

Warehouse & Logistics

With a dramatic and sustained increase in orders, the pandemic proved a significant test for our logistics platform and systems. In large part because of previous investments and planning, we are delighted that our Telford warehouse has been able to remain open and operational throughout the entire year, with extensive social distancing and Covid-19 security measures in place.

Over our twenty-four year operational history, we have developed a deep understanding of the specific processes and strategies required to deliver an efficient service for both our donor and charity partners. Our Telford, pick and pack operation and courier management is provided by a third party contractor, The Service Business (TSB), with whom we have worked closely to improve performance and efficiency since 2009.

Because of the quantity, nature and complexity of the products we handle, In Kind Direct has unique challenges in processing donated stock for distribution. Often, the product donations we receive from companies are hugely mixed and difficult to identify and categorise prior to reworking. This makes it impractical to value goods on receipt and, accordingly, goods are valued after being sorted, prepared and ready to be made available to charitable organisations.

In Spring, we moved quickly to secure overflow warehouse facilities to handle dramatic and sustained increase in volumes being donated and orders received. Our sincere thanks go to ITL for providing overflow and transport services free of charge.

To cope with increased ordering and throughput we also invested in additional and remodelled packing facilities and recruited new temporary labour to enable us to implement a double shift system. Despite the pressures of the pandemic, we have been able to keep within our fulfilment KPIs, ensuring that charities have received urgently needed products in a timely manner and within our promised delivery times.

Our well-established warehouse volunteer programme sees teams of volunteers from our corporate partners come into the warehouse to sort, pack and prepare donations of stock for distribution. Sadly, pandemic restrictions meant that we were not able to host groups beyond February, however we plan to restart the volunteer days when practical and safe to do so.

Systems & IT

In Kind Direct has a reputation for high quality IT systems which enable us to provide an excellent standard of service and support to our customers and stakeholders. Our primary business applications, infrastructure, web platforms and data services are managed internally, with support from key suppliers. All aspects of the service are measured in terms of availability, scalability, and security.

Thanks to our prior program of investment in cloud technology and the resilience and flexibility it provides, In Kind Direct was well positioned to adapt its operations as the pandemic unfolded and all office-based staff were required to work remotely in March. The low impact this upheaval had is testament not just to the systems and technology that underpin the operation, but also the flexibility and approach of the team who rapidly adapted to the new way of working, despite the increased scale of operations and personal pressures.

Throughout the year, traffic and volumes on our e-commerce and operational systems far exceeded all usual patterns. Despite this however, there was no unplanned downtime and customers continued to receive the stable and consistent service they are used to.

Alongside the rapidly evolving 'business as usual', throughout the year we continued to grow and develop our systems and use of technology. Most significantly this was achieved in the adoption and integration of Dynamics 365, the third phase in a major 18-month systems upgrade. This cloud-based relationship management system will be used to manage all our key stakeholder, donor and customer interactions, including donation pipeline management and customer service. We also significantly developed our reporting platforms to provide relevant and timely data insights.

Strategic Review, HR & Restructuring

This year we carried out a full strategic review with generous pro bono support provided by OC&C Strategy. This comprised a full review of our mission, purpose, values, and activities in order to inform a new structure and options for the future operating model. The process involved a series of workshops and discussions with Trustees, staff, charity and donor partners and other stakeholders. A summary of the resulting new strategic plan, which sets out what In Kind Direct plans to achieve by 2025 and how, is included below.

Following on from the strategic review, in Autumn we began the process of transition to a new organisation structure. These structural changes aimed to put in place a team ready to deliver on our 2025 vision, to streamline processes, address skills gaps and enable further data-driven efficiencies. One key change was the establishment of a leaner, strategically focused Leadership Team, comprising a Partnerships & Impact Director, Operations Director and Commercial Director, reporting to the Chief Executive. Two of these new roles were filled by existing members of the team.

In Kind Direct is fortunate to benefit from a dedicated and skilled staff team who have performed very well during this challenging period. We provide a range of benefits for staff including performance related remuneration, insurance, support for further education and professional development, volunteering leave, a health reimbursement scheme, cycle to work and childcare voucher schemes.

Our paid internships provide six to nine months' experience within a dynamic work environment. Interns usually spend some time during their internship on placements at our donor or charity partners which further enhances the experience. We are delighted that the intern scheme has helped provide a valuable starting point for individuals looking to start, or change to, a career within the sector.

In Kind Direct International Network (IKDI)

The IKDI network comprises four organisations: In Kind Direct, which is the founder member; Innatura, a German licensee; Dons Solidaires, a French licensee; and In Kind Direct (Singapore).

During 2020, work took place on the establishment of a new network member in Italy, with In Kind Direct (Italia) incorporated in early 2021. In Kind Direct (Italia) is expected to become operational once further registration requirements have been completed. IKDI continues to review other countries for potential expansion of the network.

This year, a strategic review was undertaken, aimed at redefining the organisation's strategy. Thanks go to Javelin for their generous support of this process.

Demand for the services of established IKDI network members was significant throughout 2020, as network members supported communities affected by the Covid-19 pandemic. IKDI network members continued to work collaboratively during 2020. Regular conference calls were held throughout the year and the 2-day annual conference in November 2020 was held as a virtual event, due to the pandemic. IKDI network members continued to share know-how, experience and innovation, as well as donations, where appropriate.

Together, IKDI network members have directly distributed goods with an estimated retail value of £540 million, received from more than 1,530 companies, to over 13,800 charitable organisations, to date.

Since the IKDI network was formed in 2013, IKDI network members have shared donated goods between network members with an estimated retail value of £15.3 million. Goods are shared between network members if they are surplus to the requirements of the receiving network member or because a particular type of product is better suited to use in another country, for example due to need, size, labelling or configuration.

In Kind Direct (Singapore) continued to grow its operations, with the receipt of regular donations resulting in distributions made to 29 charities during 2020. An application for charitable status was submitted in March 2020, with the application under review in the year.

The financial results of IKDI have been consolidated in the Statement of Financial Activities and balance sheet of the In Kind Direct group, as In Kind Direct is the sole legal member of IKDI. This was the seventh year that IKDI has operated.

During 2020, IKDI received the following income:

	Unrestricted	Restricted
Licence fees	£39,000	-
Other income	£246	-
Donations and gift aid	-	-
Total income	£39,246	-

IKDI's expenditure was as follows:

	Unrestricted	Restricted
Staff costs	£57,370	-
Audit and accounting services	£ 1,450	-
Licence fees to IKD	£ 3,000	-
Legal fees	£ 2,092	-
Other costs	£ 786	-
Total expenditure	£64,698	-

IKDI's reserves at the end of 2020 were:

	Unrestricted	Restricted
Balance at 1 January 2020	£89,687	£ 16,333
Movement during 2020	-£25,452	-
Balance at 31 December 2020	£64,235	£ 16,333

Fundraising and Income Generation

In Kind Direct has a diversified income base comprising the following streams:

- 1) Contributions paid for our service by benefiting charitable organisations

It is free for charitable organisations to join our network. On ordering, charitable organisations pay a small charge which is a contribution to our costs for the provision of goods and includes UK delivery. This revenue is a crucial part of our income mix. In addition, we are required to levy a charge to protect donor companies from otherwise incurring VAT on the value of their donated goods. In 2020, because of record volumes of product distributed and numbers of recipient organisations, we received contributions from recipient organisations of £1.8m, an increase of 63% on the previous year (£1.1m).

