

IKDI

(a company limited by guarantee)

**Report and Financial Statements
for the year ended 31 December 2022**

Registered Company no: 08478660

Registered Charity no: 1157417

**Trustee Report and Financial Statements
for the year ended 31 December 2022**

	Page
Reference and Administrative details	3
Trustees' Report	4 – 7
Independent Examiner's report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 – 14

REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Teresa Tideman (Chair)

Bastien Charpentier

Rosanne Gray

Graham Inglis

Juliane Kronen

Richard Wolff

Principal and registered office

11–15 St Mary at Hill

London

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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

Trustees' Report

For the year ended 31 December 2022

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 2022.

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 18,100 voluntary organisations with product donations received from over 1,780 corporate donors, with an estimated retail value of over £753 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

At the beginning of 2022, there were five IKDI network members: In Kind Direct in the United Kingdom, the founder member; Innatura, a German licensee; Dons Solidaires, a French licensee; MateriaBona, a newly established Swiss licensee; and In Kind Direct (Singapore).

During 2022, preparatory work continued to support the establishment of a new network member in Italy.

Following board and staffing changes in Singapore, a decision was taken during 2022, by the board of In Kind Direct (Singapore), to close operations. As a result of this decision, the board of IKDI agreed that the licence granted to In Kind Direct (Singapore) would terminate during 2022. IKDI therefore no longer had a licensee operating in Singapore at the end of 2022. In Kind Direct (Singapore) had been established as a licensee of IKDI in 2018 and was granted charitable status in March 2021. During the period for which it was operating, In

Kind Direct (Singapore) distributed donated products valued at S\$500,000 (approximately £290,000) to 29 charitable organisations, some of which served up to 10,000 beneficiaries. Recipient organisations have shown appreciation for the services provided by In Kind Direct (Singapore).

Demand for the services of established IKDI network members in the UK, France and Germany, continued during 2022, as network members supported communities in each member country. Core operations of established network members continued to grow. In addition, IKDI network members responded to increased need resulting from the conflict in Ukraine, providing donated goods to displaced communities.

IKDI network members continued to work collaboratively during 2022, sharing know-how, experience, innovation, and donations, when appropriate. Regular working group discussions and conference calls were held throughout the year. A shortened annual conference took place online, in November 2022, with plans to hold a full annual conference in-person, during the first half of 2023.

IKDI network members continued to share donated goods in 2022, if these were surplus to the requirements of the receiving network member or because a particular type of product was better suited to use in another country, for example due to need, size, labelling, or configuration. The estimated retail value of shared donations was £15.875 million at the end of 2022.

Financial review of 2022

£69,000 of licence fee income was received during 2022 (2021: £39,000). This comprised £30,000 start-up licence fee from Swiss licensee, MateriaBona; £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 membership and 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.

£25,000 of unrestricted funding was received by the charity in 2022 (2021: £35,000).

During 2022, IKDI received £75 (2021: £227) 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 was repayable in instalments commencing in May 2022. In addition, interest was accrued at a rate of 1% above the Bank of England base rate and payable on a quarterly basis. IKDI board members approved the write-off of the loan to In Kind Direct (Singapore) at the March 2022 IKDI Board Meeting, after they were informed of the intended closure of In Kind Direct (Singapore)'s operations by the end of 2022, and in the absence of ongoing operations and available funds needed in order to repay this 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; 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 £57,350 (2021: £57,224).

At the balance sheet date, the charity had total reserves of £92,498 (2021: £86,927) of which cash held at year end was £103,698 (2021: £75,715).

Key lessons learned

IKDI continues to learn from working with all network members and prospective network members, as well as from the preliminary research and country selection process for new licensees.

Working with prospective licensees has enabled IKDI to gain an understanding of the key skills and local support which is required to enable start-up, as well as understanding whether the operating model would be viable in certain countries. Working with newly established licensees, has enabled IKDI to learn about changes which are required to the operating model locally, in order to meet compliance and other requirements. Established network members continue to provide valuable insights into the ongoing requirements of network members and the opportunities and challenges associated with the operating model.

Plans for the future

IKDI continues to work on supporting the start-up of a new network member in Italy. Operations in Italy are expected to commence once further work on the structure of the organisation has been completed, in order to comply with Italian charity law requirements.

IKDI continues to work towards expansion, researching countries with potential for start-up members. Countries for start-up are identified through a series of steps, including an assessment of whether a range of country selection criteria are met, including the key criteria of need and supply, amongst others.

IKDI continues to act as a convening entity for network members, supporting the sharing of best practice between network members, while continuing to support the start-up of new entities.

During 2023, IKDI will continue to focus on supporting existing network members and on growth and expansion of the IKDI network.

Structure, governance and management

The Board of IKDI has six Director/Trustees as set out below and in the year was managed on a daily basis by the Chief Operating Officer. Finance, Marketing, IT, Fundraising, Governance, administrative and Chief Executive services are provided at cost to IKDI by In Kind Direct. During Q4 of 2022, In Kind Direct seconded an interim CEO, who provided Chief Executive services to IKDI.

During the second half of 2022, IKDI began the process of recruiting an IKDI Network Manager to take over the daily management of the IKDI network from the Chief Operating Officer.

