



FRC

GROUP

FRC Group Integrated Report: Social and Financial Value 2015-16



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Welcome



Shaun Doran, CEO

Welcome to our 2015-16 Annual Report. This is our third integrated report and we continue to develop the way we bring together the results of our financial performance and the social value we have created in the past year.

It has been a challenging year for FRC Group during which we have learnt many positive lessons and used these to inform our strategic decision making for the future. We launched two major initiatives during this period and while the first, Our House, was not successful, it revealed a previously hidden truth, as a much more disturbing picture of the financial situation of many of our most in-need citizens emerged. This has reinvigorated our commitment to find new ways to help this group and the success of our second launch, EndFurniturePoverty.org, will help us to achieve this goal.

Despite the hurdles that we had to overcome, FRC Group ended 2015-16 in a solid financial position with a social value performance to be proud of and I would like to thank everyone who has helped us to make this possible.

Acknowledgements

Our heartfelt thanks to all the people who have played a part in producing this report:

All the people who make FRC Group a great place to work; our staff, Driving Change trainees, Launch Pad participants and volunteers, including our board of trustees.

All the people who collect and analyse the data in the report, particularly Carol Cassidy, Frederic Denker, Claire Donovan, Emma Ellison, Jenny Francis, Mick Hart, Carolyn Hogg, Jacqui Millington, Luke Rice, Jenny Scully, Shirley Spofforth, Laura Smith, Peter Stewart, Joan Stockton, Matt Timmins, Helen White and Collette Williams.

BDO LLP who assured the report. BDO's statements can be found on pages 71 to 73 and 80 to 81.

Nonconform who designed the report. Deana Kay who took the photographs.

The report was written by Verity Timmins and Tony Rowan.



Company Information

As at 31 March 2016

Company Number

2296329 (England and Wales)

Charity Number

700731

Directors

N Wilson
E Bichard
C Watson
J Vernon
J Hines
J Nicholls
L Dixon

Secretary

A Rowan

Chief Executive

S Doran

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Temple Street
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Solicitors

Brabners
Horton House
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Liverpool
L2 3YL

Our Aims, Objectives and Achievements

FRC Group is a collection of social businesses, run by Furniture Resource Centre, a registered charity. The purposes of the charity are set out in the company's memorandum of association, and are:

To relieve, either generally or individually, persons who are in conditions of need, hardship or distress by the provision of furniture and other household accessories calculated to reduce the need, hardship or distress of such persons.

To advance education and relieve need by providing or assisting in the provision of training and by providing guidance for such people as are in need calculated to enable them to earn their own living.

To promote any charitable purpose for the benefit of the public and in particular the advancement of education and training, the relief of poverty, distress and sickness and charitable purposes connected with the improvement of the environment.

During 2015/16, FRC Group's Trustees refreshed the language used on a day to day basis in the business to describe our vision, mission and objectives. These words were approved.

FRC Group's vision is of a society where people can obtain good quality, affordable furniture without experiencing the devastating impacts of furniture poverty – no bed to sleep on or unmanageable debts.

Our mission is to reduce and ultimately eradicate furniture poverty. We campaign to raise awareness of furniture poverty and create practical solutions to get furniture to people who need it. Our work also helps create sustainable employment and better futures for people.

Our Objectives are:

- To understand and highlight the reality of living in 'furniture poverty'.
- To lobby and campaign for the eradication of 'furniture poverty'.
- To develop and run successful social businesses that tackle furniture poverty.
- To train and develop people out of poverty and into sustainable, well paid jobs and careers.
- To use our core skills to develop and run successful commercial businesses, using the profits to create social value across FRC Group.

Our Aims, Objectives and Achievements

To deliver on these objectives, FRC Group is made up of:

End Furniture Poverty.Org is FRC Group's campaigning arm. It launched during the reporting year to raise awareness of the problems of Furniture Poverty and to run campaigns to increase the uptake of practical solutions to Furniture Poverty. It is branded as End Furniture Poverty.Org within FRC Group.

Furniture Resource Centre sells furniture and accessories to turn a house into a home. The One-Stop Service includes furniture, appliances, carpets, window coverings, small electrical and starter packs for items such as bedding and crockery. Furniture Resource Centre's customer base includes Housing Associations, local authorities, charities, and construction companies. Furniture Resource Centre delivers to customers across the UK, providing a full project management service which includes product specification, delivery and installation, the removal and recycling of packaging and any old furniture or appliances

being replaced. All Furniture Resource Centre products are new, contract standard items suitable to furnish properties of all types, from individual tenancies to shared living accommodation such as hostels.

Buckingham Interiors provides interior design and high quality contract furniture to sheltered housing schemes across the UK, helping providers to minimise voids and attract new residents. This is a bespoke service so we offer choice and flexibility around design and planning, whatever the project size, scope or budget. We also deliver a detailed consultation programme for residents and staff, and a full project management service which can start before building or refurbishment work begins as well as full after sales support.

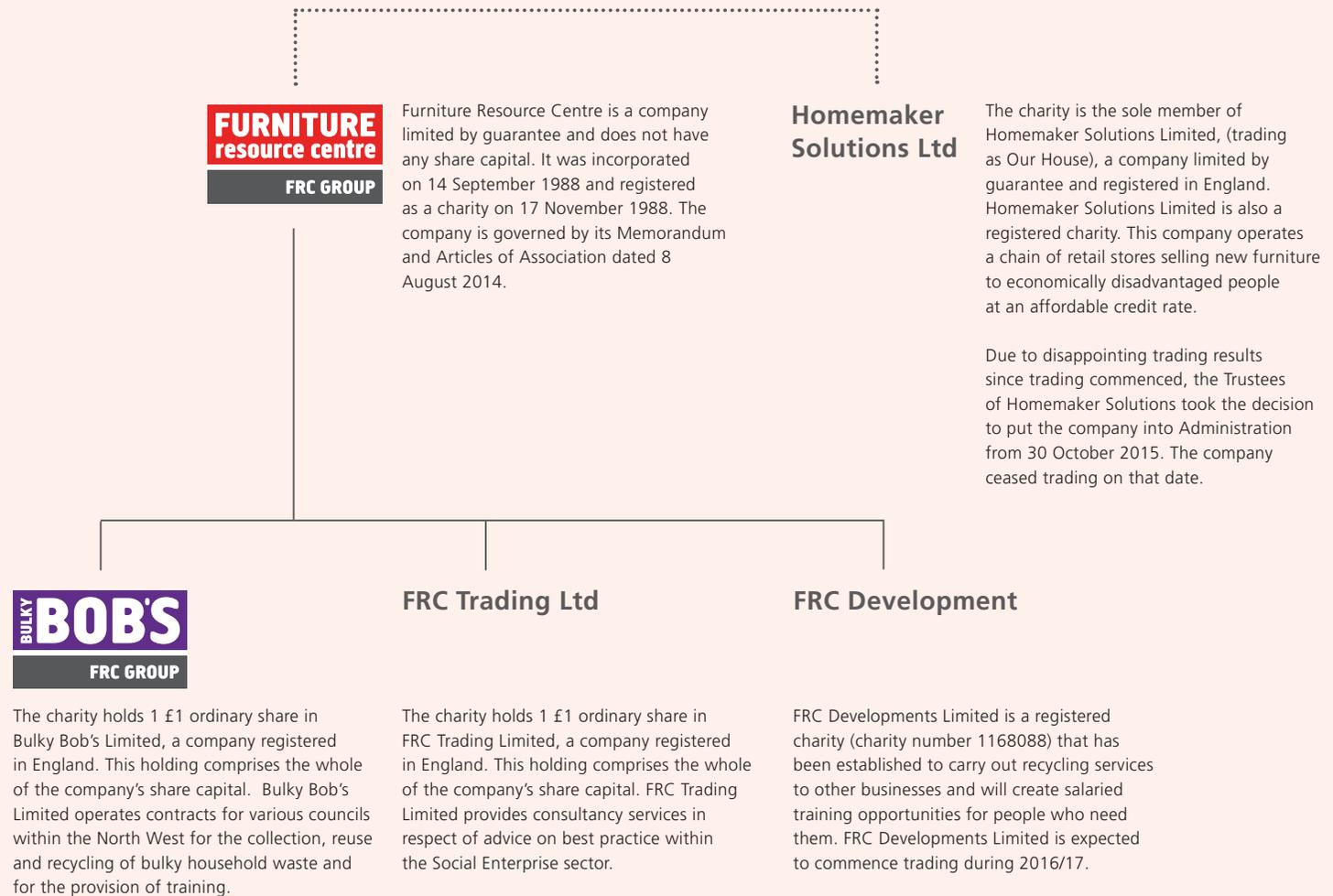
Bulky Bob's provides a bulky household waste collection service to local authorities, collecting unwanted items from homes and assessing them for reuse and recycling. The items collected are mainly furniture and the Bulky Bob's team ensures that all items

suitable for reuse are either given away or sold at a low price to those who need them. This also has the added environmental benefit of minimising the amount of this waste going to landfill.

Bulky Bob's Furniture World is where we sell the good quality preloved furniture items collected by the Bulky Bob's collection teams. This is a high street store in Liverpool and we have a sales area in our Bulky Bob's depot in Oldham. In both areas we also run Bulky Bob's On the Road events, taking the preloved furniture out to local communities to either sell at low prices or give away for free. While anyone can shop at Bulky Bob's Furniture World, those on low incomes are particularly supported by being offered additional price discounts. Bulky Bob's Furniture World also works with a large number of referral agencies and charities to provide free furniture packages to those in crisis situations with nowhere else to turn.

FRC Group : Entities and activities

Homemaker Solutions Limited is a company limited by guarantee and a registered charity with Furniture Resource Centre Limited as its sole member. During the reporting year (April 2015 to March 2016) this company began trading as "Our House". Our House offered low-income shoppers a way to buy brand new furniture, appliances and electrical goods through a 'rent-to-own' model, in which customers make weekly payments. Affordable credit was provided by Five Lamps, a Community Development Finance Institution. Following difficult trading conditions, the Trustees took the decision to put the company into administration with effect from October 2015. The company ceased trading on October 31st 2015.



Meeting Our Objectives

To ensure that our work is always creating the right benefits for our stakeholders, we constantly monitor and assess our activities and outcomes through the year. This helps us to focus on our desired outcomes but also helps us to consider whether we are creating as much social and financial value as we possibly can through our different activities. Regular monitoring gives us the opportunity to amend our ways of working and develop new approaches to keep improving our outcomes. Our financial and social performance is reviewed each quarter, and this report includes our annual results - both financial statements and social value data – quantitative and qualitative.

The Charity Commission's general guidance on public benefit has been used when reviewing our aims and objectives and to help us to plan our future activities. The Trustees always consider the contribution planned activities will make to our aims and objectives.

Trustees' skills and experience



Nigel Wilson is chair of FRC Group and joined the Board of trustees in 2014.

Nigel is CEO of Wythenshawe Community Housing Group which provides homes to more than 20,000 people across Wythenshawe, Manchester.

Nigel has over 29 years' experience in the housing sector. He was a housing co-operative tenant and activist before working as a housing officer for housing associations and local councils. He worked in tenant participation and resident engagement before specialising in new business and regeneration.

He is a fellow of the Chartered Institute of Housing, Chair of JV North, and Chair of Wythenshawe Forum Trust.



Christopher Watson has served on the board of FRC Group since 2002. He is currently an Honorary Senior Lecturer in the Centre for Urban and Regional Studies (CURS) and Housing and Communities Research at the University of Birmingham, working especially with graduate research and mid-career students from many parts of the world.

Chris has more than thirty years' experience of research, teaching and consultancy in housing, urban policy and international urban development, including recent work on the renewal of older housing in Europe and on the importance of good housing for better health in the United Kingdom.

He was Director of the Centre for Urban and Regional Studies at the University of Birmingham from 1987 to 1992.

Chris was Chair of Mercian Housing Association in Birmingham from 1999 to 2005. He is a member of the Asia-Pacific Network for Housing Research and the European Network for Housing Research: and is a co-ordinator of the ENHR Working Group on Housing in Developing Countries.



Professor Erik Bichard has served on the FRC Group board since 2002. Erik serves on several company boards as a non executive Director such as Migrant Workers North West.

During his career, he has worked as a sustainable development practitioner in the public, private, third and now academic sector.

Until June 2007, and for ten years, he was Chief Executive of the UK National Centre for Business & Sustainability. Erik has also been sustainability advisor to Co-operatives UK and Liverpool City Council.

Erik is a frequent contributor to newspaper, TV and radio programmes covering a range of sustainability issues from recycling and renewable energy, to social cohesion and responsible business issues. His most recent written work includes texts on sustainable governance, social enterprise and the recycling sector, and the relationship between health in the workplace and business reputation on sustainable development.



Jeff Vernon BA (Hons) FCA MBA AMCT has served on the board of FRC Group since 2005. Jeff is the Finance Director of Rathbone Investment Management (RIM) which is a leading provider of discretionary investment and wealth management services for private clients and trustees. He also has operational responsibility for Group Treasury, Banking and regulatory reporting. He is a member of the RIM Executive, Banking Committee and Risk Committee.

He qualified as an accountant while with Royal Insurance (now Royal SunAlliance) where he also gained an MBA. Having spent over 7 years with RSA in a variety of finance based roles, he joined Rathbones in 1999 and was appointed to the RIM Board in November 2000.



Dr John Hines gained his PhD in Chemistry from Oxford University before joining Unilever as a research scientist. John led teams in research and new product development for famous brands such as Persil and Surf, including two years in Holland.

As R&D Operations Manager for Dove, John pioneered innovation strategy and “product philosophy”, including the development of Dove’s widely acknowledged stances on real care and sustainability.

In 2008, John left Unilever to take up a new challenge with CERAM Research heading the Consultancy business and as Chief Product & Technology Officer for the group. From 2010, John is Group R&D Director for Deb Group Ltd, the world’s leading away from home skin care company.



Jeremy Nicholls is the chief executive of Social Value UK and Social Value International, which is a membership organisation for individuals, organisations and companies supporting principles and standards in accounting for social and environmental value.

He is a board member of the Social Investment Business, a member of the IRIS advisory committee and sits on the Social Stock Exchange admissions panel.

After qualifying as a chartered accountant, he spent time working as Finance Director for Tanzania Railways, in Liberia for the national water company and in Nicaragua for Cafenic. In 2004 with FRC, he set up the Cat's Pyjamas which ran events to promote the value of social enterprise. REDF was included on a Cats Pyjamas visit to the United States and encouraged Jeremy to bring SROI to the UK. On his return he began work on SROI with NEF – New Economics Foundation.

He has written 'There is no business like Social Business' with Liam Black, 'More for your money, A guide to procuring from social enterprises' with Justin Sachs and worked with others to write a number of guides on social impact including the 'Guide to SROI'.



Lesley Dixon has served on the FRC Group board since 2014. Lesley is the CEO of PSS - a social enterprise that works across the UK, recognising when people are in need and finding new and practical ways to help them get the most from life.

Prior to her move to PSS Lesley had a career in Higher Education as Chief Executive of Leeds University Union and before that the University of London and Kings College.

In addition to her work at PSS Lesley was also part of the Liverpool Fairness Commission, has been a trustee of the national Board at mental health charity Mind since 2008 and is currently the Vice Chair.

Lesley is also a Chartered Manager, a fellow of the Chartered Management Institute and has an honorary doctorate from the University of Leeds.

Strategic decision making

The background of the page is a photograph of several patterned cushions on a sofa. The cushions feature various floral and abstract designs in shades of purple, blue, and yellow. The sofa itself is a dark, textured fabric.

FRC Group's Board sets the strategic direction for the organisation annually. A strategic planning board meeting is held each year to establish the strategic priorities for the year ahead. At regular Board meetings, reports are made to keep the Board informed about the progress against the strategic priorities that were set. When issues arise during the year that require the Board to agree a response at a strategic level, discussion of these issues will take place at the next scheduled Board meeting or at a specially convened meeting if necessary.

The Board has three sub-committees which meet as required: Finance, Social Value and Remuneration. These committees make recommendations to the full Board in their areas of specialism.

FRC Group Integrated Reporting

FRC Group is at the forefront of social value reporting and we believe strongly in the need to measure and communicate the social value created by our activities to improve the lives of people living in poverty and unemployment. We have reported on our social impacts for 18 years and this is our third year of producing an integrated financial and social value annual report. This report builds on our knowledge and experience, bringing together our successes and areas for improvement, and offering an honest and clear account of the social and financial achievements of the past year across FRC Group's social businesses.

Developing our reporting

The data that forms the content of the Directors' Report comes from FRC Group's social value measurement system. A team of people from across the organisation are involved in the collection, analysis and reporting of a range of quantitative and qualitative data. We use the information we gather to manage our social value performance. Our approach is to create social value models for different areas of our activity and to use these to forecast and set a budget for social value creation and then to report

actual performance against that budget. In 2015/16 we have used social value budget models for Driving Change, Launch Pad and Bulky Bob's Furniture World Liverpool.

Our social value models follow The Principles of Social Value set out by Social Value UK. We make assumptions about what would have happened anyway without our intervention and what could have happened via another route, to ensure that the social value we consider is based on changes experienced by people as a result of our interaction with them.

In the relevant sections of this report we have included diagrams to represent the main areas of value creation and the types of values that are used in these models. We have also used some of the data arising from our modelling to increase the level of detailed statistics that are given in these different sections.

Our ultimate aim is to develop social value budgeting models across all of our material activities and to produce an overall social value statement to sit alongside our financial statement. The intention is to gradually increase the amount of detail from the social

value models that is used in the Directors' Report. The data have been developed for internal decision making in the first instance and there will be ongoing testing to prepare them for external reporting.

The social value budget and reporting process is aligned with the financial reporting processes from budgeting and forecasting to real-time actuals reporting and external reporting. In this Directors' Report we are also including some additional information to meet the requirements of the Strategic Report that has been required by certain entities since October 2013. These regulations do not apply to Furniture Resource Centre due to its size. However, we have considered the guidance on the Strategic Report as good practice and have included this information:

- Disclosures on diversity for our staff, Senior Management Team and Board of Trustees
- Information about the skills and experience of Board members and more narrative about how strategic decisions are made.



