

FOUNDATIONS FURNITURE AND GARDENING PROJECT LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2021

FOUNDATIONS FURNITURE AND GARDENING PROJECT LIMITED
(A company limited by guarantee)

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Report of the trustees for the year ended 31 March 2021

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). The organisation is a Public Benefit Entity within the definitions of s34 FRS 102.

Our purposes and activities

The objects are to provide furniture to new tenants and families on low income.

Achievements and performance

Our charity closed all face-to-face support from 23rd March 2020 to keep local residents, staff and volunteers safe during the coronavirus outbreak.

In preparation for non-essential retail to reopen in Summer 2020, we put our safety measures in place, and were relieved to open our doors to our community. In November, non-essential retail was part of local restrictions due to the number of cases in the North East rising significantly. We opened in December to support our community, but in January, a further national lockdown was put in place, and we were closed for the remainder of the financial year. Although the charity was closed to the public in the last month of the financial year, the team returned to provide crisis support to vulnerable households so that they could access the essential items they needed.

During the months the five months of the financial year that we were open, the charity helped more households in crisis who needed support to rebuild a safe, stable home life (after experiencing homeless or fleeing from domestic violence for example) compared to the previous year. Households referred for crisis support can access essential household items free of charge when funds allow.

"I was homeless and rehoused by Gateshead Council. They referred me to Foundations because I had no money to furnish my new home. The first thing I found was that the staff were so friendly and understanding at Foundations. The van crew were brilliant. They managed to get the furniture in, even though access was very awkward for them. They are great at helping people like me to get back on their feet. Foundations saved me and gave me hope! I have an ongoing mental health condition but I'm applying to be a volunteer, have had my friends visit me in my new home. I'm much more confident now that I have gained some independence." (Crisis support beneficiary)

With a planned reopening date of 12th April 2021, we have been ensuring that our existing safety measures remain in place and meet the current requirements of the covid-safety guidance from public health so that people visiting our charity can feel safe and reassured.

Report of the trustees for the year ended 31 March 2021

Achievements and performance - continued

The year has been one of the most challenging we have faced in our 25 years of helping people affected by furniture poverty. There have been many funders and organisations who have given us their time, assistance, reassurance and understanding. We would like to say a heartfelt thank you to:-

- Gateshead Council
- The Gateshead Housing Company
- Nationwide Community Fund
- Community Foundation Tyne and Wear and Northumberland
- Tracey Tait

Beneficiaries

By 31st March 2021 Foundations supported 688 Gateshead residents, from 312 households in hardship, of which 59 received furniture free of charge due to extreme disadvantage and/or crisis.

Environmental Impact

To ensure that the supply of furniture meets the needs of the people accessing our services we made 459 visits to our donors, an increase from 995 the previous year. Over 47 tonnes of furniture was collected and reused which has diverted thousands of items away from landfill that may have otherwise been sent there unnecessarily. This reduces CO2 emissions and eases pressure on our local authority waste removal services. Thanks to the kindness of local residents who have donated furniture to us, we have been able to maintain a good level of quality items for beneficiaries to choose from in times of hardship.

Fundraising

We continue to gain a steady growth in social media interest which has improved sales overall. When our charity was able to open in 2020/21 we achieved steady income generation for new beds, electrical items and pre-owned items on Facebook Marketplace which has supported the charity's financial sustainability.

Foundations was awarded a combined total of £62,809 of generous funding support from Gateshead Council, The Gateshead Housing Company and other grant making organisations. Funding received in 2019/20 from the Nationwide Building Society continued to support the charity in 2020/21. We are carrying forward £16,382 into the current financial year.

Social Value

Foundations has a social return on investment of £3.22 for every £1 we receive, therefore we have been able to have a social, environmental and economic impact of £202,245 in 2020/21 thanks to the funding support we have received. When added to the income generated through our day to day activities, this impact increases to £540,825.

Working in Partnership

The Gateshead Housing Company and Gateshead Council continue to be strong supporters of the charity. We have featured in the Gateshead Housing Company News on several occasions to share our work with local tenants and this has helped to reach more people in financial hardship and our information has been shared frequently within the Anti-Poverty Network led by Gateshead Council. Foundations works closely with many third sector organisations in and around Gateshead so that an effective referral process is in place so that vulnerable residents can get access to a range of support quickly and easily.

Report of the trustees for the year ended 31 March 2021**The Team**

We continue to have a strong, dedicated team who receive regular praise from local people about their approach and compassion, and the welcoming atmosphere they create for beneficiaries and volunteers. Our valued volunteers dedicated hundreds of hours per week to our charity to help deliver our activities.

Financial Review

The financial statements show a surplus of £15,544. The charity retains a cash balance of £120,510 which will assist running costs in these difficult financial times.

Reserves policy and going concern

The trustees consider that the ideal level of reserves as at 31 March 2021 would be £100,000. At this level of unrestricted reserves the charity could maintain operation for six months.

Current unrestricted reserves after adjusting for fixed assets amount to £103,580. The charity enjoys good liquidity and has no issue on meeting its liabilities when they are due. The trustees are confident for the next twelve months. Grant applications are being submitted and everyone is optimistic for their success in gaining funding.

