

County Durham Furniture Help Scheme
Financial Statements
For the year ending
31 March 2022

JANE ASCROFT ACCOUNTANCY LIMITED

Chartered Accountants
Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

County Durham Furniture Help Scheme

Financial Statements

Year ended 31 March 2022

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County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

Objectives

The objectives of the charity are to relieve poverty in particular by the provision of a furniture and household goods recycling services to those people resident in County Durham who are necessitous circumstances.

Activities and financial review

I find this a difficult report to write.....

We started April 2021 with £39,000 in the bank and despite dire predictions - surviving the countries COVID disaster as an organisation and as individuals. Though some inevitable scarring has occurred. We know more about COVID as an organisation and lingering effects will be with us for some time - being in the midst of the third lockdown it remains to be seen how matters will proceed this forthcoming year. This period of time ran to June 2021 and the majority of restrictions for us all not loosening till well in to July 2021. All business support tapering down towards particularly the Furlough scheme by October 2021. We went through some cash expenditure and reduced our bank balance significantly.

However our turnover exceeded half a million eventually and made a surplus to carry in to this year.

We had clear expenditures totalling £537,000, this amazes some members of the general public who firmly believe we run for free and have everything given to us. We are discriminated against and treated as disgracefully as anyone else in business - often worse. I have taken the view though to further tighten our accounting procedures as we are and always will be fully accountable for every penny of spend.

Of note are the two salaries Steve and Lee. They are exceptionally hard workers and took more than their fair share of risk in the pandemic - to deliver our increasingly valued and much more recognised service. They are and have been rewarded accordingly. It is not yet enough.

Our main stream of the furniture business never turned more than £10,000 in any one month and the quality of goods coming to us from clients reflected peoples reluctance to part company in exchange for purchasing say a new sofa or bedroom set. This has meant that we are seeing similar numbers of sales but value wise the average has declined. As the year has progressed we have noted some significant card generated sales and occasional days of £1000 often 2 or 3 times in a week. Reflecting when we have had better stock arising and proving the assertion above. From previous reporting and the numbers generated it should be understood that the CDFHS main client is the Local Authority (LA) Durham County Council (DCC).

As DCC are remaining our main client and their support has been absolute in many departments and individual support workers have turned out to sometimes be clearly very community focussed. Some have assisted considerable numbers of clients and their names and contact have made regular appearances - much more faces to names as opposed to contractual negotiations. A simple thing - trust.

Personally I had to still figure out revenue streams, from sometimes snap government information arising in the TV or newspapers and then to figure out the cascade of funding and how it arose "at the coalface" I.E with those individual support workers as mentioned. I often had what seemed a race between what I knew appearing eventually as a formed revenue stream for us to tap in to.

County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Activities and financial review *(continued)*

For example, Winter Support Fund and the "ALL IN" or Humanitarian work. Often these appearing would cause a drop in Welfare Assistance as accessing these funds - support workers found for example Winter Support fund more generous and easier to work to a clients benefit. We saw easily £200 k of sales December to April this year making a significant impact in our year end results. Following some dire months trading and effectively living off the previous "fat" built up or the COVID Business interruption monies we received from our ever diligent, professional and supportive Insurance Brokers who figure in multiple year end reports over my tenure of 13 years at the CDFHS.

The main cost of Lockdown being increased home delivery demanded by the general public and those needing to shield has skewed the home vehicle delivery market and for the cost of vehicles themselves - white vans are in demand, we had started to charge for our collection services due our increased maintenance costs, loss of revenue and now following the desperately sad and dangerous war in Ukraine fuel costs going up and likely to continue to do so along with cost of living issues for every single person in the UK can clearly be seen. This will have multiple effects upon us, the CDFHS and all areas of support that are available. This could make the year to come 22-23 extremely difficult - so being in the possession of a reasonable bank balance of cash to the tune of £38,000 with quite an amount of monies owed to us from our March 2022 transactions we will have a cushion in place to support us as things may get very bumpy indeed

As stated in the early stages of this report and the various lockdowns referred to we note quantity, quality and distance travelled therefore the cost to collect our re-usable stock over the year to December we had only partially replaced items. We previously wrote the value of our second hand stock down in line with its then current physical condition - certainly another factor that is not allowing us to recover enough revenue by the virtue as referred to of being kept and used for longer - a by-product of lengthy lockdowns. We reckon on a stock value at year end below £8K that is half that of last year.

