



# FRC Group Integrated Report: Social and Financial Value 2016-17

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# Welcome



*Shaun Doran, CEO*

Welcome to our 2016/17 Annual Report. This is our fourth integrated report and as you will see we continue to develop and improve the way we combine the reporting of our financial performance and the social value we have created.

In the light of further reductions in government support for low income families and an increase in poverty and hardship throughout the UK, 2016/17 was a significant year for FRC Group.

It was a year in which we redoubled our efforts to help people living in furniture poverty, but also a year in which our work to better understand where and how we should focus our finite resources was of vital importance.

The recent adoption of 'End Furniture Poverty' as our overarching mission has led our decision making process and greatly influenced the way we work and the areas we are working in.

2016/17 was a year in which we both developed plans for the future and delivered a strong social value performance and a solid and sustainable financial performance in a period of intense and often challenging pressures. Our heartfelt thanks goes to everybody who contributed to a successful 2016/17 and to the people who played a part in producing this integrated report.

# Acknowledgements

Our sincere 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, Emma Ellerton, James Frost, Mick Hart, Carolyn Hogg, Jacqui Millington, Luke Rice, Adam Richards, Shirley Spofforth, Laura Smith, Peter Stewart, Joan Stockton, Tony Rowan and Collette Williams.

BDO LLP who assured the report. BDO's statements can be found on pages 68 to 69 and 73 to 74.

Nonconform who designed the report.

Deana Kay, who took the photographs.

The report was written by Collette Williams, Verity Timmins, Laura Smith and Tony Rowan.



As of 31 March 2017

**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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# 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.

In the day to day running of the organisation, we use these words to describe what we do:

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 Values are:**

Bravery, Creativity, Passion and Professionalism.

## **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.

**To deliver on these objectives,  
FRC Group comprises of:**

**End Furniture Poverty** 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 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 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.

# 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 provides the opportunity to amend our ways of working and develop new approaches to continually improve 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 both quantitative and qualitative.

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

# 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 5.

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.



# 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 30 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. His entire career has been devoted to the field of sustainable change. He first served as an Environmental Planner and then held positions with two sustainability consultancies. He was then Executive Director of the UK National Centre for Business & Sustainability and later became Chief Executive of Sustainability Northwest. Erik subsequently became Professor of Regeneration and Sustainable Development at the University of Salford where he turned his focus to developing and implementing Sustainable Return on Investment and has now set up the pioneering consultancy RealWorth which advises on the value of social and environmental change in the built environment.

Erik is a regular contributor to printed media, radio and television and has published academic papers, book chapters and two books including 'Positively Responsible' and 'The Coming of Age of the Green Community'. Erik has been a sustainability advisor to Co-operatives UK and Liverpool City Council and is currently a member of the Royal Town Planning Institute, a Visiting Professor at the University of Derby, and a Visiting Fellow of the University of Liverpool's Heseltine Institute.



**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 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** has served on the board since 2008. Having gained his D.Phil in Chemistry at Oxford University, John joined Unilever R&D in the UK where he worked across all Home and Personal Care categories and on innovations for global brands including Dove, Skip and Axe. Following a brief spell heading a leading materials technology consulting business, John joined Deb Group as Global R&D Director in 2010 and has since lead delivery to market of award winning innovations in Healthcare and Industrial & Institutional skincare.



**Jeremy Nicholls** has served on the board since 2009. He is the Chief Executive of Social Value International and Social Value UK. These are membership networks for those interested in measuring, managing and accounting for their social value, united by a common vision of changing the way the world accounts for value.

He is also a member of the IRIS advisory committee, a contributor to the Social Stock Exchange admissions panel, on the ICAEW Assurance Panel, and a member of the Social Impact Measurement Sub-group of GECES for the EU.

Jeremy is a regular speaker and writer on social value including 'There is no business like Social Business' with Liam Black, a number of SROI guides including the 'Guide to SROI' and a column for Pioneers Post.



**Lesley Dixon** has served on the FRC Group board since 2013. 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

FRC Group's Board sets the strategic direction for the organisation. 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 agreed. 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, Measuring 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 19 years and this is our fourth 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 is 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 2016/17 we have produced 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 value 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 has been developed for internal decision making in the first instance and there will be ongoing testing to prepare 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 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 to be 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 additional narrative about how strategic decisions are made.

# FRC Group Materiality 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.





## Approved by Measuring Social Value Committee:

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

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?

Our approach to engaging with stakeholder groups is to consider how many of the population we have the resources to engage with. This differs according to the ease of contacting the group members and the method of engagement. For many groups (staff, FRC's housing sector customers, trainees on programme and after they have left etc.) we contact the entire population group. For other groups such as Bulky Bob's Furniture World customer we contact a smaller number of stakeholders. This is determined by an assessment of what is reasonable to achieve given the time required to engage with the group or the difficulty of engaging with them.

When we engage with different stakeholder groups, our expectations about the number of individuals we would attempt to engage with and the minimum level of response varies. With stakeholders who are internal to the organisation (staff, trainees on programme) the minimum level of response required is 75% of those engaged with. For external parties such as customers, suppliers etc. the minimum threshold is 50%.

For each group we set a target for the number to engage with and the minimum threshold for engagement within that group. If this is not reached we will still use the data collected but in using it we will consider the risks involved with using information from a smaller than desired group.

The table below summarises the stakeholder groups, their approximate size, the number we engage with and our threshold for participation.

Stakeholder Group	Population size	# aim to engage with	Minimum participation level accepted (75% for groups of internal stakeholders, 50% for external stakeholders)
<b>Trainees</b> – previously long-term unemployed people	20	All (20)	15 (75%)
<b>Ex-trainees</b> – people who have been on the training programmes in the past	25	All (25)	19(75%)
<b>Bulky Bob's Furniture World</b> customers receiving discounts – people in receipt of benefits, pensioners, students, people referred from other support agencies	3,000	150*	75 (50%)
<b>People in crisis receiving essential furniture items</b>	700	20	10 (50%)
<b>Staff from support agencies referring people for crisis support</b>	70	All (70)	35 (50%)
<b>People living locally to where FRC Group operates</b> – general public affected by local environmental impact from our vehicles and building and our operations and from our reuse and recycling activities	Unknown	None	None
<b>The global community and future generations</b> – we are all affected by the global environmental impacts of our business	Unknown	None	None
<b>Staff</b> – permanent employees of FRC Group	90	All (90)	68 (75%)
<b>Furniture Resource Centre customers</b> – the social housing providers who buy furniture and related items from us.	100	All (100)	50 (50%)
<b>Tenants</b> who receive and use the furniture supplied by Furniture Resource Centre.	Unknown	None	None
<b>Bulky Bob's customers</b> – the local authorities that contract with us to provide collection, reuse and recycling services for furniture and white goods.	3	All (3)	2 (50%)
<b>Householders</b> who receive the collection service from Bulky Bob's.	50,000	150	75 (50%)
<b>Bulky Bob's Furniture World Liverpool customers</b> – all the people who shop in Bulky Bob's Furniture World.	3,500	100*	50 (50%)
<b>Our suppliers</b> – the companies who supply us with goods and services.	100	All (100)	50 (50%)
<b>Furniture reuse charities</b> and similar organisations we work with to supply reusable items.	Unknown	None	None



\* Engagement with BBFW customers and those who receive benefits comes from the same piece of stakeholder engagement – a survey done in store with customers.



# Methodology

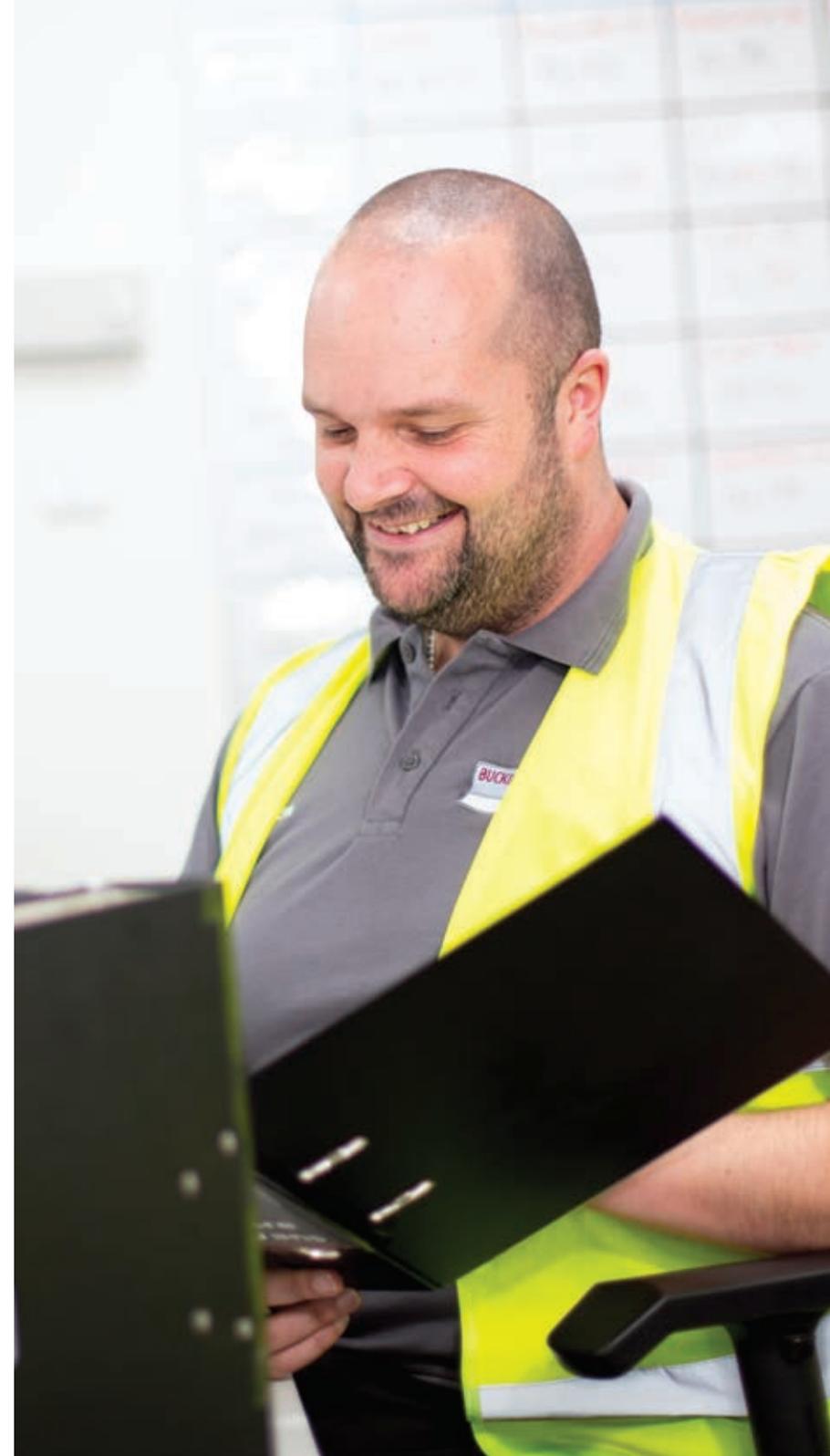
This report covers the period April 1st 2016 to March 31st, 2017 and brings together the data gathered during this time to understand the financial and social impacts created.

