

County Durham Furniture Help Scheme
Financial Statements
For the year ending
31 March 2024

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 2024

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County Durham Furniture Help Scheme

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

Year ended 31 March 2024

The trustee, who is also the director for the purposes of company law, presents her report and the unaudited financial statements of the charity for the year ended 31 March 2024.

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 will be the County Durham Furniture Help Scheme, known as CDFHS for short....our 21st birthday. CDFHS was formed by Chris Palmer, Diane Hymas and Ray Brown and others. It was seen that there was a significant need to access cheap or even occasionally free household goods for people across Durham County. Back then it was more consigned to Sedgfield Borough and Newton Aycliffe from where Chris, Diane and Ray came from.

Initially the charity (with a link up to St Vincent De Paul) (SVP) operated from some "lock up" garages in Newton Aycliffe. Soon however the need arose for more substantial and secure premises as the volume of goods being donated and then needing delivery outstripped capacity of their cars and trailers. The charity upgraded the Unit 6 – 3,000 square feet to Unit 20 6,000 square feet in 2005. Ray Brown suggested a van and one was duly bought and also industrial premises on Chilton Industrial Estate were acquired.

We will be developing additional press and website information over the course of the coming financial year and the CDFHS tale will be expanded upon. However, we must now deal with the past financial year.

The County Durham Furniture Help Scheme Annual Report has now become a fairly lengthy document going through not just the financials of the past financial year but the activity and background of what happens here that needs to be understood.

The year before this.... 2022 to 2023 was a struggle for the organisation. It was with some worry that I wrote that up, however our year just gone April 1st 2023 to March 2024 has been significantly better and CDFHS is in a strikingly better position than ever before.

We turned over just short of £760K in the twelve months - April 1st 2023 to March 31st 2024, we reduced our debt further, we disposed of owings to HMRC and we tidied our books up further. We also have put in place a more robust reserves policy and have added to that also.

The cash flow still varies widely from a regular first few months of last year being an average of £42K month, this combination of Second hand, furniture scheme sales is about sufficient to cover our overheads. Overheads are our trickiest area. We know we have them, however a major concern is our wages costs, rental and vehicles. That to start costs £22k before any expenses. We know firmly if we can achieve a blend of furniture Scheme and general project work such as Welfare Assistance and Humanitarian that covers the basics.

We would want to see a steady £42K-£52K 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*. The cash flow is our number one concern and Steve has to stay on top of it. However we are in the gratifying position of seeing our turnover taking off with a new methodology of funding of Household Support Fund that had to be understood, pursued and won. Will come back to that.

County Durham Furniture Help Scheme

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

Year ended 31 March 2024

Activities and financial review *(continued)*

In April 2023 we had to expend some of our reserves as well, because in the follow up period of the Old Style of Household Support Fund, we saw very little activity across the board. There being precious little central government financing or direction coming out to anyone local authority down over. Up and till the end of July we were living a virtually hand to mouth existence very reminiscent of our 2022-2023 performance. Steve managed to cover the overheads. Lee was also doing a much greater volume of beds and to some extent furniture scheme sales were slightly stronger.

However, Steve pursued Household Support Fund (HSF) this was put out to successful organisations by a bid process from the County Durham Community Foundation. Initially we were tried with two batches of £5,000.00 in July of 2023. We were allowed to make the decisions on behalf of applicants coming to us "Directly". We had to design an application process that was robust, but easy and simple enough for end using clients to use without shaming them into intrusive background checks. Luckily our strong rapport with social workers from the council and several other groups, housing associations such as Believe and Humankind - paid off

This meant that we were still GETTING household data and background, but coming from qualified workers this took the majority of the onus off CDFHS. Effectively we had via the worker, knowledge of the clients finances (lack of them) and strong corroborating evidence of need So having been supplied with EVIDENCE, we could concentrate on servicing the demand from effectively unimpeachable sources. This became a three-way situation as the Council still dialogued with Steve to assess the volume and numbers and in the background effectively give the Foundation holding the funds the confidence to send out more and larger volumes to us. Steve and the team building up a significant level of trust with all parties.

