

**County Durham Furniture Help Scheme**  
**Financial Statements**  
**For the year ending**  
**31 March 2023**

**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 2023

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# County Durham Furniture Help Scheme

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

Year ended 31 March 2023

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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 2023.

### 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

This year 2022 to 2023 was a struggle for the organisation. It was with some trepidation I set to, to write this one up.

We turned over just short of £500K in the twelve months - April 1st 2022 to March 31st 2023.

The cash flow still veers wildly from a reasonable volume of £60K in August and November 2022 then to crashing lows in May 22 and December 22 with less than half the amount of £22-£25K. This produced 2 loss making months, mainly down to cost of sales and new stock sitting untaken.

We would want to see a steady £40K-£42K per month as absolute perfection in terms of turnover. This would enable a steadier cash flow and permits of a small surplus and some potential to build reserves\* more later. The cash flow is our number one concern and Steve has to keep beyond rigid control over this. Our entire loss for the year was basically in the April 22 and December of 2022 months. December particularly which turned out to be a two and a half weeks with the same length of time laid off but with unchanged overheads. We had £22,500 worth of stock sat in the warehouse over the December / January and in the other loss making month April we had £30,000 stock. This does not include the value of our second hand items which is conservatively valued at £10K-£12k in any one trading month.

We also spent £2K on unforeseen warehouse door repairs and a safety net maintenance / service agreement is in place to mitigate this in years going forward.

We also spent £6K in additional repairs and maintenance of our ageing vehicle fleet. This being an area of concern to the operations team as our finances preclude finding the near £50K required to buy what we would want in the form of a fully equipped Luton. We need with current and perceived future volumes a minimum of 2 such vehicles including tail lifts.

No way to sugar coat the year end result - our loss for the financial year was £35,000, in defence this was due the two and a half week December and the early hit of April and May of 2022 and some unforeseen costs. We really had some serious worries early in 2023 and really any "fat on our bones" was totally taken out of the equation. Our reserves were less than an acceptable level and our accountant and financial advisors challenged Steve to address reserves and to get a policy in place to try and put us on a better footing and to cover downturns perhaps from reserves. This policy is in place and will be addressed 2023-2024.

Steve has also become aware of grants that are becoming available, tracking them, and will make extreme efforts to get some grant funding to core expenses - as opposed to specific projects. That is a hard task. However this would enable the reserve policy to be fulfilled and within the vehicle fleet enable deletion of the old and deteriorating Van 13 to be replaced.

# County Durham Furniture Help Scheme

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

**Year ended 31 March 2023**

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This can't be done via grant writing as NO grant funder subscribes to what effectively is paying depreciation which for our tailor requirement of vehicle would be in the order of £45K over 3 years. A newer vehicle would reduce the maintenance bill if the appropriate arrangements / agreement could be fulfilled.

We had also lost our 21 plate newer van due to mechanical breakdown. This and sourcing the parts took from November till March to resolve. This then resulted in a dispute with a Major Car and Van rental organisation who had casually assumed we would be happy paying a daily rate for the van that was CONTRACTED out at a corporate rate and had a guaranteed replacement vehicle clause. Conveniently forgotten about by the organisation concerned. This dispute went on till resolution (in our favour) in May.

Over the course of 2022 to 2023 our visitor numbers have slowly recovered from that of the Pandemic. This has not been total catch-up. Our shopping visitor hours are still 9.00 to 2.45 Monday, Wednesday and Fridays and 9 to 1 45 on Tuesdays and Thursdays. There is still some pressure to revert to 4.00pm finish. This is not a guarantee to be matched in increased turnover. The furniture Scheme itself from local footfall turned over £117,525.00. This is primarily second hand and re-used furniture. Though latterly this year we are seeing a better takeup of our new beds and we hope that this will continue to add to our takings in card and cash in 2023-2024. Though this is reduced compared to previous we must comment as follows in respect of opening hours.

The counter to this is staff hours would need to be increased. Rightly so but would have to be paid for. Furlough and the Pandemic saw government support us, but previously in detailed ways have been declaring the hours and working and paying wages for the necessary hours - 22% additional wages on a weekly basis would have to be found (that are and have been previously very publicly documented). This increase would not be supported by the takings currently see sawing about like they do.