FRC Group's Reporting: Social Value Materiality and Stakeholder Engagement Policy

Our Materiality Policy creates the starting point of our reporting by defining what matters to FRC Group. In order to create information that is complete, relevant and responds to the needs and concerns of our stakeholders, it is essential to have a structured approach to determine what is material. To this end, FRC Group's Social Value Committee has developed a Materiality Policy. *

This policy describes FRC Group's approach to understanding, measuring and reporting the social value that is created by the work we do. It explains how we assess what is material to report; how we define our relationships with stakeholders, and documents how we engage with them.

This policy, the determination of material issues and the annual schedule of stakeholder engagement will be overseen by the Social Value Committee of FRC Group's Board. The policy, material issues and annual schedule will be reviewed once a year to ensure it remains current.

"Issue" is used to describe a theme, topic or area of interest to a stakeholder group.



Material Social Value and Stakeholder Groups

Material Social Value and Stakeholder Groups

FRC Group's social value measurement and reporting focuses on what social value is material. Identifying material social value, or what is relevant and significant to FRC Group's stakeholders, is about being clear that some issues are more relevant and significant than others. This is based on their level of importance to stakeholders and the relationship we have to stakeholders. By applying a judgement about how important the issues are in our operating context, and considering how important they are to our key stakeholders, we are able to determine what is material. Our reporting then focuses on these material issues.

FRC Group's stakeholders are those people to whom FRC Group matters and who matter to FRC Group. Our stakeholders include individuals, organisations, communities of location and interest. Stakeholder engagement is carried out by using various methods - one to one discussion, focus groups, telephone, online, and email surveys.

To determine whether an issue is relevant to the stakeholder group we consider the following:

- What issues are raised as important by the stakeholder group during stakeholder engagement?
- Based on our knowledge and experience, what issues would we expect to be relevant to these stakeholders based on the social norms relating to the stakeholder group and FRC Group?

To determine whether an issue is significant to the stakeholder group we consider the following issues:

- Is the issue indicated as being important to a high proportion of the stakeholders in that stakeholder group during stakeholder engagement?
- Is the issue indicated as being highly important to a low proportion of the stakeholders?
- Based on our knowledge and experience, what issues would we expect to be significant to these stakeholders based on the social norms relating to the stakeholder group and FRC Group?

Methodology

This report covers the period April 1st, 2015 to March, 31st, 2016 and brings together the data gathered during this time to understand the financial and social impacts created.

All parts of the organisation provide qualitative and quantitative information and a great deal of work is done to gather feedback from FRC Group's stakeholders – the people who matter to FRC Group and to whom FRC Group matters. Full details of this stakeholder consultation are on pages 63 to 68.

Financial elements within this report are compiled and written in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the social elements are written in accordance with the principles of the AA1000 AS (2008), those of inclusivity, materiality and responsiveness. FRC Group has consistently applied external standards to social value measurement as it provides additional validity and trust in the process undertaken. The approach to measurement of performance is embedded at all levels of FRC Group. At the

top, the Board has a formal sub-committee on Social Value, which reports at each Board meeting about the results achieved and opportunities for improvement. Each quarter Senior Managers report on social and financial indicators and each team of staff has a contribution to make to data collection, analysis and reporting. This organisation-wide approach, at all levels, demonstrates the commitment FRC Group has to proving the value created, and the constant drive to improve performance is a key feature of FRC Group's approach to business. We also independently audit our reports so our performance measurement can be supported by robust systems and processes. This report has been independently audited by BDO, and assurance has been provided.

The report is published on FRC Group's website www.frcgroup.co.uk which contains a wide range of information about past performance and future plans, providing context to this report. Last year's report is included on our website's Proving Our Impact page.



To measure how performance in this report compares to targets and priorities for the year, the following symbols are used:



Met or exceeded target



Made some progress but still aim for more. For numerical targets, this symbol indicates achievement of at least 90% of the performance target



Missed the mark and will plan to improve performance.



Audited statement and Figures

Where there was no specific target, these symbols are used to show how performance compares with previous years:



Equalled or improved on the previous year's performance



Achieved at least 90% of the previous year's performance



Missed the mark and will plan to improve performance

FRC Group's Stakeholders

Stakeholders are all the people who matter to FRC Group, and the people that FRC Group matters to.

Great for People

Our key stakeholders are the two main groups of people we want to help as part of our social mission – those living in Furniture Poverty and unemployment.

- Bulky Bob's Furniture World customers receiving discounts – people in receipt of benefits, pensioners, students, and people referred from other support agencies
- People referred to Bulky Bob's Furniture World in Liverpool and Oldham for free of charge furniture donations in crisis situations
- Tenants of social housing providers such as Housing Associations and Local Authorities, including people living in Furnished Tenancies, sheltered accommodation, supported housing and forms of emergency accommodation to which FRC Group delivers furniture packages
- The people who benefit from the work of the furniture reuse charities we work with – Bulky Bob's has relationships with other furniture and appliance reusers to ensure that as many of the reusable items as possible are made available to people who need them
- Driving Changers– previously long-term unemployed people on training programmes
- Launch Padders – unemployed people with little or no work experience, people with disabilities, or ex-offenders seeking meaningful community activity on the Launch Pad programme and volunteers giving their time to support FRC Group by volunteering their skills.



There are also stakeholder groups who are invested in how FRC Group does business and we have clear goals about the way we operate. We want to be:

A Great Place to Work for:

- **Staff** – employees of FRC Group
- **Driving Changers** – people employed on fixed term training contracts on the Driving Change programme
- **Launch Padders** – people working on a voluntary basis or taking part in an unpaid work placement

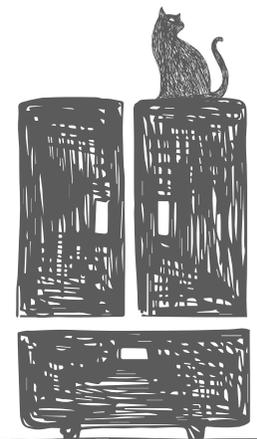
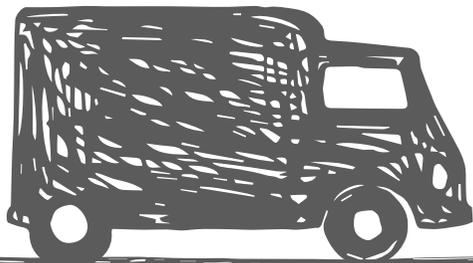
Great to do Business with for:

- **Furniture Resource Centre customers** – the Housing Associations and other customers who buy furniture and related items
- **Bulky Bob's customers** – the local authorities that contract FRC Group to provide collection, reuse and recycling services for furniture and white goods
- **The householders** who receive the Bulky Bob's collection service in Liverpool, Oldham and Warrington
- **Bulky Bob's Furniture World customers** – all the people who shop in Bulky Bob's Furniture World
- **Suppliers** – the companies who supply FRC Group with goods and services
- **The other furniture reuse charities** that Bulky Bob's works with by supplying them with reusable items

Great for the Planet for:

- **People living locally to where FRC Group operations are working** – general public affected by local environmental impact from vehicles, buildings, and operations, and from reuse and recycling activities
- **The global community and future generations** – everyone is affected by the global environmental impacts of the business.

FRC Group's Stakeholder Engagement Policy is on pages 14 to 15 and it explains the relationships between the different stakeholder groups and how the different relationships and levels of engagement are prioritised. A summary of the stakeholder engagement activity undertaken this year is on pages 63 to 68.



Overview of 2015 – 2016

FRC Group ends 2015/16 with a renewed purpose, and a clear vision and strategy. It has been a year of great strides in bringing innovations to the social enterprise sector and the Furniture Poverty arena. We launched End Furniture Poverty.Org and Our House and despite being disappointed that Our House ceased trading in October 2015, we have learned a lot from our first foray into the 'rent to own' market.

End Furniture Poverty.Org has been well received within the social housing, furniture reuse and anti-poverty arenas. We have focused on building awareness of the brand and strengthening the understanding of the problem of Furniture Poverty. In the chapter "Ending Furniture Poverty" on pages 28 you will find more detail about our campaigning work as well as the practical ways in which FRC Group's social businesses are combating Furniture Poverty.

We are proud of Our House but naturally disappointed that it has ceased to trade. Launching a responsible lending social enterprise model into the 'rent to own' furniture market was a bold move. The need for an ethical approach in this business segment has been widely recognised. We entered the market aware of the inherent risk in developing a challenger brand and we are very grateful to our partners in launching Our House – Five Lamps, Oldham Council, Calico, Trident, whg and Esmee Fairbairn Foundation. They stood with us and shared their passion, commitment and support for a business which was in equal measures vastly important to change the lives of low-income families and incredibly brave.

Despite the continuing challenges created by the economic conditions and the impacts of austerity policies and welfare reforms, FRC Group has delivered a year of financial and social performance that we are proud of.

In each of our core areas of work we have continued to deliver our proven and longstanding activities. The main body of this document reports in detail about the social value created through our work to End Furniture Poverty and by the Driving Change and Launch Pad programmes to improve the futures of people who are disadvantaged in the labour market. In this section we also give an overview of the year for FRC Group's commercial entities, FRC Group as an employer and our environmental performance.



Furniture Resource Centre made 7,351 deliveries to people's homes. This was a reduction on the 9,057 in 2014/15 but represents an increase of 14% on the performance in 2013/14.

To best serve the market of social housing providers and contractors providing furnished accommodation, we have reviewed the skills and roles in Furniture Resource Centre. This has led to the creation of a Customer Care Team Leader and a Project Manager post. We have also restructured our sales team creating a new Field Sales Manager post and two other positions in the team which will be filled in early 2016/17.

As a consequence of launching FRC's Buckingham Interiors brand in 2014/15, we have created separate approaches to developing the ways Furniture Resource Centre and Buckingham Interiors interact with the social housing market. We have distinct strategies for marketing, product development, and sales infrastructure.

 For Bulky Bob's, which serves local authorities as its contractual customer, the climate continues to present difficult operating conditions. This year Bulky Bob's made over 50,000 collections and reused and recycled more than 2,100 tonnes of furniture, appliances and other bulky waste. This performance is very similar to that in 2014/15 and 2013/14.

We are pleased to have secured a new long term contract with Liverpool City Council that will see the Bulky Bob's service continuing to operate until November 2022 and preserving a free collection service for Liverpool residents. We have diversified the services we offer by

taking on additional work with Oldham Council to collect, replace and repair domestic refuse bins and to carry out waste disposal services for Guinness Homes Counties Housing Association.

Woven through all of our business activities is our determination to create opportunities that allow people who are marginalised in the labour market to improve their futures. Since the earliest days of Furniture Resource Centre, we have looked to create sustainable futures through training and volunteering opportunities. If we can transform someone's potential to support themselves in the future, we are preventing Furniture Poverty from being a part of their lives ahead. There is much more detail on how our Driving Change and Launch Pad programmes have made a difference to people's lives this year between pages 45 and 62.



Overview of 2015 – 2016

	Income £'000	% income from grants	% income from sales	Surplus(deficit) for the year £'000	Average Number of Employees	Carbon Footprint (CO2 equivalent emissions in tonnes)	
2010/11	5,031	7.7	92.3	120	92	307	
2011/12	4,718	2.7	97.3	(264)	85	294	
2012/13	3,969	2.2	97.8	(214)	75	210	
2013/14	5,353	3.1	96.9	458	70	241	
2014/15	7,084	1.4	98.6	621	68	232	
2015/16	6,494	0.93	99.07	131	73	260	 

Being a Great Place to Work – Our People

		Permanent Staff	Senior Management Team	Board of Trustees
Number		66	10	7
Ethnicity	White British	94%	100%	86%
	White Irish	1.5%	0%	0%
	Other	4.5%	0%	14%
Gender	Male	48%	40%	83%
	Female	52%	60%	17%
Disabled	Yes	4%	0%	0%
	No	96%	100%	100% 



Recruitment and Staff Turnover

 In the year, 17 people started at FRC Group and 21 people left. Of these, the majority of leavers were due to the eventual closure of the Our House business (trading style of Homemaker Solutions Ltd). 12 staff left as a result of the business going into administration and two had been made redundant. A further person working on the potential for FRC Group to become a lender had their contract terminated. Six people resigned their positions at FRC Group (two of these were taking part in a 'capability process' to improve their performance in their roles).

 Two people who left after resigning completed leavers' reviews. In both reviews, feedback was given about how FRC Group has positive values and objectives but that more can be done to improve communication between individuals and teams.

In addition to the changes to our staff team, four members of staff went on maternity / adoption leave during the year, which created opportunities in Bulky Bob's, Sales, Stock Control and Finance, for people to step up and take on additional responsibilities.

Policies

 FRC Group introduced an Adoption Policy and Adoption Leave scheme for staff and also reviewed the Attendance Management Policy. This was reissued to staff in January 2016 and resulted in lost time in the quarter from January to March 2016 being 3% which compares positively to the average in the transport industry sector which is 3.5%.



Training and Development

FRC Group has a longstanding commitment to training and development for staff. This year the Senior Management Team and the Development Group (potential senior managers of the future) took part in a development programme run by Cranfield University. FRC's Transport & Warehouse Supervisor gained the Transport Manager Certificate of Professional Competency.

During the year, 45 members of staff undertook training in range of areas including customer service, manual handling, Excel and Driver's CPC. In total there were 21 different training courses completed.

Our Staff Survey

In February 2016, we surveyed staff about working at FRC Group. 39 staff responded to the survey, which uses a set of 12 consistent questions allowing us to monitor the responses over time. The results from 2015/16 compared with the results in 2014/15 are on page 26.

In four areas, scores improved. In eight areas the responses were less positive in the 2015/16 survey. Of these, the largest reductions in satisfaction were in answer to the questions:

“In the last six months, has someone at work talked to me about my progress?”

“Do I have the materials and equipment I need to do my work right?”

“My job makes good use of my skills and abilities”

These will be areas of focus in 2016/17 alongside the issues introduced into the survey around opportunities to contribute ideas and how we keep staff informed about the business.

Our Staff Survey *

No.	Question	2014/15	2015/16	Direction of Travel
1	Do I have the materials and equipment I need to do my work right?	92%	79%	
2	My job makes good use of my skills and abilities.	100%	79%	
3	I receive recognition or praise for doing good work.	73%	74%	
4	Does my supervisor, or someone at work, seem to care about me as a person?	88%	95%	
5	Is there someone at work who encourages my development?	83%	79%	
6	At work, do my opinions seem to count?	88%	79%	
7	Are my co-workers committed to doing quality work?	90%	84%	
8	In the last six months, has someone at work talked to me about my progress?	73%	63%	
9	This last year, have I had opportunities at work to learn and grow?	61%	73%	
10	Do I know what is expected of me?	98%	100%	
11	Does the mission/purpose of my company make me feel my job is important?	78%	69%	
12	Do I have friend/s at work?	88%	82%	
13	I feel encouraged to come up with new and better ways of doing things.	/	77%	New
14	The company does a good job of keeping employees informed about matters affecting us.	/	63%	New

Health & Safety

FRC Group places the utmost importance on health and safety and we emphasise this to all of our staff, trainees, volunteers, customers, suppliers and to members of the general public. We have a Health & Safety Committee made up of key representatives from across FRC Group and hold a number of Health & Safety accreditations: Safe Contractor, SMAS and CHAS.

 This year there were 36 accidents compared to 55 in 2014/15. Only one was classed as a serious accident and RIDDOR reportable. This excellent performance demonstrates how seriously we take the health and safety of everyone in our workplace.

Our knowledge of Health and Safety was strengthened by four staff members from different areas of FRC Group becoming IOSH trained.

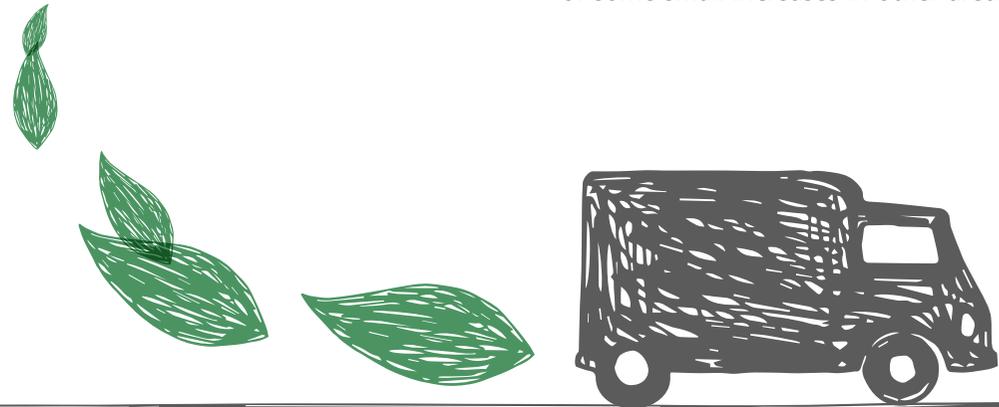
Carbon Footprint

FRC Group manages the environmental impacts of its business activities through an Environmental Management System which controls a number of key areas, the carbon footprint of the vehicle fleet and premises, waste and recycling, and the impacts of the FRC supply chain.

The Directors are aware that there are issues relating to the environment, specifically around waste management and supply chain, that are material but receive little attention in the report. The detailed data about the performance on waste management is commercially sensitive. Potential issues relating to the supply chain require further exploration through stakeholder engagement which we intend to begin in 2016/17.

 We calculate FRC Group's carbon footprint from the use of fuel in the vehicle fleet, and the use of gas and electricity in the buildings. Defra publish standard carbon conversion factors in the Environmental Reporting Guidelines, updated in June 2015, and we use these to calculate our environmental impacts. In 2015/16 FRC Group had a carbon footprint of 260 tonnes of CO² emissions.