As an added factor we were also able to supply other organisations working within the HSF remit, who may not necessarily have used us before for whitegoods for example. However Shildon Alive and the Durham County Carers developed a rapport with front office. Sophie in particular fronting the work with DC Carers. This saw our turnover jump in July and October.

We started to see a significant turnaround in our fortunes across the last 6 months of last year - yes primarily down to HSF. However other areas Durham County Council started taking note of our preparedness to vary our offering and the way we would provide our service. Steve adopting and presenting to a range of budget holders, council staff and project managers this formula. Effectively this would keep front line workers away from shopping for and arranging deliveries of various items ranging from cots, moses baskets all the way down to baby gates and home safety packs.

Here follows a summary of the main strands of our "business" and where they fit into the scheme of things. Literally.

The Furniture Scheme itself is the original core of the charity. This is the pure recycle and re-use part of what we do. People in poverty or in the mood for a bargain / saving, can come along. There is no restriction, or obligation to prove poverty. We conduct an on-the-spot means test and determine what we can do to help the customer. We can also offer advice and guidance as to potential sources of support elsewhere if the person on our premises has cash issues, or other issues to be supported with. This is fairly an un-lauded part of our activity. Our Front Office team over the years building up experience and contacts can "signpost" people on to anything from Welfare Assistance to Citizens Advice.

We deliver in accordance what the customer wants or we have offered. This is paid for either by the customer by way of a negotiated donation. Or if there is a referral made or support is forthcoming we coordinate that funding with the clients. This could be the "bank of mum and dad" or friends. Or as stated the referrer who has sent the client to us - or the referrer we have involved.

County Durham Furniture Help Scheme

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

Year ended 31 March 2024

Activities and financial review *(continued)*

To keep the furniture scheme stocked we have the infrastructure to arrange to collect via appointment unwanted or surplus household goods. This can be from someone turning up and we make arrangements on the spot or we get contacted with a house to clear or part clear - we go out to these and often this involves a team to do the work and we often need to arrange basic costs of fuel and wages to be paid. This seems at odds with our charitable ethic. Over the years we find that what we are offered is often not what we get. We often are faced with being faced with a range of items from the odd to downright dreadful rubbish. We really need to recover some of this cost. If not we would be faced with just being an unpaid rubbish disposer. Yes contentious and really not what people would expect to hear.

Our very existence depends on our income exceeding our expenditure. We do not magic funds, wages, fuel, rent and all the standard costs of running what is turning out to be a fully professionally organised entity - with a charitable heart or core of helping people in need. We need to be sustainable and must be efficient and timely and cost effective at what we do and likewise to be recompensed for this. All collections are planned and carried out with the respect and dignity of the individual being maintained at all times.

All deliveries and collections are by appointment, we operate a rigid and rehearsed process to try and ensure the best service possible. We are always seeking to improve matters and later in this report are some ideas and plans coming to the fore to achieve this.

We have many council driven Strands of activity and income generation, some long standing and some fairly new. We still see 70 to 80 percent of our turnover coming from the County Council.

Primarily in 8 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, the strand is the Humanitarian project which also now is developing to see a heavy Ukrainian supporting ethos appearing

Strand 1: Welfare Assistance, issued in the form of grants for furniture and whitegoods. Awards to the maximum 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 week's total of funds paid weekly in arrears. This volume can vary when we are busy with Household Support Fund, as this is an easier pot to apply for, so to some extent we see decreases in volume here when HSF is in "full swing

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. Some months this project strand has been reduced as the Council has had issues getting properties for clients. Outrageous really as there are 10,000 empty properties in the North of England. Towards the end of 2023-2024 we are bidding for an enhanced package which will mean this continues at a higher value for some part of next coming year.

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. This has meant occasional purchases for Ukrainian families dislodged from previously steady tenancies and Asylum seeking families where we get groups of houses (usually 6) to do. This work has been much reduced again due to acquisition of properties being an issue. We are hoping for better from this fund and apparently a drive to acquire properties - see CDLA Strand - should see volume appearing September 2024 and onwards.