Volunteering had virtually been ceased as an activity the general public around us want to do. It is only slowly growing back as people start to reconstruct their lives and welfare to work and work experience schemes are regenerated. I saw Steve work extremely hard on employability growth and he had the most frustrating time getting people to fill paying waged positions let alone turn up to volunteer. Bernicia Housing have appeared to offer the most optimum option for a joint working scheme here and this is being pursued.

With furlough and previous comments we really need to keep our clearly determined policy - to separate out volunteering from waged earnings, no voluntary organisation can afford to make gain out of volunteers and wilfully ignoring opportunity to employ people putting in substantial volunteering hours is quite illegal. As a board of Trustees we need to be seen to be a valid and quality employer. Our Disability Confident Award from the Department of Work and Pensions illustrates our positive support and our focus on getting people with multiple barriers to work - both mental and physical in to employment.

We aim towards having more mechanical aids (tail lifts on all our operating vehicles for example) and supporting positively physically impaired individuals - that said virtually all of our employees would probably not have gained "normal" unsupported employment with the barriers they have currently to put up with health wise. What we achieve is credit to the workforce as well with this borne in mind

# County Durham Furniture Help Scheme

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

Year ended 31 March 2023

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The original business model of the County Durham Furniture Help Scheme - the CDFHS it is now known as. It's worth reminding that the: Original business model as established in 2004 was to sell goods by way of a negotiated donation to "those residents of County Durham in necessitous circumstances". In short we raise our funds in 3 main ways. FIRST..... Shopping here people pay by way of a negotiated donation. SECOND.... We sell by trading and then invoicing for our primary purpose - which is to supply those in necessitous circumstances. To clarify these people are identified by "referrers who propose our service or that of others, to those in that position and pay us to provide the physical goods. Thus jointly we are relieving those in their less than ideal situation by CDFHS delivering the goods often desperately needed.

SHOWING This in our accounts.....When we can raise money by selling by way of a negotiated donation via the line shown - FURNITURE SCHEME, by selling via referral partners such as the council - that is DCC Projects, Housing Support Projects and Household Support fund line items SHOWN in the accounts, then occasionally by public appeal Finally THIRD.... applying for external grant funding.

When we sell by way of an agreed donation, second hand reused furniture, we are seeing increasingly that we can sell new whitegoods, beds mattresses and soft furnishings and bedroom furniture. The turnover has been as low as £6,834.00 in May 22 and as high as £15,519.00 in November 2022.

It is worth clarifying for organisations that do not work in the third sector - credit agencies and companies that offer credit facilities or those to whom we owe or pay monies to such as companies and credit ratings agencies, sellers, wholesalers and so on our original founding ethic. This may help some to understand that we very much "punch well above our weight turnover wise.

We are finding though sadly as a net result of the Pandemic and the rapidly following cost of living crisis, people are hanging on and using what they have for longer and are replacing less rapidly by purchasing items from us. We are finding that the age and therefore quality of items being donated and that we collect from people's homes is not the quality or even volume that we need. This again depresses our stock volume and makes our offering to the passing trade / local footfall of lesser interest or actually critical of as they may see it goods not of satisfactory quality.

We are seeing the volume of people coming to see us stubbornly sitting at about 700-800 people per month coming through the doors. Our turnover seems to sit in respect of the Furniture project at £8k to £10k monthly. December being a particular issue due to the timing of the festive season and the local Authority activity that collapsed with us. We have also for some reason been heavily impacted by short holiday periods - for some reason Half term breaks in schooling have a very negative impact particularly on the volume of Welfare Assistance strand of turnover disappearing those weeks. Apparently those staff dealing with the Welfare Assistance packages stop doing this work and deal with short term household cash crises and provision of other forms of emergency support.

We still see 70 to 80 percent of our turnover coming from the County Council. Primarily in 5 main project strands. Welfare Assistance, Stronger Families, Household Support Funds (Adult and Children focused), Housing Solutions the homeless/ rough sleeper supporting part of DCC. Finally, 5th strand is the Humanitarian project which also now is developing to see a heavy Ukrainian supporting ethos appearing.

# County Durham Furniture Help Scheme

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

Year ended 31 March 2023

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Strand 1: Welfare Assistance, issued in the form of grants for furniture and whitegoods. Awards to the value of £1,000 for a family group, criteria are support worker must underwrite the request...and smaller values for single and couples. We are given awards to deliver on behalf of the tenant. This is a daily activity and we are given the weeks total of awards - this year £3,500 per week for a turnover of £181,000.00.