All parts of the organisation provide qualitative and quantitative information and a great deal of work is performed 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 is on pages 65-66.

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. The Board has a formal sub-committee on measuring 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 have our report independently audited 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](http://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 agreed for the year, the following symbols are used:**



Met or exceeded target



Made some progress but needs to improve further. For numerical targets, this symbol indicates achievement of at least 90% of the performance target



Missed the mark and will plan to improve performance



Data assured

**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. We aim to be great for people, a great place to work, a great place to do business with and great for the planet.

### 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 those in 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:

- 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:

- 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:

- 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 15 to 18 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 65 to 66.

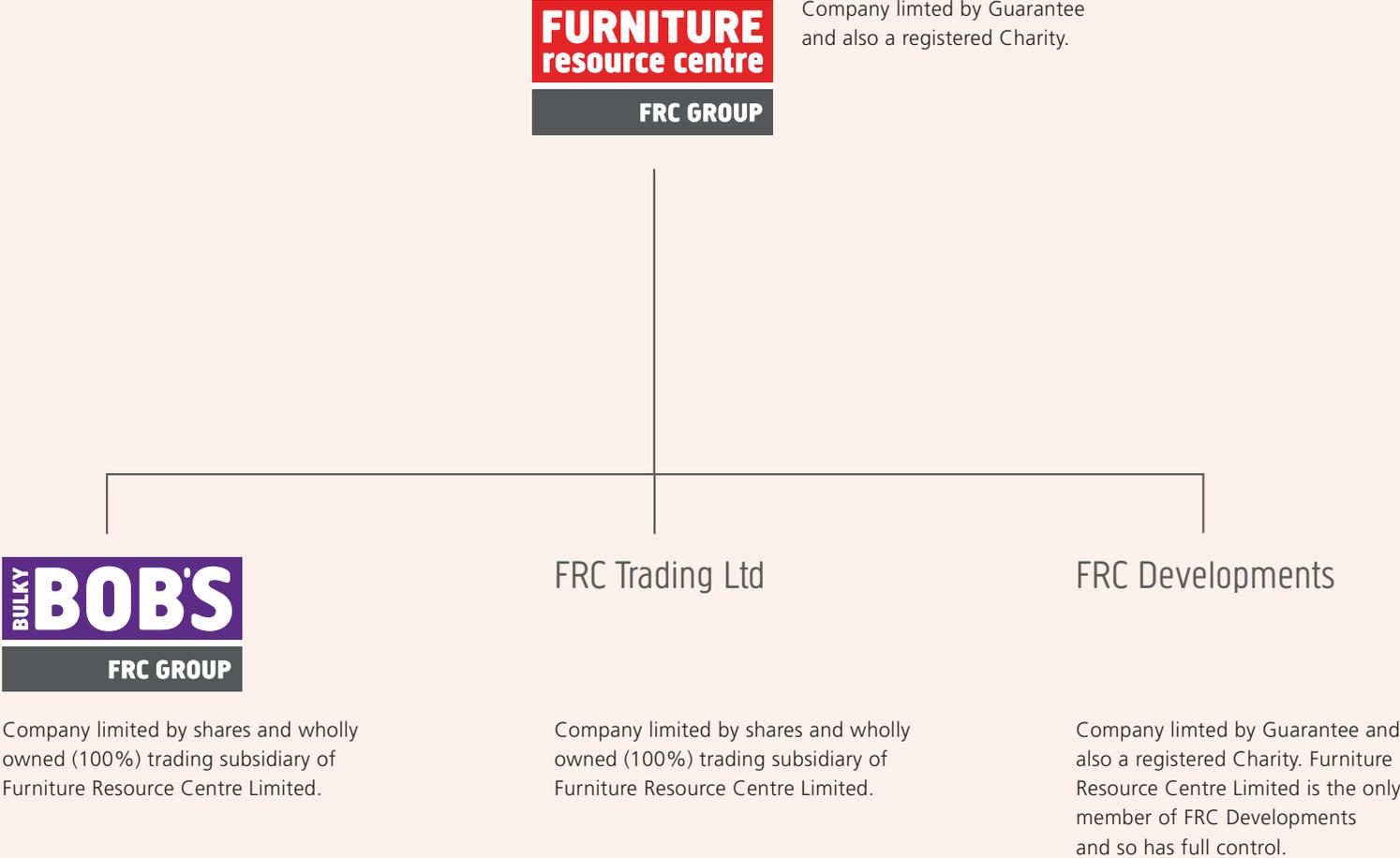


# Strategic Report



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# FRC Group Structure



# Overview of 2016 – 2017

FRC Group ends 2016/17 having made great headway in delivering the commercial growth and social value improvement strategy developed in the previous year.

The environment in which we operate has become even tougher. The austerity measures trumpeted for a number of years are now happening and having serious negative impacts on both ourselves and more worryingly the low income people who we work to help. There are further, dramatic, revisions to welfare support – most dramatically the introduction of a cap on local housing allowance which is impacting heavily upon the business models of our social housing customers and the lives of their tenants.

Equally, the fallout from the Brexit referendum has had a profound effect on the cost of most of the goods that we purchase and distribute. The pound has weakened substantially against the currencies in which our suppliers purchase finished goods and raw materials.

However, for some years FRC Group has worked on the assumption that there will be an increasing demand for the services that we provide – directly and indirectly – at exactly the same time when the provision of these services becomes more challenging.

Our response has been to plan the growth in customers of our existing businesses, extending the coverage of our existing business and investing in the creation of new social businesses.

During 2016 we significantly grew our customer base in Furniture Resource Centre and achieved £900k of sales to new customers. However, due to the reduction of the budgets of many of our existing customers, this new business simply replaced the shortfall in business from our long term partners. Nevertheless, without a clear and purposeful focus on enrolling new customers, FRC would be in a loss making position rather than creating a surplus.

Additionally, FRC grew by expanding into new geographies that simply cannot be served from our well established Liverpool base. This year we successfully established two new storage and distribution sites in London and the North East. The London depot opened in November and services the contracts we won with Notting Hill Housing and The Hyde Group. The Wallsend site services the contracts we have won with North Tyneside Council and the North East Procurement Organisation. Each site has its own warehouse and delivery team and a

new role was created to manage these satellite sites. These sites dramatically improve the 'reach' of FRC and allow the acquisition – and the successful servicing – of new customers in new areas.

Furniture Resource Centre made 7,853 deliveries to people's homes – a significant increase of 6.8% on the 7,351 deliveries made in 2015/16.

Similarly, Bulky Bob's has worked hard to capitalise on its skills and experience and replace lost revenue from reduced expenditure by local authority customers with work from other areas.

This year Bulky Bob's completed 58,926 collection requests on behalf of councils and reused 2,136 tonnes of furniture, appliances and other bulky waste - consistent with performance in 2014/15 and 2015/16.

In addition, Bulky Bob's began to undertake work for customers other than councils and in 2016/17 successfully completed one of its largest commercial collections to date. Bulky Bob's removed 43 tonnes of redundant furniture, furnishing and fittings from Alder Hey Children's Hospital prior to the demolition of the buildings. Bulky Bob's diverted 83%

of the waste from landfill, by giving it away, or selling it at low cost, to customers in Bulky Bob's Furniture World or by recycling it.

Bulky Bob's also began recycling mattresses for Veolia Waste Management. 12,330 mattresses were deconstructed and 431 tonnes of mattress waste was diverted from landfill. The mattress recycling operation also created 2 full time positions in our Liverpool warehouse operation

In Oldham, in addition to successfully delivering the long term bulky household waste management contract, we diversified our offer and income stream by winning a contract to deliver, exchange and remove refuse bins on behalf of the council. This follows from the move to a three weekly refuse collection service in Oldham.

Throughout the year, the management team at Bulky Bob's worked on a plan to broaden the range of activities and focussed upon the large and lucrative office and commercial waste sector. Collecting office and commercial waste – confidential documents for shredding, paper, cardboard, plastic and polystyrene – is an opportunity to create jobs and training positions whilst generating an income and scale benefits that offset reducing local

authority incomes. Bulky Bob's Office and Commercial Waste will be launched in 2017/18.

The tectonic changes that have occurred in the world of poverty and welfare support have led to FRC Group examining almost all of our activities through the lenses of Ending Furniture Poverty and our secondary mission of 'training people out of poverty'. One key realisation is that people in poverty are as likely to be in a working family as they are to be in a workless family. This stark fact led to a re-examination of the focus of our training programmes which have traditionally used long term unemployment as a proxy for poverty.

