

IKDI

(a company limited by guarantee)

**Report and Financial Statements
for the year ended 31 December 2020**

Registered Company no: 08478660

Registered Charity no: 1157417

**Report and Financial Statements
for the year ended 31 December 2020**

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REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Teresa Tideman (Chair)

Rosanne Gray (Appointed 18 May 2020)

Graham Inglis

Richard Wolff

Principal and registered office

11–15 St Mary at Hill

London

EC3R 8EE

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Secretary

Vacant

Independent Examiner

Haysmacintyre LLP

10 Queen Street Place

London

EC4R 1AG

Bankers

Lloyds Banking Group

109 Finsbury Pavement

Finsbury Park

London

EC2A 1LB

Solicitors

Bates Wells

10 Queen Street Place

London

EC4R 1BE

Status

IKDI is:

- ◆ a company limited by guarantee in England & Wales, number 08478660.
- ◆ a charity registered in England & Wales, number 1157417.

IKDI is governed by Articles of Association dated 8 April 2013 and amended 6 February 2014 by Special Resolution.

IKDI

Directors' Report

For the year ended 31 December 2020

The Trustees of IKDI, who are also the directors of the charitable company for the purposes of company law, present their report for the year ended 31 December 2020.

Public benefit, objectives and activities

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

The company's main charitable objects are to advance education internationally in respect of sustainable waste management and redistribution processes; the matching of surplus goods and materials to the needs of charities and individuals; and research into the benefits to the community of the matching of surplus to need and sustainable waste management and redistribution processes; the relief of poverty; and the advancement of citizenship or community development.

IKDI network members work together in order to increase the volumes of surplus goods collected and distributed by members at low cost, creating greater economic, environmental and social impact for all stakeholders.

IKDI was founded in 2013 and manages a network of charities located in four countries. Each network member co-ordinates the distribution of surplus products, to other not for profit organisations and their beneficiaries. Products received from IKDI network members enable recipient organisations to use products to provide services to beneficiaries attending charity centres, as well as donate products directly to beneficiaries and maintain charity working environments. Charities are able to save money as a result of receiving goods from network members and these savings can be used to improve and extend their services. Beneficiaries benefit from products which improve their daily lives and reduce hardship.

To date, collectively IKDI network members have supported more than 13,800 voluntary organisations and received product donations from over 1,530 companies, with an estimated retail value of over £540 million.

IKDI works for the public benefit by ensuring that the expenditure of recipient charities on essential goods is reduced, thereby stretching their limited resources and enabling them to help millions of people in need at home and abroad, while reducing environmental damage, because goods are saved from waste or landfill.

Achievements and performance

The IKDI network has four members: In Kind Direct, which is the founder member; Innatura, a German licensee; Dons Solidaires, a French licensee; and In Kind Direct (Singapore).

During 2020, work took place on the establishment of a new network member in Italy, with In Kind Direct (Italia) incorporated in early 2021. In Kind Direct (Italia) is expected to become operational once further registration requirements have been completed. IKDI continues to review other countries for potential expansion of the network.

Demand for the services of established IKDI network members was significant throughout 2020, as network members supported communities affected by the Covid-19 pandemic. IKDI network members continued to work collaboratively to share know-how, experience and innovation, as well as donations, when appropriate during 2020. Regular conference calls were held throughout the year and the 2-day annual conference in November 2020 was held as a virtual event, due to the pandemic. The annual conference covered topics which are relevant to the operations of each network member, as well as collaborative initiatives.

Since the IKDI network was formed in 2013, IKDI network members have shared donated goods with an estimated retail value of more than £15.3 million. Goods are shared between network members if they are surplus to the requirements of the receiving network member or because a particular type of product is better suited to use in another country, for example due to need, size, labelling or configuration.

In Kind Direct (Singapore) continued to grow its operations, with the receipt of regular donations resulting in distributions made to 29 charities during 2020. An application for charitable status was submitted in March 2020, with the application under review at the end of 2020.

Financial review of 2020

£39,000 of licence fee income was received during 2020 (2019: £39,000). This comprised £15,000 from the French licensee, Dons Solidaires; £15,000 from the German licensee Innatura; as well as £9,000 from In Kind Direct. This £9,000 fee represents 60% of the annual licence fee paid by other network members, with the 40% reduction given in recognition of the fact that In Kind Direct should not pay for its own licence elements.