We are paid weekly as well and the revenue from this is self-financing the purchases we make and usually the volume covers our essential wages and part of our key overheads. Suffice to say this collapses so do we. The policy was won by Steve and replaced effectively grant writing and gave the CDFHS a baseline of turnover now near 38% of our takings, this enables volume purchasing and drives the pricing we pay for whitegoods by giving the CDFHS volume leverage with key suppliers. This then benefits customers who need to come to us that can't qualify for Welfare enabling the best most competitive price we can offer usually beating most standard websites daily rates.

Strand 2: Housing Solutions. This is work Steve garnered in the early days of the pandemic, driven by central governments "ALL IN" policy of getting all homeless people / rough sleepers in to stable and manageable / sustainable accommodation.

This started via getting a bed and a microwave same day to clients who were supported by a key worker from Housing Solutions. We use Dreamode of Heckmondwyke for this - the beds and Domestic Appliance Distributors as Welfare for the Microwaves and other small domestic appliances, second hand crockery and delivery is still 24 hour called for and carriage is paid on every occasion enabling us to cost and run a small van and an individual who is waged partly by this service.

This strand is carefully monitored by each individual support worker - there are 30 plus now known to us. This work is personal and was "up close" and over the course of the pandemic it was key to individual's survival and we are as close to frontline service as can be in this regards. An accolade if homelessness ever earns such things. As worthy an activity for us in our charitable ethic. There is a side benefit to this - this work is a barometer of additional Welfare awards as clients transiting this scheme often to get their accommodation in place and to enable settling - a settlement grant is often awarded by the local authority. We can often combine the deliveries if put through promptly by the worker concerned.

Housing Solutions seems fixed as an acquired additional contributor to our turnover and in most months adds up to over £6,000.00.

Our spend on beds as part of this service provision is now over £52,000 per year representing 1000 beds per year. We are proud to say since the pandemic that 3000 beds supplied would settle three full army battalions As a side note bed supply with Dreamode, Optimum Sleep and others now sees £100,000 of turnover ....a fifth of our overall volume is now beds.

Strand 3: Humanitarian Project. We work closely with the Local Authorities Policy & Executive Support Manager Partnerships and Community Engagement. Following government policy with resettling of refugees. This work contributes to us being able to provide other services and work streams of benefit to incoming residents and to our staff in terms of variation of work and thus is relatively confidential but adds and will going forward add to turnover - we hope significantly.

Strand 4: Stronger Families / Children and Young people and families are supported with this and we supply a range of family safety products and family oriented furniture and whitegoods. The turnover here is reduced much compared to previous years and has been skewed by the presence of the "elephant in the room" one of our biggest but most transitory successes of the last two years - HSF

# County Durham Furniture Help Scheme

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

**Year ended 31 March 2023**

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Strand 5: Household Support Fund, as referred to above is now in its third iteration of government level volume distributed to local authorities. This is clearly available to see the details and some £9,000,000 was awarded to the Durham County Council our local authority in the latest tranche that this financial year sees passing (part) through our turnover.

This year it was barely £50,000 and purely from the Adult Side of the local authority - that is social services, carers support, the NHS and other support workers who can access this relatively easy to qualify very tangible solid support in fully free at point of delivery whitegoods and furniture up to a value of £1,000.00. In previous years this had a children and young families element and this added an additional £50,000 then to our turnover, hence Steves comment the elephant in the room - is very noticeable when it is NOT present.

Apparently Steve has to bid for the latest iteration via the local Community Foundation in £10,000 increments. There are early rumours that this may be part continued and that the council are "mulling" revamping their staffing resource and commencing using their channels and therefore our services - which are highly regarded to deliver the elements they see us relevant for. We have also got to know many more support workers from schools, the NHS, other charities, DCCarers and many more that tap in to this fund also

We are developing all the time the range of goods and services we offer to these organisations and this year I feel it was worth explaining what we do with these project strands. This shows how thoroughly we are integrated and needed by the local Authority, this in turn highlights some weaknesses associated with this near 90% of turnover from the local authority - though the way each strand is managed and operates is like a separate business and often transitory or fluctuates wildly.