County Durham Furniture Help Scheme

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

Year ended 31 March 2024

Activities and financial review *(continued)*

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 continuing on from last year is much reduced compared to previous years and has been skewed by the presence of the "elephant in the room" one of our biggest and now ongoing via the Foundation successes of the last two years - HSF.

Strand 5 Stronger Families also New Strand we'll call 5B is Best Start for Life Fund looked after by the same team Lindsey and Tina. This has seen us stocking, beds (normal type but increasing our volumes, Cots, Moses Baskets and all associated bedding. We note that all the previous Stronger Family work of small value, baby gates, safety packs, cleats, thermometers and bed guards is being bought via this project and we are managing the stock purchasing for this project. This again being an idea to give us the sourcing work to do - keeping expensive qualified support workers in dealing with clients. This again gives us a cashflow implication - see later. Also that of inventory and management, another area which will have to be addressed. Volume here has been significant at times. Totally depending on the mix of referrals. This may well continue all through 2024-2025.

Strand 6: Household Support Fund, as referred to above is now in its third iteration of government level volume distributed to local authorities and then via the local Community Foundation in a bidding type scenario, lumps of funding referred to £5K to start, then £20K and final batches of £30K in December 2023. Supposed to last until March 31, 2024. We had to apply further and got £50,000 at the end of January, taking this funding to one of the most important we have ever had. With another £20K in mid-March taking the amount over £190,000.00. We were let in on the fact there was another round of this potentially coming out but as of this year end - intention but no hard cash.

This year it was apparent the Council needed their version of HSF, leading to Strand 6B, some funding 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 for whitegoods and furniture 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, hence Steves comment last year of the "elephant in the room". Good to have and helped our turnover briefly at year end.

Shades of last year. There are "firm" 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 into this fund also

As noted we are developing all the time the range of goods and services we offer to the council and many organisations and this year. I felt it was worth re- 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 still do smaller regular amounts of paid work for Andrew Marshall Rental Properties, Red Supported Living, Believe Housing, Moving On, Cornerstone, Bernicia Housing is a new entrant despite an awful grant writing issue with a part of their group. Sedgefield Charities, Cornforth Partnership and Foundation local to us are always ordering and paying for small amounts.

Durham University Green Move Out (GMO) has happened again.

County Durham Furniture Help Scheme

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

Year ended 31 March 2024

Activities and financial review *(continued)*

This last financial year saw 10 tonnes of incoming abandoned or donated student belongings (depends on 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 are looking at finding contacts going forward as I would argue we can compete with their regular suppliers in bidding for work involved in supplying across the entire University of Durham "Estate". We need to capitalise on another successful year.

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.

We have seen some increase 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 (now regular) initiative driven by Durham County Council Strategic Waste continues 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.

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. Also. we now possess 4 PAT Testing kits courtesy of Durham County Council Not just adding to training here as part of the CDFHS Training and Employment, but as loan items to enhance other organisations often onerous annual testing requirements for their in house electrical items.

We also cannot forget our work experience offering - this is harder to support as post COVID we are finding volunteers and work experience candidates harder to come by than ever. We are still seeing approaches being made from Jobcentre Plus and the Probation Service. We wasted quite a lot of time last year also on an abortive application for funding via a leading Housing Association. We feel on reflection we were subjected to a time-wasting, fishing expedition that had no intention of favouring us with funding. A hard pill to swallow our CEO's resources are not limitless.

We spend time looking after our staff as well not just our volunteers. It's still noticeably a hard thing for the public to accept, that we have to provide a staff resource. With this comes an overhead which is a concern, a wages bill of £15K Monthly for the charity. We have an establishment of 10, and this costs us in excess of £200,000 per year. 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 as stated is not so much the case now.