- 2) Trading income

In Kind Direct has a wholly owned trading subsidiary called Trading IK which was set up in 2009 to help develop non-fundraised income streams for the charity. All trading company net profits are gift aided to In Kind Direct.

One strand of the work is public sale of goods donated to In Kind Direct, which are not suitable for distribution to our charity partners or are in excess of their requirements and have a commercial value. Products are sold via eBay, directly to purchasers or via partner organisations. No product is ever considered for this route without the explicit permission of the donor company and without consideration of the needs of our charity partners, who are always our priority.

Trading IK also facilitates various affiliate marketing schemes giving charitable organisations access to discounted products and services, particularly in categories where In Kind Direct struggles to secure adequate supplies of donated product. In 2020, we continued our existing schemes with Ryman, Staples Solutions, Robert Dyas, Office Depot and Enterprise Rent-a-Car to provide discounted access to office supplies and IT equipment and services to our charitable partners. Several of these schemes did not operate for much of the year because of Covid-19 restrictions, however.

3) Grants & Fundraising

Another essential part of our income is support from companies, trusts & foundations and individuals who understand and are inspired by the unique impact of In Kind Direct's work.

Fundraising is particularly important in ensuring charges for providing goods are as low as we can afford to have them for our service to remain accessible to small, under-resourced charitable organisations who rely on the products we provide. Without our Patrons and other funders' support, our rapid response to the pandemic this year would simply not have been possible.

In Kind Direct's fundraising in 2020 was carried out by employed staff and a retained consultant. Our activities principally comprised seeking funding from trusts and foundations and the development of partnerships with companies and individuals through our Patrons programme. We did not use professional agencies to carry out fundraising activities in the year.

We were absolutely delighted by the response of our funders to our work during the pandemic. Funding from our Patrons and other funders in response to our appeal to help in Spring was fundamental in helping us to ramp up our operations quickly in response to rocketing demand. Our particular thanks are due to the Garfield Weston Foundation and The Prince of Wales's Charitable Fund for the substantial grants they made to support our operational growth throughout the crisis.

Several of our corporate product donor partners also provided significant financial support to the charity during the year in tandem with product donations, including Andrex (Kimberly-Clark), Essity, Procter & Gamble, L'Oréal, Amazon and The Walt Disney Company.

Our thanks also go to Lloyds Banking Group, our longest standing funder, for their continued stalwart support for In Kind Direct during this difficult period.

The pandemic led to the postponement of several fundraising events in which In Kind Direct had hoped to participate, including the London Marathon. Our places in these events have been carried over to future periods. We also carried out some small scale, but successful, public facing fundraising campaigns using the JustGiving platform.

In Kind Direct is a member of the Fundraising Regulator. We work hard to comply with the Code of Fundraising Practice for the UK across all our fundraising activities. We comply with the key principles and behaviours of the Code to ensure that any vulnerable persons are treated fairly.

We require signed agreements from all of those who fundraise on our behalf controlling any use of our logo or branding. We had one Commercial Participation Agreement in place during the year with a corporate partner. Where we do work with third parties such as corporate partners to raise funds, we have agreements in place with close monitoring of performance in line with these agreements.

No complaints about fundraising activity were received during the year.

In what has been a particularly challenging time for many individuals and organisations, we are hugely grateful and again extend our thanks to everyone who provided financial support to our charity throughout the year. A full list of those donating is provided on page 4.

Volunteers & Pro Bono Support

In Kind Direct's long-running warehouse volunteer scheme was sadly disrupted by the pandemic. One group of 9 volunteers from Lloyds Banking Group did attend in February prior to restrictions coming into place. We plan to restart regular volunteer days when practical and safe to do so.

We were fortunate to receive the support of several companies and individual who provided their services pro bono during the year. Our particular thanks go to Pete Evans at ITL, in regard to overflow warehousing and transport services following an introduction from the National Business Response Network and also to OC&C and Javelin for their fantastic support through our strategic review process.

The Trustees are hugely grateful to everyone who supported the charity through volunteering and donating time and expertise this year.

Financial review of 2020

	2020	2019	Variance
Charges for distributing goods	£2,339,205	£1,148,059	£1,191,146 +103.8%
Unrestricted donations	£710,536	£429,631	£355,905 +82.8%
Restricted donations	£152,000	£ 55,676	£21,324 +38.3%
Total donations	£862,536	£485,307	£377,229 +77.7%
Trading company gross income	£113,100	£128,804	£-15,704 -12.2%
Gift aid donation from trading company	£ 25,000	£ 68,100	£-43,100 -63.3%
Charitable activity costs	£2,955,273	£2,175,110	£780,163 35.9%
Support costs	£1,586,258	£1,567,042	£19,216 1.2%

In 2020 our operational and fundraised income meant that our unrestricted reserves were above our targeted level.

In Kind Direct's logistics operations generated income of £2,339,205 (2019: £1,148,059) and Retail Donation Initiative registration fees of £3,315 (2019: £4,778). Logistics income increased by £1,191,146 +103.8% compared to 2019. This growth was driven by both strong demand from our growing network of charity partners and substantial increases in the supply of needed products from our corporate partners.

£862,536 was donated to the In Kind Direct Group during 2020 (2019: £485,307), of which £710,536 was unrestricted and £152,000 was restricted.

The proportion of donation funding from charitable trusts and foundations increased during 2020 from 14.3% in 2019 to 48.0%; whilst the contribution from the corporate sector increased from 30.8% to 48.1%. Donations from individuals decreased from 54.9% in 2019 to 3.9% in 2020. Major donor funding continues to have the potential to be a strong future funding stream and a large donation from one of our longstanding individual funders was received in March 2021. Trading company income decreased from £128,804 in 2019 to £113,100 in 2020. This was due to decreased product sales. This meant that the gift aid payment from the trading company to In Kind Direct decreased from £68,100 in 2019 to £25,000 in 2020.

Over £26.0 million of In Kind Direct's expenditure was the value of the goods distributed to our charity partners. As discussed above, the nature and complexity of the products donated to In Kind Direct make it near-impossible to value goods at the point of receipt from donors. A further £3.0 million related to the costs of our logistics operation; the costs of maintaining our online ordering system; and the costs of In Kind Direct employees engaged in sourcing goods and servicing charity partners, as well as warehouse, distribution and office expenses. See note 6 for an analysis of our expenditure.

Plans for the Future

In 2020 we carried out an extensive review and planning process resulting in the adoption of a new strategic plan which sets out our ambition to triple our impact through to 2025 (based on 2019 results).

The new plan sets out new strategic priorities, ways of working and measures of success – these are laid out in summary below.