Legal and administrative information**Constitution**

Foundations Furniture and Gardening Project Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Charity number : 1090034
Company number : 03731516

Directors and trustees

B Howell	E McMaster
J Bush	L J O'Halleron
H Hall	

Registered office

Units 1 & 2
Teams Craft Workshops
Askew
Gateshead
Tyne & Wear
NE8 2PB

**Independent
Examiner**

R A Page FCCA
511 Durham Road
Low Fell
Tyne & Wear
NE9 5EY

Report of the trustees for the year ended 31 March 2021**Legal and administrative information - continued**

Bankers	NatWest Bank Metrocentre 103 Cameron Walk Metrocentre Gateshead Tyne & Wear NE11 9GA
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Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 11 March 1999 and registered as a charity on 10 January 2002. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purpose of charity law. The trustees continually audit the available skills of the board and look to acquire new trustees with different skills and experiences which can assist in the growth of the organisation. Recruitment is by approach and word of mouth.

Risk Management

The trustees and management have carried out an assessment of the major risks facing the charity.

Organisational Structure

The charity has a management committee of up to 6 members who meet monthly. Face to face meetings were not possible during 2020/21 however regular trustee and management updates were delivered by telephone and virtually. A scheme of delegation is in place and day to day responsibility for the provision of services rests with Linda Wild and Eric Hall who are managers.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing a trustees' annual report and 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 that give a true and fair view of the state of affairs of the charity at the end of the financial year and of the incoming resources and application of resources.

Report of the trustees for the year ended 31 March 2021**Trustees' responsibilities in relation to the financial statements - continued**

In doing so 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 a going concern basis unless it is inappropriate to assume that the charity will continue in business.

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

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.

Signed on behalf of the trustees

B Howell - Chair

30 November 2021

Report of the Independent Examiner to the trustees of Foundations Furniture And Gardening Project Limited

I report on the financial statements of Foundations Furniture and Gardening Project Limited for the year ended 31 March 2021 which are set out on pages 6 to 14.

Respective responsibility of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

Examine the accounts under section 145 of the 2011 Act

To follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act) and

To state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention :

- (1) which gives me reasonable cause to believe that in any material respect the requirements
- . to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - . to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities,

have not been met ;or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

R A Page FCCA

511 Durham Road
Low Fell
Gateshead
Tyne & Wear
NE9 5EY

30 November 2021

Statement of financial activities (including Income and Expenditure Account)
Year ended 31 March 2021

	Notes	Unrestricted	Restricted	2021 £	2020 £
Income					
<i>Income from charitable activities</i>					
Grants	2	-	62,809	62,809	112,161
Furniture sales		21,946	-	21,946	56,939
Electrical and white goods		6,871	-	6,871	10,982
<i>Income from other trading activities</i>					
Delivery charges		3,451	-	3,451	6,935
Employment allowance		4,000	-	4,000	3,000
Ebay & Market Place Sales		7,574	-	7,574	11,730
Other income	3	61,307	-	61,307	9,534
Total income		105,149	62,809	167,958	211,281
Expenditure					
Charitable activities		54,975	76,013	130,988	164,330
Support costs		19,169	2,257	21,426	24,104
Total expenditure	4	74,144	78,270	152,414	188,434
Net income and net movement in funds		31,005	(15,461)	15,544	22,847
Funds brought forward		72,673	31,843	104,516	81,669
Funds carried forward		103,678	16,382	120,060	104,516

Balance sheet as at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible fixed assets	6		98		444
Current assets					
Debtors	7	575		3,425	
Cash at bank		<u>120,510</u>		<u>106,835</u>	
		121,085		110,260	
Creditors: amounts falling due within one year	8	<u>1,123</u>		<u>6,188</u>	
Net current assets			119,962		104,072
Total assets less current liabilities			<u>120,060</u>		<u>104,516</u>
Funds	9		<u>120,060</u>		<u>104,516</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 1023), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 30 November 2021 and were signed on its behalf by

Statement of Cash Flows
Year ended 31 March 2021

	2021	2020
	£	£
Cash used in operations		
Net movement in funds	15,544	22,847
Decrease (Increase) in debtors	2,850	(2,695)
(Decrease)Increase in creditors	(5,065)	(47)
Depreciation	346	148
	<hr/>	<hr/>
Net cash generated from operations	13,675	20,253
<i>Cash flows from investing activities</i>		
Purchase of fixed assets	-	-
	<hr/>	<hr/>
Net cash provided	13,675	20,253
	<hr/>	<hr/>
Change in cash in the year	13,675	20,253
	<hr/>	<hr/>
Cash brought forward	106,835	86,582
	<hr/>	<hr/>
Cash carried forward	120,510	106,835
	<hr/>	<hr/>

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 1023), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Grants

Grants for immediate expenditure are accounted on a receivable basis. Grants where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly and other are apportioned on an appropriate basis such as staff time.