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. Juliane Kronen is Chief Executive Office of innatura, and Bastien Charpentier is President of Dons Solidaires.

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)
Bastien Charpentier
Rosanne Gray
Graham Inglis
Juliane Kronen
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.

These financial statements were approved and authorised for issue by the directors and were signed on its behalf by:



Teresa Tideman

Director and Trustee

Date: 7 September 2023

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 2022.

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

Date: 11 September 2023
Date:.....

IKDI

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income from:							
Donations	2	25,000	-	25,000	35,000	-	35,000
<i>Charitable activities</i>							
Licence fees		69,000	-	69,000	39,000	-	39,000
Other Income		75	-	75	227	-	227
Total		<u>94,075</u>	<u>-</u>	<u>94,075</u>	<u>74,227</u>	<u>-</u>	<u>74,227</u>
Expenditure on:							
<i>Raising funds</i>							
Costs of raising funds		8,665	-	8,665	3,321	-	3,321
<i>Charitable activities</i>							
International network		79,839	-	79,839	64,547	-	64,547
Total	3	<u>88,504</u>	<u>-</u>	<u>88,504</u>	<u>67,868</u>	<u>-</u>	<u>67,868</u>
Net Income Before Transfers		<u>5,571</u>	<u>-</u>	<u>5,571</u>	<u>6,359</u>	<u>-</u>	<u>6,359</u>
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income For The Year		<u>5,571</u>	<u>-</u>	<u>5,571</u>	<u>6,359</u>	<u>-</u>	<u>6,359</u>
Reconciliation of funds							
Funds brought forward at 1 January 2022		<u>70,594</u>	<u>16,333</u>	<u>86,927</u>	<u>64,235</u>	<u>16,333</u>	<u>80,568</u>
Funds carried forward at 31 December 2022		<u>76,165</u>	<u>16,333</u>	<u>92,498</u>	<u>70,594</u>	<u>16,333</u>	<u>86,927</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.

IKDI

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Loan to IKDI Singapore			-		20,000
Current Assets					
Debtors	7	-		15,063	
Cash at bank and in hand		<u>103,698</u>		<u>75,715</u>	
		103,698		90,778	
Creditors: Amounts falling due within one year	8	<u>(11,200)</u>		<u>(23,851)</u>	
Net Current Assets			<u>92,498</u>		<u>66,927</u>
Total Assets less Current Liabilities			<u>92,498</u>		<u>86,927</u>
Funds Balances					
Unrestricted Funds			76,165		70,594
Restricted Funds	9		<u>16,333</u>		<u>16,333</u>
Total Funds			<u>92,498</u>		<u>86,927</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 and signed on its behalf by:

T M Tideman

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Teresa Tideman

Director & Trustee

Date: 7 September 2023

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

IKDI

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

1. 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 trustees are confident that IKDI will remain a going concern and that there are no material uncertainties about the charity's ability to continue. 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 to expand within Europe. 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 2022 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 appointed between those activities on the basis of the proportion of staff time spent in each activity.

Expenditure on raising funds 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) Public benefit concessionary loans

IKDI provides a loan to further its charitable purposes at rates below prevailing market rates. In accordance with section 34 of FRS102 this loan has been classified and accounted for as a concessionary loan. Such loans are initially recognised and measured at the amount provided and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairments.

IKDI

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Voluntary income	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Grant from individual	25,000	-	25,000	37,500	-	37,500
	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>37,500</u>	<u>-</u>	<u>37,500</u>
3 Total Expenditure	Staff Costs	Other Costs	2022			2021
	£	£	£			£
	(note 4)					
Costs of raising funds	5,735	2,930	8,665			3,321
Charitable Activities						
International network	51,614	28,225	79,839			64,547
	<u>57,349</u>	<u>31,155</u>	<u>88,504</u>			<u>67,868</u>
2021 Total	<u>57,224</u>	<u>10,644</u>	<u>67,868</u>			
4 Staff Costs			2022			2021
			£			£
Staff costs comprise:						
Cross charges from In Kind Direct			<u>57,349</u>			<u>57,224</u>
			<u>57,349</u>			<u>57,224</u>
5 Support & Governance Costs	Unrestricted Funds	Restricted Funds	Total 2022		Unrestricted Funds and Total 2021	
	£	£	£		£	
Independent Examination fees	1,850	-	1,850		1,450	
Taxation services	-	-	-		-	
Allocated overheads	29,305	-	29,305		9,194	
	<u>31,155</u>	<u>-</u>	<u>31,155</u>		<u>10,644</u>	

6 Trustees

The trustees received no remuneration or reimbursed expenses during the year (2021 : nil).

IKDI

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Debtors	2022 £	2021 £
Trade Debtors	-	15,063
Prepayments and Accrued Income	-	-
Taxation & social security	-	-
	<u>-</u>	<u>15,063</u>

8 Creditors: amounts falling due within one year	2022 £	2021 £
Trade Creditors	-	1,450
Accruals	6,300	360
Amounts due to parent undertaking	4,900	22,041
	<u>11,200</u>	<u>23,851</u>

9 Restricted Funds 2022	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 2021	Brought Forward £	Incoming Resources £	Resources Expended £	Transfer 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.

10 Financial Commitments

At 31 December 2022 the charitable company had no financial commitments (2021: £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.