This work was carried out with significant pro-bono support from OC&C. We are enormously grateful for this hugely generous support.

In addition to the strategic review, we carried out a piece of work to review and renew our organisational values.

Our Strategic Priorities

1. Transform the donor value proposition

We aim to build deep, win-win partnerships of equals with our corporate partners. We will develop bespoke programmes with our donors which lead to consistent and increasing supply of core products. We will communicate the impact of partnerships in an engaging, valuable and real-time manner.

2. Meet more of the needs of our charity partners

We will use data effectively to map our charity's needs, fill gaps and drive decisions. Consistent product supply is key. We will add value for our partners and spread best practice. We will better target new partners with focused sector partnerships and become better at telling the story of our impact.

3. Drive operational efficiency

We will become a more effective operation, reviewing our operating model to build in flexibility and enable growth. We will automate and streamline key systems and use data to inform decisions across teams. We will understand our costs and ROI and implement cost savings where possible.

4. Develop a more consistent and broad-based funding model

We will grow sustainable and long-term support from our corporate partners. We will reduce concentration risk by growing our pipeline of funders and shift to a proactive fundraising strategy. We will innovate and develop packages of funding for projects and impact.

5. Build a strong, fit for purpose organisation with a thriving culture

Operational Plan for 2021

As we work toward our long-term strategic goals, our operational plans and objectives for 2021 are summarised below:

Objective	Summary Plans
<p>1. Transform the Donor Value Proposition</p> <p><i>Key measures</i></p> <ul style="list-style-type: none"> • >105 companies donating products in the year • >35 new companies donating • 15 brand campaigns during the year • >65% of stock is key essentials • 15 bespoke brand campaigns run, with >£100k contribution from partners 	<ul style="list-style-type: none"> • Proactive account management of main accounts • Bespoke donor campaigns to support positive business ambitions • Shift in impact reporting, focused on engagement & issues addressed • Calendar of four seasonal campaigns to drive engagement • Devise and implement bespoke brand campaigns to meet need • Event and engagement programme for donor partners • Google Ads/PPC improvements implemented to drive conversion • Improve impact reporting with focus on end users and issues addressed
<p>2. Meet more of the needs of our charity partners</p> <p><i>Key measures</i></p> <ul style="list-style-type: none"> • >3,300 organisations using the service • 1,000 new charities joining the network, >40% ordering • 175,000 people helped each week • >25,000 orders • Catalogue CVR of 4.5% • NPS >80% 	<ul style="list-style-type: none"> • Analyse and improve customer experience – focus on onboarding and shopping experience • E-Commerce platform front end re-design and usability assessment • Segmentation of customer base for bespoke campaigns • Impact assessment review to better understand needs • Account management review and implementation • Build community by launching Ambassador programme • Develop sector partnership strategy for greater impact • Determine key sector issues where IKD has a voice for change
<p>3. Drive operational efficiency</p> <p><i>Key measures</i></p> <ul style="list-style-type: none"> • SLAs reviewed and delivered • Customer satisfaction benchmarks • Reduction in customer service issues • Faster, data-driven decision making 	<ul style="list-style-type: none"> • Ecommerce process review and redesign of merchandising process • Migrate all customer service processes to MS Dynamics • Review and embed new customer service processes • Improve reporting to focus on product availability and quantified need • Finance process improvements and automations • Logistics and warehouse review
<p>4. Develop a more consistent and broad-based funding model</p> <p><i>Key measures</i></p> <ul style="list-style-type: none"> - £1.8m in charity 	<ul style="list-style-type: none"> • Pricing model review and implementation • Review of other funding sources e.g. trade, affiliates • Increase in-kind donations of goods and services needing by IKD e.g. packaging, transport, warehousing • Deliver supporter campaigns, comms and impact reporting

<p><i>contribution revenue</i></p> <ul style="list-style-type: none"> - <i>New pricing model in place</i> - <i>£100k in trade income</i> - <i>>£673k in fundraising income</i> 	<ul style="list-style-type: none"> • Develop new fundraising products and packages • Devise and deliver 25th Anniversary events
<p>5. Build a strong, fit for purpose organisation with a thriving culture</p>	<ul style="list-style-type: none"> • Finalise and embed our new purpose and values • Embed new structure and ways of working, including London office return • Governance review • Policies and staff benefits review • Data protection and security training refresh

Structure, governance and management

In Kind Direct was founded in 1996 by our Royal Founding Patron, HRH The Prince of Wales. There are twelve trustees who meet quarterly as a Board, as does the Finance and Audit Committee. With the addition of the Chair of the charity, the latter Committee also constitutes the Remuneration Committee. There is also a Nominations Committee which meets as required.

New trustees are recommended by the Nominations Committee and appointed by the members in general meeting. The Board may appoint trustees to hold office until the next annual general meeting where the appointment is approved by the members. All trustees are subject to retirement by rotation.

New trustees are given copies of the charity's legal documents, management information and accounts, together with general reading material about the charity and Charity Commission literature. This is followed by meetings with the Chief Executive and at least one other trustee as part of the induction process.

Trustees are sent training updates as appropriate throughout the year. Trustees are encouraged to visit and learn from representatives of the organisations benefiting from In Kind Direct's work and their beneficiaries. Representatives from charity partners regularly present about their work at Board meetings.

In Kind Direct is also a company limited by guarantee. When a term of appointment as trustee/director ceases, membership of the company also ceases. In the event of winding up, the liability of each member of In Kind Direct is limited by guarantee to £10.

Day-to-day management of the charity is delegated to the Leadership Team led by the Chief Executive. Formal reporting by the Chief Executive to Trustees takes place regularly throughout the year. At the end of the period under review there were seventeen full-time and four part-time staff.

In the second half of 2020, In Kind Direct began a Governance Review. A sub-group of the Board of Trustees and senior staff was created with delegated authority to explore, review and recommend improvements to current practices, if any were identified. This work is ongoing and will be completed in 2021. As well as a review of all operational and staff policies, changes to the Governance Code of Practice in 2020 will also be incorporated, alongside developing and reviewing processes around how trustees are recruited, upskilled and their performance reviewed.

During the year, the voluntary and charitable sector as a whole acknowledged the work that needs to be done across equality, diversity and inclusion practices. In June 2020, In Kind Direct added its name to an open statement committed to dismantling racism in the sector following the publication of the report by Voice4Change and ACEVO, "Home Truths: Undoing racism and delivering real diversity in the charity sector".

Financial policies

Reserves policy

In 2018, the Board's review of the reserves policy concluded that the charity should aim to achieve unrestricted reserves equivalent to at least four months' operational cashflow (2020: £423,420), with a longer-term aspiration that the Group achieve a minimum of six months' unrestricted reserves. This policy is assessed annually by the Finance & Audit Committee to ensure that it remains appropriate.

The reserves as at 31 December 2020 were as follows:

Unrestricted reserves	£ 1,277,807
Restricted reserves	£ 857,685

Total reserves as at 31 December 2020 £ 2,135,492

The Group unrestricted reserves balance of £1,277,807 equates to 9.1 months of operating costs for In Kind Direct and represents an increase of £788,534 compared to the previous year (2019: £489,273).