Tangible fixed assets and depreciation

Fixed assets for charitable use are capitalised at cost where acquired or market value as determined by the trustees when donated. The assets are stated at cost or value less depreciation.

Depreciation is calculated to write off the cost or valuation of the fixed assets less their estimated residual value over their expected useful lives on the following bases:

Equipment	25% reducing balance
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Notes to the financial statements

Year ended 31 March 2021

2 Grants

	Unrestricted £	Restricted £	2021 £	2020 £
The National Lottery Community Fund	-	-	-	10,000
Community Foundation	-	4,000	4,000	-
Gateshead Housing Company	-	5,000	5,000	5,000
Gateshead MBC	-	48,277	48,277	57,843
Hadrian Trust	-	2,000	2,000	-
Nationwide Building Society	-	-	-	35,068
The P&G Fund	-	-	-	3,500
Parochial Charity	-	250	250	250
Pattinson Estate Agent	-	500	500	500
Screwfix Fund	-	2,782	2,782	-
	-	62,089	62,089	112,161

3 Other income

	Unrestricted £	Restricted £	2021 £	2020 £
Donations	63	-	63	174
Gateshead Housing Company	-	-	-	9,360
Gateshead MBC COVID19 rates grant	20,000	-	20,000	-
Job Retention Scheme Grants	41,244	-	41,244	-
	61,307	-	61,307	9,534

4 Expenditure

	Un- restricted £	Restricted £	2021 £	2020 £
Charitable activities				
Wages	35,350	76,013	111,363	125,057
Travelling	1,060	-	1,060	173
Telephone	1,175	-	1,175	1,153
Postage and stationery	312	-	312	652
Advertising	-	-	-	1,154
Rent	4,668	-	4,668	9,149
Rates and water	3,180	-	3,180	1,699
Insurance	1,826	-	1,826	1,998
Light and heat	592	-	592	1,193
Repairs	2,423	-	2,423	1,397
CLLD expenditure	-	1,735	1,735	11,741
Flat pack furniture	2,308	-	2,308	7,496
Local Sustainability	-	-	-	1,320
Depreciation	346	-	346	148
	53,230	77,748	130,988	164,330

Notes to the financial statements
Year ended 31 March 2021

4 Resources expended – continued

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Support costs				
Sundries	265	-	265	196
Cleaning and refreshments	117	-	117	341
Management fee	13,608	-	13,608	13,404
Staff uniforms	72	-	72	191
Sage costs	1,560	-	1,560	1,380
IT Support	1,036	-	1,036	1,037
Accountancy	900	-	900	900
Bank charges	1,611	-	1,611	2,043
Companies House fees	-	-	-	13
IT Sapere System	-	2,257	2,257	4,599
	19,169	2,257	21,426	24,104

5 Trustees remuneration

No trustee received any remuneration during the year.

6 Fixed assets

	Office equipment	Total
	£	£
Cost		
As at 1 April 2020 and at 31 March 2021	2,014	2,014
Depreciation		
As at 1 April 2020	1,570	1,570
Charge for year	346	346
As at 31 March 2021	1,916	1,916
Net book value		
As at 31 March 2021	98	98
As at 31 March 2020	444	444

Notes to the financial statements
Year ended 31 March 2021

7 Debtors

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Amount due from associate				
Trade debtors	105	-	105	2,991
Prepayments	470	-	470	434
	<hr/>	<hr/>	<hr/>	<hr/>
	575	-	575	3,425

8 Creditors – amounts falling due within one year

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Grants in advance	-	-	-	5,000
Other creditors	223	-	223	288
Accrued expenses	900	-	900	900
	<hr/>	<hr/>	<hr/>	<hr/>
	1,123	-	1,123	6,188

9 Reserves

	As at 1 April	Income	Expenditure	As at 31 March
	£	£	£	£
Unrestricted				
General reserve	72,673	105,149	(74,144)	103,678
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted				
Community Foundation	-	4,000	(4,000)	-
Gateshead Housing Company	-	5,000	(5,000)	-
Gateshead MBC	-	48,277	(48,277)	-
Hadrian Trust	-	2,000	(2,000)	-
Nationwide Building Society	31,843	-	(15,461)	16,382
Parochial Charity	-	250	250	-
Pattinson Estate Agent	-	500	500	-
Screwfix Fund	-	2,782	2,782	-
	<hr/>	<hr/>	<hr/>	<hr/>
	31,843	62,809	(78,270)	16,382
	<hr/>	<hr/>	<hr/>	<hr/>
	104,516	167,958	152,414	120,060

Notes to the financial statements
Year ended 31 March 2021

10 Analysis of net assets by fund

	Unrestricted	Restricted	2021
	£	£	£
Fixed assets	98	-	98
Debtors	575	-	575
Cash at bank	104,128	16,382	120,510
Creditors	(1,123)	-	(1,123)
	<u>103,678</u>	<u>16,382</u>	<u>120,060</u>

11 Related parties

Name of related party	Teamwork Development Trust CIC
Nature of relationship	B Howell and E McMaster are directors of both organisations

The charity paid £13,608 (2020 - £13,404) in management services to Teamwork Development Trust CIC.