The work to define and understand furniture poverty and poverty in general has led to significant changes being introduced in 2016/17, planned for 2017/18 or being subjected to real due diligence prior to a decision being made.

We realise that in a world of finite resources – be it labour capacity, inflow of redundant furniture, or finance – we need to ensure that we are doing not just the right thing but the best thing. An increased focus on measuring where, how, and to what extent we create social value has been of paramount importance

and has led to the questioning of a number of held beliefs and long term practices in FRC Group.

With this in mind we made the tough decision to close the long term work experience programme, Launch Pad. Whilst Launch Pad created social value and was a positive experience for people who engaged with the programme, the returns from this very resource heavy programme were significantly less than those that are already achieved and can be achieved through the Driving Change scheme.

We therefore decided to redirect our finite resources away from Launch Pad and toward Driving Change.

However, although we said goodbye to Launch Pad, we will not be saying farewell to volunteering in FRC Group and will launch a new, more 'traditional', volunteering programme in 2017/18.

We will also launch our new and improved Driving Change Programme in 2017/18. The new programme recruits both long term unemployed people and those in vulnerable employment such as zero hours contracts. Through an intense focus on behaviours

and skills, and an individually tailored approach, people will acquire experience that will allow them to enter better paid, more secure, supervisory roles.

There is much more information on how our Driving Change and Launch Pad programmes have made a difference to people's lives this year between pages 52 and 62.

This year, End Furniture Poverty has gone from strength to strength. Following the recruitment of the End Furniture Poverty Campaigns Officer in August, progress has been made on our theoretical understanding of Furniture Poverty, raising the profile of the brand and campaign, and using the intelligence from the campaign to re-examine our internal activities. In the chapter "Ending Furniture Poverty" on pages 39-43 you will find more details about our campaigning work including our End Furniture Poverty Supporters scheme, ongoing research strands and external campaigning.

In 2016/17, our Director of People and Culture attended a training experience to learn from highly respected 'great place to work,' 'Zappos.' From this, an FRC Group Culture Strategy has been formulated with a view to making FRC Group a greater place to work, a greater place to learn and develop and to enhance our service to our customers.

This Culture Strategy outlines the actions we need to take to improve our culture and we have implemented some of these actions over the last 6 months. Small scale changes have been introduced which include a more robust recruitment process, a 'culture camp' style induction, opportunities for staff to get together and build relationships, Lunch and Learn sessions and we have reintroduced our Appraisal System. We reviewed our staff reward system and introduced the 'Board Award for Excellence' which is awarded to staff who show excellence in our four values of Bravery, Creativity, Passion and Professionalism and we introduced a staff volunteering scheme called 'Presence Presents' to give staff the opportunity to volunteer for a cause that they are passionate about, without losing pay.

We are going through, and engineering, a period of intense change and in such situations it is vitally important that all stakeholders are aware of plans, changes and developments. Over the next year, we will be working hard on our Communications Plan to ensure that our staff feel that they have enough information to enable them to do a great job and feel fully informed on current developments. We will also be launching

develUP, our training and development programme which supports our people to gain the right skills and behaviours at different levels – and also make it easier for staff to see what they need to do to progress to the next level, either within, or out of FRC Group.

A fantastic achievement this year was FRC Group becoming the first ever Social Enterprise to be entered into the NatWest SE100 Awards Hall of Fame. The awards celebrate the best achievements of social enterprises and this new award was created to recognise social enterprises that have consistently performed at the highest level.

FRC Group won the award due to leading from the front on all aspects of measuring and demonstrating its impact, and using social impact measurement to become a better organisation. FRC Group had been a finalist in the Impact Champion category of the NatWest SE100 Awards ever since the awards began and was the winner in the first year of the awards and also won the Resilience Award in 2015.

# FRC Group Performance 2016-17



	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) 
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	0.9	99.1	131	73	260 
2016/17	5,937	0.9	99.1	117	78	251 



# Plans for future periods

We will continue to improve our customer service in our furniture businesses. Our aim is to remain the leading supplier 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 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.

Due to the charitable nature of the work carried out by Bulky Bob's Limited, a new charity called Bulky Bob's 2015 was set up with Furniture Resource Centre as its sole member. The trade, assets and liabilities of Bulky Bob's Limited were transferred to Bulky Bob's 2015 with effect from 1 April 2017. Bulky Bob's Limited ceased trading at that date.

# 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.

The key risks identified along with mitigating actions are as follows:-

<b>RISK</b>	<b>MITIGATING ACTIONS</b>
Potential reduction in overall marketplace for provision of furniture to Public Sector customers in line with current pattern of public spending reductions.	Alternative methods of financing furniture have been identified, including leasing and renting. FRC Group's End Furniture Poverty campaign aims to grow the market for furnished tenancies by working closely with social landlords.
Retention of key contracts.	Focus on world class customer service and value for money for customers.
Stability of supply chain.	Dual sourcing now takes place for key products.

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.

# Trends & Factors

The recent economic downturn has resulted in more people finding themselves in furniture poverty, which is the inability to afford or access basic furniture that provide a household with a decent quality of life. In order to address this issue, FRC Group's 'End Furniture Poverty' campaign was launched in June 2015, which aims to research furniture poverty, increase the understanding of this hidden but widespread issue and encourage organisations to take up practical solutions to furniture poverty. The end goal of the End Furniture Poverty campaign is to ensure that everyone in society is able to afford or access the furniture they need to have a decent quality of life.

The recent economic downturn has also resulted in more people in relatively low paid jobs compared to previous years. This trend towards relatively low paid jobs has been a factor in the development of FRC Group's Driving Change programme, which provides salaried employment and training to long-term unemployed people. The changes made will result in people on relatively low paid jobs also being able to access the Driving Change programme in future in order to help them move to more secure, higher paid jobs and so provide a better opportunity to help move relatively disadvantaged people out of poverty.

# 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 management of our environmental impact is also supported by the generation of electricity via photovoltaic panels in situ at our head office site saving 7.5 tonnes of carbon during 2016/17.

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. As an operator of a waste management company 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 have scheduled to commence in the latter half of 2017/18.

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 (Department for Food & Rural Affairs) publish standard carbon conversion factors in the Environmental Reporting Guidelines,

updated in November 2016, and we use these to calculate our environmental impacts. In 2016/17 FRC Group had a carbon footprint of 251 tonnes of CO<sup>2</sup> emissions.

This is a decrease of 9 tonnes compared to the previous years' figure of 260 and is made up of two main elements; a reduction in the energy consumption at our sites and an increase in the CO<sub>2</sub> produced from vehicle fuel.

The closure of the Our House stores in late 2015 means there was no contribution from these sites during 2016/17 and whilst two new Furniture Resource Centre satellite sites opened during the period the size and timing of these sites have not had any significant impact. The overall net reduction in contribution to our carbon footprint across our sites was 22 tonnes.

An increase of 12 tonnes from vehicle fuel comes due an increase in fuel usage across the group. This due to an increased mileage travelled in some areas of the business as operations have grown. A change in the make-up of the fleet in another area of the business and a higher number of shorter, less efficient journeys required to meet the scheduling requirements have also played a part.

# Being a Great Place to Work – Our People



Equality 		Number 	Permanent Staff 	Senior Management Team 	Board of Trustees 
			57	8	7
<b>Ethnicity</b>	White British	%	93%	100%	86%
	White Irish		3.5%	0%	0%
	Other		3.5%	0%	14%
<b>Gender</b>	Male		59.6%	37.5%	83%
	Female		40.4%	62.5%	17%
<b>Disabled</b>	Yes		5.3%	0%	0%
	No		94.7%	100%	100%



# Recruitment and Staff Turnover

In the year, we had 23 (including 9 fixed term contract) new starters at FRC Group, and 12 people left.

Of these, 4 left due to capability issues, 3 came to the end of a fixed term contract, 5 people left for new jobs elsewhere.

Of the 12 leavers 7 had leaver's reviews. In these reviews, feedback was given about how FRC Group has a team of great people who are good to work with but that more should be done to support staff. We are addressing this through our Culture Plan in 2017/18

# Family Friendly

FRC Group has a 'Family Friendly Policy' which includes information on how to request flexible working.

The flexible working policy gives eligible employees an opportunity to request a change to their working pattern. In the year we introduced a guide to act as an accompanying document to help employees make flexible working requests.

# 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 this external salary information.

# Training and Development

FRC Group is committed to training and development for staff. In the year FRC Group has been compiling a career progression menu for all staff, trainees and volunteers in the organisation. This menu clearly articulates the skills and behaviours required for the successful delivery of the role that staff currently undertake and maps out what skills and experience they need to acquire to be considered for their next role.

The skills menu is directly linked to experience, learning and formal training whilst the behaviours menu is determined to a great part by FRC Group's core values. This progression menu quite clearly answers the question of 'what's the next step for me?' and also 'what are the skills, behaviours and experiences that I need to acquire?' This was launched in May 2017.

During the year, 34 members of staff undertook training in 106 courses in a range of areas including culture camp, first aid, electrical appliance fitting, banksman training and drivers CPC. In total there were 27 different training courses completed.

In March 2017, we surveyed staff and volunteers about working at FRC Group. 62 staff members in total responded to the survey, (39 in 2015/16) which uses a set of 15 consistent questions allowing us to monitor the responses over time. Below are the results from 2016/17 compared with the results in 2015/16.

In 7 areas, scores improved. In 6 areas the responses were less positive than in the 2015/16 survey. Of these, the largest reductions in satisfaction were in answer to the questions:

The Company does a good job of keeping employees informed about matters affecting us?

This last year, have I had opportunities at work to learn and grow?

At work, do my opinions seem to count?