This means that the Group ended the year having achieved reserves above our longer-term six-month target. The Trustees' intention is to designate excess reserves held to required future investments required to support the charity's growth over the next few years, including a new warehouse and logistics platform.

Within the restricted funds (note 15a), £760,303 relates to the grant income received and receivable from Lloyds Banking Group towards the cost of In Kind Direct's offices, less expenditure to date. This includes an accrual of the remaining 4 years' of grant income receivable. A further £26,400 is being retained as a separate restricted fund to pay for office dilapidations, should a break clause within the lease be exercised after 4 years.

Investment policy

In Kind Direct's investment policy is to place funds in excess of short-term commitments on deposit for one to three months, leaving a sufficient balance in the current account. It is the opinion of the Board of Trustees that the interest earned is paid at a competitive market rate and that these investments perform to an acceptable level.

In Kind Direct's policy with regard to donated shares is that they will generally be sold at the earliest opportunity subject to any restrictions on sale. Staff seek concurrence prior to any proposed disposal from a member of the Finance and Audit Committee before either proceeding with the sale or give an explanation for not realising the value as soon as the restriction has lapsed. Currently no donated shares are held.

Executive Pay and Remuneration

Our approach to pay is to provide fair remuneration packages for talented people who can help the charity to maximise its impact. To do this we seek to balance the need to attract and retain high calibre individuals with a need to ensure value for money for the charity.

We aim to provide remuneration packages and benefits that are competitive within the charity sector, proportionate to the complexity and scope of each role, and in line with our charitable objectives. We aim to meet all national pay standards and provide all paid staff with a living wage as a minimum.

The Remuneration Sub-Committee of the Board reviews and monitors senior staff pay, including the pay of the Chief Executive. Periodically, remuneration levels are reviewed and benchmarked by outside industry specialists.

Qualifying indemnity insurance

The charitable company has granted an indemnity to its directors and officers against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity insurance remains in force as at the date of approving the Trustees' report.

Risk policy and management

The Trustees review the assessment of major risks to which the charity is exposed. The Leadership Team has compiled a risk register, which they also regularly monitor and amend as necessary. Risks are scored by likelihood and impact both prior and post mitigation measures taken. Management of risks with strategies to minimise and mitigate them is an ongoing task of the Senior Management Team. Changes are reported to the Board at quarterly meetings with the full risk register being reviewed by Trustees annually.

The top three risks faced by the charity at December 2020 were:

Risk	Example Management & Mitigation Measures
Impact on operations from Pandemic Covid-19	<ul style="list-style-type: none"> • Implementation of appropriate working systems in the warehouse and office • Increase numbers of charity network registrations to diversify customer base • Secure increased donations of hygiene products and other goods that are in demand because of Covid-19 • Regular review of cashflow and budget
Economic downturn	<ul style="list-style-type: none"> • Diversification of donor and charity networks • Diversify funding sources • Regular review of cashflow and budgets • Maintenance and building of reserves
Failure to provide goods requested/needed by charity partners	<ul style="list-style-type: none"> • Regular communication between teams managing charity and product donor partnerships to identify most needed products • Strengthened and developed relationships with donors • Monitoring of type and quantities of products requested • Process for Goods Acceptance

Environmental policy

In Kind Direct, a registered charity, distributes product from manufacturers and retailers to UK charitable organisations working at home and abroad. As well as helping charitable organisations, our work has a positive impact on the environment by diverting goods that might otherwise go to waste as landfill or external recycling, generating greenhouse gases.

We recognise our obligation to comply with the law and to carry out our work in an as environmentally sound manner as possible. As a matter of policy we have a commitment to minimise the negative impact of our operations on the environment to as low a level as is practically and economically feasible. The full policy is available on our website and sets out what we commit to do in terms of monitoring and minimising our impact where possible.

Directors and trustees

The directors and trustees of In Kind Direct during the year and up to the date the accounts were approved were as follows:

Debra Allcock Tyler	
Scott Barton	
Graham BurrIDGE	
Barry Furlong	
Tim Hinton	
Graham Inglis	
Ajay Kavan	
Enrica Maccarini	Resigned 9 April 2020
Tom Moody	
Martin Newman	
Andrew Rubin	
Teresa Tideman (Chair)	
Richard Wolff	

Changes in fixed assets

£3,680 was invested in tangible fixed assets in 2020 relating to additional warehouse equipment to deliver our increased response during the pandemic. This included packing benches and associated hardware at our distribution site in Telford.

£32,871 was invested in intangible fixed assets in 2020 enhancing our IT systems to enable improved data tracking and reporting to support the delivery of our charitable objectives.

Statement of trustees' responsibilities

The Trustees, who are also directors of In Kind Direct for the purposes of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;

- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- 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 charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to the auditor so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Related Parties

None of In Kind Direct's trustees are employed by a company with which In Kind Direct has a commercial relationship.

Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Graham Burrige, who is Chair of the subsidiary, is also a director/trustee of In Kind Direct. Rosanne Gray, Chief Executive and Linda Kelly, Head of Finance at In Kind Direct also served as directors of Trading IK Ltd during the year.

In Kind Direct is the sole legal member of IKDI. Three director/trustees of In Kind Direct are director/trustees of IKDI. They are Teresa Tideman, Graham Inglis and Richard Wolff. Rosanne Gray, Chief Executive of In Kind Direct is also a director/trustee of IKDI.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Auditors

Haysmacintyre LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board

T M Tideman

Teresa Tideman

Date: 3 August 2021

Independent Auditor's report to the members of In Kind Direct

Opinion

We have audited the financial statements of In Kind Direct for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statement of Cash Flows and notes to the financial statements. 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 parent charitable company's affairs as at 31 December 2020 and of the group's net movement in funds, including the 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 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. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted that significantly impact on the result for the year, posting in areas subject to significant judgements or estimates, postings in accounts that are considered higher risk; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company's members, as a body, for our audit work, for this report, or for the opinion we have formed.