We continued a fairly large lean on our stock with the Humanitarian project for the resettlement of Syrian Refugees. This was involving us in painting and decorating further batches of houses. Again this was a manual intervention of just lifting and delivering urgently. The Humanitarian project looks like being paused and seems stopped as of March 2022. We await the impact of the Ukrainian crisis as I can imagine many coming to the UK due to the massive people displacement starting to manifest itself. It is uncertain how the Ukraine issue and cost of living matters impact - though we anticipate nothing good on our behalf

We still have a dread of someone turning up at our door with nothing but the clothes that they stand up in. The Police being of a regular nature turning up with someone, often they have a station collection and what is collected may be added to what little the client has. This leaves us looking to explain to people where to go and who to see/apply to. Or as we found with County Durham Community Foundation - Donor Directed Grant funding was awarded to us. This was a £3K package to use for cases that have fallen through the cracks of statutory provision or for whatever reason have no access to any public funds whatsoever. We operated this small grant with similar strict criteria of spend allowed (narrow range of goods, max value £300.00, exceptional circumstances). This was awarded by Sherburn House Trust, for relief of poverty by the CDFHS carrying out its articles of supplying those residents of County Durham in necessitous circumstances. Our thanks to the County Durham Community Foundation for this.

This support was a tiny drop in the ocean and as referred to at the end of our first paragraph by the holiday break of 2021 our bank balance had reduced to below £10,000. Monetary situation to say the least appeared dire. Steve had the utmost confidence matters would improve. He had significant information to hand following some concerted levels of dialog across many areas of Local Government that the situation would improve. A further round of Winter Support Fund, which came from the Central Government to all Local Authorities was being promoted. The aiming point to launch was January 2022 - really a last opportunity to improve the year end and put cash back in to the bank.

County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Activities and financial review *(continued)*

CDFHS was sitting on a large amount of stock (£30K+ in December 2021) with as much again on order, so on closer examination our supporters could see something was being catered for and that some anticipation of future business potential was well in hand.

Our people were all affected by the pandemic with ongoing, personal and family threat and worries over their employment, health, risks growing from COVID and continuing uncertainty of health and employment. Steve continued to spend time keeping in touch with the staff and reassuring them, that the ongoing effort to keep CDFHS going would continue. Encouraging and persuading. It also turned out that this assurance had to be made to other organisations and supporters to confirm our ongoing viability and clear solvency. Increasingly looked to develop firm and close links with key suppliers and to concentrate effort on a few rather than shopping around extensively wasting time and effort trying to generate other suppliers - they in the main not being interested. However, for supply of goods we have performed well broadening our range, keeping supplies at all times in and keeping our customers satisfied in all respects on - traded goods. Lee looked after the general day to day stock and re-use items again working extremely hard to get what was available on to the shop floor.

There were some initial areas of support in 2020 such as Units Rental deferral of 3 months, saving us £15K expenditure April to June 2020 and various PAYE and VAT Deferrals. These being £4.5K for the VAT owed from last Quarter of 19-20. All these have now been settled in the day to day month to month trading - a gratifying result of reducing what was added indebtedness of CDFHS. We have also made inroads in to what we owe Northstar and Keyfund and plans / agreements are in place between us going forward to mutual benefit. Yes, we have debt - it is manageable.