These will be areas of focus in 2017/18 which will be addressed through our Culture Plan which included a new training and development programme, develUP and through a new Communications Plan which will be launched in 2017.



Number 	Question 	2015/16 	2016/17 	Direction of Travel
1	Do I have the materials and equipment I need to do my work right?	79%	81%	
2	My job makes good use of my skills and abilities.	79%	82%	
3	I receive recognition or praise for doing good work.	74%	80%	
4	Does my supervisor, or someone at work, seem to care about me as a person?	95%	88%	
5	Is there someone at work who encourages my development?	79%	78%	
6	At work, do my opinions seem to count?	79%	69%	
7	Are my co-workers committed to doing quality work?	84%	79%	
8	In the last six months, has someone at work talked to me about my progress?	63%	79%	
9	This last year, have I had opportunities at work to learn and grow?	73%	59%	
10	Do I know what is expected of me?	100%	100%	
11	Does the mission/purpose of my company make me feel my job is important?	69%	75%	
12	Do I have friend/s at work?	82%	89%	
13	I feel encouraged to come up with new and better ways of doing things.	77%	77%	
14	The company does a good job of keeping employees informed about matters affecting us.	63%	48%	

To give an overall sense of satisfaction, 58 staff answered the question:



17% of respondents (10 people) were 'Not Satisfied'. (11% 2015/16)

25% were 'Very Satisfied' (14% 2015/16) and the remaining

58% were 'Satisfied'. (76% 2015/16)

Overall, 83% of people surveyed this year were Satisfied or Very Satisfied in their jobs, which is down 7% from last year.

The percentage of people very satisfied in their job went up by 11%.

FRC Group is also committed to supporting our volunteers, and although in recent years the numbers of volunteers have reduced as we have changed our activities, we still really value the contribution of the volunteers.

Some volunteers have been with us for many years, and are very much part of the FRC Group family. The business is not volunteer dependant and as valued members of the team, the opinions of volunteers are also sought in the annual survey. 7 volunteers responded, and although this is a very small number of people for meaningful results and we don't have data from previous years to compare to, the results for 2016/17 are presented. The lowest scores for our volunteers was for the questions;

The Company does a good job of keeping employees informed about matters affecting us?

I feel encouraged to come up with new and better ways of doing things?

These will be areas of focus in 2017/18

Number 	Question 	2015/16 
1	Do I have the materials and equipment I need to do my work right?	100%
2	My job makes good use of my skills and abilities	100%
3	I receive recognition or praise for doing good work	100%
4	Does my supervisor, or someone at work, seem to care about me as a person?	83%
5	Is there someone at work who encourages my development?	86%
6	At work, do my opinions seem to count?	100%
7	Are my co-workers committed to doing quality work?	83%
8	In the last six months, has someone at work talked to me about my progress?	86%
9	This last year, have I had opportunities at work to learn and grow?	100%
10	Do I know what is expected of me?	100%
11	Does the mission/purpose of my company make me feel my job is important?	100%
12	Do I have friend/s at work?	86%
13	I feel encouraged to come up with new and better ways of doing things.	71%
14	The company does a good job of keeping employees informed about matters affecting us.	67%

We also asked about volunteers' overall sense of satisfaction, all 7 volunteers answered the question

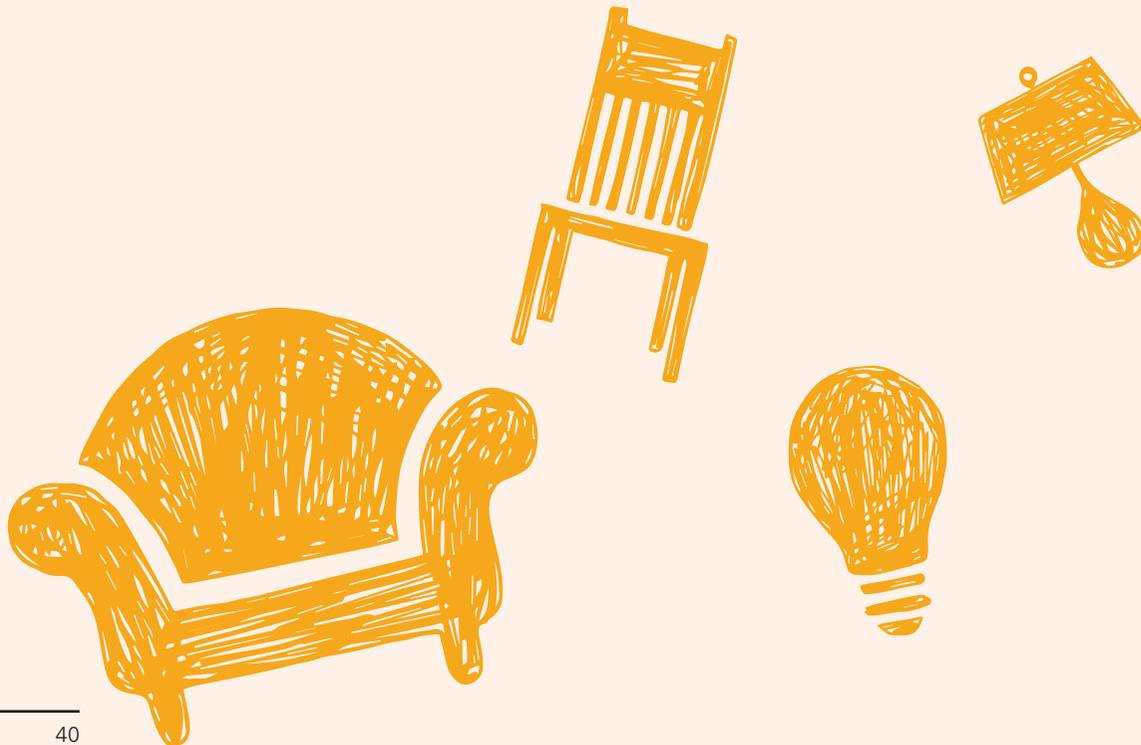
**“Considering everything, how satisfied are you in your job?”**

Pleasingly no respondents were 'Not Satisfied'. 43% were 'Very Satisfied' and the remaining 57% were 'Satisfied'.





Furniture Resource Centre was created 29 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.



# Ending Furniture Poverty

## What is Furniture Poverty?

We define furniture poverty as the inability to afford or access basic furniture and furnishings, including domestic appliances, that provide a household with a decent quality of life and the ability to participate in the norms of society. It is when someone does not have the furniture they need to lead a secure life.

End Furniture Poverty has developed this definition of furniture poverty and held a consultation to gather responses to our terminology and to assist in defining what the ‘essential furniture’ items are that a household needs to have in order to be in furniture security.

This definition of furniture poverty is about more than just physical needs. It is a relative definition which considers how inequalities affect people’s mental health, confidence, participation in society and general wellbeing. Furthermore, furniture poverty is a continuum, as described in the following diagram:

# End Furniture Poverty is the campaigning arm of FRC



**Furniture Security:** A household has the items they need for now. If something essential breaks or needs replacing, they do not have the means to do so. These households are often moving from one crisis situation to another.

**Furniture Poverty:** A household doesn't have all of the essential items they need or are using expensive credit to afford them and are potentially going without other essentials such as food and heating to pay for furniture.

**Furniture Destitution:** Where a household has none or very few of the basic items needed.

After launching in 2015, End Furniture Poverty began to hit its stride this year. We created a full time post of Campaigns Officer to work solely on the research and campaigns agenda and as a result of this injection of resource in August, we have had a very productive year.

We developed a definition of Furniture Poverty and consulted widely on a proposed list of 'essential furniture' items that we will champion as the solution to furniture poverty.

Research and knowledge are the lifeblood of the campaign. In addition to defining essential furniture and running a consultation on our work, we have started to prepare a research paper exploring questions such as the impact of furniture poverty and the extent of furniture poverty across the country.

We developed a way for organisations to show their commitment to the issue of furniture poverty, by launching "End Furniture Poverty Supporters" and were proud to have Liverpool City Council, Coast & Country Housing, Paragon Housing and All Small Things as our first Supporters.

As a result of increasing visibility and networking, End Furniture Poverty has been invited to various events including speaking at Housemark conferences and Financial Health Exchange events.

End Furniture Poverty exhibited at the National Housing Federation and Chartered Institute of Housing conferences. We have held the first two of a series of specialist information events about the opportunities to combat furniture poverty through the policy drive to create shared accommodation for under 35 year olds in the social housing sector.

# Ending Furniture Poverty

The main form of stakeholder engagement and social value development that the campaign has been involved in revolves around our work to create a list of essential furniture items. The idea behind this list was to shape our understanding of the experience of furniture poverty by generating a list of the minimum furniture that a household would need in order not to be in furniture poverty.

The list originated with research by the Poverty and Social Exclusion in the UK project led by the University of Bristol. The project carried out four public surveys with a focus group of members of the public who were representative of the whole population. This group was asked whether they thought a particular item or activity on the list was “an item that everyone should be able to afford and no one should have to do without”. Where over 50% of this group said something was necessary, it was classed as a necessity. This list was then recirculated through a survey to professionals working in the Furniture Poverty sector in order to collect their views on the list, and how essential the different items were, as well as their feedback on the wider campaign.

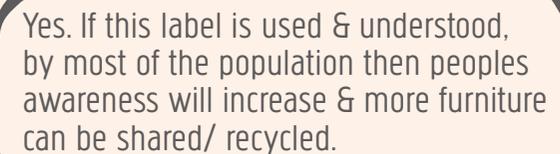
The survey was completed by 101 individuals from a whole range of sectors, but all having experience of working on the front line with people in furniture poverty. The majority of respondents were from housing associations. Other organisations included grant-making charities, furniture recycling and reuse organisations, and those working with ex-offenders and people experiencing homelessness. We also received contributions from academics and representatives from trade bodies such as the Chartered Institute of Housing.