We acknowledge this and are trying to vary things to reduce this dependence. Also at the same time emphasising our complete essential value to the County, and The County Council in particular.

We then do smaller but more regular amounts of paid work for Andrew Marshall Rental Properties, Red Supported Living, Believe Housing, Moving On, Cornerstone, Bernicia Housing Sedgefield Charities, Cornforth Partnership and Foundation. We are paid to deliver a range of items to these organisations Clients organisations clients

We operate from our 12,000 square foot warehouse store and our 6,000 square foot supporting workshop that can be configured or used for the projects and miscellaneous work that is brought in. For example, sorting operations for the Durham University Green Move Out.(GMO).

This financial year saw 17 tonnes of incoming abandoned or donated student belongings (depends your viewpoint). This then feeds as a useful addition of volume to our newly expanding clothing selling area of our charity operation. An area of variation I refer to.

We work with the students and environmental team staff of Durham University in their annual GMO. This project is gaining in publicity with its seriously green credentials. It is a service that significantly makes a difference across Durham City in volume reduction of potential waste arising from June when Students depart to city residents seeing a demonstrable positive impact on waste reduction.

We not only sell the arising clothing, bedding and second hand small domestic appliances County wide but make significant volumes of bedding, clothing etc. available to street homeless, rough sleepers, and significantly other charities both animal and human.

# County Durham Furniture Help Scheme

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

**Year ended 31 March 2023**

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We are seeing also an uptick in volunteering by not just Students of the University but staff volunteer days happen also. This is uplifting to see and further strengthens our volunteering ethic and as stated our green credentials. We partner not just with Durham University but Durham County Council Strategic Waste Department.

Another initiative driven by Durham County Council Strategic Waste is our involvement in tackling the growing issue of unwanted small electrical items. To this end we are working with a small grant funded team that has been growing the volume of small electrical items being diverted from going to landfill or being sensitively recycled.

We have carried out 3 or 4 per month "repair cafes" we have held these at multiple community venues across the county. This presents the local authority and the CDFHS as partnership working and contributing significantly to Small Electrical reuse or salvage...that's a commentary on our current "throwaway" culture. When however, we add 100 plus council collection centres and an ethical and safe recycling of over xx tonnes of small WEEE a significant and now award winning project that is firmly established is in action.

This will go from strength to strength. Something that adds to the CDFHS overall impact in the County is the cross cutting nature of these events. The repair cafes are an opportunity for us to self-promote and put a very public face across the County.

What we also see is an added bonus that we are offering on the back of the Repair Cafes training opportunities. We have now offered Portable Appliance Testing to both individuals and other organisations. Not just adding to training here as part of the CDFHS Training and Employment arm. Staff and volunteers from the L A and three local charities/ organisations have gained competence in PAT testing.

Whilst on with our report. We and our supporters tend to overlook or not emphasise sufficiently enough our organisations carbon footprint reduction and we would appreciate input and advice from likeminded or willing organisations to help us define for the modern era. Our "green" credentials.

Globally we have an impact as stated earlier beyond our turnover, training and so on - even to the planet our contribution to reducing waste going to landfill, transport efficiencies saving goods travelled miles - a truly green leaning contribution.

Our existence prevents pollution caused by reducing the need to harvest new raw materials. What we do saves energy, reduces greenhouse gas emissions that contribute to global climate change. We add to sustaining the environment for future generations

Our overall contribution to waste reduction in Bulky Waste is now a major environmental impact and is in excess of 140...150 metric tonnes per year.

The Durham University Green Move Out netted over 20 tonnes of re-usable bedding, clothing, small electrical items, shoes, bags and books. Scrap metal recycling and work carried out for Proctor and Gamble adds 10 tonnes per Annum. If we look carefully we are seeing well over 250 tonnes overall being re-used or being taken away from landfill disposal directly ourselves or with positive partner support - rubbing off both ways on to us and likewise positively for and on to our partners.



# County Durham Furniture Help Scheme

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

**Year ended 31 March 2023**

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With agreement with the UK Repaint organisation the CDFHS has the branding of County Durham Repaint. We re-use and resell several thousand litres of unwanted or potentially waste paint per year. We are supported by the national Repaint organisation. We have had the good fortune to be able to receive significant amounts of donated paint for example from Dulux and Farrow and Ball. We hope that this relationship continues next year. Again to the planets significant benefit.