Our business and accountancy practices are being continually developed to cope with the constantly evolving situation, Julian Haynes and Jane Ascroft working particularly hard with us to keep financial position true and accurate. Lisa Hutchinson has also kept our PAYE and payroll in good shape and Steve reports that at the year-end our account with HMRC for PAYE and VAT is totally up to date. In the coming year Steve and Julian have agreed some further changes to the way we work on our accountancy to ensure continuing and improving accuracy and quicker reporting. This continued on from the major changes Steve implemented in our first year trading in the Pandemic.

We continued to pay some volunteer allowances ongoing being intent as an entity of supporting volunteers whilst keeping our workforce intact with the ongoing government Job Retention Scheme (JRS). We have claimed and have seen regular amounts coming in. These have been accurate and genuine reflections of the workforce and as Furlough evolved the variable support obtained in to late 2021 was very useful.

Organisations like Believe Housing, Red Supported Living, and Richmond Fellowship all came looking for goods in addition to the Local Authority. One Government policy that continued to add to our turnover was "ALL IN". "All in" the homeless agenda of getting all homeless people off the streets, living and sleeping rough and those fleeing the increasing level of domestic violence or indeed coming out of hospital following illness or breakdown. There is a case study available as an example of how refined the working method and policy became.

County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Activities and financial review *(continued)*

Steve and Lee continued to work up a stock range, of beds, microwave, bedding and essential items and food boxes as stored with us by Housing Solutions and Humanitarian Project and thoroughly professionalised the purchasing methods and accountancy. Referrals for goods for named individuals grew in individual value to approx £275.00 to £315.00 each depending on family make-up. We would act on an instruction, in conjunction the client, his worker, the renter/tenancy provider on multiple occasions - embedding the process and work firmly in to CDFHS baseline. This process started originally adding £2K-£4K per month to our turnover and vastly improving our standing and perception within the LA, workers and other parties. This has grown now in to £6 or or £7k per month with some spinoff work from other areas as a result - again most impressive. We also are receiving plaudits for our service and efficiency with this project. Development work is ongoing and we may have further work to come - at least the same volume but potentially additional spinoff work also.

We have been very ably supported by Martin Smith and Phil Smith of Mayfield insurance. Particularly keeping us regularly updated on the position of our various business interruption cover. Initially we were advised our Business Interruption Cover would not be actionable. Because the law changed and the method by which the Local Authority told us to close was exactly in accordance the policy wording, was a point driven home by Phil Smith of Mayfield. Various national court cases took place also, subsequently our case strengthened as the year wore on. We got paid the full £25,000 a most spectacular result. Full praise to Mayfield Insurance Brokers - Martin and Phil. This illustrates in no uncertain terms properly insuring a business may not be as cost effective as minimal cover via internet sources. The support work from physical Brokers personally using their multiple years of experience will be of significant help.

The vehicle fleet insurance was conducted again and nets out at £1,000 per vehicle per policy year and a £1000 for the policy so over £4K to insure our small fleet - something the general public do not grasp - we do not have a "magic money tree". WE have to work to return or generate funds to cover not just vehicular insurance but our Employer Liability Insurance and Charity Insurance Cover - this adds another £4K on top of the vehicle cover. As of 1.4.21 we had of a 15 plate and a 13 plate van one at at least would in normal circumstances see project or grant funding, supporting replacements, no such funding has arisen. After much discussion when we realised the maintenance costs we had some funding for were getting to an excruciating level we decided to look at long term leasing as opposed to finding It virtually impossible to find funding.

Unfortunately, we had a major traffic accident at the start of the new financial year as Van 15 was written off. The residue generated by this incident and our insurers enabled us to pay deposits on our insurances, reducing our monthly outgoings for the year to come and also pay a major finance lease deposit for a brand new van worth near £50K. This has a tail lift to further improve our speed and safety of handling bulky items. It appears losing the older van has paid off as our maintenance of vehicle costs have collapsed and are at a much reduced level currently. At this stage (March 2022,) we have no plans in place to acquire a further vehicle, but will look to purchasing another one as soon as we have the sufficient funds available.