As well as informing the ongoing work of End Furniture Poverty and FRC Group’s activities more widely, the results of the survey have also been disseminated through presentations at external events. The response from external audiences has been positive, and has often led to conversations about how the list may better inform the activities of organisations working to end furniture poverty. The report outlining the research is due for publication in the next financial year, and FRC Group will be looking at opportunities to change its activities in line with the list in order to improve the social value it is creating next year.

Responses to our survey question on whether people thought that furniture poverty was a useful term to use were generally positive. 86% thought it was useful, and some provided further quotes regarding how they felt about the campaign.



It is useful and needs to be made aware [sic], so people who are struggling with furniture poverty can access services for support.



Yes. If this label is used & understood, by most of the population then peoples awareness will increase & more furniture can be shared/ recycled.

# Helping People in Furniture Poverty through FRC Group activities

Other types of stakeholder engagement carried out by the End Furniture Poverty campaign include the production of two 'witness statements', generated from interviews with local individuals professionally involved in helping people in furniture poverty. Knowledge from these interviews has improved our understanding of furniture poverty and the measures taken by people experiencing furniture poverty to use workaround solutions.

End Furniture Poverty has also produced two case studies through in depth interviews. These case studies examine the work of housing associations in improving the lives of demographic groups of tenants particularly at risk of furniture poverty: people who are leaving care, and people who are currently rough sleeping.

Through our campaigning arm End Furniture Poverty, 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 to alleviate Furniture Poverty for people who can access our various furniture outlets. In this report we describe the ways in which we have distributed furniture to people in Furniture Poverty through Bulky Bob's Furniture World. In previous reports we have discussed how the work undertaken by Furniture Resource Centre today in delivering furniture and appliances in existing furnished tenancy schemes does not make Furniture Resource Centre the instigator in creating social value as we are not stimulating the 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 29 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 people in receipt of benefits qualify for discounts and staff 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 given 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 to access 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 2016/17 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, 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 Figures Liverpool and Oldham



## 2017

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

LIVERPOOL **2623**



OLDHAM **373**



## 2016

LIVERPOOL **3036**



OLDHAM **476**



## 2017

Sales to Bulky Bob's Furniture World Customer Groups

LIVERPOOL **2623**

With crisis

**245**

20% discount

**32**

10% discount

**1553**

LWP

**470**

Community events

**146**

Standard

**177**

OLDHAM **373**

**75**

20% discount

**0**

10% discount

**178**

**37**

**0**

**83**

## 2016

LIVERPOOL **3036**

**633**

20% discount

**50**

10% discount

**1653**

**508**

**192**

OLDHAM **476**

**105**

20% discount

**0**

10% discount

**252**

**59**

**60**

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**2017**

Value of Items  
donated to crisis  
customers

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LIVERPOOL **€35,769**



OLDHAM **€4605**

**2016**

LIVERPOOL **€43,803**



OLDHAM **€6,985**



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**2017**

Number of Agencies  
referring people in  
crisis situations

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LIVERPOOL **43**



OLDHAM **20**

**2016**

LIVERPOOL **47**



OLDHAM **25**



When we compare 2016/17 with 2015/16, the complete picture for Bulky Bob's Furniture World in Liverpool and Oldham shows a slightly reduced service. In total we have served 15% fewer customers in 2016/17 than in 2015/16.

In line with results for 2015/16, which saw a slight reduction in the distribution of pre-loved furniture, we were conservative in our targets for the use of pre-loved furniture during 2016/17. The impact of the economic downturn on the quality of items received through collection seen in the previous year was expected to continue into the new financial year and therefore this was reflected in our assumptions. This means that unfortunately we did not meet our targets.

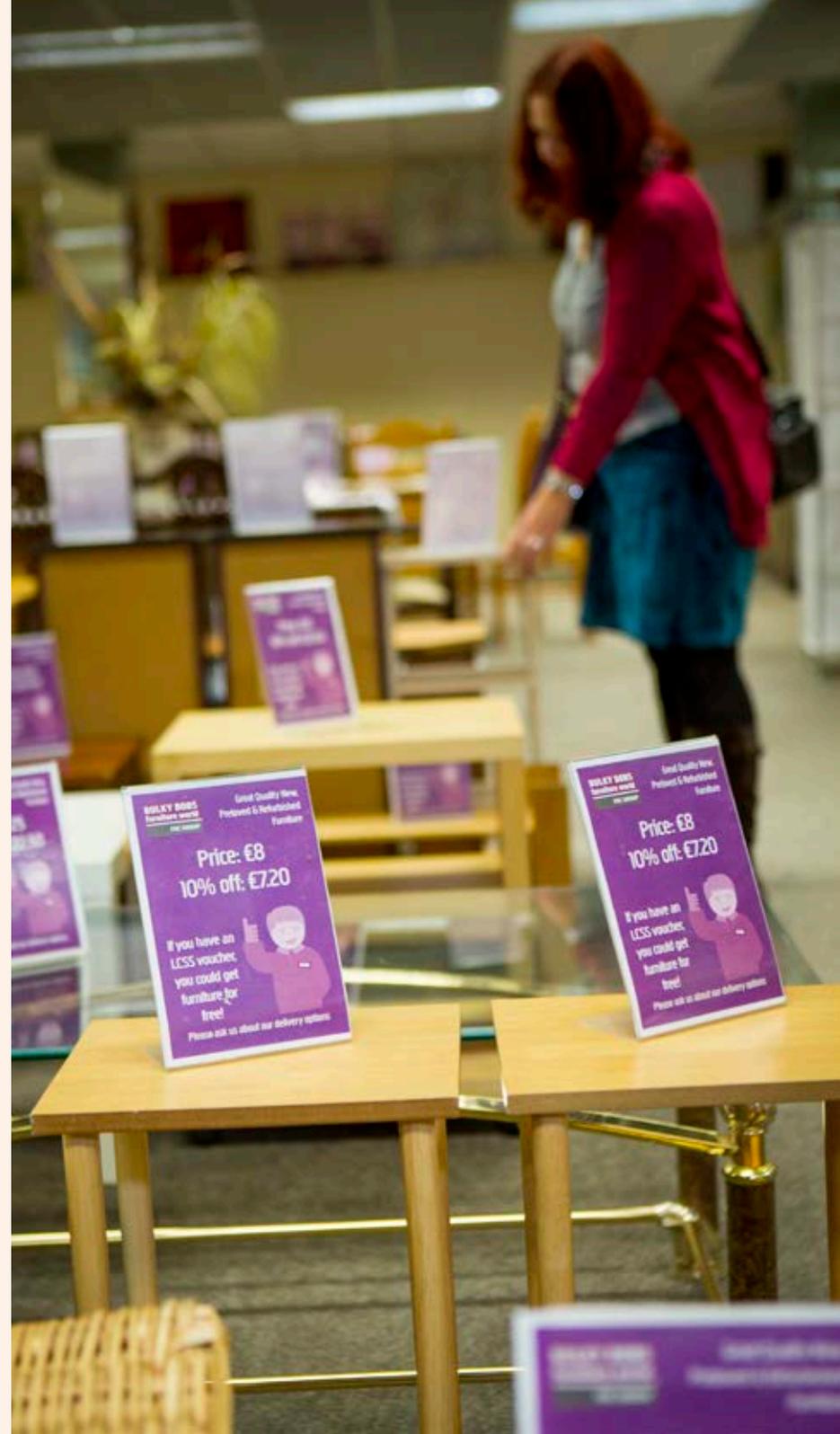
The number of 10% discount customers were lower than anticipated for the year meaning that we were able to reach fewer individuals on a low income. This is influenced by both the financial pressures on people in a time of austerity but also by the availability of some items such as wardrobes and drawers. Such items are regarded as highly essential but are less commonly received through our collections in a reusable state. These items are often therefore not available for sale as they will

be immediately allocated to crisis donation recipients for whom they can have a bigger impact. The reduced capacity to store and distribute preloved furniture from our Oldham site for a large part of the year due to a change in operations also had a significant effect.

The absence of funding to help to support the Fresh Start crisis referral scheme during 2016/17 meant that we were unable to offer the same level of donations that we have previously. This coupled with challenges to the resourcing of our community events has meant that an overall lower level to the value of donations was also achieved for the year.

A review of our preloved furniture operation to maximise the distribution and impact for those who most need it is scheduled for 2017/18. We expect that this will have a positive effect on the results we achieve going forward and help us to better focus our efforts in our aim to End Furniture Poverty.

FRC Group uses a social value measurement model to set a budget and report actual performance for the work carried out by Bulky Bob's Furniture World. This, alongside the financial budgets, helps to shape discussion and decision making.



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 2016/17 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.

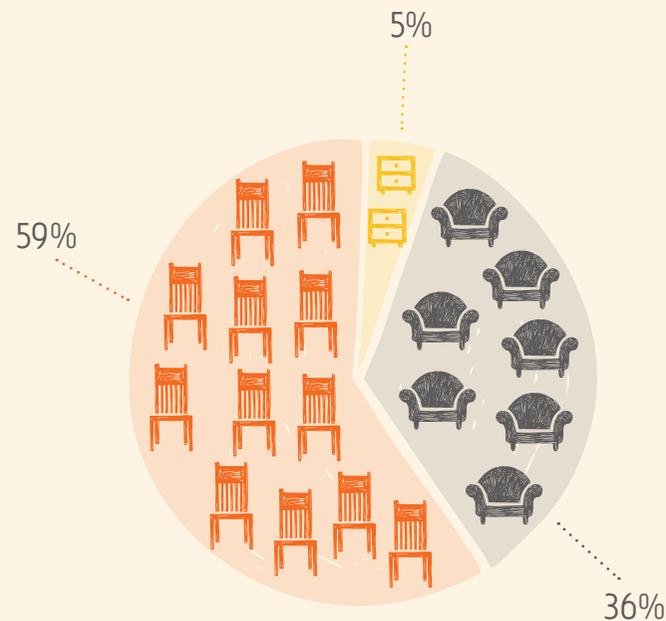
# The difference we make to our customer's lives

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. Unfortunately, this year we did not carry out as many surveys with customers as in previous years, however this will be addressed in the Stakeholder Engagement Plan for 2017/2018.