No unrestricted funding was received by the charity in 2020 (2019: £37,500).

During 2020, IKDI received £246 of interest paid on a loan of £20,000, which was made to In Kind Direct (Singapore) on 29 November 2018, following the execution of a Loan Agreement dated 10 May 2018, between IKDI and In Kind Direct (Singapore). This Loan Agreement was executed simultaneously with the Licence Agreement between IKDI and In Kind Direct (Singapore). Funding for this loan was made available from a restricted grant of £36,333, given by In Kind Direct to IKDI, and which was intended to serve as loan funding for new licensees setting up in other countries. The loan matures on the seventh anniversary of the date of the agreement and is due to be repaid in four instalments. The first repayment instalment is due on the fourth anniversary of the date of the agreement (May 2022), with three further instalments payable on the fifth, sixth and seventh anniversaries. Interest accrues on a daily basis at a rate of 1% above the Bank of England rate. Interest is payable quarterly on the last business day in March, June, September and December of each year, for the duration of the loan.

The charity's main overhead costs relate to cross charges which cover: the Chief Operating Officer for IKDI, who is employed by In Kind Direct, but whose salary and on-costs are cross charged to IKDI; an intern; and time allocated by IKD staff, to provide support services to IKDI and support for start-up licensees. Total staff costs cross charged for the year were £57,370 (2019: £73,970).

At the balance sheet date, the charity had total reserves of £80,568 of which cash held at year end was £67,924.

Key lessons learned

IKDI continues to learn from its work with established network members; new licensees; and prospective licensees, as well as from reviewing selection criteria for start-up organisations.

Established network members provide valuable insights into the requirements of network members. Working with new licensees, has enabled IKDI to learn about local changes to the operating model, which may be required to meet compliance and local operational needs. Working with prospective licensees has enabled IKDI to gain an understanding of the key skills and local support which would be required, to enable start-up.

Plans for the future

IKDI continues to work towards expansion, with ongoing research into countries with potential for start-up members. Countries for start-up are identified through assessing whether a range of country selection criteria are met. These selection criteria include factors such as need and supply, which are key for the start-up of new licensees.

As a result of Covid-19 during 2020 and the significant increase in demand for the services of established IKDI network members in the UK, France and Germany, the core operations of established network members continued to grow. Those organisations which were working towards start-up or had early-stage operations, experienced some delays due to Covid-19, however work has continued.

Structure, governance and management

The Board of IKDI has four Director/Trustees as set out below and is managed on a daily basis by the Chief Operating Officer. Rosanne Gray was appointed as Director/Trustee on 18 May 2020. Finance, Marketing, IT and Chief Executive services are provided at cost to IKDI by In Kind Direct. Linda Kelly resigned as Secretary on 20 January 2021.

The Board meets quarterly. Board members hold office under the terms set out in the Articles of Association.

The Company is limited by guarantee without having a share capital. The Member of the Company agrees to contribute a sum of up to £10 on a winding-up of the Company.

In Kind Direct is the sole member of IKDI.

Financial policies

The board of IKDI has agreed that IKDI should aim to achieve reserves equivalent to three months' operational cash flow.

Risk policy and management

The Trustees review the assessment of major risks to which the charity is exposed. IKDI has compiled a risk register, which will be regularly monitored and amended as necessary. Management of risks, with strategies to minimise and mitigate them, is an on-going task. The full risk register will be reviewed by Trustees annually.

Related Parties

Three of the trustees of IKDI, Teresa Tideman, Graham Inglis, and Richard Wolff, are also trustees of In Kind Direct. Rosanne Gray is the Chief Executive Officer of In Kind Direct.

Qualifying indemnity insurance

The charitable company has granted an indemnity to its directors and officers against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity insurance remains in force as at the date of approving the Directors' Report.

Directors and trustees

Teresa Tideman (Chair)

Rosanne Gray	Appointed 18 May 2020
Graham Inglis	
Richard Wolff	

Statement of trustees' responsibilities

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

This report was approved by the Board on the 3 August 2021 and signed on its behalf.