Richard Weaver (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 11 August 2021

**Consolidated Statement of Financial Activities (including income & expenditure account)
for the year ended 31 December 2020**

	Notes	Unrestricted Funds	Restricted Funds	Totals 2020	Unrestricted Funds	Restricted Funds	Totals 2019
		£	£	£	£	£	£
INCOME							
Income from donations							
Value of donated goods distributed	4	16,302,722	10,002,005	26,304,727	10,854,716	5,130,912	15,985,628
Donations	3	710,536	152,000	862,536	429,631	55,676	485,307
Donated services for own use	4	252,305	-	252,305	103,754	10,000	113,754
Income from charitable activities:							
Retail donation registration fees		3,315	-	3,315	4,778	-	4,778
Charges for providing goods		2,339,205	-	2,339,205	1,148,059	-	1,148,059
Other charitable income		72,851	-	72,851	40,796	-	40,796
Income from other trading activities:							
Commercial trading operations	5	113,100	-	113,100	128,804	-	128,804
Income from Investments							
		212	-	212	2,232	-	2,232
Total income excluding value of donated goods distributed		3,491,524	152,000	3,643,524	1,858,054	65,676	1,923,730
TOTAL INCOME		19,794,246	10,154,005	29,948,251	12,712,770	5,196,588	17,909,358
EXPENDITURE							
Expenditure on Raising Funds:							
Costs of Raising Funds	6	88,027	5,240	93,267	77,417	14,178	91,595
Costs of Trading Activities	6	54,222	-	54,222	58,191	-	58,191
		142,249	5,240	147,489	135,608	14,178	149,786
Expenditure on Charitable Activities:							
Distribution of donated goods	6	16,302,722	10,002,005	26,304,727	10,854,716	5,130,912	15,985,628
Other Charitable Costs	6	2,560,740	157,365	2,718,106	1,942,795	232,315	2,175,110
		18,863,462	10,159,370	29,022,832	12,797,511	5,363,227	18,160,738
Total expenditure	6	19,005,712	10,164,610	29,170,322	12,933,119	5,377,405	18,310,524
Net Income/(Expenditure) for the Year Before Transfers		788,534	(10,605)	777,929	(220,349)	(180,817)	(401,166)
Gross Transfers Between Funds		-	-	-	-	-	-
Net Movement in funds		788,534	(10,605)	777,929	(220,349)	(180,817)	(401,166)
Funds brought forward at 1 January		489,273	868,290	1,357,564	709,622	1,049,107	1,758,729
Funds carried forward at 31 December	15a	1,277,807	857,685	2,135,492	489,273	868,290	1,357,563

The financial activities above relate wholly to the continuing activities of In Kind Direct.

The notes on pages 34 to 47 form part of these financial statements.

There are no recognised gains or losses other than those dealt with in the above statements.

Consolidated Balance Sheet at 31 December 2020

	Notes	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	3,607	-	3,607	10,394	-	10,394
Intangible assets	11	92,424	-	92,424	89,042	-	89,042
Public benefit concessionary loan		20,000	-	20,000	20,000	-	20,000
Current assets							
Debtors	13	129,087	519,023	648,110	88,771	843,526	932,297
Cash at bank and in hand		1,326,689	338,662	1,665,351	450,488	24,764	475,252
		<u>1,455,776</u>	<u>857,685</u>	<u>2,313,461</u>	<u>539,259</u>	<u>868,290</u>	<u>1,407,549</u>
Creditors: amounts falling due within one year	14	(294,000)	-	(294,000)	(169,422)	-	(169,422)
Net current assets		<u>1,161,775</u>	<u>857,685</u>	<u>2,019,460</u>	<u>369,837</u>	<u>868,290</u>	<u>1,238,127</u>
Net assets		<u>1,277,807</u>	<u>857,685</u>	<u>2,135,492</u>	<u>489,273</u>	<u>868,290</u>	<u>1,357,563</u>
Funds							
Balance at 1 January		489,273	868,290	1,357,563	709,622	1,049,107	1,758,729
Movement in Funds		788,534	(10,605)	777,929	(220,349)	(180,817)	(401,166)
Balance at 31 December	15a	<u>1,277,807</u>	<u>857,685</u>	<u>2,135,492</u>	<u>489,273</u>	<u>868,290</u>	<u>1,357,563</u>

The financial statements were approved and authorised for issue by the directors on 3 August 2021 and were signed on its behalf by:

T M Tideman

Teresa Tideman

Director and Trustee

The notes on pages 34 to 47 form part of these financial statements.

Company Balance Sheet at 31 December 2020

	Notes	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	3,607	-	3,607	10,394	-	10,394
Intangible assets	11	92,424	-	92,424	89,042	-	89,042
Investments	12	1	-	1	1	-	1
Current assets							
Debtors	13	106,588	519,023	625,610	81,821	843,526	925,347
Cash at bank and in hand		1,243,612	338,662	1,582,274	344,174	24,764	368,938
		<u>1,350,200</u>	<u>857,685</u>	2,207,885	<u>425,995</u>	<u>868,291</u>	<u>1,294,286</u>
Creditors: amounts falling due within one year	14	(279,271)	-	(279,271)	(158,691)	-	(158,691)
Net current assets		<u>1,070,929</u>	<u>857,685</u>	1,928,614	<u>267,304</u>	<u>868,291</u>	<u>1,135,595</u>
Net assets		<u>1,166,961</u>	<u>857,685</u>	<u>2,024,646</u>	<u>366,741</u>	<u>868,291</u>	<u>1,235,032</u>
Funds							
Balance at 1 January		366,740	868,291	1,235,031	579,522	1,045,439	1,624,961
Movement in Funds		800,221	(10,606)	789,616	(212,781)	(177,148)	(389,929)
Balance at 31 December	15b	<u>1,166,961</u>	<u>857,685</u>	<u>2,024,646</u>	<u>366,741</u>	<u>868,291</u>	<u>1,235,032</u>

In Kind Direct has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present the Statement of Financial Activities and Income and Expenditure Account of the parent charitable company in these financial statements. Income of the parent company amounted to £35,931,257 (2019: £17,817,838). The result for the year is a net movement of funds of £789,615 (2019: (-£389,929)).

The financial statements were approved and authorised for issue by the directors on the 3 August 2021 and were signed on its behalf by:

T M Tideman

Teresa Tideman

Director and Trustee

The notes on pages 34 to 47 form part of these financial statements.

Consolidated and Company Statement of Cash Flows

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash (used in)/provided by operating activities	20	1,226,439	(61,403)	1,249,676	(39,176)
Cash flows from investing activities					
Interest income		212	2,232	212	2,232
Transfer of cash to current asset investments		-	250,000	-	250,000
Purchase of fixed assets		(36,551)	(200)	(36,551)	(200)
Cash provided by/(used in) investing activities		(36,340)	252,032	(36,340)	252,032
Increase/(decrease) in cash and cash equivalents in the year		1,190,099	190,629	1,213,336	212,856
Cash and cash equivalents at the beginning of the year		475,252	284,623	368,938	156,082
Total cash and cash equivalents at the end of the year		1,665,351	475,252	1,582,274	368,938

No analysis of changes in net debt is presented as the charity and group has no borrowings.

Notes to the Financial Statements – year ended 31 December 2020

1. Principal accounting policies

General Information

In Kind Direct is a charitable company limited by guarantee, incorporated in England and Wales (company number 03155226) and registered with the Charity Commission (charity registration 1052679). The registered office address is : 11 – 15 St Mary at Hill, London, EC3R 8EE.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts, the Companies Act 2006 and applicable accounting standards (FRS 102). In Kind Direct meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

Group accounts have been prepared for In Kind Direct and its wholly owned subsidiary Trading IK Limited. The results of IKDI, a separate charity have also been included on the basis of control as In Kind Direct is the sole member of IKDI. The accounts have been consolidated on a line by line basis.