County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Activities and financial review *(continued)*

Winter Support Fund was a major factor in increasing our turnover as by the holiday break at the end of December our sales volume was dreadfully adrift of the targets I had set. I.E just below a quarter of a million (£242K). Our bank balance had reduced dramatically despite the income from the successful COVID Business Interruption income. However, this was a situation where the disruption caused to CDFHS in the first year of the pandemic endured in to the second year - 2021 / 2022 business year. This actually being just where we needed the funds to cover us.

Steve had constantly chased and progressed the path of government funding that cascaded to the Local Authority and with some confidence he set about securing stock and placing forward orders with our main suppliers towards the end of calendar year 2021. This is clearly reflected in the following January to March we had £38-£40K constantly on hand to sustain us as the work arrived from the two Family Support Fund teams. This netted us over £250K in sales for the last three months of the year and recovered all the funds expended keeping CDFHS on the correct side of solvency.

Lee had an immense job to manage this work, but as he said the methodology and supply scope was shipping "boxes" and generally consistent product. The usual issues were the customer availability to get their items delivered. Often multiple telephone calls to establish a delivery slot and no one being there after all that to take in the delivery. Galling that hard fought for public funds and effort by our teams met this almost indifference. Though to maintain an upbeat note and not to dwell, the vast majority of our clients and people getting this support were surprised and grateful when the deliveries were made. There were a few tears shed as well. The Family Support Fund is a significant piece of support for people often in desperate circumstances. This adding to our core ethic and constitutional aim of supporting those in need across County Durham.

We achieved our charitable aim totally, we have achieved the required income volume courtesy of ability to "trade" the items concerned. The full team kept effort up despite some big obstacles in costs starting to uplift and the sheer volume of work to plough through. In December 2021 Steve noted: the government is getting and allowing businesses to trade while telling consumers to reduce social contact that is very distinctly manifested in the matching drop in footfall - regulars still appear and we need to look at a way to get some thanks back to them. It can be said this means that businesses like us, most of which still have a level of pre pandemic debts, were facing reduced income, coupled with reduced volume second hand stock, bumpy supply chain, virtually no credit access from suppliers (Pay cash) very few grants and rising costs to boot.

This was in addition to our lenders wanting larger payments against their loans. I have gotten agreement from Northstar to do £250.00 per month. We sent Keyfund £5,000 and its halved our interest payments and again we agreed to send them £250 month and another £5K when we can. Note with both of them this gives us an opportunity to reduce the core loan capital a little before the year end. This may be the position for most of first half next year.

We took a decision to push back the Bounceback Loan to April 2022 for a breathing space and negotiated a smaller monthly payment of £523.00 from May 2022. That loan is being heavily used as cashflow and is manifested in the £30K pile of stock across in Unit 22 we had showing on our books end December 2021.

County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Activities and financial review *(continued)*

On checking with HMRC, our VAT outstanding on our accounts from Q1 2020 is being reduced because of the last two quarters, mainly due to higher purchasing than normal (building for Winter Support Fund stock up) means some VAT coming back - its set off against our old owings. This will be higher at the end of the quarter to April 2022 and may be a sting in the tale as sales will take off now.

If the current jolt of Winter Support Fund business keeps coming, we may get turnover to some better position than what the current numbers suggest we will reach. This would potentially enable more choices to be made 31.3.2021 or just after.

Looking at work coming in as opposed to the furniture Scheme sales issue we can note, more business from Rebecca's Housing Solutions team. Invoicing near-14 K shortly for last and this month together. There will be at least £6K of Council VAT to come back to us as Welfare has gone up in volume slightly by 15% This is reflective of the increasing number of homeless people our mutual work with Rebecca's team is bringing us.

We also acquired work from the new County Council County Durham Lettings Agency. With 3 flats and up to 4 houses planned to be filled with furniture up to end March 2022.

This and the Winter Support Fund work was quite important for our continued business over the winter. As its quite obvious the furniture business has collapsed as far as clients coming in to see us.