We carried out 22 surveys in our Liverpool store with 90% reporting that they received 'Excellent' service from our staff and the remaining 10% said the service was 'good'.

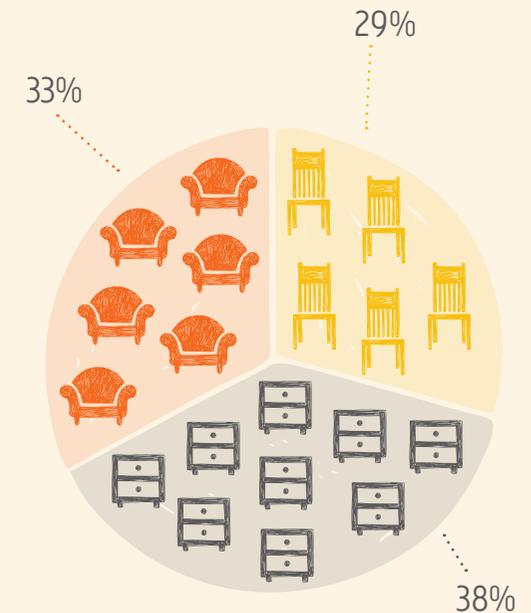
Community events continue to be an important part of Bulky Bob's Furniture World activities, taking our furniture, and messages about the importance of reuse and recycling, out into communities. The number of community events has decreased from 9 in 2015/16 to 4 this year due to less events taking place for us to take part in. In 2017/18 we are carrying out a review to ascertain what is the most effective way to get furniture to people who need it and will report progress on this next year.

## What do you think of the price of our goods?



- OK
- Average
- Excellent value

## What do you think about the range of items available?



- OK
- Lots of choice
- Everything I might need was available

# Comparison of Targeted priorities for 2016/17



**91%** of Bulky Bob's Furniture World Customers received discounts (93% 2015/16)  
*(TARGET was 94%)*



**466** families in crisis received donated furniture (738 - 2015/16)  
*(TARGET was 738)*



**2996** customer sales in Bulky Bob's Furniture World (3512 - 2015/16)  
*(TARGET was 3,400)*

## Priorities for 2017/18

To review how we can create the most Social Value through the distribution of Furniture

**91%** of Bulky Bob's Furniture World customer's to receive discounts

**300** families in crisis to receive furniture

**3000** customer sales in Bulky Bob's Furniture World

# Driving Change 2016/17

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

The Driving Changers work to achieve a number of transferable and industry specific qualifications, including a Car Licence and the Large Goods Vehicle Class 2 licence. During the 12-months of the Driving Change programme, trainees build up a record of work experience that they can evidence to future employers and vitally 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 **Loader 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).

At FRC Group 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 2016/17 contains 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 conversion 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.

The model has the intricacy 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 takes into account positive changes experienced 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.

We use one set of assumptions about the levels of benefits received before starting 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.

This year we have not developed the Driving Change measurement model any further as we have been working on a new model for our new Driving Change Programme, which we will launch in 2017/2018. We had hoped to launch the new version during 2016/17, however, the development has taken longer than we wished. As a result we recruited people on to the traditional Driving Change and continued to measure social value using the existing model.

## 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 combination of measures to account for the Driving Change programme. We also use case studies and our trainees' own words to explain their personal experience.

Despite the new programme not being ready to fully implement, we have introduced elements of the new notion by offering a more flexible and person-centred approach to the training on offer. For trainees on programme in 2016/17, they have accessed more training addressing their individual needs such as First Level Management Training, Electrical Safe Isolation Training and CSCS card.

# Driving Change Statistics



**24 people took part in Driving Change**  
Of these 24 people, 12 had already started their programme prior to the reporting year, 12 were new starters during the year.



(20 in 2015/16)

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



(100 in 2015/16)

**92% (11) of the participants completed the programme**



**92% (11) of leavers went into jobs**

(80% (8) of leavers went into jobs in 2015/16)



**63 qualifications gained in total**

(20 in 2015/16)



**Average number of qualifications per trainee = 2.5**

(1 in 2015/16)



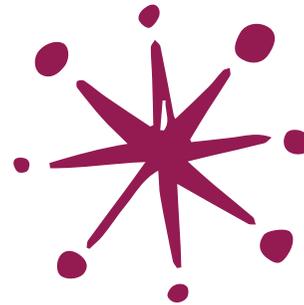
**Number of training positions available 12**

(12 in 2015/2016)

# John's story

John was originally referred to FRC Group in October 2015 from an employability programme. During his initial meeting and subsequent induction John shared that he had a long period of unemployment due to surgery and rehabilitation after the removal of a benign tumour in his brain. John was low in confidence after being unemployed for a long time. For 5 months, John volunteered through Launch Pad, which gave him the opportunity to set himself some personal goals. During this time he impressed everyone with his determination and work ethic, so much so that he was offered a place on Elev8 which provided him with a Fork Lift Counterbalance licence and then the opportunity to build up his confidence over an 8 week period.

In May 2016, John applied for a place on Driving Change. It was clear that he had become much more confident in his abilities and he gained a salaried place for 12 months. During his time on programme, John gained experience using his Fork Lift Truck Licence, passed his car theory test and practical driving test. He also gained a Qualification in Emergency First Aid and an NVQ in Logistics and Storage. John went on to secure employment on completion of the programme.



# Paul's story

Paul joined Driving Change in July 2016 after a 7 month period of unemployment. Paul had a significant speech impediment which was something he thought had held him back in his original chosen career of the Armed Forces. Paul has grown in confidence since his time on programme. When faced with barriers, he takes work home with him to practice and improve his confidence, so much so that he now supports the drivers with planning and directing on the routes. Paul has become a much valued member of the team, as his confidence has grown, his speech impediment is now barely noticeable as he speaks to customers with ease and confidence. He passed his car theory test first time is due to take his car practical test. He has also gained his Fork lift Counterbalance licence and has the ambition to become an LGV Class two driver in the future.

During their time on Driving Change, trainees 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.

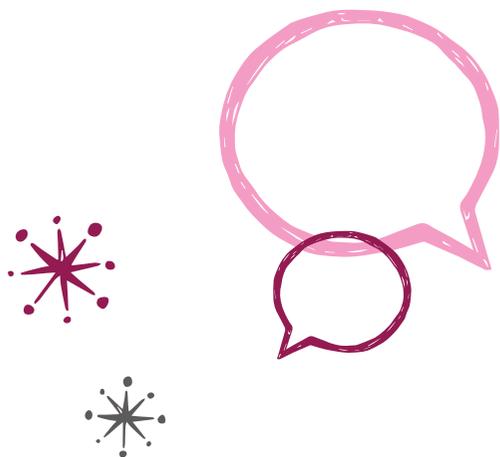
Although each trainee has an individual journey and story, there are a range of reasonably consistent themes emerging. The first of which is a general ambition to make the most of the opportunity of their time with FRC. The desire to achieve certain qualifications and gain the necessary experience to secure full time employment is expressed consistently, importantly with trainees making it clear in many cases that they do not wish to gain unsecure work such as that with agencies, much preferring the security of a more stable position. Some trainees do also have a strong ambition to progress and attain roles such as HGV Class two drivers, and many express a desire to gain work with the FRC Group beyond their trainee contract, and unfortunately, some are disappointed when this is not realised.

A further theme is that of trainees reporting significant increases in confidence and skills such as being able to effectively communicate

with customers, with the growing recognition of the importance of these skills. It becomes clearer as trainees progress that it is not only the necessary qualifications that are needed to succeed, it is also the requirement for softer skills. However, sometimes this growing confidence can lead to trainees having to be reminded to be careful and take their time not to rush and make mistakes.

Some trainees face additional challenges, with literacy skills being a fairly common barrier for some. Acknowledging this issue has for some led to significant improvements, whilst for others it continues to present challenges. The efforts required to address some of these issues, given other issues in their lives such as care responsibilities, does create real challenges for some trainees. As an example, whilst a number of trainees successfully passed their driving theory test, for others this was a consistent challenge with some people failing.

The final key theme expressed by trainees is recognition of the support they receive from people at the FRC Group. The honest feedback from supervisors and trainees is clear, and very often there is a recognition from the trainee that they need to improve.



## Ambition to make the most of the opportunity

'I've just started as a trainee, I would like to gain my driving licence and my fork lift licence'

'1 month in – I'm actually enjoying work again. It's getting me back to where I was before – fit, energetic.'

'I feel like there are more opportunities now I have passed my test'

## Improved skills such as communication

'I've tried to have more patience with customers, and to go the extra mile for them'

'I'm getting better at using the phone, especially at the shop'

I'm still speaking to customers – I'm trying hard with this, as I struggled with this'

'I'm a lot more active. I'm doing more even at home now that I'm working. I love the physically demanding side of the job'

'I have received a few compliments in the last month, so I feel I have improved my customer service skills'

## Additional challenges

'I can read, but not big words'

'The main issues are around my literacy, it worries me as I struggle with the theory test'

'It's going better than I thought, I suffer from anxiety, the phone was a worry at first, but it's great now'

## Being careful

'I need to be thinking before I act when lifting furniture, especially heavy stuff on my own'

## Recognition of support

'I feel like they are all my family! I love it all! It's a nice place to work for'

'I feel supported, and I will ask if I need help'

'I'm pretty happy with how it's all going, my job's fine, I enjoy it a lot. This is probably the best job I've had'

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. We had difficulty following up past trainees this year but those who we spoke to reported the following:

'The warehousing NVQ and Health and Safety training helped me go straight in to the role because I already had the training needed'

"Having manual handling training helped me get in to a job in the warehouse"

'The FLT licence will help me get in to a job in a warehouse'

'I most definitely improved my self confidence'

# Launch Pad



Through Launch Pad FRC Group's flexible volunteering programme, we offer 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 for part of the year opportunities were available across all areas of the FRC Group. We ensure that the work people carry out is not vital to the success of our business, while also making sure it provides meaningful work experience.