This is an increase of 28 tonnes compared to 2014/15. 13 tonnes relates to the additional activities undertaken by Our House, which had two store units, a warehouse unit and delivery vehicles all generating carbon emissions through using electricity and diesel. A further 10 tonnes were created by increased use of fuels in Bulky Bob's Liverpool operations and the remaining 5 tonnes was made up of some small increases in other areas.



Creating Social Value: Getting Furniture to People in Poverty

Furniture Resource Centre was created 28 years ago to help people in poverty to access quality furniture. This year we have refreshed our vision, mission and objectives, more fully defining the phrase “Furniture Poverty” and putting End Furniture Poverty at the forefront of everything that we do.

This chapter describes how we are raising awareness of Furniture Poverty through our campaigning arm and the ways in which we physically get furniture into the homes of people who would otherwise be without the basic items they need.



What is Furniture Poverty?

Whilst the phrase “Furniture Poverty” was created by FRC Group in 2014, Furniture Poverty is not a new issue. The problem of people either not having the basic furniture (and appliances) they need to live to a minimum standard of living, or having to use unsustainable forms of credit to get what they need, is not as easily quantifiable as other concepts such as Fuel Poverty which is determined by a calculation of how much of the household’s income is used to heat their home.

Furniture Poverty hides behind too many front doors.

It is the single mother and child sharing a mattress on the floor for a bed; the family with no cooker who can only make hot food that requires hot water from a kettle; the family with no wardrobes or chests of drawers so clothes are stored in black bags on the floor; the family where there is no table for children to eat from or do their homework.

Furniture Poverty hides behind the sofa.

The family has a sofa, beds and kitchen appliances but to get them they have gone into levels of debt which are unmanageable. They have borrowed from high cost lenders because the best prices on the High Street or on-line are not available to you when you are managing on a small weekly budget. When there isn’t enough money for fuel or food, where does the money for furniture and appliances come from?

Furniture Poverty traps people in unsuitable housing. How can a family move out of temporary furnished accommodation if it would mean having an unfurnished house with no beds to sleep on and no way of cooking a meal?



End Furniture Poverty.Org

EndFurniturePoverty.org raises awareness of the often hidden problems of Furniture Poverty, informs people across all types of housing about the potential solutions to Furniture Poverty that exist and champions major change to tackle the problems of Furniture Poverty on a national scale.

↑ End Furniture Poverty.Org our “campaigning arm” officially launched with a very successful event on June 23rd 2015 at the Chartered Institute of Housing conference. The event was targeted at a small number of key influencers within the social housing sector and we were very pleased to make some brand new relationships with organisations that have not worked with FRC Group in any way in the past and also to strengthen and re-establish links with organisations that we have known previously. Rev Richard Coles (broadcaster, ex-Communard, CofE vicar and Wellingborough Homes Board member) delivered an insightful speech about the realities of Furniture Poverty.

End Furniture Poverty.Org is raising awareness of the problem of Furniture Poverty to make it more widely understood. It is also running specific campaigns to encourage people to take certain actions that will alleviate Furniture Poverty. The first of these is our Furnishing Homes, Furnishing Lives campaign which launched in September 2015. Furnishing Homes, Furnishing Lives promotes the concept of providing Furnished Tenancies to social housing providers, encouraging them to consider the benefits a Furnished Tenancy can offer to their residents who would otherwise be in Furniture Poverty.



Helping People in Furniture Poverty

Through our campaigning arm, End Furniture Poverty.Org, we will promote change in the actions of other organisations and changes in policy which will result in people who were once in Furniture Poverty, or at risk of it, avoiding being in Furniture Poverty. Through FRC Group's own activities, we help alleviate Furniture Poverty for people who can access our various furniture outlets. In this report we describe the ways in which we have got furniture to people in Furniture Poverty through Bulky Bob's Furniture World and through Our House. In previous reports we have discussed how the work undertaken by Furniture Resource Centre today in delivering furniture and appliances to Furnished Tenancies in existing Furnished Tenancy schemes does not make Furniture Resource Centre the instigator in creating social value because we are not stimulating that action which ultimately alleviates the tenant's experience of Furniture Poverty. When one of our housing association

customers provides furniture into a furnished tenancy, Furniture Resource Centre is one of a number of potential suppliers of goods and services. Our perspective is that where the provision of furnished accommodation is the norm, it is not right for Furniture Resource Centre to claim it has been instrumental in creating social value.

Through End Furniture Poverty, however, we will be proactively stimulating the creation of new furnished tenancies. By playing a part in lobbying and persuading housing providers to act to create furnished accommodation, and by supporting them to launch new furnished tenancy schemes, it will be legitimate for FRC Group to claim to have created social value in this way. In future reports, we will report on the social value that we have played a role in creating by campaigning to bring about more furnished tenancies.



Bulky Bob's Furniture World



Through our Bulky Bob's Furniture World stores in Liverpool and Oldham, we continue to deliver a service which would be recognisable in many ways to that first group of volunteers who started the Furniture Resource Centre in 1988. We make furniture available to people who can't afford to get it elsewhere. Of course much has changed in 28 years but the simple concept of making items free or very affordable for people who are in difficult circumstances remains.

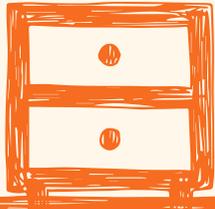
In Bulky Bob's Furniture World, we make good quality preloved furniture collected through Bulky Bob's local authority bulky household waste contracts, available to local people. We offer a range of discounts for people on low incomes and also give items away to people in urgent crisis need. In Liverpool Bulky Bob's Furniture World is a city centre high street store while in Oldham, Furniture World is located in a designated area of the Bulky

Bob's depot, based on a business estate close to the town centre. Bulky Bob's Furniture World staff clean all the furniture items to prepare them for sale and carry out minor repairs where necessary. Some items are painted, varnished or re-covered to improve their quality. The store operates like any other furniture store with a full display of items for customers to view. All the items are available for low prices, however the store staff will also offer discounts for customers on benefits and they are able to use their discretion to offer additional discounts, or give items away for free where they believe it is appropriate.

All are welcome in Bulky Bob's Furniture World, although the target customer base is low income families and the pricing strategy encourages these customers to use our stores. The fundamental aim of Bulky Bob's Furniture World is to get furniture to those who need it most, not to make profits so where other

charity furniture shops may be selling items to raise money for a particular cause, our cause is the activity of the shop itself, getting preloved furniture to those in the greatest need, either at low prices or for free.

The basic ticket price is always set as low as possible for all shoppers, and further discounts of 10% and 20% are available to those in specific income groups. Everyone who receives a 20% discount also receives free delivery of their item or items. Those in the greatest need will receive free essential furniture items and Bulky Bob's works with a wide range of referral partners, frontline organisations who work with those in the most challenging circumstances. Those receiving a free crisis furniture package could be someone ready to move out of a homeless hostel who is offered unfurnished accommodation, a family fleeing domestic violence, asylum seekers who have been given leave to remain in the country, or a family who have lost their home to a fire.



The alternatives available to those in most need can take time or have a very high financial and emotional cost, such as loan sharks, or the existing high street weekly payment stores. Bulky Bob's establishes what furniture items the family needs and donates those items, often on the same day. Our method of donating items is to provide a voucher which has no specific financial value, that can be used to select the items they need in Bulky Bob's Furniture World. The crisis vouchers can be used to 'pay' for the items listed on it and these customers are able to select from any available goods in the store. We do not differentiate between the goods available for sale and those for donation. Everything that is for sale is also available to people receiving donations.

Since 2013 we have been involved in the delivery of the Local Welfare schemes through which local authorities offer their residents who are in acute need, access to essential furniture and appliances. In 2015/16 Furniture Resource Centre has supplied new furniture and home appliances to people in crisis situations who are being supported by Local Welfare Provision schemes in Liverpool, Oldham, Warrington and Wirral. In Liverpool and Oldham, Bulky Bob's Furniture World is ideally placed to help the Local Welfare Provision budgets stretch further by providing access to preloved furniture which the Local Welfare schemes are purchasing for residents.

BULKY BOB'S
furniture world

FRC GROUP



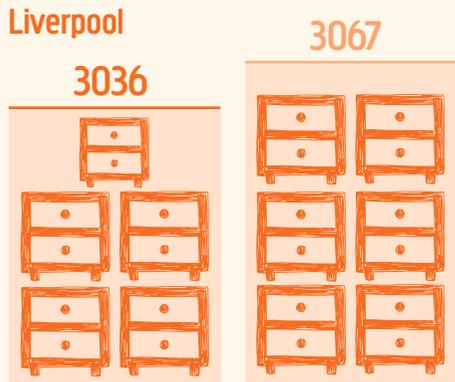
Bulky Bob's Furniture World Liverpool and Oldham



Total number of sales of pre-loved furniture made to Bulky Bob's Furniture World customers

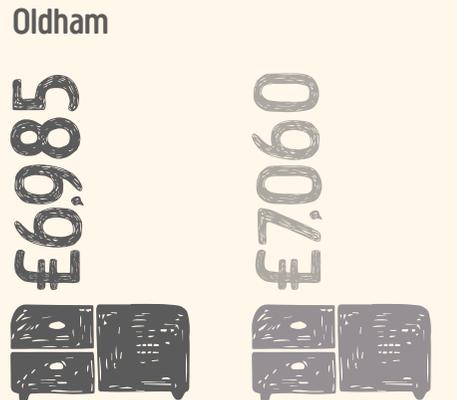
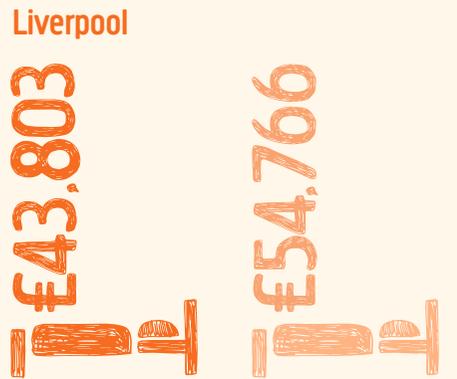
(*this figure is being restated from the 1062 reported in 2014/15)

2015/16 2014/15



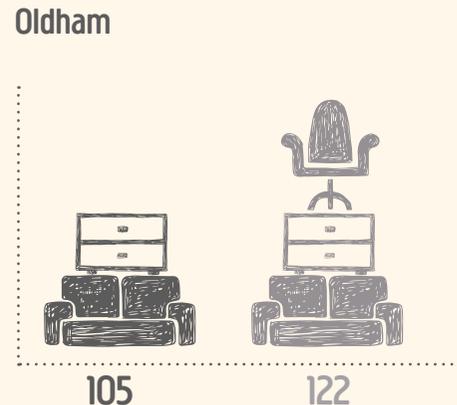
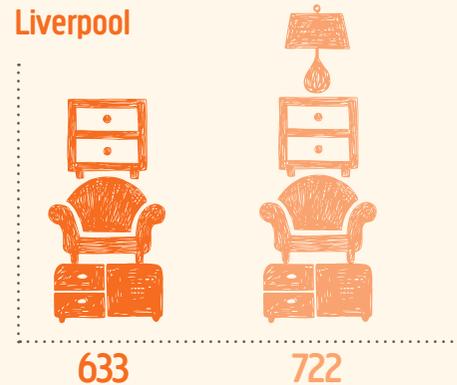
Value of Items donated to crisis customers

2015/16 2014/15



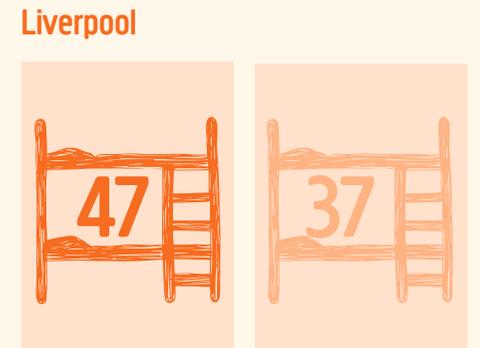
Number of people in crisis given free basic furniture items

2015/16 2014/15



Number of Agencies referring people in crisis situations

2015/16 2014/15



Bulky Bob's Furniture World helps different groups of people.
Some of our customers aren't able to pay for the basic items they need.



We have a crisis donation service...

and also supply goods to Local Welfare services run by Liverpool City Council and Oldham Council who give items to people in urgent need...

 For customers with some money to spend but needing help in making it go further we give 10% and 20% discounts on our prices.

We also sell goods to people who are looking for a bargain and price our furniture accordingly. These people buy goods at our standard prices.

Liverpool
2015/16



Liverpool
2015/16



2014/15



2014/15



Oldham
2015/16



Oldham
2015/16



2014/15



2014/15



Liverpool
2015/16



Oldham
2015/16



2014/15



2014/15



Liverpool
2015/16



Oldham
2015/16



Liverpool
2014/15



Oldham
2014/15



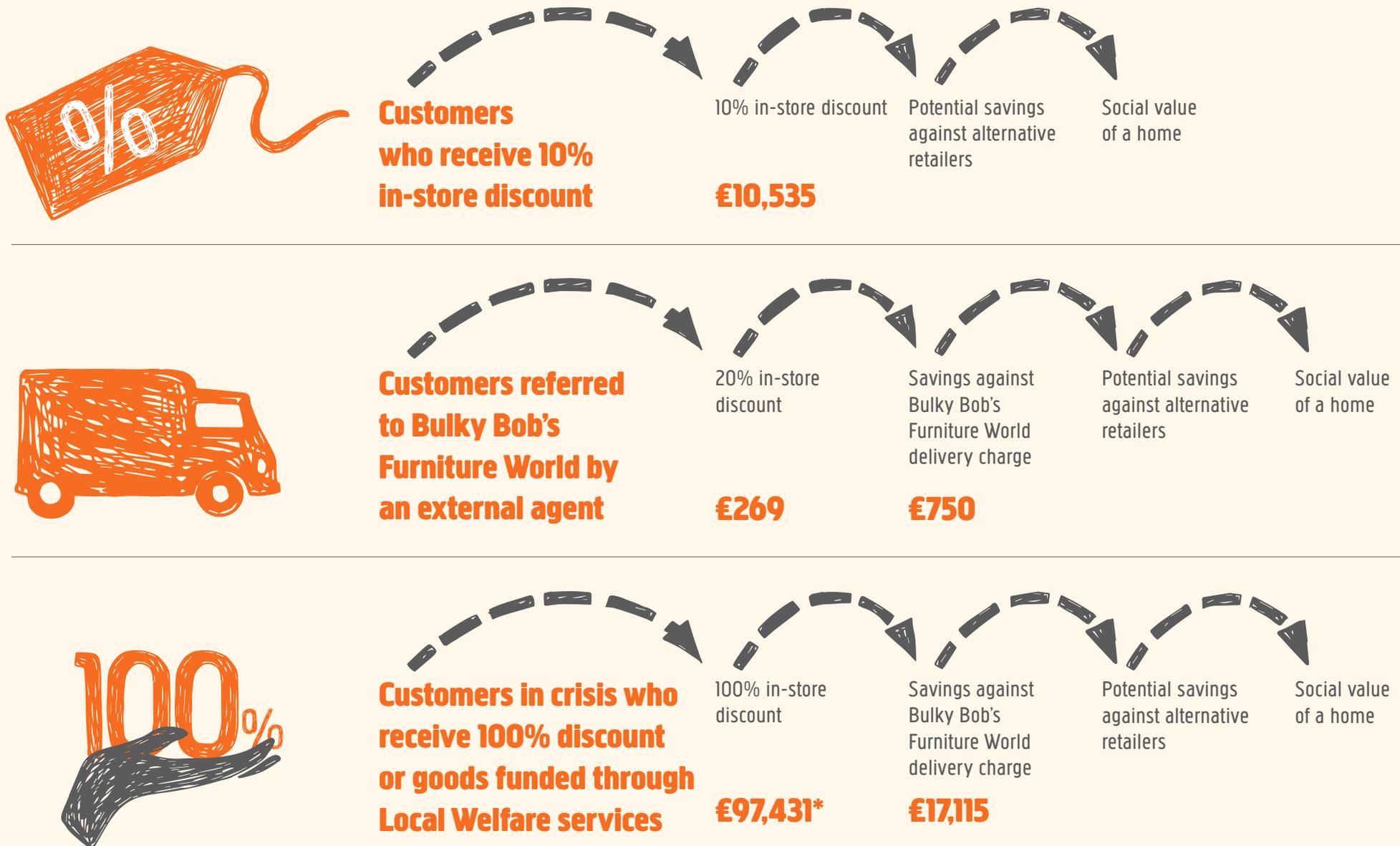
Bulky Bob's Furniture World Liverpool and Oldham

In comparing 2015/16 with 2014/15, the overall picture for Bulky Bob's Furniture World in Liverpool and Oldham shows a slightly reduced service. In total we have served 10% fewer customers in 2015/16 than in 2014/15. The targets set for 2015/16 were cautious, recognising the continuing difficult conditions for Bulky Bob's Furniture World which relies on the collection of good quality reusable items through the Bulky Bob's collection services. The quality of items collected has been slightly reduced since the impact of the economic downturn and in Oldham in particular, the effect of the introduction of a charge to residents for the collection service has created a reduction in overall collection levels and in the quality of the items collected. Against this backdrop we were conservative in our targets for using preloved furniture to end Furniture Poverty.

 Analysis of the mix of ways we have used preloved furniture in 2015/16 shows that those groups we deem to be in most need of help – those who receive goods and deliveries free of charge – have experienced a drop in overall level of donations and that we might have prioritised our level of support to them and protected them from the impact of an overall reduction in the amount of furniture. The group of customers who receive a 10% discount is the only one to increase, and whilst giving this discounted service to a group of people who benefit from help to make their money go further is positive, it does not create as much social value as donating items to people in the most urgent need. In our target setting for 2016/17 we aim to redress this imbalance.

FRC Group is continuing work that began in our 2014/15 report to introduce elements into our external reporting that form part of the social value measurement model we use to set a budget and report actual performance for the work carried out by Bulky Bob's Furniture World.