Steve went on to say in his winter 2021 review.

ANY professional in either a child/young family/young adult support focussed role, or in Adult Social care and supporting those such as homeless, domestic violence sufferers etc will be going through the application process.

We received two Purchase order numbers and to be clear there is a differential in the two as to potential pricing and how the invoices need preparing and sending the values stacked up towards the year end at near £200K - stunning addition to our turnover and margin. . Julian is made aware verbally and is getting a copy of this note also to help.

Steve also re-engaged Iain Kay to a limited extent as again it is essential he has some recourse to impartial/external advice and there is some guidance on grant funding I feel could be forthcoming as well.

To brush up our green credentials BEEP (energy efficiency and innovative ideas re power) grant process will see us discuss electric vehicles as the council are wanting to encourage their use and we have pushed the circular economy model hard to these people. Made introductions and have been promised demonstrator electric vans to trial end this financial year early next.

County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Activities and financial review *(continued)*

I have alluded to pricing issues earlier this year but happily we dealt with other projects within Durham County Council and we used volume we had that we supplied to keep prices at a standstill or on an ad-hoc basis varied or occasionally we did supply alternative items. This had the net effect of Welfare Assistance being left alone. What we have to address is the permanency of the price impacts and possibly a temporary hike that part of the price may come back down end 2021 in to 2022 and some shaving of shipping rates could see some goods prices falling back.

The tone of the report is work, hard work, a preparedness to adapt, an ability to be patient and in the face of real life endangering, not alone the business destroying climate I can express total pride right the way through all levels of the organisation.

In fairness where credit and praise is due to those who help our cause it is actually too much to enumerate. Key Fund and Northstar are worthy of mention in particular as Steve being open and honest with them about our situation (not predicament) - because managing the issues is Steve's forte, plus Steve willingly has and does seek support, advice and guidance. Likewise, he has been called upon similarly from and by others and feedback here has been plenty and positive - especially as there have been so many unknowns for everyone. A big nod to Durham County Council likewise for some real organisational shifts in position and culture. I could go on but in fairness any omission could be viewed negatively and certain expressions are not applicable in this kind of report.

This MD report is longer than common due to the nature of the last year's events and reflects truthfully the decisions and decision making taken at all turns was dictated (particularly) by events then. Hindsight is a difficult judge so is certainly not appropriate. However simply put, CDFHS is still here, yes it has debt, now much reduced in cost, positively though unlike on many occasions it has choices which IT can make which is different to the preceding situations where events led us and we had to bow to pressure of these events.

After all the work to keep COVID out of CDFHS all but myself caught it in the last week of the financial year - a salutary warning that that "elephant in the room" lurks ready to strike and upend the most careful of planning and impact on our people.

Thanks to all.

Financial Review

Income during the year totalled £579,432 (2021 - £466,736) and expenditure totalled £545,918 (2021 - £439,580) giving a surplus of £33,514 (2021 - £27,156).

At 31st March 2022 net assets were £29,002, all of which were held in reserves.

Reserves Policy

County Durham Furniture Help Scheme will aim to hold 3 months of its key contingencies as a minimum. That is rental to the County Council matching our Break Clause. Staff salaries for redundancies and key utility suppliers.

This free reserve which can be used if necessary in trading if cashflow is depleted is to be aimed for and built up over the next two to three years. It would be too restrictive any earlier.

County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Structure, governance and management

County Durham Furniture Help Scheme is a charitable company governed by its Memorandum and Articles of Association. It was incorporated on 9th September 2005 with company number 05559147 and was registered with the Charity Commission on 30th November 2005 with charity number 1112344.

The charity comprises 3 trustees as a minimum and is managed on a day to day basis by a small but dedicated management team who defer to this board.

The trustees have had regard to the Charity Commission's guidance on public benefit throughout the year when deciding on the activities of the charity.