T M Tideman

Teresa Tideman
Director and Trustee

Independent examiner's report to the trustees of IKDI ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Richard Weaver
For and on behalf of
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

10 August 2021
Date:.....

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Income from:							
Donations	2	-	-	-	37,500	-	37,500
<i>Charitable activities</i>							
Licence fees		39,000	-	39,000	39,000	-	39,000
Other Income		246	-	246	1,878	-	1,878
Total		<u>39,246</u>	<u>-</u>	<u>39,246</u>	<u>78,378</u>	<u>-</u>	<u>78,378</u>
Expenditure on:							
<i>Raising funds</i>							
Costs of raising funds		3,162	-	3,162	8,318	367	8,685
<i>Charitable activities</i>							
International network		61,536	-	61,536	76,539	3,300	79,839
Total	3	<u>64,698</u>	<u>-</u>	<u>64,698</u>	<u>84,857</u>	<u>3,667</u>	<u>88,524</u>
Net Income Before Transfers		<u>(25,452)</u>	<u>-</u>	<u>(25,452)</u>	<u>(6,479)</u>	<u>(3,667)</u>	<u>(10,146)</u>
Gross transfers between funds		-	-	-	-	-	-
Net Income For The Year		<u>(25,452)</u>	<u>-</u>	<u>(25,452)</u>	<u>(6,479)</u>	<u>(3,667)</u>	<u>(10,146)</u>
Reconciliation of funds							
Funds brought forward at 1 January 2020		<u>89,687</u>	<u>16,333</u>	<u>106,020</u>	<u>96,166</u>	<u>20,000</u>	<u>116,166</u>
Funds carried forward at 31 December 2020		<u>64,235</u>	<u>16,333</u>	<u>80,568</u>	<u>89,687</u>	<u>16,333</u>	<u>106,020</u>

All gains and losses arising in the year are included in the Statement of Financial Activities and arise from continuing operations.

The accompanying notes on pages 11 to 14 form an integral part of these financial statements.

IKDIBALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed Assets					
Loan to IKDI Singapore			20,000		20,000
Current Assets					
Debtors	7	15,214		15,550	
Cash at bank and in hand		<u>67,924</u>		<u>95,089</u>	
		83,138		110,639	
Creditors: Amounts falling due within one year	8	<u>(22,570)</u>		<u>(24,619)</u>	
Net Current Assets			<u>60,568</u>		<u>86,020</u>
Total Assets less Current Liabilities			<u>80,568</u>		<u>106,020</u>
Funds Balances					
Unrestricted Funds			64,235		89,687
Restricted Funds	9		<u>16,333</u>		<u>16,333</u>
Total Funds			<u>80,568</u>		<u>106,020</u>

The charitable company is exempt from the requirements relating to preparing audited accounts in accordance with section 477 of the Companies Act 2006 relating to small companies.

No member has deposited a notice requiring the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board of Trustees on 3 August 2021. and signed on its behalf by:



Name: Teresa Tideman
Director & Trustee

The accompanying notes on pages 11 to 14 form an integral part of these financial statements.

Company registration no: 08478660

General Information

IKDI is a charitable private company limited by guarantee (co. number 08478660) and registered with the Charity Commission (charity registration no. 1157417). It is incorporated in the United Kingdom and domiciled in England and Wales. The registered office and principal place of business is:

11 – 15 St Mary at Hill
London
EC3R 8EE

Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (SORP, effective 1 January 2019). The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. IKDI meets the definition of a public benefit entity under FRS 102.

b) Cash flow statement

No cash flow statement has been prepared for the current year as the charity qualifies as a small charity for the purposes of the Charity SORP.

c) Going concern

The directors/trustees consider that there are no material uncertainties regarding IKDI's ability to continue as a going concern. IKDI currently has 4 network members with the services of the established network members in great demand. In addition, work is underway for a new network member organisation to start up in Italy and discussions are in progress to consider the next country after that. Annual licence fees that were expected to date have either all been paid or are expected to be paid, and the organisation currently has sufficient reserves to operate into 2021 and for a period of at least 12 months following the date of approval of these financial statements.

d) Income

Voluntary income and donations are accounted for on an accrual's basis. All income in the Statement of Financial Activities is shown gross of the associated costs. Income from charitable activities is recognised as it is earned. Where amounts are billed in advance of the activity being carried out, the income is deferred. Legacy income is recognised when its amount and receipt is reasonably certain.

e) Expenditure

All expenses are accounted for on an accrual's basis. Wherever possible costs are allocated directly to the appropriate activity, other costs common to all activities are apportioned between those activities on the basis of the proportion of staff time spent in each activity.

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the Charity's work. This includes the costs of advertising for donations and the staging of special fundraising events.