Going concern

The trustees are confident that In Kind Direct will remain a going concern and that there are no known material uncertainties about the charity's ability to continue. A cash flow forecast has been prepared for the 12 month period following the date of signing of the accounts. This forecast includes all funding received to date as well as committed funding. Assumptions have been made around charges for goods income that show an increase of 16% growth against the 2021 targets which is line with the 2025 strategy. Unrestricted cash balances remain positive for the whole period and are expected to exceed the minimum requirement of £100,000.

Fund Accounting

Unrestricted funds includes funds and goods donated for distribution. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds and goods donated for distribution, which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income

All income is recognised in the SOFA when the charity has entitlement to the income, there is reasonable certainty of receipt and the amount can be measured. Event income and handling charges are treated as income of the period to which they relate. Registration fees are generally non-refundable and are applied to income at the beginning of the year to which they relate. Interest receivable is treated as income of the period in which it accrues.

Goods and services donated for the charity's own use

Goods, office cleaning and printing facilities, consultancy work and IT services donated for the charity's own use are recognised in the Statement of Financial Activities as both income and expenditure or capitalised if it is a capital item on the basis of the value of the gift to the charity..

Goods donated for onward distribution

Goods donated for onward distribution are included as both income and expenditure, at the time of distribution, at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition. By their very nature, the surplus product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt.

Expenditure

Expenditure is classified in accordance with the Statement of Recommended Practice as shown below:

Charitable Activities - all expenditure directly relating to the objects of the charity including the direct cost of supporting charitable activities and covers the following activities as incurred:

Identification of potential donors, obtaining donated goods for onward distribution, the processes for distributing, reporting and accounting for those goods; the recruitment and registration of charities and maintenance of data relating to those charities.

Governance Costs – Being financial, legal and administrative expenses incurred in connection with enabling the charitable company to comply with external regulations, constitutional and statutory requirements; and in providing support to the trustees in the discharge of their statutory duties. These costs are included within support costs.

Costs of Generating Funds - The costs incurred to obtain voluntary contributions to the charity including expenditure on increasing In Kind Direct's general resources other than through obtaining registration income or goods for distribution and for improving general awareness of In Kind Direct within the overall community.

Support Costs - Expenditure incurred on activities falling directly within one expenditure classification is charged directly to that classification. Expenditure incurred on activities falling in more than one cost category is apportioned as follows:

According to the time spent by each member of staff on activities within that category.

Office expenses: In the same overall ratio as staff costs.

Depreciation: In the same overall ratio as staff costs

Taxation

As a registered charity, the company is potentially exempt from taxation of its income and gains to the extent that these are applied to its charitable objects. The company is registered for VAT. Income Tax recoverable under Deeds of Covenant and Gift Aid is accounted for on a receivable basis.

Pension costs

Contributions to group personal money purchase pension schemes are charged to the Statement of Financial Activities on an accruals basis.

Operating leases

Operating lease rentals are charged to the SOFA over the term of the lease. Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

Tangible fixed assets

Fixed assets are capitalised in the balance sheet at cost or, for donated goods, at estimated market value, except for items costing less than £2,000, which are expensed in the year of purchase. Depreciation is calculated so as to write off the cost of tangible fixed assets, less the estimated residual values, on a straight-line basis over the estimated economic lives of the assets concerned. Computers and other capital equipment is written off over three years.

Intangible fixed assets

Intangible assets are initially recognised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. In Kind Direct's intangible fixed assets consist of software development costs. Amortisation is charged on a straight line basis over the estimated useful economic life of the software (from two to six years) and is included in Finance & IT support costs in the SOFA.

Public benefit concessionary loans

The group has provided a loan to further its charitable purposes at rates below prevailing market rates. In accordance with section 34 of FRS102 this loan has been classified and accounted for as a concessionary loan. Such loans are initially recognised and measured at the amount provided and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairments.

A loan of £20,000 has been granted by the group to IKDI Singapore to assist with its development. The loan is unsecured and is repayable annually in four equal instalments commencing on the fourth anniversary of the date of the loan agreement (10 May 2018). Interest accrues daily on the loan, chargeable at one percentage point above the Bank of England base rate, with interest levied payable quarterly in arrears.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

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

Creditors and provisions are recognised where the charity 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.

Financial instruments

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.

2. Critical accounting judgements and estimation uncertainty

- In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the group's and parent charitable company's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those areas subject to judgement and uncertainty are as follows:

- Valuation of goods distributed
- Valuation of other goods and services received in kind for the charity's own use.
- Accrued income and expenditure
- Cross charges of staff time spent between the 3 group entities.

Goods donated for onward distribution are valued at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition.

Other goods and services received are valued either by the donor, or where no value is given, valued at the equivalent market cost were these to be purchased directly by the charity.

Accrued income and expenditure are estimated where no invoice has been provided. These estimates are based either on third party evidence or on known values as yet not invoiced by the group.

Cross charges of staff time spent are based on reasonable estimates of how much time staff employed by In Kind Direct spend working on matters related to Trading IK Limited or IKDI.

3. Other Voluntary Income (Group)

	Restricted Funds	Unrestricted Funds	Total 2020	Restricted Funds	Unrestricted Funds	Total 2019
	£	£	£	£	£	£
Charitable Trusts	82,000	331,837	413,837	28,500	40,900	69,400
Business donations	70,000	344,914	414,914	25,270	123,993	149,263
Donations by individuals	-	33,785	33,785	1,906	264,738	266,644
	<u>152,000</u>	<u>710,536</u>	<u>862,536</u>	<u>55,676</u>	<u>429,631</u>	<u>485,307</u>
	0	-				

4. Donated goods and services

Donated goods and services were applied to the activities of the charity as follows:

	Restricted Funds	Unrestricted Funds	Total 2020	Restricted Funds	Unrestricted Funds	Total 2019
	£	£	£	£	£	£
Value of donated goods distributed	10,002,005	16,302,722	26,304,727	5,130,912	10,854,716	15,985,628
Services donated for own use	-	252,305	252,305	10,000	103,754	113,754
	<u>10,002,005</u>	<u>16,555,027</u>	<u>26,557,032</u>	<u>5,140,912</u>	<u>10,958,470</u>	<u>16,099,382</u>

5. Subsidiary undertakings

Trading IK Limited

Trading IK Limited (Company no. 06950193) is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its registered office address is 11 -15 St Mary at Hill, London, EC3R 8EE.

Its principal activity is generating alternative sources of income such as eBay sales and affiliate marketing agreements. The company gift aids its taxable profits to the parent company. The results for the trading company for the year ended 31 December 2020 were:

	31 December 2020	31 December 2019
	£	£
Turnover	113,100	128,804
Cost of sales	(40,138)	(53,220)
Gross profit	<u>72,962</u>	<u>75,584</u>
Distribution costs	(11,156)	(2,143)
Administration costs	(6,528)	(6,428)
Profit for the year	<u>55,278</u>	<u>67,013</u>
Gift Aid to In Kind Direct	(25,000)	(68,100)
Movement in Shareholder's Funds After Gift Aid	<u><u>30,278</u></u>	<u><u>(1,087)</u></u>

Administration costs relate to audit fees and other professional fees from In Kind Direct to Trading IK Limited (2020: £3,600; 2019 £3,600) for the use of staff and resources . These have been eliminated on consolidation.