Reference and administrative details

Registered charity name County Durham Furniture Help Scheme

Charity registration number 1112344

Company registration number 05559147

Principal office and registered office Unit 20, Avenue 3
Chilton Industrial Estate
Ferryhill
County Durham
DL16 0PB

The trustees

Diane Brown
Glynn Hanratty
Christopher Trotter

Company secretary Steve Mitton

Independent examiner Jane Ascroft FCA MA (Cantab)
Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

County Durham Furniture Help Scheme

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

The trustees' annual report was approved on and signed on behalf of the board of trustees by:

Steve Mitton
Charity Secretary

County Durham Furniture Help Scheme

Independent Examiner's Report to the Trustees of County Durham Furniture Help Scheme

Year ended 31 March 2022

I report to the trustees on my examination of the financial statements of County Durham Furniture Help Scheme ('the charity') for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jane Ascroft FCA MA (Cantab)
Independent Examiner

Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XP

County Durham Furniture Help Scheme

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	1,011	6,000	7,011	31,184
Charitable activities	6	487,246	–	487,246	330,905
Other income	7	85,175	–	85,175	104,647
Total income		<u>573,432</u>	<u>6,000</u>	<u>579,432</u>	<u>466,736</u>
Expenditure					
Expenditure on charitable activities	8,9	536,918	9,000	545,918	439,580
Total expenditure		<u>536,918</u>	<u>9,000</u>	<u>545,918</u>	<u>439,580</u>
Net income and net movement in funds		<u>36,514</u>	<u>(3,000)</u>	<u>33,514</u>	<u>27,156</u>
Reconciliation of funds					
Total funds brought forward		(7,512)	3,000	(4,512)	(31,668)
Total funds carried forward		<u>29,002</u>	<u>–</u>	<u>29,002</u>	<u>(4,512)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 22 form part of these financial statements.

County Durham Furniture Help Scheme

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	14	20,782	28,166
Current assets			
Stocks	15	35,660	35,744
Debtors	16	79,401	36,049
Cash at bank and in hand		45,696	39,878
		160,757	111,671
Creditors: amounts falling due within one year	17	50,684	28,806
Net current assets		110,073	82,865
Total assets less current liabilities		130,855	111,031
Creditors: amounts falling due after more than one year	18	101,853	115,543
Net assets		29,002	(4,512)
Funds of the charity			
Restricted funds		—	3,000
Unrestricted funds		29,002	(7,512)
Total charity funds	20	29,002	(4,512)

For the year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Diane Brown
Trustee

The notes on pages 14 to 22 form part of these financial statements.

County Durham Furniture Help Scheme

Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	33,514	27,156
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	7,384	7,931
Interest payable and similar charges	4,414	2,826
<i>Changes in:</i>		
Stocks	84	(7,290)
Trade and other debtors	(43,352)	(19,017)
Trade and other creditors	7,705	(14,145)
Cash generated from operations	9,749	(2,539)
Interest paid	(4,414)	(2,826)
Net cash from/(used in) operating activities	<u>5,335</u>	<u>(5,365)</u>
Cash flows from investing activities		
Purchase of tangible assets	—	(439)
Net cash used in investing activities	<u>—</u>	<u>(439)</u>
Cash flows from financing activities		
Proceeds from borrowings	483	45,000
Net cash from financing activities	<u>483</u>	<u>45,000</u>
Net increase in cash and cash equivalents	5,818	39,196
Cash and cash equivalents at beginning of year	39,878	682
Cash and cash equivalents at end of year	<u>45,696</u>	<u>39,878</u>

The notes on pages 14 to 22 form part of these financial statements.

County Durham Furniture Help Scheme

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Unit 20, Avenue 3, Chilton Industrial Estate, Ferryhill, County Durham, DL16 0PB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The accounts have been prepared on a going concern basis however attention is drawn to the comments made in the financial review section of the trustees' annual report.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The trustees consider that there are no significant estimates or judgements affecting these financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

County Durham Furniture Help Scheme

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Income

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

County Durham Furniture Help Scheme

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
IT Equipment	- 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

The charity only has financial assets and 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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

County Durham Furniture Help Scheme

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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.