CDFHS also has over the years complemented our furniture and whitegoods service with an employability and prospecting for work scheme This part of our activity actively tackles all ages and particularly youth unemployment THIS LEADS ME ON TO..... People AND FINDING THEM PER THE ENVIRONMENTAL LEANINGS OF THE CDFHS - Our EMPLOYMENT and work experience offering.

CDFHS is noted for its people and we also spend time looking after our staff and volunteers. It's a hard thing for the public to swallow that we provide a staff resource and a wages bill of £14K Monthly for the charity. We have done since I joined in 2009.

We have an establishment of 10, and this costs us in excess of £195,000 per year and is our biggest overhead. We used to be able also to have a high proportion of volunteers within CDFHS that we could "Churn" towards employment with us and formed the basis for our work experience and various back in to work or work generating grant schemes.

This number of volunteers was at rock bottom following the pandemic, this is now slowly growing and over the course of this year we have acquired various volunteers in many disciplines. I am happy to say we are back to double figures. We have all age brackets and competencies. We have some who are young with the usual barriers to work and they come to us from a variety of schemes and other organisations. We even have regular appearances from our staff's children as they grow older they come on board with us especially in school holidays or as they transition from school environment to work ones.

When the public see us with staff they sometimes do not understand that they have the same drivers in life as they do, personal lives, children, family issues, health personal matters, debt, and hobbies and pastimes. Often I feel we are classed as being kept in a box and work like unpaid robots going back in to a box after work. We spend time and effort on our staff and provide support where needed. Such as assistance with dealing with the cost of living, impacting all of us with increasing severity over the year, helping with difficult landlords and many other areas of pastoral support.

WE do similarly with our volunteers and last year working with Groundworks we employed a young individual ((funded by Groundworks) giving us our 11th staff member. We also had several who came to us but they were not prepared for the world of work and for various reasons the allure of unemployment was a bigger pull.

One of the major areas we have never had a member of staff in - is drivers. We set to with Job Centre Plus to cover this shortfall - last May. We were given a desk at SPENNYMOOR Job Centre and we interviewed near 20 individuals of all ages and demographics. I was stunned at the reluctance of over half in even bothering to come for an interview with us for a "real" job, particularly so when they had, had this set up by their advisor / work-coach.

The Job Centre filtered the CVs and people and the reduced listing took 9 weeks to go through, even once I had selected who was to be employed. I even struggled to fill a possible warehouse operative role. Again finding total reluctance and multiple excuses of not wishing to work. I would argue that work experience and employability training and development be given some legal compulsion - otherwise the stubborn percentage of those sitting on benefits and not contributing economically will never reduce. This is doubly baffling as the cost of living increases due to the war in Ukraine and other factors grew in severity from April last year over the course of this financial year.

# County Durham Furniture Help Scheme

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

**Year ended 31 March 2023**

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After 2 false starts and difficulties with the selected candidates who even after being given a job and appearing to accept it happily just would not turn up and start. Happily, the final candidate a mature gentleman has joined us and is finding to his surprise our unique operation and overall camaraderie much to his liking and we appear finally after three months to have got a reliable, regular driver.

Our pool of volunteer drivers has also grown slightly and added to this our foreman charge hand Richy taking a van out more regularly we don't have the bumpy road with finding drivers on a daily basis as we often used to have.

Amongst our skills development is our preparedness even to show current staff, opportunities to work or volunteer outside of the CDFHS. Shannon in particular has had external postings with a small housing provider for people with drug and alcohol issues. Recently she was seconded to the NHS and has gained valuable experience in current and relevant employment and volunteer handling of the latest generation. Also this is combined working in a huge organization again in a territory she wishes to be involved within. This is on top of earlier learning in business administration, team leading and several other qualifications.

In a bittersweet situation Shannon who is in her tenth year with us (our staff retention rates in key areas is top notch) has got her "dream" job offered within the NHS and in the following month after this financial year end will be leaving us. We have seen her develop, mature, settle in to a good work/life balance, get married and live a life.

This section on people gives a flavor of the inherent depth of our scheme and a timely reminder that each one of us who started at the CDFHS came as a result of a work experience or grant funded training and experience job developing project. The core of which are hard impacts such as gaining meaningful and fully paid work, meaningfully and in depth volunteering, valid and quality training and areas of progression and personal development improving current job roles or even changing job.