The diagram below illustrates the main drivers of value within the social value model and has some information added to it to show the amount of value created in 2015/16 by these elements of our work in the Bulky Bob's Furniture World Liverpool store:



* Includes the value of pre-loved furniture given to people in urgent need via two routes – the items donated by Bulky Bob's Furniture World Liverpool and the pre-loved items purchased by Liverpool Citizens Support Service to pass on to people in urgent need. In our 2016/17 report we will include information about the elements of the social value model which are not reported here.

The difference we make to our customer's lives

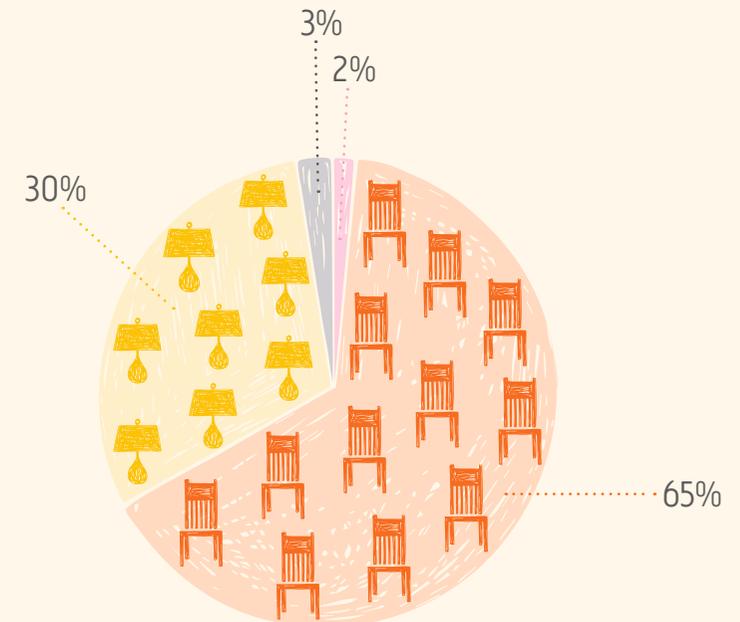
Every year we carry out customer surveys as part of our stakeholder engagement activity to ensure that we are delivering a service which meets expectations and needs. This year we carried out surveys with a sample of customers in our Bulky Bob's Furniture World Liverpool store and also with the staff and volunteers at some of the many agencies who refer people to us for crisis furniture donation packages in Liverpool and Oldham.

 The survey questioned 73 Liverpool customers in store with 88% reporting that they received 'Excellent' service from our staff and the remaining 12% said the service was 'good'.

It is very difficult to get formal feedback from the recipients of the crisis packages themselves because our interaction with them is a very short term involvement at a time of great difficulty for them. However our referral contacts are well placed to share with us their perspective on how our involvement helped their clients and the effectiveness and quality of our service. We received 20 responses to our survey from the staff at the organisations that refer people to us for crisis furniture packages. Many of these support workers make multiple referrals for support for both individuals and families in times of crisis need.

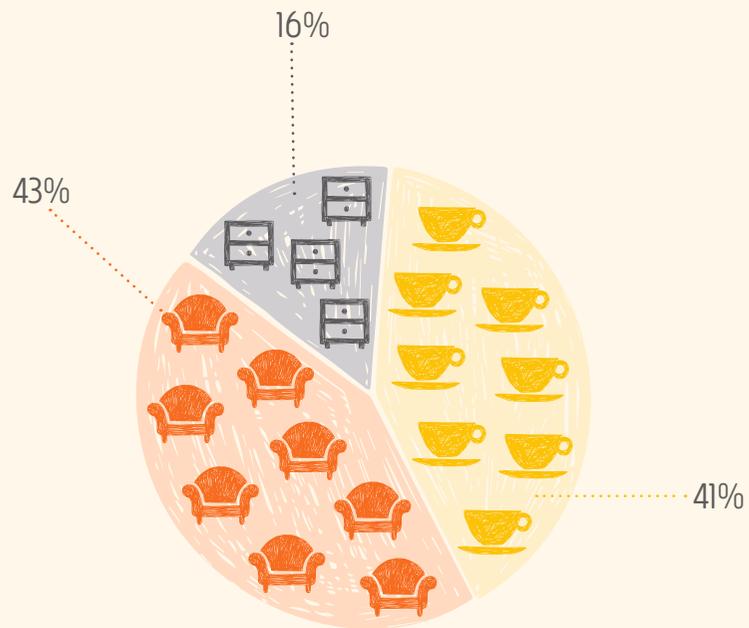
The survey responses from our referral agencies also provide us with a useful insight into the circumstances of the people who receive crisis support from us and the difference it can make to their lives.

What do you think of the price of our goods?



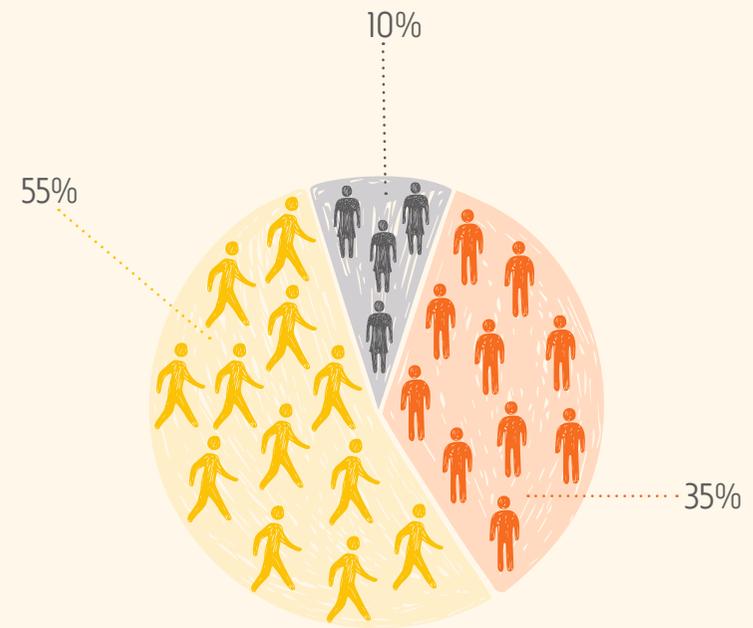
-  Excellent value
-  Affordable
-  Ok
-  Quite expensive
-  Very expensive

What do you think about the range of items available?



-  Everything I might need was available
-  Lots of choice
-  Ok
-  Limited choice
-  Very little choice

What do you think of the furniture your clients receive?



-  Excellent
-  Good
-  Ok
-  Poor

The difference we make to our customers' lives

 Community events continue to be an important part of Bulky Bob's Furniture World activities, taking our furniture, and messages about the importance of reuse and recycling, out into communities. The number of community events has increased this year with a mixture of events organised and delivered by us, and those we have attended organised by others. This year we took part in nine events including two Bulky Bob's Free For All events. We also partnered with Liverpool City Council, Riverside Housing, Local Solutions and others to support their events by taking along a furniture giveaway team.

"It has made a big difference to our service users as it gives them a degree of peace of mind that they will have some items of furniture. Buying furniture, even second hand, can be expensive, and so the donation gives them one less thing to consider or worry about."

MW, Anthony Walker Foundation

"It means that they can make a start on creating a home, some of our families are sleeping on the floor and it just gives people their dignity back."

LP, Picton Children's Centre

"It would be difficult, we would ask around, look on Freecycle, but then a person would need to arrange delivery which again is a problem due to finances."

MM, Whitechapel Centre

"All of my clients have been able to obtain furniture to enable them to set up their new home, and if a certain item is not available they are very grateful that they can attend again to see if they can obtain the item/s. My clients are very happy with what they have received and are aware of how the furniture is collected."
PI, Threshold

"This service can make the difference to our customers staying in a tenancy as the knock on effects of having nothing can quickly deteriorate a person's well-being."
SP, FCHO

"With most families that I have worked with and used Bulky Bob's, getting the furniture has been invaluable. If the families are in crisis and have had to move quickly because of domestic violence or anti social behaviour, they leave with little and are then placed in unfurnished properties."
NC, OMBC Early Help

"Being able to help them get some furniture helps to build up the trust with them and puts them in a more positive frame of mind, they are more open to other help and support that we can offer."
NC, OMBC Early Help

"I've always had an amazing response, usually within 24hrs!! I can't praise you enough for this, thank you."
ML, Great Places Housing Group

"This is a brilliant service with friendly staff and good products, my families have found it helpful and a fantastic way of getting what they need to be able to live normally."
NC, OMBC Early Help

Any furniture our customers get is usually well received and, in the main, is of acceptable quality.
YB, FCHO

Our House

To challenge the 'rent to own' furniture and appliances market, FRC Group developed Our House, a social business model which provided new goods to low-income shoppers based on an ethical approach and responsible lending.



When it opened to customers in Quarter 1 of 2015/16, Our House offered those on low incomes the chance to buy new household goods and appliances at fair weekly or monthly prices with reasonable credit terms and no unnecessary additional costs or services. It enabled us to reach out to many more low income shoppers in need of furniture and we worked in partnership with another social enterprise, Five Lamps, who provided the credit for our customers. Unfortunately, due to difficult trading conditions, the Trustees took the decision to put the company (Homemaker Solutions Limited which was trading as "Our House") into administration with effect from 30 October 2015. The company ceased trading on that date.

We found that the existing level of indebtedness within our potential customer group was much higher than the research suggested. Given the high levels of existing debt, we were unable to make responsible loans in line with our policy of being an ethical lender.

FRC Group and our partners and funders in the Our House venture – Five Lamps, Oldham Council, Calico Homes, whg, Trident Housing and Esmee Fairbairn Foundation – were conscious that opening a responsible 'rent to own' business would be challenging and risky. The potential to save people sums of money which would have an enormous impact on their household budgets was and remains great. There is still much interest in a social enterprise making a difference in the furniture supply to low-income households. However, it is a very challenging operating model. There are no short term plans to re-enter this market.

 During the trading period, Our House sold 282 items of furniture, appliances and home electrical to customers. Modelling our ticket prices as typically 89% of the cost of similar items in other 'rent to own' stores, we believe those customers saved around £18,000 on the cost of the goods they purchased. This is an average saving on a ticket price of £64 per transaction. This does not include the savings that our customers made in interest when comparing the cost of credit.

Had Our House continued to trade, our intention was to produce a stand alone report describing in detail the social value that was created as a function of the various elements of the business model through which Our House customers would make savings, in comparison to if they bought their items either through another 'rent to own' store or using another source of credit. This would have been able to reasonably model the proportion of our customers who were

using us as an alternative to other 'rent to own' stores and those for whom it would be more appropriate to compare the costs of buying through an agreement with Our House with borrowing from a doorstep lender, credit union, credit card or other source of finance.

FRC Group's ambition for Our House was huge and we hoped to create an ethical alternative which could bring an affordable borrowing model into the 'rent to own' sector. Alongside this work, we started a piece of work in 2015/16 to scope out the potential to launch an affordable lending arm within FRC Group. This early stage work considered the opportunities to increase the provision of affordable finance to low-income households as part of our wider End Furniture Poverty strategy. We received funding of £45,800 from Orbit to support feasibility and development of an FRC Group lending arm, likely to be a Community Development Finance Institution (CDFI).

As a result of the closure of Our House stores, this work ceased in January 2016. The potential to revive these two linked pieces of work – selling household goods on a 'rent to own' model using responsible lending criteria and entering into the provision of credit to people in Furniture Poverty – is to be determined by FRC Group in future years. There are no immediate plans to engage in either area in the coming financial year.

Our House

Brands you want at low weekly prices



Comparison of Targeted priorities for 2015/16



90% of Bulky Bob's Furniture World customers to receive some form of in store discount



500 people and families in crisis to receive donated furniture packages



3,000 customer sales in Bulky Bob's Furniture World



Launch Our House to provide customers with a cheaper alternative to the existing 'rent to own' market



Launch End Furniture Poverty.Org to campaign to raise the awareness of Furniture Poverty and campaign to promote solutions to Furniture Poverty



Launch the Furnishing Homes, Furnishing Lives campaign to promote furnished tenancies in social housing

Targets and priorities for 2016/17

94% of customers of Bulky Bob's Furniture World to receive some form of discount

1295 families in crisis to receive donated furniture

3,400 customer sales in Bulky Bob's Furniture World

Great for People: Improving Futures through training, skills and experience

FRC Group creates opportunities for long-term unemployed people to improve their skills, qualifications and experience in order to help them gain sustainable employment or improve their personal and work skills. Driving Change is our flagship training programme which provides people with 12-months salaried training for a future career in the logistics industry. Launch Pad is our flexible volunteering programme which enables people to work towards their own goals which are broadly either working towards readiness for employment, developing personal skills or giving to charity by volunteering time and skills. This year we introduced a new element to our offer to unemployed people – Elev8 – an opportunity for a small number of our Launch Pad participants to gain a Fork Lift Truck licence and to build up on the job experience over an eight week programme.

Funding

As we have reported for a number of years, the small amounts of funding available for working with unemployed people to help them move into employment, is devised around government policy of short term, light touch interventions. This is fundamentally at odds with FRC Group's belief that to create meaningful change it is essential to work with people intensively and over a sustained period. This concept is at the heart of our full-time 12-month Driving Change programme. A consequence of this approach is that there is very little funding available to help FRC Group deliver its training programmes and we fund the training we provide through the surpluses from our commercial activities.



Driving Change 2015/16

Driving Change is our 12-month paid training programme which offers previously long-term unemployed people a fixed term employment contract, and the opportunity to obtain a range of qualifications to prepare them for work in the logistics industry.

The Driving Changers work towards a number of transferable and industry specific qualifications, including a Car licence and the Large Goods Vehicle Class 2 licence. During the Driving Change programme, trainees build up a record of work experience that they can demonstrate to future employers and crucially they build their confidence in the workplace.



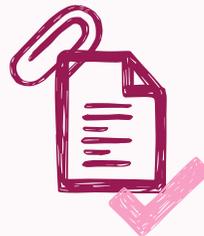
Fixed term employment contract.



Salaried position paying the market rate.



Real on the job training as part of the Bulky Bob's teams in Liverpool, Warrington and Oldham - trainees work everyday with real customers and taking on real responsibility.



Transferrable skills and qualifications: First Aid, Health & Safety, Manual Handling, Environmental Awareness, Equal Opportunities, Job Search Skills, Interview Skills Training.



Industry Specific Training:

For **Driver Trainees** who already have a car licence: Large goods vehicle class II theory test, practical test, hazard perception test, tachograph training, and drivers certificate of professional competence.

For **Leader Trainees** who do not have a car licence: Car driving theory test or practical test.

For all trainees:

Choice of specialist training - Fork lift truck licences in counterbalance and reach, HIAB (vehicle mounted loader crane) or ADR (transporting hazardous goods).

We measure the impact of Driving Change or its 'social value' using a model based on the Principles of Social Return on Investment. The Driving Change social value budget for 2015/16 includes values for changes experienced by the trainees themselves, the value that is attributable to other support networks where these exist, the value at a societal level arising from the transition into employment and the increased taxes / reduced benefit payments that come from this.

The material values created for those who find work at the end of Driving Change are:

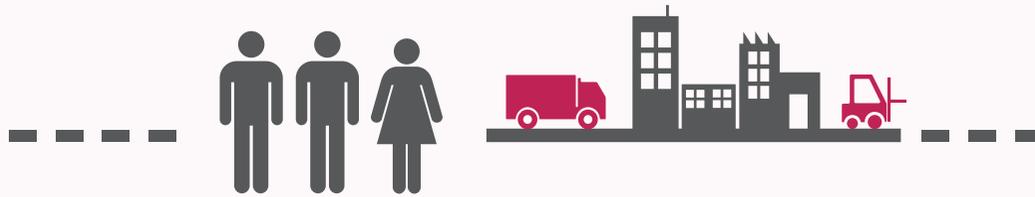
- Increased disposable income when Driving Changers go into employment
- Increased tax and National Insurance revenues and reduced benefit payments
- The value to the trainee of the sense of agency derived from being in employment.

Our model has the complexity to record value that is created for people who do not achieve employment but do experience changes as a result of their time on Driving Change. The model considers positive changes experience such as confidence to find work and also considers unintended consequences that result in negative changes. An example is for people who struggle to find work after having their aspirations raised. In 2015/16 we have introduced to our model a mechanism to account for the negative experience of reduced confidence as a result of failing to find work.

We use one set of assumptions about the levels of benefits received before joining the training programme and about the earning potential of the jobs trainees go into at the end of the programme. We do use personalised calculations to reflect that at the point of recruitment onto the programme some trainees are more 'employment ready' than others. Our model attributes a higher level of value when someone who had a low chance of finding employment before they came on Driving Change, then goes into employment at the end of the programme.

In developing the model this year, we have introduced a way to account for a possible negative effect for those trainees who struggle to find work after their time on Driving Change. We ask questions about an individual's confidence to find work at various points in time: prior to starting the Driving Change programme, on completing the programme and then at six-monthly intervals once they have left Driving Change. We monitor to see the pattern of confidence levels and record negative values if, as a result of failing to find work, a person's confidence becomes lower than it was before they started.

Driving Change Trainees on Programme



- ➔ Increased disposable income
- ➔ Value of personal sense of agency

Ex-trainees who left during past 12-months & Ex-trainees who left between 12 and 24 months ago



- ➔ Increased disposable income (for those in employment)
- ➔ Value of personal sense of agency
- ➔ Value of increased confidence to find work (for those not yet in work)

Societal Value



- ➔ Income tax received
- ➔ National Insurance contributions received
- ➔ Benefit payments saved (JSA, Housing Benefit, Council Tax Benefit)

To show the outcomes and how social value is created we use a mix of measures to account for the Driving Change programme. We also use case studies and our trainees' own words to explain their personal experience.

The 2015/16 Driving Change programmes have been affected by the development plans we have for the future of the programme. We have been developing an updated programme for Driving Change (for more detail on why and how we wish to improve Driving Change in the future see page 60) and had hoped to introduce the new version during 2015/16. The development has taken longer than we wished and as a result, we have had some gaps in the recruitment pattern of taking on new trainees. This arose because we hoped to be able to recruit people onto the new version of Driving Change but when it became evident this would not be ready we recruited people onto a shorter version of the programme to again try and get people onto the new programme sooner.