County Durham Furniture Help Scheme

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

Year ended 31 March 2024

Activities and financial review *(continued)*

Anyway, CDFHS has some candidates that have joined us, and one gentleman is particularly active as a volunteer with us and given support. He is looking at opening up our EBay trading again. He has proved also adept as a regular volunteer and Matthew is looking at developing his role with the CDFHS further once the new board get in to place and we can gain support of Ebay charitable costings to operate our account. This is taking longer than anticipated. However, the CDFHS is sitting on a physical reserve pile of goods that are eminently saleable. This will be an area that once the quoted new systems are put in place will support. Promising for the future.

County wide, we have an impact as stated earlier beyond our turnover, training and so on of our increasingly important "green contribution". We will look next year at developing our "green credentials". 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 180...200 metric tonnes per year.

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 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.

On the one stop shop front we brought in Best Start for Life via the Stronger families team headed up by Tina Shaw and Lindsey Davison. This project saw us bring "industrial quantities" of bedding in (along with growing work from Housing Solutions homelessness support team). This saw us add cots, Moses baskets and other young family-oriented work in. At the same time we started seeing Household Support Fund (Adults) work come in to us also headed by Angela Craggs.

Becky Heightley coming into the Front Office has proved to be a total win for CDFHS. Sophie has steadily improved, but the team mentality in the office "clicked". Front Office team has got more confident with spreadsheets and reporting back to Steve/Lee and processing all the orders and doing some of the purchasing themselves we saw them take on board virtually running a full project apiece.

What was noticeable was as we increased our workload, we found we were offering overtime across the board to our staff, which is a first for the CDFHS. This involved weekend working and if necessary additional vehicle hire. This put our wages up (obviously) and that needs increased volume of activity to sustain, then increasing that needs more in turn. We were heading to 19K wages per month.

County Durham Furniture Help Scheme

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

Year ended 31 March 2024

Activities and financial review *(continued)*

Steve saw the potential uplift in work coming along and applied for and got support from the CDCF for such overheads by applying in good time for Poverty Hurts which contributed to Vehicle costs, expenses, fuel and insurances. County Durham Community Foundation for £10,000.00 Being able and having had time freed up, managing and writing grant applications and so on demonstrates the difference staff development and increasing offboarding workloads have brought to the table. What was and is coming to the fore is we need also to have a look at our business management tools.

A lot of paperwork and how we originally had systems in place -has drifted away from the I.T system that Matthew Sutherland has developed for us, particularly our inventory and tracking. Matthew left us some time back. But, despite best attempts our system development work has come to a stop, our website has gotten increasingly underdeveloped. As we have gone through the year it has become increasingly obvious that this, purchasing, stock control, inventory, a sales system -is all currently done - the "hard way" by spreadsheet. Mainly by Steve as we grow and do more business - this is just insufficient for the task in hand. It is obvious that the organisation has started to creak at the seams as it were. Iain Kay and Steve have had several discussions and this thread in the CDFHS going forward is revisited in meetings had on and off over the year.

To note going forward, we need to strengthen our Governance and the non-contributing board members currently are being approached (or attempts made) to assess any future contribution. Only one of them Chris Trotter offered any support. We will concentrate on gaining ourselves more Trustees that can bring something with them to support Steve and remove the need for strategic direction from him and apply this themselves as a true board of Trustees should do.

We also propose to keep Jane Ascroft as our accountant and independent examiner. One immediate piece of advice from Jane is for CDFHS to build up an additional financial buffer and to look at not just steadily increasing the reserves at NE First. But, to develop if it is possible a working capital buffer. We thank Jane for her service here. Also we will need to get Julian more involved in Steve's workload. It is noted that systems are needed not just tweaking but actually creating or bringing into play.

We have spoken to Business Durham and their support continues and Stuart Anderson of Business Durham is increasingly being involved in our day to day activities. Iain Kay and Business Durhams input have recommended a consultant called Ian Murray. He has spent the last two months of this year adding his input to the work Steve and Iain do jointly. He feels he can work with Lee to develop systems (this is us going back to this thread now).