Some of these individuals we are aware of have progressed further and across the county some are in managing positions or contributing to the area by being continually employed since the early activity days of County Durham Community Fund funding, ERF monies, Community Training funded by Bishop Auckland College, Commissions from DCC, Adult Learning and Skills. Of course Durham works and Groundworks, Shaw Trust, Profound Training and many others have provided us with candidates, support and finance

Groundworks still have people who can attest to our ability to even support those in the "Last Chance Saloon". We gotten through multiple governments and many schemes hare brained or good were pursued. We also dovetailed this in developing our organisation and match funding came from Lottery, Lloyds TSB amongst others

Our schemes ran right up to the Pandemic, after that we have informally still supported anyone needing support or even made direct employment outcomes with "Kick-start"/Durham works since and the 2 young individuals and me at one point were "the only ones standing and functioning April 2021" in the third lockdown.

# County Durham Furniture Help Scheme

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

Year ended 31 March 2023

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In closing....., As a summary and in this public "front facing document it is worth reminding everyone that over the last 19 years of the CDFHS existence - over 1000 individuals have transited our work experience and various job creating grant funded employability and training schemes. CDFHS has worked with multiple organisations statutory, voluntary and business who provided funds, guidance, benefits in kind, contracts, commissioned work solid encouragement.

We have directly employed via CDFHS over 25 people - some briefly, some still with us as far back as from 2012. That's a remarkable 6 out of our current thirteen headcount. CDFHS have guided or positively/actively helped 200 people more in to paid work that we have documented. This being the statutory "norm" of a minimum of 3 months of meaningful employment.

This alone over the years will have contributed in what will add up to be a major way of cost diversion from the central government with reductions in benefit, also it adds tax and council tax payers The economic impact of one working person is added up to being an incoming worth to the county of an estimated value per one job over £35,000 in revenue/income/ benefit to the local economy per year that each one of these winning work bring to bear. In "simple maths terms". Our input makes upwards of a £1.75million contribution annually if just half of the 200 stay in work.

Add to that landfill savings from our charities activity of 200 tonnes per year our overall economic input is as significant along with our green credentials that we must rate just as highly.

In closing may I thank all of our team, all of our customers and supporters - even our constructive critics who watch what we do and encourage us to be better and sharper going forward.

Finally looking forward - CDFHS will be twenty years old next year - a tribute to the founders beyond any measure - our very existence proof of our worth.

### **Financial review**

Income during the year totalled £475,955 (2022 - £579,432) and expenditure totalled £558,679 (2022 - £545,918) giving a deficit of £82,724 (2022 - surplus of £33,514).

At 31st March 2022 net liabilities were £53,722 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 2023

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## **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.

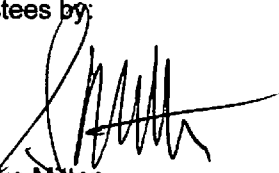
# County Durham Furniture Help Scheme

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

Year ended 31 March 2023

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The trustees' annual report was approved on .....23/11/2023..... and signed on behalf of the board of trustees by:



Steve Milton  
Charity Secretary

# County Durham Furniture Help Scheme

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

Year ended 31 March 2023

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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 2023.

### 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).

# County Durham Furniture Help Scheme

## Independent Examiner's Report to the Trustees of County Durham Furniture Help Scheme (continued)

Year ended 31 March 2023

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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 2023

		2023	2022
		Unrestricted funds	Total funds
	Note	£	£
<b>Income and endowments</b>			
Donations and legacies	5	1,536	1,536
Charitable activities	6	474,419	474,419
Other income	7	—	—
<b>Total income</b>		<u>475,955</u>	<u>475,955</u>
<b>Expenditure</b>			
Expenditure on charitable activities	8,9	558,679	558,679
<b>Total expenditure</b>		<u>558,679</u>	<u>558,679</u>
<b>Net (expenditure)/income and net movement in funds</b>		<u>(82,724)</u>	<u>33,514</u>
<b>Reconciliation of funds</b>			
Total funds brought forward		29,002	29,002
<b>Total funds carried forward</b>		<u>(53,722)</u>	<u>(4,512)</u>
			<u>29,002</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 17 to 25 form part of these financial statements.