	£	£
Current assets	49,205	24,350
Creditors and accruals	(18,926)	(7,836)
Net Assets	<u><u>30,278</u></u>	<u><u>16,514</u></u>

At the balance sheet date the company owed a balance of £8,098 to In Kind Direct.

IKDI

IKDI is a charitable company incorporated in England & Wales, (Charity no. 1157417; Company no. 08478660) of which In Kind Direct is the sole member. Its registered office address is 11 - 15 St Mary at Hill, London, EC3R 8EE. The results of the subsidiary charitable company for the year were as follows:

	31 December 2020	31 December 2019
	£	£
Income	39,246	78,378
Expenditure	(64,698)	(88,524)
Net expenditure	<u>(25,451)</u>	<u>(10,146)</u>
Funds brought forward at 1 January	106,020	116,166
Funds carried forward at 31 December	<u><u>80,568</u></u>	<u><u>106,020</u></u>

Total resources expended relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2020: 57,370; 2019: £73,970) for the use of staff and resources . These have been eliminated on consolidation.

At the balance sheet date the charity owed a balance of £20,170 to In Kind Direct.

6. Expenditure

	Direct cost £	Support cost £	Total 2020 £	Direct cost £	Support cost £	Total 2019 £
Cost of Charitable Activities						
Distribution of donated goods	26,304,727	-	26,304,727	15,985,628	0	15,985,628
Other charitable costs	1,223,999	1,494,107	2,718,106	695,817	1,479,293	2,175,110
	<u>27,528,726</u>	<u>1,494,107</u>	<u>29,022,832</u>	<u>16,681,445</u>	<u>1,479,293</u>	<u>18,160,738</u>
Cost of Generating Funds						
Fundraising activities	1,116	92,151	93,267	3,846	87,749	91,595
Trading activities	54,222	-	54,222	58,191	0	58,191
	<u>55,338</u>	<u>92,151</u>	<u>147,489</u>	<u>62,037</u>	<u>87,749</u>	<u>149,786</u>
Total Resources Expended	<u><u>27,584,064</u></u>	<u><u>1,586,258</u></u>	<u><u>29,170,322</u></u>	<u><u>16,743,482</u></u>	<u><u>1,567,042</u></u>	<u><u>18,310,524</u></u>

7. Support costs

Support costs are the costs of premises, facilities, staff and office overheads and are allocated to the activities of the charity as follows:

	Cost of Charitable Activities £	Costs of generating funds £	Total 2020 £	Total 2019 £
Management/Other	626,677	41,550	668,227	678,559
Finance & IT	186,034	3,342	189,376	180,679
Logistics	227,400	-	227,400	230,438
Charities	163,203	-	163,203	166,130
Fundraising	208,702	42,020	250,722	100,588
Premises	82,091	5,240	87,331	210,648
	<u>1,494,107</u>	<u>92,151</u>	<u>1,586,258</u>	<u>1,567,042</u>

Support costs are included in the expenditure in the SOFA and have been allocated on the basis of time spent.

Governance costs total	<u><u>85,117</u></u>	<u><u>84,408</u></u>
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8. Employees

Staff costs comprise:	Total 2020 £	Total 2019 £
Salaries and wages	841,093	855,570
Social security costs	82,991	87,967
Other pension costs	68,434	71,545
	<u>992,518</u>	<u>1,015,082</u>

The average number of employees during the year, analysed by function, was:

	2020	2019
Distribution of donated goods	18	17
Governance	1	1
	<u>19</u>	<u>18</u>

The number of employees earning in excess of £60,000 is as follows:

£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£140,001 - £150,000	1	-
* £170,001 - £180,000	-	1
	<u>-</u>	<u>1</u>

* includes benefit in kind in respect of company leased car

The key management personnel of In Kind Direct, the parent charity, comprise the Chief Executive Officer and the Senior Management Team (6 people). The total employee benefits (including employer's national insurance contributions) of the key management personnel of In Kind Direct were £549,150 (2019: £591,791).

The trustees did not receive remuneration for their services to the company during the period (2019: £nil). No expenses incurred by any trustee were reimbursed by the company (2019: £nil).

9. Net income for the year is stated after charging:

	2020 £	2019 £
Auditor remuneration - audit fee	12,750	12,400
Operating Lease rentals	65,736	49,315
Depreciation	39,955	38,502
	<u>118,441</u>	<u>100,217</u>

10. Tangible Fixed Assets

	Warehouse Equipment Unrestricted Funds £	Total 2020 £	Total 2019 £
Cost as at 1 January 2020	58,768	58,768	101,400
Additions during year	3,680	3,680	-
Transfer to intangible assets	-	-	-
Disposal	(46,541)	(46,541)	(42,632)
Cost as at 31 December 2020	<u>15,907</u>	<u>15,907</u>	<u>58,768</u>
Depreciation as at 1 January 2020	(48,374)	(48,374)	(75,936)
Charge for year	(10,467)	(10,467)	(15,070)
Disposal	46,541	46,541	42,632
Depreciation as at 31 December 2020	<u>(12,300)</u>	<u>(12,300)</u>	<u>(48,374)</u>
Net book value as at 1 January 2020	<u>10,394</u>	<u>10,394</u>	<u>25,464</u>
Net book value as at 31 December 2020	<u>3,607</u>	<u>3,607</u>	<u>10,394</u>

11. Intangible Fixed Assets

	IT Systems Unrestricted Funds £	Total 2020 £
Cost as at 1 January 2020	112,474	112,474
Additions during year	32,871	32,871
Cost as at 31 December 2020	<u>145,345</u>	<u>145,345</u>
Depreciation as at 1 January 2020	(23,432)	(23,432)
Charge for year	(29,488)	(29,488)
Depreciation as at 31 December 2020	<u>(52,920)</u>	<u>(52,920)</u>
Net book value as at 1 January 2020	<u>89,042</u>	<u>89,042</u>
Net book value as at 31 December 2020	<u>92,425</u>	<u>92,425</u>

**12. Investment
(Charity)**

	Unrestricted Funds £	Total 2020 £
Shares - subsidiary company Trading IK Ltd	1	1
Cost at 1 January 2020 and 31 December 2020	<u>1</u>	<u>1</u>

13a. Debtors - unrestricted**In Kind Direct**

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Prepayments	53,107	43,825	53,107	43,825
Trade debtors	53,093	26,087	10,900	9,061
Intercompany debtors	-	-	26,767	20,440
Taxation and social security	158	1,584	-	-
Accrued income*	22,729	17,275	15,814	8,495
	<u>129,087</u>	<u>88,771</u>	<u>106,588</u>	<u>81,821</u>

* Mostly donations recognised in the 2020 accounts but received early in 2021, and commissions due to trading subsidiary (group accounts).