Despite not yet being ready to fully implement the new programme, we have introduced elements of the new concept where we can. One of these has been to offer a more flexible and person-centred approach to the training on offer. For trainees on programme in 2015/16, they have accessed more training addressing their individual needs such as English as a Second Language, IT and Supervisory training.

Driving Change Statistics



↓ 20 people took part in Driving Change. Of these 20 people, 8 had already commenced their programme prior to the reporting year, 12 were new starters during the year.

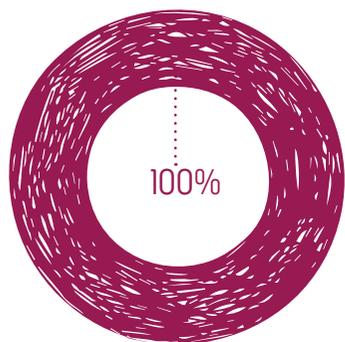


↓ 12 new Driving Changers were recruited – 7 in Bulky Bob's Liverpool, 3 in Furniture Resource Centre and 2 in Oldham.



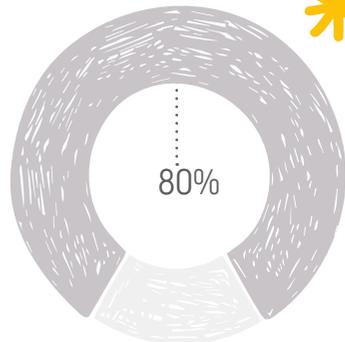
(10 in 2014/15)

2015/16



↑ 100% of the participants completed the programme.

2014/15



(80% in 2014/15)



↑ 80% (8) of leavers went into jobs, this year all our leavers were 'completers'.



(67% (10) of leavers went into jobs, 75% (9) of completers went into jobs in 2014/15).

2015/16



20



2014/15



58



20 qualifications gained in total.

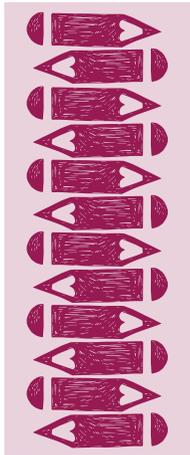
(58 in 2014/15)



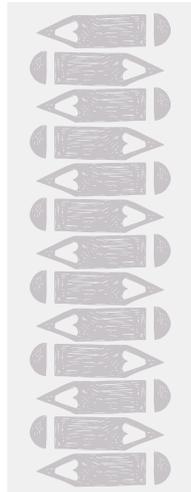
Average number of qualifications per trainee = 1

(2.3 in 2014/15)

12



13



Number of training positions available 12.

(13 in 2014/15)

The statistics reflect that in the reporting year, Driving Change was affected by the changing timetable for the proposed implementation of a revised programme format. For one third of the reporting year we did not have any trainees at all as we hoped to be able to recruit onto the new programme. When it became clear that this would not be possible we recruited a cohort of trainees to undertake a 6-month long programme.

The performance of those people taking part during 2015/16 has been consistent with recent years. In 2016/17 we hope to roll out a new version of Driving Change which will be designed to help people move into more secure employment. Driving Change enables people to make big changes in their lives and the course their future may take.

Josh's story *

Josh completed his 12-month Driving Change programme in July 2015 and went into employment, first with a construction company and then into a position as a delivery driver for a produce company. He uses his driving qualification and the experience he gained on Driving Change. He has come a long way since his first involvement with FRC Group as a Launch Pad volunteer. Despite having a speech impediment, he greatly improved his communication skills and really pushed himself to get the best from his time on Driving Change, passing all of his qualifications ahead of schedule. Although he had little previous work experience, Josh was able to demonstrate a great work ethic.

Alex's story *

Alex was introduced to FRC Group through the Shaw Trust, an organisation which supports people into work. Alex has Asperger's Syndrome and needed to gain work experience. After completing a placement through Launch Pad, Alex applied to be a Driving Change trainee and went on to complete the 12-month programme. Although it wasn't always easy, Alex learned to fit into a team and due to his tenacious, hard working attitude he became a valued team member. Alex found work at the end of Driving Change and is currently working as a fork lift truck driver.

During their time on Driving Change, participants have one-to-one reviews every six weeks to discuss their training and how FRC Group can help them to achieve their desired outcomes. These conversations give an insight into how trainees perceive the Driving Change programme and the effect it has on them in different ways.



Confidence

We keep in touch with our Driving Change participants after they leave. Our aim is to be in touch with them for at least 24 months, speaking to them twice a year about how they are faring and how their experience on Driving Change has influenced where they are now.

Talking about how the training and qualifications gained has helped them to get a job, past trainees said: *

"I'm learning that I can put my mind to things - I'm able to work on a task alone and know I can do it"

"My confidence is much better, I'm much more confident in myself"

"I've grown a lot since I've been here. I've become much more confident"

"I'm a lot more confident now than when I first came to FRC"

"I am more confident in speaking out about issues and with customers"

Being Financially Better Off

I can enjoy my life, share a home with my partner, support my son

"I'm able to pay bills"

"I feel like I'm on my feet now"

"I've bought a car"

"I'm doing my flat up"

"I can take my baby out for outings"

Working towards a future career

"Basically Driving Change will help me in life"

"Because of all the training I'm moving on to a job, hopefully"

"It helped being at FRC. Heavy lifting is involved in my current job and general team work and communication"

"Wouldn't have got the job without these qualifications"

"I was made up at the interview that I had the driving licence"

"I gained my car licence but can't get jobs as don't have driving experience"



1

Flexible work placements across FRC Group

2

Participants are volunteers or completing a work placement as part of a wider programme of activity designed to help them into work

3

Launch Pad opportunities are designed to give the individual practical work experience either as a stepping stone towards employment or as a meaningful way to spend time for people who are not aiming to go into work

4

Structured placement opportunities to gain experience in warehousing, recycling, retail and administration FRC Group identifies tasks for Launch Pad opportunities using criteria that we believe provide participants with useful skills and experience. We do not use unpaid labour to carry out core tasks that are essential to the running of our organisation

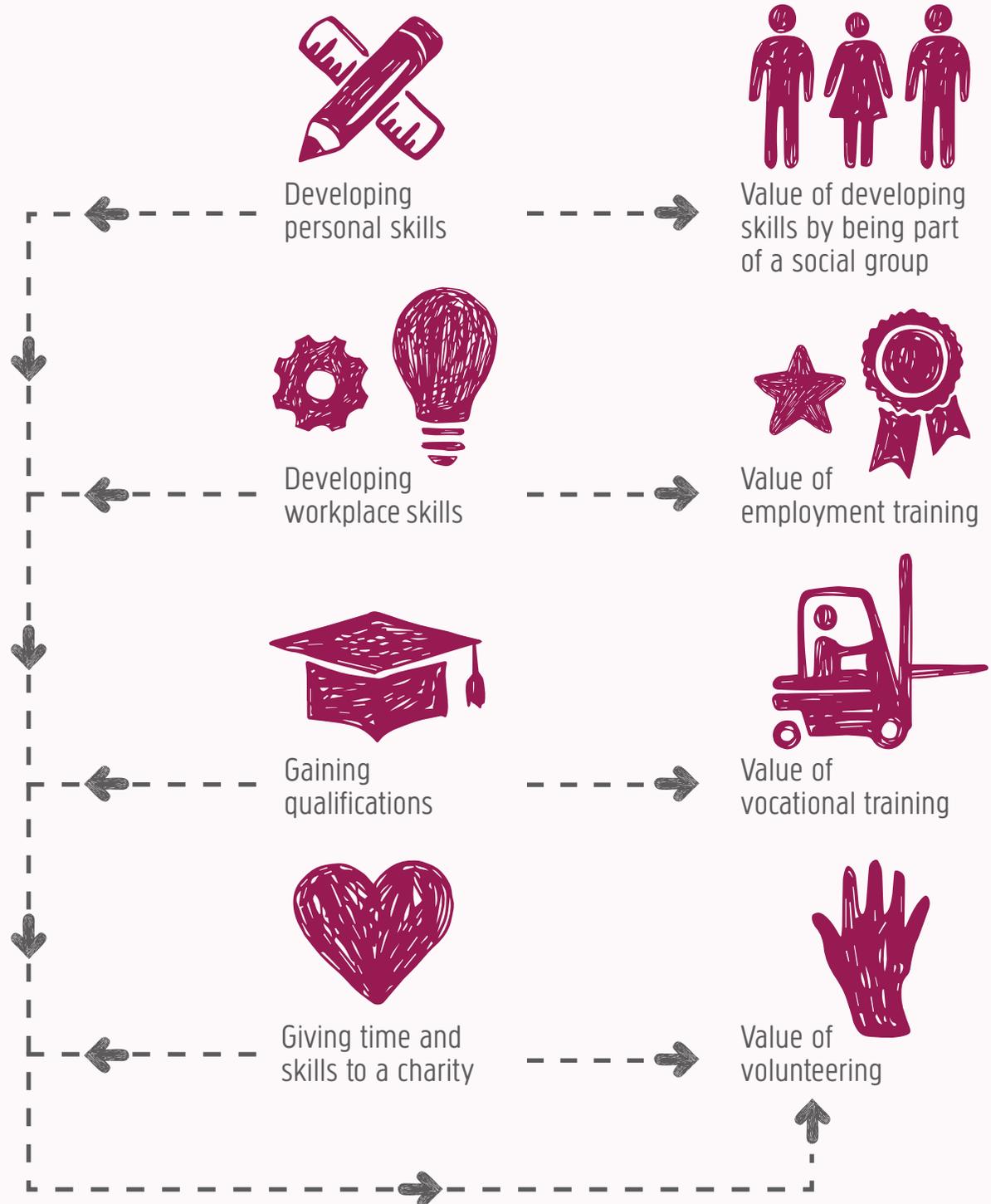
Launch Pad is a flexible volunteering programme which offers people from a range of backgrounds the opportunity to gain skills and experience in a real work environment. The Launch Pad programme developed out of informal work placement opportunities that FRC Group has offered since 2006, and throughout the year opportunities were available across all areas of the FRC Group.

Launch Padders are volunteers who are at FRC Group to improve their skills and experience. We ensure that the work they carry out is not vital to the success of our business, while also making sure it provides meaningful work experience.

Within Launch Pad we offer Elev8 to a small number of people to give them access to a Fork Lift Truck driving qualification which is valued by potential employers. Elev8 is an 8 week voluntary placement programme for people to obtain their Fork Lift Truck licence and obtain valuable work experience, fully funded by FRC Group. Elev8ers volunteer for 8 weeks in our Furniture Resource Centre Warehouse, offering a more traditional warehouse experience. Their first week is spent receiving off-site training to help them achieve their Fork Lift Truck licence, and then they work in Furniture Resource Centre's warehouse for 7 weeks and practice their new skills. This additional experience helps people to strengthen their position in the job market.

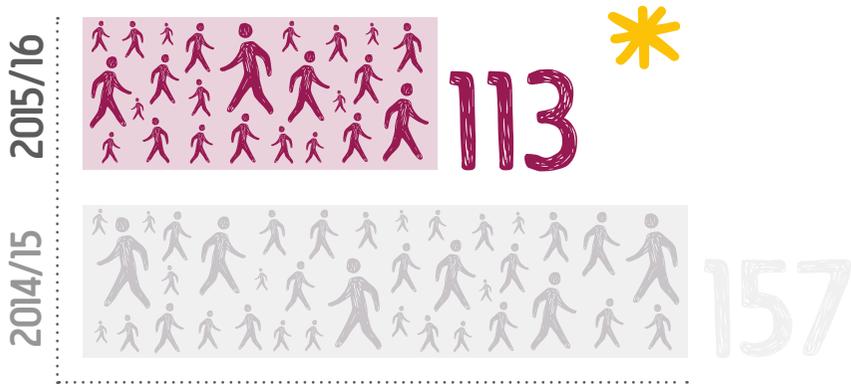
Launch Pad Statistics

We measure the impact that Launch Pad has using a model based on the Principles of Social Return on Investment.



Launch Pad Statistics

We also use a range of statistics, qualitative information from LaunchPadders and case studies to communicate how Launch Pad impacts on the lives of the participants.



↑ People participating throughout the year – 113. (157 in 2014/15)



↑ Average number of days worked – 23.



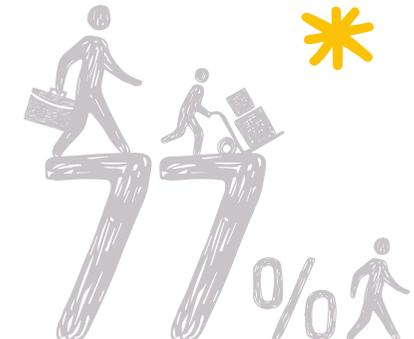
(19.2 in 2014/15)



↑ Total hours of work experience gained – 19,222 (19,604 in 2014/15)



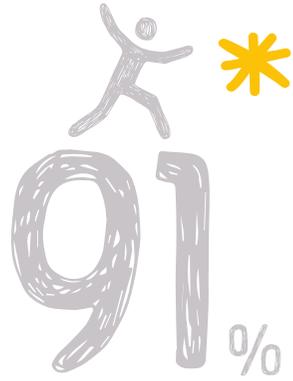
↓ Launch Padders who said they were working towards employment – 67%



(77% in 2014/15)



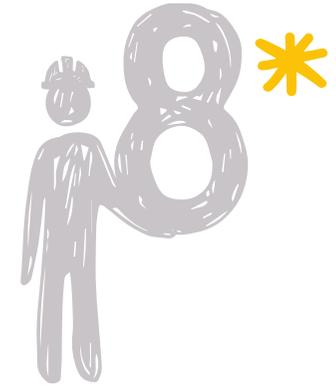
↑ Launch Padders achieving their personal goal – 94%



(91% in 2014/15)



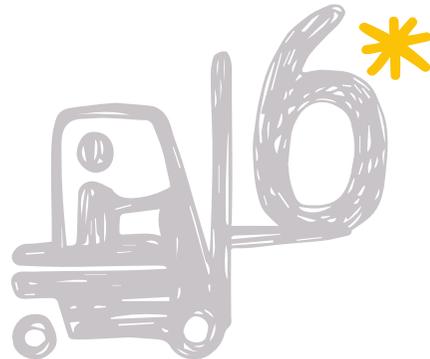
↑ Areas of FRC Group offering placements - 8



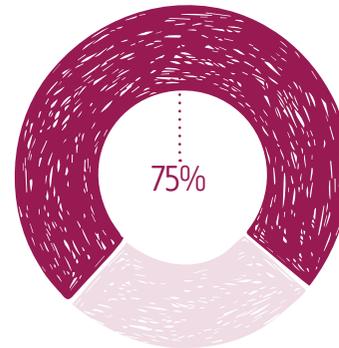
(8 in 2014/15)



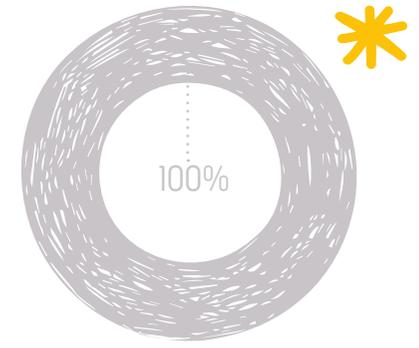
↓ Number of people gaining Fork Lift Truck Licence through Elev8 – 4



(6 in 2014/15)



↓ Elev8 participants moving into employment – 75%



(100% in 2015/15)

Launch Pad is designed to be a flexible programme which enables people to work towards their own goals. To give an insight into the individual Launch Pad experiences, these are the stories of two of our participants this year.

George's story

George used to be a bus driver but after a brain aneurysm that meant he was unable to continue in the job, he was out of work for several years. He came to Launch Pad via the Job Centre to gain some experience and decided to volunteer. George got involved in many of the recycling tasks in Bulky Bob's and found an affinity with our furniture upcycling project, selecting pieces of furniture to be painted or refurbished and then sent on to our store for resale.

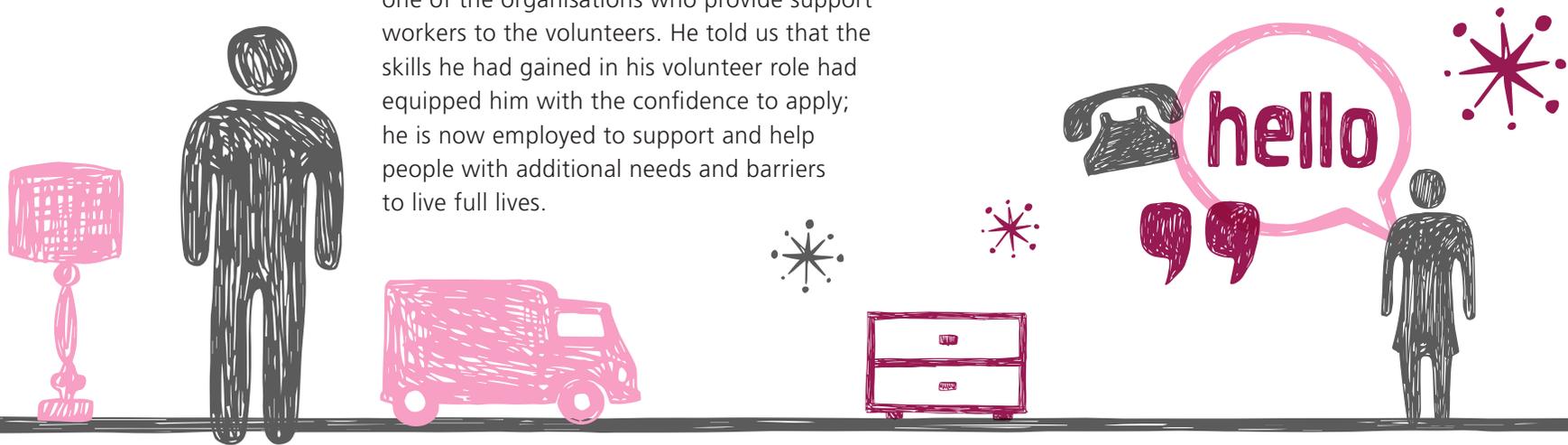
George was a natural mentor and agreed to become more involved in supporting other volunteers, some of whom have multiple barriers, coaching and engaging them in how to safely perform refurbishing tasks. George continued to mentor until February 2016 when he successfully applied to become a support worker with North West Community Services, one of the organisations who provide support workers to the volunteers. He told us that the skills he had gained in his volunteer role had equipped him with the confidence to apply; he is now employed to support and help people with additional needs and barriers to live full lives.