# County Durham Furniture Help Scheme

## Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible fixed assets	14	15,401	20,782
<b>Current assets</b>			
Stocks	15	34,498	35,660
Debtors	16	23,890	79,401
Cash at bank and in hand		8,637	45,696
		<u>67,025</u>	<u>160,757</u>
<b>Creditors: amounts falling due within one year</b>	17	50,472	50,684
<b>Net current assets</b>		<u>16,553</u>	<u>110,073</u>
<b>Total assets less current liabilities</b>		31,954	130,855
<b>Creditors: amounts falling due after more than one year</b>	18	85,676	101,853
<b>Net liabilities</b>		<u>(53,722)</u>	<u>29,002</u>
<b>Funds of the charity</b>			
Unrestricted funds		(53,722)	29,002
<b>Total charity funds</b>	20	<u>(53,722)</u>	<u>29,002</u>

For the year ending 31 March 2023 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

23/11/2023

The notes on pages 17 to 25 form part of these financial statements.

# County Durham Furniture Help Scheme

## Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	(82,724)	33,514
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	5,381	7,384
Interest payable and similar charges	5,295	4,414
<i>Changes in:</i>		
Stocks	1,162	84
Trade and other debtors	55,511	(43,352)
Trade and other creditors	(11,778)	7,705
Cash generated from operations	(27,153)	9,749
Interest paid	(5,295)	(4,414)
Net cash (used in)/from operating activities	<u>(32,448)</u>	<u>5,335</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(4,611)	483
Net cash (used in)/from financing activities	<u>(4,611)</u>	<u>483</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(37,059)	5,818
<b>Cash and cash equivalents at beginning of year</b>	<u>45,696</u>	<u>39,878</u>
<b>Cash and cash equivalents at end of year</b>	<u>8,637</u>	<u>45,696</u>

The notes on pages 17 to 25 form part of these financial statements.

# County Durham Furniture Help Scheme

## Notes to the Financial Statements

Year ended 31 March 2023

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### 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 2023

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### 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 2023

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### 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 2023

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### 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 2023 there were 3 members each of whom had undertaken to contribute an amount not exceeding £1 in the event of a winding up.

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Donations	1,536	—	1,536
<b>Grants</b>			
County Durham Community Foundation	—	—	—
	<u>1,536</u>	<u>—</u>	<u>1,536</u>

# County Durham Furniture Help Scheme

## Notes to the Financial Statements (continued)

Year ended 31 March 2023

### 5. Donations and legacies (continued)

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

### 6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
DCC Projects	312,353	312,353	207,907	207,907
Furniture scheme and related services	119,744	119,744	90,770	90,770
Housing support projects	24,149	24,149	24,013	24,013
Winter support fund	18,173	18,173	164,556	164,556
	<u>474,419</u>	<u>474,419</u>	<u>487,246</u>	<u>487,246</u>

### 7. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Covid support grants	–	–	4,000	4,000
Job Retention Scheme	–	–	31,499	31,499
Kickstart grant	–	–	14,276	14,276
Insurance claim	–	–	35,400	35,400
	<u>–</u>	<u>–</u>	<u>85,175</u>	<u>85,175</u>

### 8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Furniture scheme and related services	<u>558,679</u>	<u>–</u>	<u>558,679</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Furniture scheme and related services	<u>536,918</u>	<u>9,000</u>	<u>545,918</u>

# County Durham Furniture Help Scheme

## Notes to the Financial Statements (continued)

Year ended 31 March 2023

### 9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2023 £	Total fund 2022 £
Furniture scheme and related services	558,679	558,679	545,918

### 10. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	5,381	7,384

### 11. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	500	400
Other financial services	4,676	5,539
	5,176	5,939

### 12. Staff costs

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

	2023 £	2022 £
Wages and salaries	175,726	157,581
Social security costs	7,441	6,673
Employer contributions to pension plans	648	551
	183,815	164,805

The average head count of employees during the year was 11 (2022: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of management staff	2	2
Number of project staff	9	8
	11	10