Ian Murray and Stuart are advising the CDFHS on Governance as well as Iain Kay. Stuart is also as of the year end looking at the feasibility of becoming an advisor / observer to the board. There is support he can give via UKSPF and UMI. It means some grant writing to see the direction of travel of the CDFHS and to develop systems to support the business / charity going forward and to advise the new board accordingly. This is at early stages and will continue the next financial year

This means CDFHS will strengthen the board, develop systems and try to further add to reserves going forward and to weather what potentially could be a bumpy financial year to come.

We again wish to thank all our partners, supporters, family and friends for either putting up with continuing growing pains. Long hours and hard work for our loyal and now long serving staff must also be mentioned, without them and our regular supporters and volunteers we would not be anywhere near the shape and size we have become. We may even hit the magic figure of turning over a million pounds of support to the people of County Durham.

County Durham Furniture Help Scheme

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

Year ended 31 March 2024

Financial review

Income during the year totalled £765,460 (2023 - £475,955) and expenditure totalled £694,150 (2023 - £558,679) giving a surplus of £71,310 (2023 - deficit of £82,724).

At 31st March 2024 net assets were £17,588, 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.

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.

County Durham Furniture Help Scheme

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

Year ended 31 March 2024

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
Lester Plaskitt (Appointed 30th
October 2024)

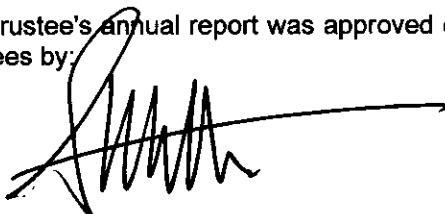
Company secretary Steve Mitton

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.

The trustee's annual report was approved on 11/11/2024 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 Trustee of County Durham Furniture Help Scheme

Year ended 31 March 2024

I report to the trustee on my examination of the financial statements of County Durham Furniture Help Scheme ('the charity') for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustee of the company (and also its director 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:

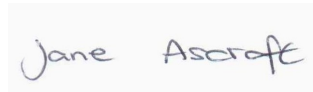
1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement 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 Trustee of County Durham Furniture Help Scheme (continued)

Year ended 31 March 2024

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.

A handwritten signature in blue ink that reads "Jane Ascroft". The signature is written in a cursive style with a clear, legible font.

Jane Ascroft FCA MA (Cantab)
Independent Examiner

Enterprise House
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County Durham Furniture Help Scheme

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2024

			2024		2023
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	1,117	201,975	203,092	1,536
Charitable activities	6	562,366	–	562,366	474,419
Investment income	7	2	–	2	–
Total income		<u>563,485</u>	<u>201,975</u>	<u>765,460</u>	<u>475,955</u>
Expenditure					
Expenditure on charitable activities	8,9	492,175	201,975	694,150	558,679
Total expenditure		<u>492,175</u>	<u>201,975</u>	<u>694,150</u>	<u>558,679</u>
Net income/(expenditure) and net movement in funds		<u>71,310</u>	<u>–</u>	<u>71,310</u>	<u>(82,724)</u>
Reconciliation of funds					
Total funds brought forward		(53,722)	–	(53,722)	29,002
Total funds carried forward		<u>17,588</u>	<u>–</u>	<u>17,588</u>	<u>(53,722)</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 15 to 24 form part of these financial statements.

County Durham Furniture Help Scheme

Statement of Financial Position

31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	14	11,292	15,401
Current assets			
Stocks	15	28,242	34,498
Debtors	16	58,045	23,890
Cash at bank and in hand		30,884	8,637
		<u>117,171</u>	<u>67,025</u>
Creditors: amounts falling due within one year	17	<u>40,679</u>	<u>50,472</u>
Net current assets		<u>76,492</u>	<u>16,553</u>
Total assets less current liabilities		<u>87,784</u>	<u>31,954</u>
Creditors: amounts falling due after more than one year	18	<u>70,196</u>	<u>85,676</u>
Net assets		<u>17,588</u>	<u>(53,722)</u>
Funds of the charity			
Unrestricted funds		<u>17,588</u>	<u>(53,722)</u>
Total charity funds	20	<u>17,588</u>	<u>(53,722)</u>

For the year ending 31 March 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges her 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 11/11/24, and are signed on behalf of the board by:



Diane Brown
Trustee

The notes on pages 15 to 24 form part of these financial statements.