Becky's story

Becky was referred to Launch Pad in February 2016 by Rempoy; she had been unemployed for nearly 10 years after experiencing poor mental health.

Becky became involved in Bulky Bob's administration, making calls to customers, to establish if their collection service was still going ahead, this was to help her regain some confidence using the telephone and speaking to people.

Becky was supported to apply for a part time admin post at Liverpool Palm House. She was successful and says she wouldn't have been as confident to go for this position if she hadn't been on Launch Pad.



People come onto Launch Pad via a variety of referral sources. We surveyed our referral partners in Liverpool to gain their feedback on the programme and what they see it offering to people.

“You offer variety, support, training, education and personal development to people without making them feel pressured or belittled.”

PR, Imagine Employment Services

“High quality and real work experience that enables individuals to learn new skills and knowledge.”

SF, FLT Training

“We find the environment and the people so nurturing and supportive.”

RD, Community Integrated Care

“...it is part of your ethos to assist those furthest away from the labour market or those with a massive barrier to employment.”

KK, Sefton@Work

“It improves their confidence, attitude towards the world of work and encourages them to progress further.”

EH, Positive Futures





Employer Engagement

Part of the Our House social business model was to create a number of training opportunities for people to gain skills, experience and qualifications in retail. In the two stores that were opened, we recruited one person per store onto our Retail Roots training programme. The trainees undertook an NVQ in Customer Care and have been supported to complete this despite Our House ceasing to trade.

We had intended to run a Retail Roots programme through our Bulky Bob's Furniture World store in Liverpool in 2015/16 but this has been put on hold. This was not implemented and a temporary worker was recruited in place of a trainee. This was to ensure that we only create quality training opportunities. On evaluation, the team make up and working patterns in the store would have been incompatible with a trainee position, as there would not have been the opportunities to learn or the time for training that would be required.

 The People and Learning team also support the Driving Changers and Launch Padders by developing and maintaining relationships with key employers to identify job opportunities, and to help the trainees and volunteers to complete CVs, job applications and to prepare for interviews. During 2015/16 we have engaged with 22 employers.



 **Priorities for the Future** During 2015/16 we have been scoping a redesigned Driving Change programme in response to the changing socio-economic context. There is no longer a direct correlation between a person's employment status and whether they are in poverty. Over 50% of people living in poverty are in employment and the labour market features more precarious employment such as 'zero hours' contracts and a greater use of temporary labour. In response, we are developing an updated programme which we believe will help trainees to move into more sustainable forms of employment - employment that is much more likely to offer permanent contracts, higher wages and greater protection from future economic downturns.

Plans for a revised Driving Change programme are being considered by FRC Group's Board, looking at the likely impact of a new programme.



Comparison to Targeted priorities for 2015/16



Review and develop the Driving Change and Launch Pad programmes



80% of people completing Driving Change will go into employment, training or further education



85% of Launch Padders will achieve their personal outcomes



13 Driving Change places available during the year



108 Launch Padders throughout the year



6 people will complete Elev8 Fork Lift Truck training

2016-17 Social Value Targets



14 places available on Driving Change during 2016/17



72% of people completing Driving Change will go into employment, training or further education



110 Launch Padders throughout the year



94% of Launch Padders will achieve their personal outcomes



4 people will complete Elev8 Fork Lift Truck training

Stakeholder Group 	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2015/16	Number engaged with in 2015/16 (or information about next scheduled engagement)	Method of engagement
Driving Changers – previously long-term unemployed people.	Take part in “Driving Change” programme to gain skills, experience and employment in the logistics industry.	Content and performance of Driving Change programme. Support to find employment.	Yes – trainees are on the programme with the aim of becoming employed.	Yes – Trainees spend 40 hours a week on the Driving Change programme.	Yes	20 Of these 20 people, 8 had already commenced their programme prior to the reporting year, 12 were new starters during the year.	20	Regular one to one reviews carried out.
Ex-Driving Changers – people who have been on the training programmes in the past.	After “Driving Change”, ex-trainees find employment or receive further support from FRC Group to find work.	Usefulness of skills and qualifications gained through Driving Change. Support to find employment.	Yes – ex-trainees are the experts in how the training programme may have helped them.	Yes – although significance may reduce in line with the length of time since they left.	Yes	8	8 of 21 took part in our telephone survey.	Telephone survey.
Launch Padders – unemployed people with little or no work experience and people with physical or learning disabilities who are seeking personal development opportunities.	Take part in “Launch Pad” a flexible volunteering programme which provides basic skills and experience of the world of work. Launch Pad also offers meaningful activity in a mainstream diverse environment to people with physical or learning disabilities.	Content and performance of Launch Pad programme. Support to meet personal objectives. Support to find opportunities after Launch Pad – employment, training or other	Yes – Launch Padders choose to come on the programme to improve their personal or work skills	Yes –significant to all as they give on average 19 days to the programme but some variation in the group – more significant to those who spend more time on the programme.	Yes	113	113	Individuals have a minimum of a start and exit review, and may have reviews around every 4 weeks in between depending on how long they are on programme.

Stakeholder Group 	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2015/16	Number engaged with in 2015/16 (or information about next scheduled engagement)	Method of engagement
Agencies referring people to Launch Pad	Organisations supporting unemployed people which refer people onto the Launch Pad programme.	Content and performance of Launch Pad programme. Support to meet personal objectives. Support to find opportunities after Launch Pad – employment, training or other.	Yes - Agencies are working to find the people they work with suitable experience to improve their personal or work skills.	Yes – but this can vary depending on the size of the referring organisation and how large a proportion of their placements are hosted by FRC Group.	Yes	30 organisations.	10 of the 30 organisations took part in our survey.	Survey carried out in February 2016.
Bulky Bob's Furniture World customers receiving discounts – people in receipt of benefits, pensioners, students, people referred from other support agencies.	Customers buy 'pre-loved' furniture from Bulky Bob's Furniture World. They receive discounts in a tiered pricing structure which offers best value to those in lowest income groups.	Availability of pre-loved furniture. Pricing of furniture. Targeting of service to low-income shoppers.	Yes – customers buy pre-loved items.	Yes – but variable depending on the type of item purchased – a sofa is a more significant addition to someone's home than a coffee table.	Yes	3260	73 customers across all groups took part in our survey.	Survey carried out between November 2015 and March 2016.
People in crisis receiving essential furniture items	Customers receive free packages of pre-loved furniture delivered to their homes.	Availability of pre-loved furniture. Accessibility of crisis support. Quality of customer service in store and at delivery.	Yes – referral for this service indicates they are in urgent need of essential items	Yes – items donated are essential items that make a big difference to people's home – bed, sofa etc	Yes	738	None – we did not formally engage with this group this year. We surveyed the referral makers to get their views as a proxy.	

Stakeholder Group 	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2015/16	Number engaged with in 2015/16 (or information about next scheduled engagement)	Method of engagement
Staff from support agencies referring people for crisis support	Social support agencies such as homelessness organisations, domestic violence charities and Citizen's Advice Bureaux make referrals for donations of pre-loved furniture packages.	Ease of referral process. Quality of crisis packages.	Yes – these support agencies are working with people to address a range of issues – their feedback tells us that solving material problems is essential before bigger issues can be tackled.	Yes – varies by nature of referral agency but for many agencies they refer a large proportion of their clients to us.	Yes	72 referral agencies.	20 individual workers responded to the survey.	Survey took place in January and March 2016.
People living locally to where FRC Group operations are working – general public affected by local environmental impact from our vehicles and building and our operations and from our reuse and recycling activities.	FRC Group's activities have the potential to impact on local communities and businesses.	Environmental impacts – emissions, noise, visual pollution	No – all sites are currently located in light industrial or retail areas where residential neighbours are few or nonexistent. Vehicle fleet is very small in comparison to quantity of other road users.	No – all sites are currently located in light industrial or retail areas where residential neighbours are few or nonexistent. Vehicle fleet is very small in comparison to quantity of other road users.	No	Unknown	None No engagement planned at this time due to the nature of the location of our sites. This stakeholder is included as it is a cultural norm for a responsible business to consider local environmental impacts.	None
The global community and future generations – we are all affected by the global environmental impacts of our business.	FRC Group's activities contribute to global environmental concerns.	Environmental impacts – emissions.	Yes – the effect of global emissions are relevant to everyone.	No – FRC Group's contribution to emissions is of miniscule size.	Yes	Unknown	No engagement planned at this time due to the nature of this stakeholder group. This stakeholder is included as it is a cultural norm for a responsible business to consider global environmental impacts.	None

Stakeholder Group 	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2015/16	Number engaged with in 2015/16 (or information about next scheduled engagement)	Method of engagement
Staff – permanent employees of FRC Group.	FRC Group plays a significant role in the lives of its employees. We aim to be a great place to work where people are valued, rewarded and recognised for their efforts. Everyone at FRC Group contributes to the work of the organisation and the social and financial value that is created.	Working conditions. Culture. Health and safety. Commercial performance. Social performance. Strategic direction.	Yes – the culture, working environment, and social and commercial performance is of high relevance to the staff who work for FRC Group	Yes – staff give a significant proportion of their time and energies to their work. Work is a big part of everyone's lives.	Yes	Average number of employees 73	39 staff members responded to the survey.	Survey
Furniture Resource Centre customers – the social housing providers who buy furniture and related items from us.	FRC's customers receive products and service from FRC.	Quality. Range of products. Value for money. Social performance.	Yes – the quality of goods and service, the price of our products is of utmost importance to our customers. There is some variation across the customer group around the importance of our social performance.	Yes – this varies by customer depending on the scale of their purchasing from FRC Group and the importance within then housing association of the project that is being furnished.	Yes	Undisclosed due to commercial sensitivity.	None Next engagement is scheduled for 2016/17.	Telephone survey.
Tenants who receive and use the furniture supplied by Furniture Resource Centre.	Social Housing tenants benefit from the use of the furniture that FRC delivers. They receive service from our delivery staff.	Quality of products and delivery service.	Yes – quality of furniture is highly relevant – the items supplied are core items that a household needs.	Yes – essential furniture items are supplied which are central to having a home not just a house.	Yes	Unknown	None – attempts to engage with tenants via the social landlord were unsuccessful. A different approach will be tried during 2016/17.	

Stakeholder Group 	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2015/16	Number engaged with in 2015/16 (or information about next scheduled engagement)	Method of engagement
Bulky Bob's customers – the local authorities that contract with us to provide collection, reuse and recycling services for furniture and white goods.	Bulky Bob's provides a collection, reuse and recycling service for domestic bulky waste.	Quality of service. Diversion from landfill performance. Value for money. Social performance – furniture to low-income families	Yes – the local authority procures the service and is the customer	Yes – the bulky waste service is significant to the local authority and especially to the members and officers connected with the waste department.	Yes	4	4 Engagement is ongoing through meetings with officers and elected members.	One to one meetings.
Householders who receive the collection service from Bulky Bob's.	Bulky Bob's provides a service to householders.	Quality of customer service at point of collection.	Yes – as the users of the service, the quality of service provided is relevant.	No – a collection from the Bulky Bob's service is very small part of a householder overall interests.	Yes	50,000	No engagement scheduled in 2015/16.	Telephone survey, next schedule for 2017/18.



Stakeholder Group 	Relationship to FRC Group	Issues of interest	Relevant to stakeholder group?	Significant to stakeholder group?	Are this stakeholder's issues material?	Total number of stakeholders in 2015/16	Number engaged with in 2015/16 (or information about next scheduled engagement)	Method of engagement
Bulky Bob's Furniture World Liverpool customers – all the people who shop in Bulky Bob's Furniture World.	Our customers receive products and service in the store and from our delivery crews.	Quality of furniture. Availability of furniture. Prices. Customer service.	Yes – the quality, availability, price and service are very relevant to our customers.	Yes – significance may vary depending on the amount of items bought and the type of items. Significance is high when customers are buying many or essential items.	Yes	3512	73 customers took part in an in store survey.	Survey
Our suppliers – the companies who supply us with goods and services.	FRC Group buys goods and services from its suppliers.	Professional relationship with FRC Group.	Yes – all of our suppliers are concerned with having a good relationship.	Yes – this varies according to the size of customers we are to different suppliers. Engagement will target those to whom we are a significant customer.	Unknown – next engagement scheduled for 2015/16.	274	None Next engagement is scheduled for 2016/17.	
Furniture reuse charities and similar organisations we work with to supply reusable items.	FRC Group works with a number of furniture reuse organisations to provide them with excess reusable furniture. This supplements the furniture they already collect.	Supply of reusable items and professional relationship with FRC Group.	Yes – organisations need reusable furniture to carry out their work.	Unknown – the scale of contribution made by furniture from FRC Group is unknown. This will be identified from next scheduled engagement.	Unknown – next engagement scheduled for 2016/17.	Unknown	None Next engagement is scheduled for 2016/17.	

Independent Assurance Report to the Board of Directors of Furniture Resource Centre Limited



BDO LLP (“BDO”) were engaged by Furniture Resource Centre Limited (“FRC Group”) to provide assurance over selected aspects of the FRC Group Social Impact Report as set out on pages 5 to 70 (“the Report”) for the year ended 31 March 2016.

Which assurance standards did we use?

We conducted our work in accordance with ISAE 3000 and by reference to a Type 1 assurance engagement under AA1000AS [2008]².

We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants (“the Code”) which requires among other requirements that the members of the assurance team as well as the assurance firm are independent of the assurance client. BDO has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

What was included in the scope of our engagement? We have performed our work to reach a limited level of assurance as defined by ISAE 3000 (which is equivalent to a moderate level of assurance under AA1000AS). Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information

and are less extensive than those for a reasonable level of assurance (such as a financial audit) and therefore a lower level of assurance is provided.

- A)** BDO have performed work on the nature and extent of the organisation’s adherence to the AA1000APS [2003] .
- B)** Key Performance data presented in the Creating Social Value: Our Achievements and Performance Section of the Directors Report as indicated by ; “Selected Information”

The scope of our work was restricted to the Selected Information presented in the Report and does not extend to information in respect of earlier periods or to any other information in the Annual Report and Accounts or the website.

Responsibilities

The directors of FRC Group are responsible for:

- Designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- Establishing objective Reporting Criteria for preparing the Selected Information that, where relevant, meet the principles of Inclusivity, Materiality and Responsiveness in the AA1000APS.

Our responsibility is to independently express our conclusions based on the work performed, in relation to the above scope.

This report, including our conclusions, has been prepared solely for the Directors of Furniture Resource Centre Limited as a body in accordance with the agreement between us, to assist the Directors in the reporting Furniture Resource Centre’s social impact.

¹International Standard on Assurance Engagements 3000: Assurance engagements other than Audits or reviews of Historical information, issued by the International Auditing and Accounting Standards Board

²AA1000 Assurance Standard [2008] issued by AccountAbility

³AA1000 AccountAbility Principles Standard [2008] issued by AccountAbility

As a consequence our report may not be suitable for another purpose. We neither accept nor assume a duty of care to any other third party that may access this report.

We permit this report to be disclosed Creating Social Value: Our Achievements and Performance Section of the Directors Report of the Annual Report and Accounts for the year ended 31 March 2016 and the “proving it” section of the website <http://www.frcgroup.co.uk/proving-our-impact/reports/> to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and the Furniture Resource Centre Ltd for our work or this report expect where terms are expressly agreed between us in writing.

What did we do to reach our conclusions?

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary in relation to the above scope. In order to form our conclusions we undertook the steps outlined below:

- A)** In respect of FRC Group’s alignment with AA1000APS [2008] principles of inclusiveness materiality and responsiveness we performed the following activities:
- Interviewed a selection of FRC Group management.

- Reviewed FRC Group’s approach to stakeholder engagement in the report and assessed the outputs from the materiality process relating to stakeholders and FRC Group’s engagement.
 - Reviewed the FRC Group approach to stakeholder engagement through interviews with employees responsible for managing engagement activities and reviewed selected associated documentation
 - Reviewed the FRC Group process for determining material issues to be included within the Report
 - Reviewed the coverage of material issues within the Report against the topics discussed by the FRC Group Board.
- B)** In considering the risk of material misstatement of the key performance data presented in the report we:
- Made enquiries of FRC’s management
 - Evaluated the design of the key structures, systems and processes and controls for managing, recording and reporting the Selected Information
 - Performed limited substantive testing on a selective basis of the Selected Information
 - Assessed the disclosure and presentation of the Selected Information
 - Conducted a site visit to the key site at Atlantic Way to test the source data, to evaluate the design and implementation and test the operating effectiveness of controls at a local level

What are our conclusions?

Based on the work performed and the scope of our assurance engagement described above:

- A)** Nothing has come to our attention to suggest that the description of FRC Group’s alignment with AA1000AS [2008] principles of Inclusivity, Materiality and Responsiveness is not fairly stated except for issues relating to the environment, specifically around waste management and supply chain, that are material but receive little attention in the report. The detailed data about the performance on waste management is considered by the Directors to be commercially sensitive.
- B)** Nothing has come to our attention that indicates the Selected Information presented in the report has not been prepared in all material respects with the methodology as set out in page 16 of the report.

BDO LLP
Chartered Accountants

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Financial Review



Financial Review

FURNITURE RESOURCE
CENTRE LIMITED DIRECTORS'
REPORT (CONTINUED)
FOR THE YEAR ENDED
31 MARCH 2016

The Directors report that the group surplus before corporation tax was £131,556 (2014/15: surplus of £621,419). This surplus of £131,556 was reduced by £122,798 due to the write off of a bad debt of owed to Furniture Resource Centre Limited by Homemaker Solutions Limited, a charity which for which Furniture Resource Centre Limited was the sole member. Homemaker Solutions Limited entered Administration on 2 November 2015.