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

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

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

4. Limited by guarantee

The company is limited by guarantee. At 31st March 2022 there were 3 members each of whom had undertaken to contribute an amount not exceeding £1 in the event of a winding up.

County Durham Furniture Help Scheme

Notes to the Financial Statements (continued)

Year ended 31 March 2022

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	1,011	–	1,011
Grants			
County Durham Community Foundation	–	6,000	6,000
	<u>1,011</u>	<u>6,000</u>	<u>7,011</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	3,182	–	3,182
Grants			
National Lottery	–	10,000	10,000
County Durham Community Foundation	–	8,000	8,000
4Together AAP	2,500	–	2,500
Spennymoor AAP	7,002	–	7,002
Co-operative Society	500	–	500
	<u>13,184</u>	<u>18,000</u>	<u>31,184</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
DCC Projects	207,907	207,907	168,848	168,848
Furniture scheme and related services	90,770	90,770	99,949	99,949
Housing support projects	24,013	24,013	15,788	15,788
Winter support fund	164,556	164,556	46,320	46,320
	<u>487,246</u>	<u>487,246</u>	<u>330,905</u>	<u>330,905</u>

7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Covid support grants	4,000	4,000	39,500	39,500
Job Retention Scheme	31,499	31,499	65,147	65,147
Kickstart grant	14,276	14,276	–	–
Insurance claim	35,400	35,400	–	–
	<u>85,175</u>	<u>85,175</u>	<u>104,647</u>	<u>104,647</u>

County Durham Furniture Help Scheme

Notes to the Financial Statements (continued)

Year ended 31 March 2022

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Furniture scheme and related services	<u>536,918</u>	<u>9,000</u>	<u>545,918</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Furniture scheme and related services	<u>424,580</u>	<u>15,000</u>	<u>439,580</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2022 £	Total fund 2021 £
Furniture scheme and related services	<u>545,918</u>	<u>545,918</u>	<u>439,580</u>

10. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>7,384</u>	<u>7,931</u>

11. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	400	400
Other financial services	<u>5,539</u>	<u>5,329</u>
	<u>5,939</u>	<u>5,729</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	164,254	145,342
Employer contributions to pension plans	<u>551</u>	<u>1,976</u>
	<u>164,805</u>	<u>147,318</u>

County Durham Furniture Help Scheme

Notes to the Financial Statements (continued)

Year ended 31 March 2022

12. Staff costs (continued)

The average head count of employees during the year was 10 (2021: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Number of management staff	2	2
Number of project staff	8	7
	<u>10</u>	<u>9</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

13. Trustee remuneration and expenses

No trustees received remuneration or expenses during the current or previous year.

14. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	IT Equipment £	Total £
Cost				
At 1 April 2021 and 31 March 2022	<u>21,369</u>	<u>27,000</u>	<u>9,152</u>	<u>57,521</u>
Depreciation				
At 1 April 2021	8,654	15,609	5,092	29,355
Charge for the year	<u>3,406</u>	<u>2,848</u>	<u>1,130</u>	<u>7,384</u>
At 31 March 2022	<u>12,060</u>	<u>18,457</u>	<u>6,222</u>	<u>36,739</u>
Carrying amount				
At 31 March 2022	<u>9,309</u>	<u>8,543</u>	<u>2,930</u>	<u>20,782</u>
At 31 March 2021	<u>12,715</u>	<u>11,391</u>	<u>4,060</u>	<u>28,166</u>

15. Stocks

	2022 £	2021 £
Furniture stock for resale	<u>35,660</u>	<u>35,744</u>

16. Debtors

	2022 £	2021 £
Trade debtors	77,425	36,049
Directors loan account	686	—
Other debtors	<u>1,290</u>	<u>—</u>
	<u>79,401</u>	<u>36,049</u>

County Durham Furniture Help Scheme

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	22,037	11,898
Accruals and deferred income	900	900
Social security and other taxes	27,288	15,398
Other creditors	459	610
	<u>50,684</u>	<u>28,806</u>

18. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bounce Backloan	47,983	47,500
NE Social Fund loan	40,788	41,399
Key Fund loan	13,082	19,132
Other creditors	—	7,512
	<u>101,853</u>	<u>115,543</u>

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £551 (2021: £1,976).