County Durham Furniture Help Scheme

Statement of Cash Flows

Year ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net income/(expenditure)	71,310	(82,724)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	4,109	5,381
Other interest receivable and similar income	(2)	–
Interest payable and similar charges	3,881	5,295
Accrued income	(39,739)	–
<i>Changes in:</i>		
Stocks	6,256	1,162
Trade and other debtors	5,584	55,511
Trade and other creditors	(20,021)	(11,778)
Cash generated from operations	31,378	(27,153)
Interest paid	(3,881)	(5,295)
Interest received	2	–
Net cash from/(used in) operating activities	<u>27,499</u>	<u>(32,448)</u>
Cash flows from financing activities		
Proceeds from borrowings	(5,252)	(4,611)
Net cash used in financing activities	<u>(5,252)</u>	<u>(4,611)</u>
Net increase/(decrease) in cash and cash equivalents	22,247	(37,059)
Cash and cash equivalents at beginning of year	<u>8,637</u>	<u>45,696</u>
Cash and cash equivalents at end of year	<u>30,884</u>	<u>8,637</u>

The notes on pages 15 to 24 form part of these financial statements.

County Durham Furniture Help Scheme

Notes to the Financial Statements

Year ended 31 March 2024

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 trustee 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 2024

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 2024

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 2024

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 2024 there was 1 member 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 2024 £
Donations			
Donations	1,117	–	1,117
Grants			
County Durham Community Foundation	–	171,975	171,975
Sherburn House	–	30,000	30,000
	<u>1,117</u>	<u>201,975</u>	<u>203,092</u>

County Durham Furniture Help Scheme

Notes to the Financial Statements (continued)

Year ended 31 March 2024

5. Donations and legacies (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations	1,536	–	1,536
	<u>1,536</u>	<u>–</u>	<u>1,536</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
DCC Projects	382,169	382,169	312,353	312,353
Furniture scheme and related services	151,447	151,447	119,744	119,744
Housing support projects	28,750	28,750	24,149	24,149
Winter support fund	–	–	18,173	18,173
	<u>562,366</u>	<u>562,366</u>	<u>474,419</u>	<u>474,419</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Bank interest receivable	<u>2</u>	<u>2</u>	<u>–</u>	<u>–</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Furniture scheme and related services	<u>492,175</u>	<u>201,975</u>	<u>694,150</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Furniture scheme and related services	<u>558,679</u>	<u>–</u>	<u>558,679</u>

County Durham Furniture Help Scheme

Notes to the Financial Statements (continued)

Year ended 31 March 2024

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2024 £	Total fund 2023 £
Furniture scheme and related services	694,150	694,150	558,679

10. Net income/(expenditure)

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

	2024 £	2023 £
Depreciation of tangible fixed assets	4,109	5,381

11. Independent examination fees

	2024 £	2023 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	500	500
Other financial services	4,479	4,676
	<u>4,979</u>	<u>5,176</u>

12. Staff costs

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

	2024 £	2023 £
Wages and salaries	215,901	175,726
Social security costs	9,974	7,441
Employer contributions to pension plans	3,043	648
	<u>228,918</u>	<u>183,815</u>

The average head count of employees during the year was 10 (2023: 11). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Number of management staff	2	2
Number of project staff	8	9
	<u>10</u>	<u>11</u>

No employee received employee benefits of more than £60,000 during the year (2023: 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 2024

14. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	IT Equipment £	Total £
Cost				
At 1 April 2023 and 31 March 2024	<u>21,369</u>	<u>27,000</u>	<u>9,152</u>	<u>57,521</u>
Depreciation				
At 1 April 2023	14,387	20,592	7,141	42,120
Charge for the year	<u>1,746</u>	<u>1,603</u>	<u>760</u>	<u>4,109</u>
At 31 March 2024	<u>16,133</u>	<u>22,195</u>	<u>7,901</u>	<u>46,229</u>
Carrying amount				
At 31 March 2024	<u>5,236</u>	<u>4,805</u>	<u>1,251</u>	<u>11,292</u>
At 31 March 2023	<u>6,982</u>	<u>6,408</u>	<u>2,011</u>	<u>15,401</u>