Principal Funding sources

The principal source of funding for the charity is the revenue generated from the sales of high quality furniture, fittings and accessories to social landlords and Local Authorities. In addition to this, revenue is generated through sales of 'pre-loved' furniture from our retail outlet and also through grant income, generated to support our Intermediate Labour Market (ILM) training programmes.

Investment powers and policy

The company has the power to invest monies not immediately required in investments, securities or property as may be thought fit.

Reserves policy

The Trustees have considered the level of free reserves (those funds not tied up in fixed assets and restricted funds) required by the group to be at least six months' operational expenditure, which amounts to at least £1,600,000. In the Trustees' view, this level of reserves should provide adequate financial stability and enable the group to continue to meet its charitable objectives for the foreseeable future.

In arriving at this figure, the Trustees have considered potential future changes in income streams and likely future cash flow requirements. The Trustees will continue to monitor the Reserves Policy at least annually in Trustee meetings.

At 31 March 2016, consolidated reserves (excluding fixed assets) of £1,320,891 were held, which is £279,109 short of the required consolidated total of £1,600,000.

Grants and Donations

FRC Group continues to improve and expand the social impact that it creates through effective use of the grants and donations it receives.

During 2015/16 grants and donations were received from:

Winning Pitch
Liverpool Chamber of Commerce
St Andrews Parish
Liverpool Mutual Homes
Orbit Housing
European Regional Development Fund

We would like to thank all organisations and individuals for their generous support during 2015/16.

Plans for future periods

We will continue to improve our customer service in our furniture businesses. Our aim is to remain the leading provider of furniture to furnished tenancy providers whilst continuing to develop our customer base by exploring new markets in the social housing sector. Also, we will continue to develop our newly formed Buckingham Interiors brand, which provides furniture to providers of sheltered accommodation and shared living schemes.

We will strive to improve our offer through our retail outlet, Bulky Bob's Furniture World, in order to improve the quantity and quality of 'pre-loved' goods being made available at affordable prices to disadvantaged groups such as those on low incomes. We will continue to forge relationships with more referral agencies, increasing the number of donations we make to those in most need.

We will continue to provide and increase opportunities for socially excluded groups, specifically targeting our assistance in the areas of long term unemployment. In order to achieve this, we will provide paid best practice experience in a working environment, quality training and assistance in helping people back into full time employment.

We will examine our resource and methods for supporting our trainees to achieve full-time employment at the end of their training period to combat the additional difficulties being felt in the UK's current economic situation.

We will continue to investigate ways of providing furniture in an affordable manner to people on relatively low incomes.

Structure, Governance and Management

Governing Document

The Furniture Resource Centre is a company limited by guarantee and does not have any share capital. It was incorporated on 14 September 1988 and registered as a charity on 17 November 1988. The company is governed by its Memorandum and Articles of Association dated 8 August 2014.

Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as Directors. The Directors serving throughout the year are set out on page 4.

The directors are appointed by the members at the Annual General Meeting. The board may appoint a member to serve until the next AGM.

All of the directors give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 12 to the accounts.

Furniture Resource Centre will continue to review its induction training programme for all future trustees, alongside a training and development programme for all existing trustees. Under the programme, new trustees will be briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making processes, the business plan and the recent financial performance of the charity. The programme will be bespoke in that it will take into account FRC's approach to measuring social and financial performance.

Pay policy for senior staff

The trustees (who are also the directors) and those senior staff with group-wide responsibility comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received any remuneration in the

year. Details of trustees' expenses are shown in note 12 to the accounts.

The salaries of the senior staff (and all staff in FRC) are reviewed from time to time by the trustees by performing a benchmarking exercise against the average salary rates for similar jobs externally. An external consultancy firm is used to provide external salary information with the mid-point of the relevant salary range being used for benchmarking purposes.

Risk Management

In conjunction with the Charity Commission guidelines, risk management is now embedded as part of the group's decision making process and risk is re-assessed on a regular basis and action taken where necessary in order to mitigate any risks to which the group is exposed.

Key risks identified:-

- Potential reduction in overall marketplace for provision of furniture to Public Sector customers in line with current pattern of public spending reductions.
- Retention of key contracts.
- Stability of supply chain.

The Directors are satisfied that reasonable steps have been taken to identify all risks to which the group is exposed and have taken action to mitigate these risks where necessary.

Organisational Structure

The board of directors meet approximately five times per year to administer the charity. Four of these meetings are held at key quarter dates to provide a regular review of all areas of current performance, whilst one other meeting is specifically reserved for planning and review of the charitable aims, objectives and activities, looking at the success of each key activity and the benefits they may have brought to those groups of people we are set up to help.

There are sub-committees covering finance and measuring social value. Shaun Doran, CEO, is appointed by the directors to manage the day to day operations of the charity.

Related Parties

Bulky Bob's Limited is a wholly owned subsidiary of Furniture Resource Centre Limited. It provides services, mainly to Local Authorities, for the collection of bulky household waste. Bulky Bob's actively promotes the work of the charity providing training opportunities for people from long term unemployment and other socially excluded groups whilst protecting the environment through the reuse and recycling of collected items.

FRC Trading Limited is a wholly owned subsidiary of Furniture Resource Centre Limited and its income is derived from private sector customers for logistics services and from a variety of customers for consultancy services around social business.

Homemaker Solutions Limited is company limited by guarantee and a registered charity with Furniture Resource Centre Limited as its sole member. This company provided access to new furniture at an affordable rate to economically disadvantaged people throughout the UK through a chain of retail stores trading as 'Our House'. Unfortunately, due to difficult trading conditions, the Trustees took the decision to put the company into administration with effect from 2 November 2015. The company ceased trading on that date.

The trading companies gift aid the majority of their profits to the charity.

Directors' Responsibilities

FURNITURE RESOURCE
CENTRE LIMITED DIRECTORS'
REPORT (CONTINUED)
FOR THE YEAR ENDED
31 MARCH 2016

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law and Charity law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law and charity law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 charity will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

In preparing this Directors' report, advantage has been taken of the small companies' exemption.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006. BDO LLP has indicated its willingness to remain in office.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Board of Directors
on and signed on its behalf by

Secretary
A Rowan

Date: 13th December 2016



Auditors' Report

FURNITURE RESOURCE
CENTRE LIMITED
INDEPENDENT AUDITORS'
REPORT TO THE MEMBERS
OF FURNITURE RESOURCE
CENTRE LIMITED

We have audited the financial statements of Furniture Resource Centre Limited for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's directors and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's directors and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's directors and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.

Hamid Ghafoor, Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor
Liverpool
United Kingdom
Date:

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2016)

	Note	Continuing Activities			Discontinued Activities			Total Activities			Restated	
		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total	Total Unrestricted Funds	Total Restricted Funds	Total Funds 31 March 2016	Total Funds 31 March 2015	
		£	£	£	£	£	£	£	£	£	£	
Income and endowments from:												
Donations and legacies	4	319	9,000	9,319	-	17,500	17,500	319	26,500	26,819	99,786	
Charitable activities	5	4,745,097	50,800	4,795,897	126,537	-	126,537	4,871,634	50,800	4,922,434	5,955,690	
Other trading activities	6	946,905	-	946,905	-	-	-	946,905	-	946,905	985,462	
Investments		2,835	-	2,835	142	-	142	2,977	-	2,977	78	
Adjustment on Administration		-	-	-	549,650	(17,500)	532,150	549,650	(17,500)	532,150	-	
Other		48,529	-	48,529	14,603	-	14,603	63,132	-	63,132	43,191	
Total		5,743,685	59,800	5,803,485	690,932	-	690,932	6,434,617	59,800	6,494,417	7,084,207	
Expenditure on:												
Raising funds	7	701,094	-	701,094	-	-	-	701,094	-	701,094	678,507	
Charitable activities	8	5,076,620	69,314	5,145,934	515,833	-	515,833	5,592,453	69,314	5,661,767	5,784,281	
Total resources expended		5,777,714	69,314	5,847,028	515,833	-	515,833	6,293,547	69,314	6,362,861	6,462,788	
Net resources before transfers		(34,029)	(9,514)	(43,543)	175,099	-	175,099	141,070	(9,514)	131,556	621,419	
Taxation – UK corporation tax	14	-	-	-	-	-	-	-	-	-	16,428	
Net incoming / (outgoing) resources		(34,029)	(9,514)	(43,543)	175,099	-	175,099	141,070	(9,514)	131,556	637,847	
Balances brought forward at 1 April		1,509,844	54,932	1,564,776	(175,099)	-	(175,099)	1,334,745	54,932	1,389,677	751,830	
Balances carried forward at 31 March		1,475,815	45,418	1,521,233	-	-	-	1,475,815	45,418	1,521,233	1,389,677	

The notes on pages 85 to 115 form part of these financial statements.

The notes on pages 85-115 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions for small companies under the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on and signed on their behalf by:

N Wilson
 Director
 Date: 13th December 2016

Company Registration Number 2296329.
A Charity registered in England and Wales (700731).

	Notes	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
Fixed assets					
Tangible assets	15	200,342	163,002	194,416	101,102
Investments	3	-	-	2	2
		200,342	163,002	194,418	101,104
Current assets					
Stock	16	136,244	172,725	136,244	172,725
Debtors	17	753,000	1,633,180	596,722	1,669,618
Cash at bank and in hand		1,329,375	917,860	1,272,270	687,927
		2,218,619	2,723,765	2,005,236	2,530,270
Creditors: amounts falling due within one year	18	(897,728)	(1,357,090)	(704,221)	(1,100,006)
Net current assets		1,320,891	1,366,675	1,301,015	1,430,264
Creditors: amounts falling due after one year	19	-	(140,000)	-	-
Net Assets		1,521,233	1,389,677	1,495,433	1,531,368
Funds					
Unrestricted		1,475,815	1,334,745	1,450,015	1,476,436
Restricted	21	45,418	54,932	45,418	54,932
Total Funds	22	1,521,233	1,389,677	1,495,433	1,531,368

	Note	2016	2015
		£	£
Cash flows from operating activities:			
Cash generated from operations	26	703,614	475,198
Interest recieved		2,977	78
Tax paid		(6,066)	(20,228)
Net cash inflow from operating activities		700,525	455,048
Cash flows from investing activities:			
Purchase of fixed assets		(272,829)	(99,938)
Net cash disposal of		(16,181)	-
Net cash outflow from investing activities		(289,010)	(99,938)
Cash flows from financing activities			
Net cash (outflows) / inflows from borrowing		-	132,000
Net cash (outflow) / inflow from financing activities		-	132,000
Increase in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		917,860	430,750
Cash and cash equivalents at the end of the year		1,329,375	917,860

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

c) Basis of consolidation

The financial statements consolidate the results of the charity and its wholly owned trading subsidiaries Bulky Bob's Limited, FRC Trading Limited and Homemaker Solutions Limited, a charity for which it is the sole member. The results of these companies are consolidated on a line-by-line basis. A separate Statement of Financial Activities for the charity itself has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

d) Going Concern

The financial position on pages 82 to 115 demonstrates that the group is operating within its available cash funds and has net current assets at the year end. The Trustees believe the charity is well placed to manage its business risk despite the difficult economic climate.

After reviewing financial projections for the group and taking account of new contracts recently won, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The trustees have concluded that it is appropriate to prepare the accounts on a going concern basis.

e) Incoming resources

Voluntary income and donations are accounted for as received by the group. All other income is accounted for on an accruals basis. Income from commercial trading activities is recognised as earned (as the related goods and services are provided). Investment income is recognised on a receivable basis. Income from charitable activities includes income received under contract (as the related goods and services are provided). Income from grants receivable which support people development is credited to the income and expenditure account in the period to which the grants relate.

1 Accounting policies (cont.)

f) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis. Expenditure is directly attributable to specific activities and has been included in those cost categories. Costs of generating funds are those costs incurred in the trading activities of the subsidiary companies that raise funds. Charitable activities include expenditure associated with the supply of furniture and other household accessories to social landlords, expenditure associated with the retailing of reused goods to economically disadvantaged groups and the costs of providing training programmes to socially excluded groups. These include both the direct costs and support costs relating to those activities. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. property costs are apportioned on area utilised, ICT costs are allocated based on number of PCs used, staff costs, general office and depreciation are apportioned by income generated.

g) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

h) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are included in 'resources expended' as incurred.

i) Tangible fixed assets and depreciation

Tangible fixed assets for use by the group are stated at cost less depreciation subject to impairment review in accordance with FRS 102. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Improvements to leasehold property

10% on cost

Plant & machinery

10%-25% on cost

Fixtures, fittings and equipment

25% on cost

Computer equipment

20%-33% on cost

j) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

k) Pension costs

The company operates a defined contribution pension scheme which all employees are eligible to join. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are paid based upon the recommendations of a qualified actuary. Contributions in respect of the company's Group Personal Pension Plan are included in 'resources expended' for the year in which they are payable to the scheme.

l) Funds structure

The group's funds consist of unrestricted and restricted amounts. The Group may use unrestricted amounts at its discretion. Restricted funds represent income contributions which are restricted to a particular purpose, in accordance with the donor's wishes.

m) Financial Instruments

Financial assets and financial liabilities are recognised when FRC becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). FRC only has financial assets and financial 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. 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. Creditors and provisions are recognised where FRC 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Transition to FRS 102

No restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2014.

o) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company as lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful lives taking into account residual lives, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Debtors are provided against when there is objective evidence that the debt will not be recoverable.



2 Financial activities of the charity

A summary of the financial activities undertaken by the charitable company is set out here:

Legal Status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

	Unrestricted funds	Restricted funds	Total
	£	£	£
Funds			
Incoming Resources	5,050,199	59,800	5,109,999
Resources Expended	(5,076,620)	(69,314)	(5,145,934)
Net incoming / (outgoing) resources for the year	(26,421)	(9,514)	(35,935)



3 Subsidiary companies and their activities

The financial activities shown in the consolidated financial statements include the results of the charity's wholly owned trading subsidiaries, Bulky Bob's Limited and FRC Trading Limited along with the results of Homemaker Solutions Limited, a company and charity for which Furniture Resource Centre Limited is the sole member. The information and financial data for each company is included below.

(i) Bulky Bob's Limited (Company number 3759102)

The charity holds 1 £1 ordinary share in Bulky Bob's Limited, a company registered in England. This holding comprises the whole of the company's share capital. Bulky Bob's Limited operates contracts for various councils within the North West for the collection, reuse and recycling of bulky household waste and for the provision of training.

At 31 March 2016, the capital and reserves of the subsidiary were £22,561. The subsidiary made a loss after gift aid and taxation of £7,610 in the year ended 31 March 2016.

(ii) Homemaker Solutions Limited (Company number 08735058, Charity number 1157170)

The charity is the sole member of Homemaker Solutions Limited, a company limited by guarantee and registered in England. Homemaker Solutions Limited was formed to operate a chain of retail stores selling new furniture to economically disadvantaged people at an affordable credit rate. Unfortunately, due to disappointing trading results, the company ceased trading on 2 November 2015 and the Trustees placed it in Administration on that date.

In the seven month period to 2 November 2015, Homemaker Solutions Limited made a trading deficit of £357,051. An Administration adjustment of £532,150 resulted in an overall surplus of £175,099 for the seven month period.

(iii) FRC Trading Limited (company number 5088520)

The charity holds 1 £1 ordinary share in FRC Trading Limited, a company registered in England. This holding comprises the whole of the company's share capital. FRC Trading Limited provides consultancy services in respect of advice on best practice within the Social Enterprise sector.

At 31 March 2016, the capital and reserves of the subsidiary were £3,240. The subsidiary made a profit before corporation tax of £2 in the year ended 31 March 2016.

3 Subsidiary companies and their activities (cont)

A summary of the results of all the trading companies is shown here:

The income and expenditure headings shown here include amounts that are eliminated on consolidation in the Consolidated Statement of Financial Activities.

	Bulky Bob's Limited £	FRC Trading Limited £
Turnover	937,319	-
Cost of sales	(73,809)	-
Gross profit	863,510	-
Distribution costs	(614,512)	-
Administration expenses	(255,289)	-
Operating loss	(6,291)	-
Other income receivable	9,586	2
Gift Aid to Furniture Resource Centre	(10,905)	-
(Loss) / profit on ordinary activities before taxation	(7,610)	2
Taxation – UK corporation tax	-	-
Retained (loss) / profit for the year	(7,610)	2

A summary of the results of Homemaker Solutions Limited for the period from 1 April 2015 – 2 November 2015 (the date the company went into Administration) is shown below

	Unrestricted funds £	Restricted funds £	Total Funds £
Incoming Resources	141,282	17,500	158,782
Adjustment re. Administration	549,650	(17,500)	532,150
Resources Expended	(515,833)	-	(515,833)
Net outgoing resources for the year	175,099	-	175,099

4 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Winning Pitch	-	7,500	7,500	-
Chamber of Commerce	-	1,500	1,500	-
Donation from St Andrews Parish Church	319	-	319	-
European Regional Development Fund	-	17,500	17,500	-
MWDA	-	-	-	1,000
ICRF	-	-	-	32,112
Trident Housing Association	-	-	-	12,500
Calico Housing Association	-	-	-	4,174
Walsall Housing Group	-	-	-	25,000
Oldham Borough Council	-	-	-	25,000
Total donations and legacies	319	26,500	26,819	99,786

5 Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Provision of furniture / furniture packages	4,616,928	50,800	4,667,728	5,782,518
Charity shop sales	128,169	-	128,169	150,017
Our House – Sales of Furniture	126,537	-	126,537	-
People Development	-	-	-	23,155
Total charitable activities	4,871,634	50,800	4,922,434	5,955,690

6 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Commercial trading operations	946,905	-	946,905	985,462
Total other trading activities	946,905	-	946,905	985,462

7 Expenditure on raising funds

				Restated
	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Commercial trading operations	701,094	-	701,094	678,507
Total expenditure on raising funds	701,094	-	701,094	678,507

8 Charitable activities

				Restated
	Direct costs £	Support £	Total 2016 £	Total 2015 £
Provision of furniture / furniture packages	3,639,361	910,593	4,549,954	5,043,878
Charity shop sales	155,572	22,888	178,460	146,746
People Development	259,851	85,235	345,086	357,178
Our House – Provision of furniture	334,390	181,443	515,833	236,479
Financial inclusion	72,434	-	72,434	-
Total charitable activities expenditure	4,461,608	1,200,159	5,661,767	5,784,281

9 Allocation of support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Property costs are apportioned on area utilised, ICT costs are apportioned based on the number of PCs allocated to each area and staff costs, general office and depreciation costs are apportioned by income generated. This method of apportionment is different from 2015 as during that year, all costs were apportioned based on income generated apart from property costs, which were apportioned based on actual space occupied.