In December 2016 we decided to draw Launch Pad to a close. Over the years, we have seen some great successes through Launch Pad, however this year we used Social Return on Investment information to assess the success and make the decision to cease the delivery of Launch Pad. The resource within the People and Culture Team has been re-directed towards Driving Change, as our data tells us that we can create a bigger impact on people's lives through the Driving Change Programme. This means that this year, our Launch Pad reporting section is much reduced compared to previous years. In the future, we will launch a new traditional volunteering programme for people who want to give something charitable back, rather than needing the intensive support of the People and Culture Team. We believe that this provision exists elsewhere. Another programme offered within Launch Pad is Elev8, which

offers a small number of people access to a Fork Lift Truck driving qualification Through Elev8 people embark on an 8 week voluntary placement programme to obtain their Fork Lift Truck licence and gain 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. We aim to continue to offer Elev8 in 2017/18, however with a reduced Launch Pad Programme, we envisage difficulty in finding the right people to take up this opportunity. This will be a challenge which we will weave into the design of a new traditional volunteering programme.



# Launch Pad Statistics



71 people participating in 75 places throughout the year



Average number of days worked was 26



54% of Launch Padders said they were working towards employment



70% of Launch Padders achieved their personal goal



8 areas of FRC Group offering placements



3 people gaining Fork Lift Truck Licence through Elev8



33% of Elev8 participants moving into employment

# Comparison against 2016/17 Performance and Targets



Target was 110

  People participating throughout the year - 71 (113 in 2015/16)

  Average number of days worked - 26 (23 in 2015/16)

  Launch Padders who said they were working towards employment - 83% (67% in 2015/16)

Target was 94%

  Launch Padders achieving their personal goal - 70% (94% in 2015/16)

  Areas of FRC Group offering placements - 8 (8 in 2015/16)

Target was 4

  Number of people gaining Fork Lift Truck Licence through Elev8 - 3 (4 in 2015/16)

  Elev8 participants moving into employment - 33% (75% in 2015/16)

# Employer Engagement

As well as helping trainees to complete CVs, job applications and to prepare for interviews, the People and Culture team also support the Driving Changers and Launch Padders by developing and maintaining relationships with key employers to identify job opportunities. During 2016/17 we have engaged with 27 employers. (22 - 2015/16)

# Priorities for the Future

During 2016/17 we have been continuing to scope out a redesigned and improved Driving Change programme in response to the changing socio-economic context. This has taken much longer than we initially anticipated, however, we are now at a point where we are ready to launch in May 2017 as plans for a revised Driving Change programme were considered by FRC Group's Board, and authorisation for the launch was given in December 2016. We know that there is no longer a direct link between a person's employment status and whether they are in poverty as half of people living in poverty are in work. Our updated programme aims to help people to change behaviours, gain new skills, and have the ambition and thirst for development which will help them to find more sustainable forms of employment. We aim to recruit more people with Driving Licences in 2017/18 to enable them to gain an LGV Class II Licence which greatly improves their future prospects. We want to move people into employment that is much more likely to offer permanent contracts, higher wages, promotion opportunities and greater protection from future economic downturns.

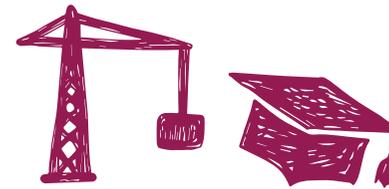
# 2017/2018 Social Value



Launch new Driving Change Programme in 2017/18



13 places available on Driving Change during 2017/18



90% of people completing Driving Change will go into employment, training or further education



70% of Driving Change recruits to be working towards LGV Class II Licence



Redesign and launch a new volunteering programme in 2017/2018



**BOBS**

We have trained  
over 450 long-term  
unemployed people



Call us on 0151 233 3001  
bob@bobstools.co.uk

# 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 comprising of key representatives from across FRC Group and hold a number of external Health & Safety accreditations: Safe Contractor, SMAS and CHAS .

This year there were 26 accidents compared to 36 in 2016/17. Two were classed as a serious accident and RIDDOR reportable. As a result of the RIDDOR accidents the two staff members involved received refresher training in manual handling. The low accident rate demonstrates how seriously we take the health and safety of everyone in our workplace and how well engaged the staff are.

# Supplier Sustainability

FRC Group is committed to working with suppliers who recognise their economic, social and environmental responsibilities to their stakeholders and actively encourages suppliers to develop and embed CSR in their organisations, if they don't already do so. Currently, 80% of FRC's expenditure is with 28 suppliers and of these suppliers, 54% have a CSR policy and 28% don't have a CSR policy but have an Environmental Policy, this leaves just 18% of the top 28 suppliers that do not have either a CSR Policy or an Environmental Policy. This is reviewed annually by FRC.

<http://safecontractor.com>  
<http://www.smasltd.com>  
<http://www.chas.co.uk>



# Stakeholder Engagement Summary

## **End Furniture Poverty**

The main form of stakeholder engagement and social value development that the campaign has been involved in revolves around our work to create a list of essential furniture items. The idea behind this list was to shape our understanding of the experience of furniture poverty by generating a list of the minimum furniture that a household would need in order not to be in furniture poverty. More information on this can be found on pages 39-43.

Other types of stakeholder engagement carried out by the End Furniture Poverty campaign include the production of two 'witness statements', generated from interviews with local individuals professionally involved in helping people in furniture poverty. Knowledge from these interviews has improved our understanding of furniture poverty and the measures taken by people experiencing furniture poverty to use workaround solutions. End Furniture Poverty has also produced two case studies through in depth interviews. These case studies examine the work of housing associations in improving the lives of demographic groups of tenants particularly at risk of furniture poverty: people who are leaving care, and people who are currently rough sleeping.

## **Staff**

The annual staff survey was conducted in 2016/17, with a total of 69 out of 97 people responding. Of these, 62 were staff members, and 7 were volunteers. As the FRC Group continues to grow, we are working hard to ensure that our culture and values remain central to everything we do – it is therefore important that we understand the views of those people that work with us, across all of the places that we do work. Although the majority of respondents were based on Liverpool, we did also gain responses from the 4 staff in our London and North Tyneside bases (2 from each).

## **Trainees**

We have engaged with all of the current Driving Change trainees throughout the year to understand what they hope to gain from their time with us, and how things are progressing. All trainees completed reviews throughout their time with us.

## **Bulky Bob's Furniture World Customers**

We carried out 22 surveys in our Liverpool store with customers as part of our stakeholder engagement activity to ensure that we are delivering a service which meets the expectations and needs of our customers.

## **Furniture Resource Centre Customers**

Every month we contact 10 customers of Furniture Resource Centre. We have a target of at least six completed feedback forms per month. Customers are called and are asked set questions which are split into 6 categories:

- **Sales Process**
- **Ordering Process**
- **Delivery Service**
- **Quality of Product**
- **Invoicing**
- **Overall**

Each of the categories are scored and any low scores are relayed to the Sales Manager to address, resolve a specific issue or review our services in general. We also analyse patterns and areas of improvement.

# Buckingham Interiors Stakeholders

In the year we carried out a survey at the Chartered Institute of Housing Conference to gain stakeholder feedback from Housing Associations, to help us to form our 'Buckingham Guarantee,' which we use to ensure that we are providing a brilliant service for our customers. We surveyed people who were current customers, new customers, marketing leads, tenants and residents and other exhibitors. The survey we carried out helped us to assess what our stakeholders thought was important, and from this we formed the Buckingham Guarantee:

- Product Quality Guaranteed – 5 Year Guarantee on all Furniture
- Expert Advice Guaranteed – we're here to help you every step of the way
- Value for Money Guaranteed – we will match any competitor's furniture offer
- Product Satisfaction Guaranteed - We do everything we can to ensure you are completely satisfied with our products and services.
- On Time Delivery Guaranteed – our free delivery and installation service is designed to meet your schedules

## Stakeholder Plan

Unfortunately, this year we have not conducted as much additional stakeholder engagement as we would have liked for a number of reasons, however this mainly relates to resource issues. In 2017/18 we have established a thorough plan of engagement with our stakeholders, which we have already started to implement. We will ensure that for 2017/18 we are much better at engaging with people and organisations that are important to us. We will ensure that all of the appropriate periodic stakeholder engagement is conducted and will report upon the results in the next report.

A change in our structure in 2017/18 means that responsibility and accountability for Social Value has been spread across an number of roles, as opposed to sitting predominantly within one role. We have delivered a two day Social Value Practitioner Training to key people at all levels within FRC Group, which is accredited by the Institute of Leadership Management and is delivered by accredited trainers and SROI practitioners who have been involved in SROI for over a decade. We also delivered a half-day session to other staff members.

This training has given people the knowledge and tools necessary to measure and maximise the social value of our activities, reinforced the importance of stakeholder feedback and explained the vital role it plays in how we decide which issues are material and what we do about it.

Resource issues also affected our ability to address all of the recommendations that were made after the audit process in 2015/16. However, we are confident that the change in our structure and the redefining of roles, responsibilities and accountabilities will ensure that we are in a position to address these issues in the forthcoming year.

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This Strategic Report approved by the Board of Directors and signed on its behalf by



**Secretary  
A Rowan**

Date: 14/12/17

# 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 12 to 66 (“the Report”) for the year ended 31 March 2017.

Which assurance standards did we use?  
We conducted our work in accordance with ISAE 3000<sup>1</sup> and by reference to a Type 1 assurance engagement under AA1000AS [2008]<sup>2</sup>.