15. Stocks

	2024 £	2023 £
Furniture stock for resale	<u>28,242</u>	<u>34,498</u>

16. Debtors

	2024 £	2023 £
Trade debtors	9,686	17,307
Accrued income	39,739	–
Director's loan account	2,388	726
Wages debtor	–	5,857
Other debtors	<u>6,232</u>	<u>–</u>
	<u>58,045</u>	<u>23,890</u>

17. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	28,204	23,452
Accruals and deferred income	900	900
Social security and other taxes	10,609	26,041
Other creditors	<u>966</u>	<u>79</u>
	<u>40,679</u>	<u>50,472</u>

County Durham Furniture Help Scheme

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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

	2024	2023
	£	£
Bank loans and overdrafts	38,120	43,372
NE Social Fund loan	32,076	37,877
Key Fund loan	—	4,427
	<u>70,196</u>	<u>85,676</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 £3,043 (2023: £648).

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2023	Income	Expenditure	At 31 March 2024
	£	£	£	£
General funds	<u>(53,722)</u>	<u>563,485</u>	<u>(492,175)</u>	<u>17,588</u>

	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>

County Durham Furniture Help Scheme

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

20. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
County Durham Community Foundation	—	171,975	(171,975)	—
Sherburn House	—	30,000	(30,000)	—
	<u>—</u>	<u>201,975</u>	<u>(201,975)</u>	<u>—</u>

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
County Durham Community Foundation	—	—	—	—
Sherburn House	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	11,292	11,292
Current assets	117,171	117,171
Creditors less than 1 year	(40,679)	(40,679)
Creditors greater than 1 year	(70,196)	(70,196)
Net assets	<u>17,588</u>	<u>17,588</u>

	Unrestricted Funds £	Total Funds 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)
Net assets	<u>(53,722)</u>	<u>(53,722)</u>

County Durham Furniture Help Scheme

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

22. Analysis of changes in net debt

	At 1 Apr 2023	Cash flows	At 31 Mar 2024
	£	£	£
Cash at bank and in hand	8,637	22,247	30,884
Debt due after one year	(43,372)	5,252	(38,120)
	<u>(34,735)</u>	<u>27,499</u>	<u>(7,236)</u>

County Durham Furniture Help Scheme

Management Information

Year ended 31 March 2024

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 2024

	2024 £	2023 £
Income and endowments		
Donations and legacies		
Donations	1,117	1,536
County Durham Community Foundation	171,975	—
Sherburn House	30,000	—
	<u>203,092</u>	<u>1,536</u>
Charitable activities		
DCC Projects	382,169	312,353
Furniture scheme and related services	151,447	119,744
Housing support projects	28,750	24,149
Winter support fund	—	18,173
	<u>562,366</u>	<u>474,419</u>
Investment income		
Bank interest receivable	2	—
	<u>2</u>	<u>—</u>
Total income	<u>765,460</u>	<u>475,955</u>
Expenditure		
Furniture scheme purchases	317,453	223,584
Wages	215,901	175,726
Employer's NIC	9,974	7,441
Pension costs	3,043	648
Rent and rates	53,464	53,364
Light and heat	14,661	12,190
Insurance	9,258	8,530
Other premises costs	3,529	6,191
Motor vehicle costs	28,377	25,992
Staff and volunteer expenses	12,687	17,307
Accountancy fees	6,929	6,526
Telephone	3,843	3,776
Office costs	1,195	1,336
Depreciation	4,109	5,381
Interest payable	3,881	5,295
Other expenses	5,846	5,392
	<u>694,150</u>	<u>558,679</u>
Total expenditure	<u>694,150</u>	<u>558,679</u>
Net income/(expenditure)	<u>71,310</u>	<u>(82,724)</u>