	Provision of Furniture	Charity Shop Sales	People Development	Our House	Financial Inclusion	2016 Total	Restated 2015 Total
Support Cost	£	£	£	£	£	£	£
Property cost	85,235	-	85,235	-	-	170,470	153,648
Staff costs	433,024	12,008	-	145,316	-	590,348	460,108
ICT costs	107,241	2,974	-	5,856	-	116,071	116,477
Governance	19,430	539	-	5,000	-	24,969	17,290
General office	121,951	3,382	-	25,271	-	150,604	96,552
Bad debt	119,485	3,313	-	-	-	122,798	-
Depreciation	24,227	672	-	-	-	24,899	8,215
	910,593	22,888	85,235	181,443	-	1,200,159	852,290

10 Governance costs

	2016	2015
	£	£
Social audit	5,004	5,000
Audit and accountancy	19,874	14,000
Directors insurance	2,131	1,265
	27,009	20,265

11 Analysis of staff costs and the cost of key management personnel

Three employees had emoluments (excluding pension contributions) of more than £60,000 in the year (2015: 1).

The key management personnel of the Charity and Group comprise the Trustees, Chief Executive Officer, Head of Finance, Head of People and Learning, Business Development Manager and the Communications Manager. The total employee cost of the key management personnel was £296,354 (2015: £276,277).

During the year, redundancy costs of £62,402 (2015: £nil) were paid by the charity and group.

	2016	2015
	£	£
Staff costs:		
Wages and salaries	1,859,455	1,589,454
Social security costs	155,060	119,857
Pension costs	43,331	42,493
	2,057,846	1,751,804

11 Analysis of staff costs and the cost of key management personnel (cont.)

The average number of employees analysed by function was:

	2016	2015
	Number	Number
Furniture packages / LWP Sales	25	21
Training	11	14
Retail	4	5
Bulky Bob's	19	18
Finance, Administration and ICT	8	8
Our House	6	2
	73	68

The emoluments of higher paid employees fell within the following ranges:

	2016	2015
	Number	Number
£60,000 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1

12 Trustee Remuneration & Related Party Transactions

No Director received any remuneration during the year ended 31 March 2016 (2015: £nil).

Travel costs amounting to £153 (2015: £201) were reimbursed to 1 (2015: 1) trustee during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2015: Nil).

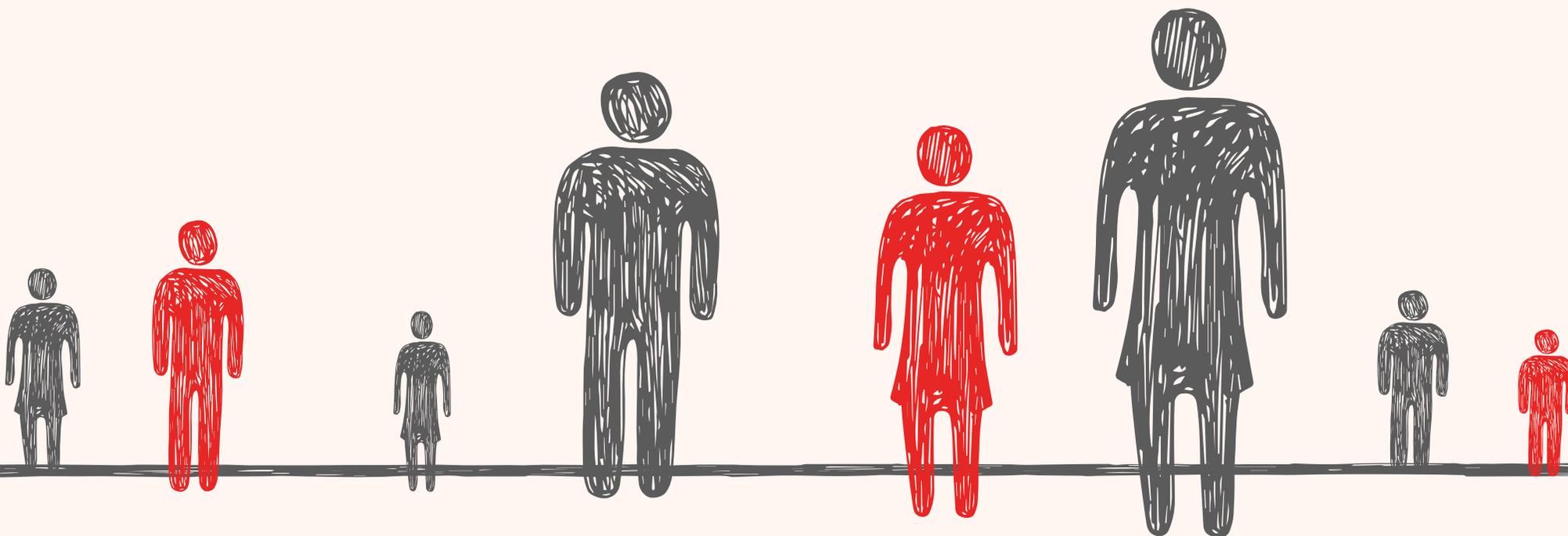
13 Net incoming / (outgoing) resources for the year

	Group		Charity	
	2016	Restated 2015	2016	Restated 2015
	£	£	£	£
This is stated after charging/(crediting):				
Auditors' remuneration: Audit services	19,874	14,000	12,154	9,000
Non-audit services	5,004	4,268	5,004	25
Depreciation	56,279	31,687	34,181	17,654
(Profit)/Loss on disposal of fixed assets	-	-	-	-
Operating lease rentals:-				
Plant & Machinery	-	-	-	-
Other	326,637	239,539	204,201	168,174
Rents receivable on property sub-lease	22,500	21,000	22,500	21,000

14 Taxation

Reconciliation of tax charge

	Bulky Bob's Limited £	FRC Trading Limited £	Homemaker Solutions Limited £	Total 2016 £	Total 2015 £
(Loss) on ordinary activities before tax	(7,610)	-	-	(7,610)	(102,612)
Tax on loss on ordinary activities at standard rate of 20.00% (2015: 20.00%)	(1,522)	-	-	(1,522)	(20,522)



14 Taxation (continued)

	Bulky Bob's Limited £	FRC Trading Limited £	Homemaker Solutions Limited £	Total 2016 £	Total 2015 £
Effects of:					
Adjustments to tax charge in respect of previous periods – current tax	-	-	-	-	(22,494)
Adjustments to tax charge in respect of previous periods – deferred tax	(2,481)	-	-	(2,481)	26,588
Adjust closing deferred tax to rate of 20.00%	400	-	-	400	-
Deferred tax not recognised	3,603	-	-	3,603	-
	-	-	-	-	(16,428)

3

17

5

9%

15 Tangible fixed assets

All tangible fixed assets are used for or to support charitable purposes.

Group	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2015	822,307	154,008	114,130	204,416	1,294,861
Additions	170,157	-	56,462	72,888	299,507
Disposals	(2,310)	-	(105)	(24,264)	(26,679)
Administration adjustment	(112,375)	-	(23,885)	(59,997)	(196,257)
At 31 March 2016	877,779	154,008	146,602	193,043	1,371,432
Accumulated Depreciation					
At 1 April 2015	730,622	148,898	106,147	146,192	1,131,859
Charge for the year	26,972	3,400	9,739	16,168	56,279
Disposals	-	-	-	-	-
Administration adjustment	(7,366)	-	(1,648)	(8,034)	(17,048)
At 31 March 2016	750,228	152,298	114,238	154,326	1,171,090
Net book value					
At 31 March 2016	127,551	1,710	32,364	38,717	200,342
At 31 March 2015	91,685	5,110	7,983	58,224	163,002

15 Tangible fixed assets (continued)

All tangible fixed assets are used for or to support charitable purposes.

Charity	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2015	783,829	71,694	111,541	149,432	1,116,496
Additions	54,392	-	32,176	40,927	127,495
Disposals	-	-	-	-	-
At 31 March 2016	838,221	71,694	143,717	190,359	1,243,991

Charity	Improvements to leasehold property	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Total
Accumulated Depreciation					
At 1 April 2015	700,220	69,544	103,559	142,071	1,015,394
Charge for the year	15,933	625	8,054	9,569	34,181
Disposals	-	-	-	-	-
At 31 March 2016	716,153	70,169	111,613	151,640	1,049,575
Net book value					
At 31 March 2016	122,068	1,525	32,104	38,719	194,416
At 31 March 2015	83,609	2,150	7,982	7,361	101,102

16 Stock

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Finished goods	136,244	172,725	136,244	172,725

17 Debtors

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	608,568	1,203,013	451,285	1,091,616
Prepayments	135,726	413,942	87,991	99,265
Amounts due from subsidiary undertakings	-	-	48,846	468,781
Other debtors	8,706	16,225	8,600	9,956
	753,000	1,633,180	596,722	1,669,618

18 Creditors

Amounts falling due within one year

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	498,632	865,379	477,474	835,028
Corporation tax	-	6,066	-	-
Other taxation and social security	126,432	125,919	94,399	112,188
Other creditors	66,576	190,379	37,200	44,998
Accruals and deferred income	206,088	169,347	95,148	107,792
	897,728	1,357,090	704,221	1,100,106

19 Creditors

Amounts falling due after one year

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Loan from Calico Housing Association	-	35,000	-	-
Loan from Trident Housing Association	-	35,000	-	-
Loan from Walsall Housing Association	-	35,000	-	-
Loan from Esmee Fairbairn	-	35,000	-	-
Loan from Oldham Borough Council	-	-	-	-
	-	140,000	-	-

20 Deferred Income

Deferred income comprises income received in advance of delivery of service or provision of training.

	Group	Charity
	£	£
Balance at 1 April 2015	-	-
Amount released to incoming resources	(365,246)	-
Amounts deferred in the year	453,615	2,400
Balance at 31 March 2016	88,369	2,400



21 Restricted Funds

Those funds with balances at 31 March 2016 or 31 March 2015 represent funds received and used for the following purposes.

(i) Funding for Retail training position

(ii) Partial funding for solar panels at property occupied by the charity

(iii) Funding for the development of IT systems in 'Our House'

Those funds which were received and defrayed in the year were received for the following purposes.

(iv) Funding for staff development and training

(v) Funding towards an apprenticeship position

(vi) Funding for the Furnishing Homes, Furnishing Lives campaign

(vii) Funding for a financial inclusion project

		Balance at 1 April 2015	Movement in resources		Balance at 31 March 2016
			Incoming	Outgoing	
		£	£	£	£
Riverside Housing Association	(i)	254	-	254	-
CSEP	(ii)	14,482	-	2,446	12,036
LCBP	(ii)	28,663	-	4,870	23,793
Foundation	(ii)	11,533	-	1,944	9,589
ERDF	(iii)	-	17,500	-	17,500
Administration adjustment		-	(17,500)	-	(17,500)
Winning Pitch	(iv)	-	7,500	7,500	-
Chamber of Commerce	(v)	-	1,500	1,500	-
Liverpool Mutual Homes	(vi)	-	5,000	5,000	-
Orbit Housing	(vii)	-	45,800	45,800	-
		54,932	59,800	69,314	45,418

22 Analysis of net assets between funds

The amount of £62,918 included under Restricted Funds represents the net book value of the building improvement work carried out and the vehicle, solar panels, furniture and computer equipment and software purchased which was funded by grants.

Group	Fixed assets £	Net current assets £	Total £
Restricted funds	62,918	-	62,918
Unrestricted funds	137,424	1,320,891	1,458,315
Net assets	200,342	1,320,891	1,521,233



22 Analysis of net assets between funds (continued)

The amount of £45,418 included under Restricted Funds is made up as follows:

- £45,416 for the net book value of the building improvement work carried out and the vehicle, solar panels, furniture and computer equipment and software purchased which was funded by grants.
- £2 investment in subsidiary undertakings.

Charity	Fixed assets £	Net current assets £	Total £
Restricted funds	45,418	-	45,418
Unrestricted funds	149,000	1,301,015	1,450,015
Net assets	194,418	1,290,110	1,495,433

%

7052

4

50

%

8

23 Commitments

Operating leases commitments

At 31 March 2016, the annual commitments under non-cancellable operating leases are as follows:

	Land & buildings £	Other £	2016 Total £	Restated 2015 Total £
Charity				
Expiry within:				
Under one year	143,253	35,295	178,548	156,306
Two to five years	541,964	23,940	565,904	555,176
Over five years	336,236	-	336,236	409,085
	1,021,453	59,235	1,080,688	1,120,567
Group				
Expiry within:				
Under one year	165,540	35,295	200,835	211,369
Two to five years	631,111	23,940	655,051	644,322
Over five years	352,951	-	352,951	448,087
	1,149,602	59,235	1,208,837	1,303,778

23 Commitments (continued)

Operating leases commitments

At 31 March 2016, the rentals payable to the Charity and Group under non-cancellable operating leases are as follows:

	Land & buildings £	Other £	2016 Total £	Restated 2015 Total £
Charity				
Expiry within:				
Under one year	9,000	-	9,000	9,000
	9,000	-	9,000	9,000

	Land & buildings £	Other £	2016 Total £	Restated 2015 Total £
Group				
Expiry within:				
Under one year	9,000	-	9,000	9,000
	9,000	-	9,000	9,000

23 Commitments (continued)

Pension commitments

The company operates a defined contribution pension scheme which all employees are eligible to join. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are paid based upon the recommendations of a qualified actuary. The annual contributions under this scheme were as follows:

	2016		2015	
	Group £	Charity £	Group £	Charity £
Pension contributions	43,331	40,592	42,493	40,791

24 Related Parties

Group Undertakings

Bulky Bob's Limited

In the year ended 31 March 2016, the following transactions took place between Furniture Resource Centre Limited and its wholly owned subsidiary company, Bulky Bob's Limited:

- Recharge of staff costs, premises and management costs from Furniture Resource Centre Limited to Bulky Bob's Limited amounting to £618,272 (2015: £791,067).
- Recharge of premises and general costs from Bulky Bob's Limited to Furniture Resource Centre Limited amounting to £16,318 (2015: £16,283).
- Bulky Bob's Limited made a gift aid donation of £10,905 (2015: £110,000) to Furniture Resources Limited during the year.

The amount owed by Bulky Bob's Limited to Furniture Resource Centre Limited at 31 March 2016 was £43,846 (2015: £390,342).

Homemaker Solutions Limited

In the year ended 31 March 2016, the following transactions took place between Furniture Resource Centre Limited and Homemaker Solutions Limited, a charity for which Furniture Resource Centre Limited is the sole member:

- Recharge of staff costs, premises and management costs from Furniture Resource Centre Limited to Homemaker Solutions Limited amounting to £94,481 (2015: £139,396).
- Furniture Resource Centre Limited also advance a loan of £100,000 (2015: £nil) to Homemaker Solutions Limited during the year.
- Recharge of premises and general costs from Homemaker Solutions Limited to Furniture Resource Centre Limited amounting to £2,738 (2015: £40,600).

Homemaker Solutions Limited ceased trading on 2 November 2015 and the Trustees placed the company into Administration on that date. The amount owed by Homemaker Solutions Limited to Furniture Resource Centre Limited at 31 March 2016 was £nil (2015: £78,440). During the year, amounts owed by Homemaker Solutions Limited to Furniture Resource Centre Limited of £122,798 (2015: £nil) were written off.

FRC Developments Limited

In the year ended 31 March 2016, Furniture Resource Centre Limited advanced a loan of £5,000 (2015: £nil) to FRC Developments Limited, a charity for which Furniture Resource Centre Limited is the sole member.

The amount owed by FRC Developments to Furniture Resource Centre Limited at 31 March 2016 was £5,000 (2015: £nil).

25 Capital Commitments

At 31 March 2016, there were no capital commitments (2015: £10,000).

26 Reconciliation of net incoming resources to net cash flow from operating activities

	Group	
	2016 £	2015 £
Net incoming resources for the year	131,556	637,847
Depreciation	56,279	31,687
Financial income	(2,977)	(78)
Decrease / (increase) in stock	(50,332)	(47,048)
Decrease / (increase) in debtors	874,726	(515,473)
(Decrease) / increase in creditors	226,512	368,263
Surplus on Administration of Homemaker	(532,150)	-
Cash generated from operations	703,614	475,198

27 Comparative information

	Unrestricted Funds	Restricted Funds	Total Funds 31 March 2015
	£	£	£
Incoming and endowments from:			
Donations and legacies	1,000	98,786	99,786
Charitable activities	5,907,535	48,155	5,955,690
Other trading activities	985,462	-	985,462
Investments	78	-	78
Other Income	43,191	-	43,191
Total incoming resources	6,937,266	146,941	7,084,207
Expenditure on:			
Raising funds	678,507	-	678,507
Charitable activities	5,625,765	158,516	5,784,281
Total resources expended	6,304,272	158,516	6,462,788
Net resources before transfers	632,994	(11,575)	621,419
Taxation – UK corporation tax	16,428	-	16,428
Net incoming / (outgoing) resources	649,422	(11,575)	637,847
Balances brought forward at 1 April	685,323	66,507	751,830
Balances carried forward at 31 March	1,334,745	54,932	1,389,677

Furniture Resource Centre Ltd
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Registered Charity Number: 700731