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

### 13. Trustee remuneration and expenses

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



# County Durham Furniture Help Scheme

## Notes to the Financial Statements (continued)

Year ended 31 March 2023

### 14. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	IT Equipment £	Total £
<b>Cost</b>				
At 1 April 2022 and 31 March 2023	<u>21,369</u>	<u>27,000</u>	<u>9,152</u>	<u>57,521</u>
<b>Depreciation</b>				
At 1 April 2022	12,060	18,457	6,222	36,739
Charge for the year	<u>2,327</u>	<u>2,135</u>	<u>919</u>	<u>5,381</u>
At 31 March 2023	<u>14,387</u>	<u>20,592</u>	<u>7,141</u>	<u>42,120</u>
<b>Carrying amount</b>				
At 31 March 2023	<u>6,982</u>	<u>6,408</u>	<u>2,011</u>	<u>15,401</u>
At 31 March 2022	<u>9,309</u>	<u>8,543</u>	<u>2,930</u>	<u>20,782</u>

### 15. Stocks

	2023 £	2022 £
Furniture stock for resale	<u>34,498</u>	<u>35,660</u>

### 16. Debtors

	2023 £	2022 £
Trade debtors	17,307	77,425
Directors loan account	726	686
Wages debtor	5,857	–
Other debtors	–	1,290
	<u>23,890</u>	<u>79,401</u>

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

	2023 £	2022 £
Trade creditors	23,452	22,037
Accruals and deferred income	900	900
Social security and other taxes	26,041	27,288
Other creditors	79	459
	<u>50,472</u>	<u>50,684</u>

# County Durham Furniture Help Scheme

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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

	2023	2022
	£	£
Bank loans and overdrafts	43,372	47,983
NE Social Fund loan	37,877	40,788
Key Fund loan	4,427	13,082
	<u>85,676</u>	<u>101,853</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 £648 (2022: £551).

### 20. Analysis of charitable funds

#### Unrestricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
General funds	<u>29,002</u>	<u>475,955</u>	<u>(558,679)</u>	<u>(53,722)</u>

	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>

# County Durham Furniture Help Scheme

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 21. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	2023	2023
	£	£
Tangible fixed assets	15,401	15,401
Current assets	67,025	67,025
Creditors less than 1 year	(50,472)	(50,472)
Creditors greater than 1 year	(85,676)	(85,676)
<b>Net liabilities</b>	<b>(53,722)</b>	<b>(53,722)</b>

	Unrestricted Funds	Total Funds
	2022	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)
<b>Net liabilities</b>	<b>29,002</b>	<b>29,002</b>

### 22. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	45,696	(37,059)	8,637
Debt due after one year	(47,983)	4,611	(43,372)
	<u>(2,287)</u>	<u>(32,448)</u>	<u>(34,735)</u>

# **County Durham Furniture Help Scheme**

## **Management Information**

**Year ended 31 March 2023**

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**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 2023

	2023 £	2022 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Donations	1,536	1,011
County Durham Community Foundation	–	6,000
	<u>1,536</u>	<u>7,011</u>
<b>Charitable activities</b>		
DCC Projects	312,353	207,907
Furniture scheme and related services	119,744	90,770
Housing support projects	24,149	24,013
Winter support fund	18,173	164,556
	<u>474,419</u>	<u>487,246</u>
<b>Other income</b>		
Covid support grants	–	4,000
Job Retention Scheme	–	31,499
Kickstart grant	–	14,276
Insurance claim	–	35,400
	<u>–</u>	<u>85,175</u>
<b>Total income</b>	<u>475,955</u>	<u>579,432</u>

# County Durham Furniture Help Scheme

## Detailed Statement of Financial Activities *(continued)*

Year ended 31 March 2023

	2023 £	2022 £
<b>Expenditure</b>		
Furniture scheme purchases	223,584	231,605
Wages	175,726	157,581
Employer's NIC	7,441	6,673
Pension costs	648	551
Rent and rates	53,364	56,246
Light and heat	12,190	9,545
Insurance	8,530	7,996
Other premises costs	6,191	6,491
Motor vehicle costs	25,992	23,863
Staff and volunteer expenses	17,307	19,039
Accountancy fees	6,526	5,939
Telephone	3,776	2,999
Office costs	1,336	1,425
Depreciation	5,381	7,384
Interest payable	5,295	4,414
Other expenses	5,392	4,167
<b>Total expenditure</b>	<b>558,679</b>	<b>545,918</b>
 <b>Net (expenditure)/income</b>	 <b>(82,724)</b>	 <b>33,514</b>