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	<u>(7,512)</u>	<u>573,432</u>	<u>(536,918)</u>	<u>29,002</u>

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
General funds	<u>(31,668)</u>	<u>448,736</u>	<u>(424,580)</u>	<u>(7,512)</u>

County Durham Furniture Help Scheme

Notes to the Financial Statements (continued)

Year ended 31 March 2022

20. Analysis of charitable funds (continued)

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
County Durham Community Foundation	3,000	6,000	(9,000)	—
	<u>3,000</u>	<u>6,000</u>	<u>(9,000)</u>	<u>—</u>

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
National Lottery	—	10,000	(10,000)	—
County Durham Community Foundation	—	8,000	(5,000)	3,000
	<u>—</u>	<u>18,000</u>	<u>(15,000)</u>	<u>3,000</u>

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	20,782	—	20,782
Current assets	160,757	—	160,757
Creditors less than 1 year	(50,684)	—	(50,684)
Creditors greater than 1 year	(101,853)	—	(101,853)
Net assets	<u>29,002</u>	<u>—</u>	<u>29,002</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	28,166	—	28,166
Current assets	108,671	3,000	111,671
Creditors less than 1 year	(28,806)	—	(28,806)
Creditors greater than 1 year	(115,543)	—	(115,543)
Net assets	<u>(7,512)</u>	<u>3,000</u>	<u>(4,512)</u>

22. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	39,878	5,818	45,696
Debt due after one year	(47,500)	(483)	(47,983)
	<u>(7,622)</u>	<u>5,335</u>	<u>(2,287)</u>

County Durham Furniture Help Scheme

Management Information

Year ended 31 March 2022

The following pages do not form part of the financial statements.

County Durham Furniture Help Scheme

Detailed Statement of Financial Activities

Year ended 31 March 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations	1,011	3,182
National Lottery	–	10,000
County Durham Community Foundation	6,000	8,000
4Together AAP	–	2,500
Spennymoor AAP	–	7,002
Co-operative Society	–	500
	<u>7,011</u>	<u>31,184</u>
Charitable activities		
DCC Projects	207,907	168,848
Furniture scheme and related services	90,770	99,949
Housing support projects	24,013	15,788
Winter support fund	164,556	46,320
	<u>487,246</u>	<u>330,905</u>
Other income		
Covid support grants	4,000	39,500
Job Retention Scheme	31,499	65,147
Kickstart grant	14,276	–
Insurance claim	35,400	–
	<u>85,175</u>	<u>104,647</u>
Total income	<u>579,432</u>	<u>466,736</u>

County Durham Furniture Help Scheme

Detailed Statement of Financial Activities *(continued)*

Year ended 31 March 2022

	2022 £	2021 £
Expenditure		
Furniture scheme purchases	231,605	169,859
Wages	164,254	145,342
Pension costs	551	1,976
Rent and rates	56,246	50,348
Light and heat	9,545	8,464
Insurance	7,996	9,549
Other premises costs	6,491	7,686
Motor vehicle costs	23,863	16,088
Staff and volunteer expenses	19,039	8,031
Accountancy fees	5,939	5,729
Telephone	2,999	2,892
Office costs	1,425	1,768
Depreciation	7,384	7,931
Interest payable	4,414	2,826
Other expenses	4,167	1,091
Total expenditure	<u>545,918</u>	<u>439,580</u>
 Net income	 <u>33,514</u>	 <u>27,156</u>