Expenditure incurred in connection with the specific objects of the charity is included under the heading Charitable activities.

Support costs include governance costs being those that relate to regulation, compliance and the strategic direction of the charity.

The irrecoverable element of VAT is included with the item of expense to which it relates.

f) Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and have not been designated for other purposes.

Designated funds compromise funds which have been set aside by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

g) Taxation

The Charity is an exempt approved charity in accordance with the Income and Corporation Taxes Act 1988.

h) Debtors

Short term debtors are measured at transaction price, less any impairment.

i) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

j) Loan to IKD (Singapore)

A loan was granted to IKD (Singapore) in May 2018 to assist with its development. The loan is considered to be a public benefit concessionary loan to further the charity's charitable objects at a rate below prevailing market rates. Therefore, it has been recognised as the initial amount lent and subsequently adjusted to reflect any repayments, accrued interest and impairments. The loan is unsecured and is repayable in four equal annual instalments from the fourth anniversary of the initial date of grant. Interest accrues daily on the loan, chargeable at one percentage point above the Bank of England base rate, with interest levied payable quarterly in arrears.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2 Voluntary income	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Grant from individual	-	-	-	37,500	-	37,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>-</u>	<u>37,500</u>

3 Total Expenditure	Staff Costs £ (note 4)	Other Costs £	2020 £	2019 £
Costs of raising funds	2,869	293	3,162	8,685
Charitable Activities				
International network	54,501	7,035	61,536	79,839
	<u>57,370</u>	<u>7,328</u>	<u>64,698</u>	<u>88,524</u>
2019 Total	<u>73,970</u>	<u>14,554</u>	<u>88,524</u>	

4 Staff Costs	2020 £	2019 £
Staff costs comprise:		
Cross charges from In Kind Direct	57,370	73,970
	<u>57,370</u>	<u>73,970</u>

No staff members are directly employed by IKDI. Staff costs are cross charges from In Kind Direct.

5 Support & Governance Costs	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds and Total 2019 £
Independent Examination fees	1,450	-	1,450	1,400
Taxation services	-	-	-	275
Allocated overheads	5,878	-	5,878	12,879
	<u>7,328</u>	<u>-</u>	<u>7,328</u>	<u>14,554</u>

6 Trustees

The trustees received no remuneration or reimbursed expenses during the year (2019 : nil).

7 Debtors	2020	2019
	£	£
Trade Debtors	15,000	15,000
Prepayments and Accrued Income	55	87
Taxation & social security	159	463
	<u>15,214</u>	<u>15,550</u>

8 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade Creditors	950	2,779
Accruals	1,450	1,400
Amounts due to parent undertaking	20,170	20,440
	<u>22,570</u>	<u>24,619</u>

9 Restricted Funds 2020	Brought Forward	Incoming Resources	Resources Expended	Transfer (to)/ from Unrestricted Fund	Carried Forward
	£	£	£	£	£
i In Kind Direct	16,333	-	-	-	16,333
	<u>16,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,333</u>

i) In Kind Direct. These funds were to provide loan capital to new operations starting in other countries.

9 Restricted Funds 2019	Brought Forward	Incoming Resources	Resources Expended	Transfer from Unrestricted Fund	Carried Forward
	£	£	£	£	£
i In Kind Direct	16,333	-	-	-	16,333
ii The Prince's Charitable Foundation	3,667	-	(3,667)	-	-
	<u>20,000</u>	<u>-</u>	<u>(3,667)</u>	<u>-</u>	<u>16,333</u>

i) In Kind Direct. These funds were to provide loan capital to new operations starting in other countries. The transfer of £20,000 in the year to unrestricted funds reflects the grant of a loan to IKDI Singapore in May 2018.

ii) The Prince's Charitable Foundation. These funds were to generate additional funding to start up IKDI Singapore.

10 Financial Commitments

At 31 December 2020 the charitable company had no financial commitments (2019: £0).

11 Legal Status

The charity is a company limited by guarantee. In the event of the company being wound up the guarantee is limited to £10 per member.

12 Parent and Ultimate Controlling Party

The charitable company is deemed to be wholly owned and controlled by In Kind Direct, a charitable company limited by guarantee (03155226) and registered charity (1052679), by virtue of being the sole member of IKDI. Consolidated accounts for the parent undertaking are publicly available. Copies of those group accounts are available from Companies House and the Charity Commission.