13b. Debtors - restricted

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Grant income debtor*	519,023	843,526	519,023	843,526
	<u>519,023</u>	<u>843,526</u>	<u>519,023</u>	<u>843,526</u>

*This represents the value of the grant receivable by In Kind Direct until March 2025 in respect of the charity's office accommodation. 2021 grant paid end 2020.

14. Creditors: amounts falling due within one year - unrestricted

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	(154,985)	(82,447)	(154,034)	(79,667)
Accruals	(32,249)	(37,079)	(21,106)	(27,842)
Intercompany creditor	-	-	-	(1,286)
Taxation and social security	(106,766)	(49,896)	(104,130)	(49,896)
	<u>(294,000)</u>	<u>(169,422)</u>	<u>(279,270)</u>	<u>(158,691)</u>

15a. Reserves (Group) 2020

	Balance at 1 Jan 2020	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2020
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	845,034	-	(80,331)	(4,400)	760,303
2 Premises Fund 3 - dilaps	22,000	-	-	4,400	26,400
3 P&G Emergency Fund	1,257	-	(275)	-	982
4 Sir James Knott	-	5,000	(5,000)	-	-
5 GJW Turner Trust	-	2,000	(2,000)	-	-
6 Barclays COVID-19	-	70,000	-	-	70,000
7 The Prince of Wales's Charitable Foundation	-	75,000	(75,000)	-	-
8 Value of goods distributed	-	10,002,005	(10,002,005)	-	-
Total Restricted Funds	868,291	10,154,005	(10,164,610)	-	857,685
Unrestricted Funds	489,273	19,794,246	(19,005,712)	-	1,277,807
Total Funds	1,357,564	29,948,251	(29,170,322)	-	2,135,492

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations and to put in place additional infrastructure required to respond to the pandemic
- (8) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

15a. Reserves (Group) 2019

	Balance at 1 Jan 2019	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2019
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	983,502	-	(138,468)	-	845,034
2 Premises Fund 3 - dilaps	55,680	-	(33,680)	-	22,000
3 P&G Emergency Fund	1,257	-	-	-	1,257
4 The Prince of Wales's Charitable Foundation	5,000	10,000	(15,000)	-	(0)
5 Britford Bridge Trust	-	20,000	(20,000)	-	(0)
6 2019 Big Charity Picnic	-	27,176	(27,176)	-	-
7 Sir James Knott	-	5,000	(5,000)	-	-
8 JR Corah	-	1,000	(1,000)	-	-
9 Maud Elkington Charitable Trust	-	2,500	(2,500)	-	-
10 McCarthy Denning (IKDI)	3,668	-	(3,668)	-	-
11 Value of goods distributed	-	5,130,912	(5,130,912)	-	-
Total Restricted Funds	1,049,107	5,196,588	(5,377,405)	-	868,290
Unrestricted Funds	709,622	12,712,770	(12,933,119)	-	489,273
Total Funds	1,758,729	17,909,358	(18,310,524)	-	1,357,563

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) Funds towards a product giving research project.
- (5) Funds for PR research work.
- (6) Funds towards a celebration charity picnic event.
- (7) - (9) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (10) Funds represent start up costs for IKDI and to expand the IKDI network.
- (11) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

15b. Reserves (Charity) 2020

	Balance at 1 Jan 2020	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2020
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	845,034	-	(80,331)	(4,400)	760,303
2 Premises Fund 3 - dilaps	22,000	-	-	4,400	26,400
3 P&G Emergency Fund	1,257	-	(275)	-	982
4 Sir James Knott	-	5,000	(5,000)	-	-
5 GJW Turner Trust	-	2,000	(2,000)	-	-
6 Barclays COVID-19	-	70,000	-	-	70,000
7 The Prince of Wales's Charitable Foundation	-	75,000	(75,000)	-	-
8 Value of goods distributed	-	10,002,005	(10,002,005)	-	-
Total Restricted Funds	868,291	10,154,005	(10,164,611)	-	857,685
Unrestricted Funds	366,739	19,705,960	(18,905,738)	-	1,166,960
Total Funds	1,235,030	29,859,964	(29,070,349)	-	2,024,645

(0.50)

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations and to put in place additional infrastructure required to respond to the pandemic
- (8) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.

15b. Reserves (Charity) 2019

	Balance at 1 Jan 2019	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2019
	£	£	£	£	£
Restricted Funds:					
1 Lloyds Bank Premises Fund	983,502	-	(138,468)	-	845,034
2 Premises Fund 3 - dilaps	55,680	-	(33,680)	-	22,000
3 P&G Emergency Fund	1,257	-	-	-	1,257
4 The Prince of Wales's Charitable Foundation	5,000	10,000	(15,000)	-	-
5 Britford Bridge Trust	-	20,000	(20,000)	-	-
6 2019 Big Charity Picnic	-	27,176	(27,176)	-	-
7 Sir James Knott	-	5,000	(5,000)	-	-
8 JR Corah	-	1,000	(1,000)	-	-
9 Maud Elkington Charitable Trust	-	2,500	(2,500)	-	-
10 Value of goods distributed	-	5,130,912	(5,130,912)	-	-
Total Restricted Funds	1,045,439	5,196,588	(5,373,736)	-	868,291
Unrestricted Funds	579,522	12,621,250	(12,834,033)	-	366,739
Total Funds	1,624,961	17,817,838	(18,207,769)	-	1,235,030

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) Funds towards a product giving research project.
- (5) Funds for PR research work.
- (6) Funds towards a celebration charity picnic event.
- (7) - (9) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.

16. Donation of services for own use (Charity)

The financial statements exclude some intangible services (mainly legal services) as they were immaterial in value. However, the accounts do include the following donated services that are of material value:

	2020	2019
	£	£
Office cleaning & printing charges	-	16,062
Web hosting & IT services	33,250	87,692
PWC report	-	10,000
Consultancy	216,500	-
Staff costs/training	2,555	-
	<u>252,305</u>	<u>113,754</u>

17. Obligation under operating lease (Charity)

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for one office premises as set out below:

Minimum rentals falling due:	Total 2020	Total 2019
	£	£
Within 1 year	53,757	64,331
Between 1 and 5 years	215,143	456,691
More than 5 years	-	30,883
	<u>268,900</u>	<u>551,905</u>

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 included in the lease of In Kind Direct's offices.

18. Related party transactions

His Royal Highness, The Prince of Wales is Royal Founding Patron of In Kind Direct.

We are aware of a number of donations to IKD by trustees and their related parties (A Rubin/ T Tideman). The total amount in 2020 was £10,625 (2019: £15,531).

19. Capital commitments

There were no capital commitments at the end of 2020 (2019: £31,400).

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	777,929	(401,166)	789,615	(389,931)
<u>Adjustments for:</u>				
Depreciation	39,955	38,503	39,955	38,503
Dividends, interest and rents from investments	(212)	(2,232)	(212)	(2,232)
Decrease in debtors	284,187	273,621	299,738	285,913
Increase in creditors	124,579	29,871	120,580	28,573
Net cash provided by/(used in) operating activities	<u>1,226,439</u>	<u>(61,403)</u>	<u>1,249,678</u>	<u>(39,174)</u>