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 [2008]<sup>3</sup>.
- 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.

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 in the Annual Report and Accounts for the year ended 31 March 2017 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 except 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 20 of the report.

BDO LLP

BDO LLP 19/12/17  
Chartered Accountants

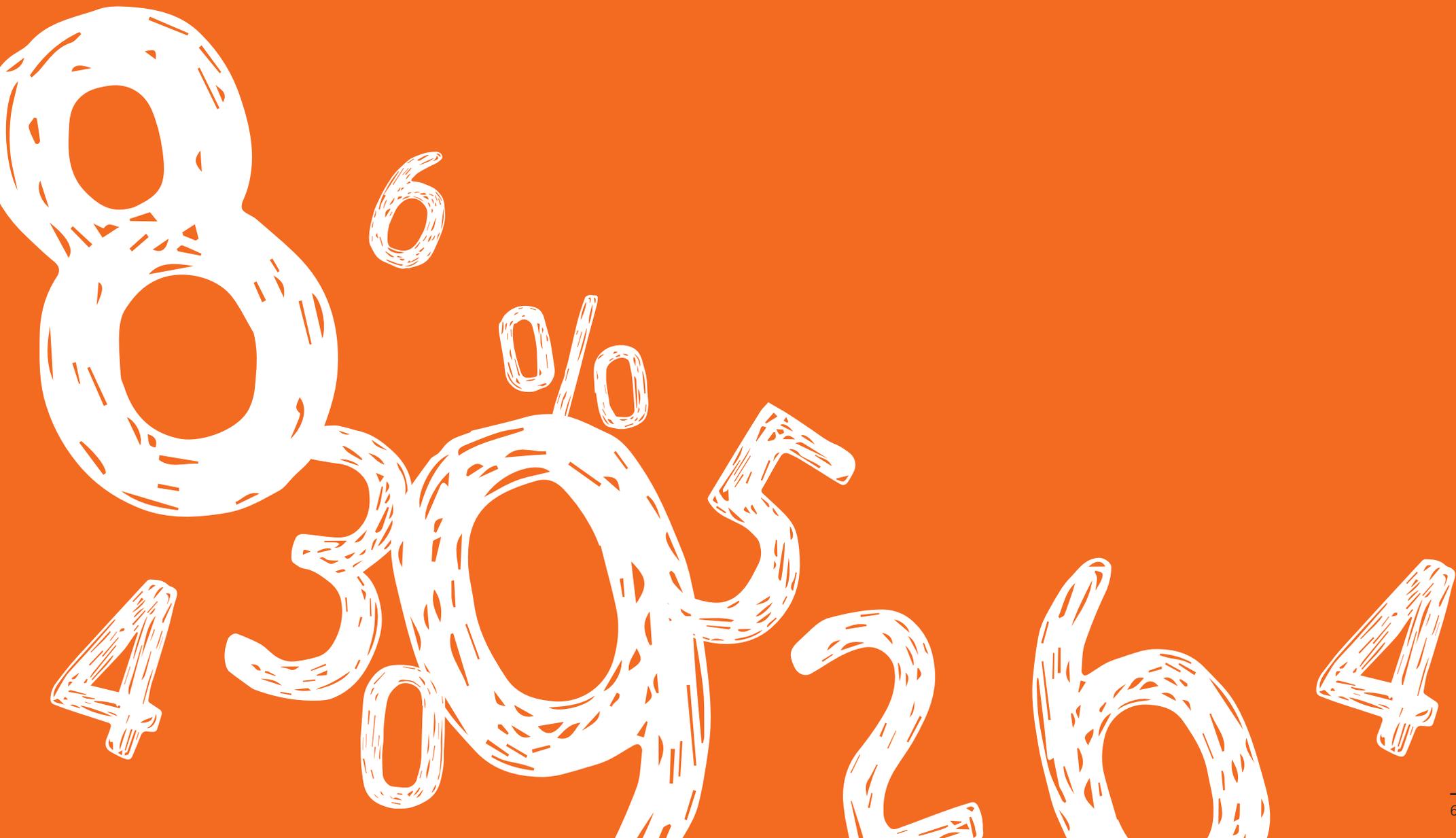
<sup>1</sup> International Standard on Assurance Engagements 3000: Assurance engagements other than Audits or reviews of Historical information, issued by the International Auditing and Accounting Standards Board

<sup>2</sup> AA1000 Assurance Standard [2008] issued by AccountAbility

<sup>3</sup> AA1000 AccountAbility Principles Standard [2008] issued by AccountAbility

# Consolidated Financial Statements

## 31 March 2017



# Directors' Report For The Year Ended 31 March 2017

## Financial Review

The Directors report that the group surplus before corporation tax was £117,499 (2015/16: surplus of £131,556).

## 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 2017, consolidated free reserves of £1,347,265 were held, which is £252,735 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 2016/17, grants and donations were received from:

Sefton at Work  
Liverpool City Council  
Joseph Rowntree Foundation  
Wirral MBC

We would like to thank all organisations and individuals for their generous support during 2016/17.

### **Structure, Governance and Management Governing Document**

Furniture Resource Centre is a charitable 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.

### **Related Parties**

Bulky Bob's Limited is a wholly owned subsidiary of Furniture Resource Centre. It provides services, mainly to Local Authorities, for the collection of bulky household waste. Bulky Bob's actively promotes the work of the charity by 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.

Bulky Bob's 2015 is a charity with Furniture Resource Centre as its sole member. The assets, liabilities and trade of Bulky Bob's Limited was transferred to Bulky Bob's 2015 with effect from 1 April 2017 with the charity commencing trading from that date. At the same time, Bulky Bob's Limited ceased trading.

FRC Developments is a charity with Furniture Resource Centre as its sole member. FRC Developments commenced trading in May 2017 and provides an office and commercial waste collection service. FRC Developments changed its name to Bulky Bob's Office and Commercial Waste in June 2017.

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

### Directors' Responsibilities

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 (as defined by the Companies Act 2006) 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

14 DECEMBER 2017

and signed on its behalf by



Secretary  
A Rowan

# Independent Auditor's Report To The Directors And Members Of Furniture Resource Centre

We have audited the financial statements of Furniture Resource Centre for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement 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](http://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 2017 and of the group's and parent charitable company'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 matters 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 and the Directors' Annual Report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the charity and its environment obtained during the course of the audit we have identified no material misstatements in the Directors' Annual Report.

### 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:

- Adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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 and the Directors' Annual Report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

**Hamid Ghafoor,**

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

**Date:** 19/12/17

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

TOGETHER WE CAN  
END FURNITURE POVERTY



	Note	Total Unrestricted Funds	Total Restricted Funds	Total Funds 31 Mar 2017	Total Funds 31 Mar 2016
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	4	-	51,384	51,384	26,819
Charitable activities	5	4,575,493	-	4,575,493	4,922,434
Other trading activities	6	1,260,172	-	1,260,172	946,905
Investments		3,840	-	3,840	2,977
Adjustment on Administration	3a	-	-	-	532,150
Other		46,833	-	46,833	63,132
Total		5,886,338	51,384	5,937,722	6,494,417
<b>Expenditure on:</b>					
Raising funds	7	888,462	-	888,462	701,094
Charitable activities	8	4,871,118	60,643	4,931,761	5,661,767
<b>Total resources expended</b>		5,759,580	60,643	5,820,223	6,362,861
<b>Net resources before transfers</b>		126,758	(9,259)	117,499	131,556
<b>Taxation – UK corporation tax</b>	14	-	-	-	-
<b>Net incoming / (outgoing) resources</b>		126,758	(9,259)	117,499	131,556
<b>Balances brought forward at 1 April</b>		1,475,815	45,418	1,521,233	1,389,677
<b>Balances carried forward at 31 March</b>		1,602,573	36,159	1,638,732	1,521,233

The notes on pages 79 to 105 form part of these financial statements.

The notes on pages 79 to 105 form part of these accounts.

Exemption has been taken from presenting an unconsolidated parent charity profit and loss account under section 408 of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on

14 DECEMBER 2017

and signed on their behalf by:



Director

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

	Notes	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
<b>Fixed assets</b>					
Tangible assets	15	291,467	200,342	262,849	194,416
Investments	3	-	-	2	2
		291,467	200,342	262,851	194,418
<b>Current assets</b>					
Stock	16	194,107	136,244	194,107	136,244
Debtors	17	1,098,400	753,000	1,006,766	596,722
Investments	18	352,138	-	352,138	-
Cash at bank and in hand		660,683	1,329,375	594,563	1,272,270
		2,305,328	2,218,619	2,147,574	2,005,236
<b>Creditors: amounts falling due within one year</b>	19	(1,023,063)	(897,728)	(824,246)	(704,221)
<b>Net current assets</b>		1,282,265	1,320,891	1,323,328	1,301,015
<b>Debtors falling due after more than one year</b>	17	65,000	-	-	-
<b>Net Assets</b>		1,638,732	1,521,233	1,586,179	1,495,433
<b>Funds</b>					
Unrestricted		1,602,573	1,475,815	1,550,020	1,450,015
Restricted	21	36,159	45,418	36,159	45,418
<b>Total Funds</b>	22	1,638,732	1,521,233	1,586,179	1,495,433

FURNITURE RESOURCE CENTRE  
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31  
MARCH 2017

	Note	2017	2016
		£	£
<b>Cash flows from operating activities:</b>			
Cash generated from operations	26	(170,126)	703,614
Interest received		3,840	2,977
Tax paid		-	(6,066)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(166,286)</b>	<b>700,525</b>
<b>Cash flows from investing activities:</b>			
Purchase of fixed assets		(150,268)	(272,829)
Purchase of cash investments		(352,138)	-
Net cash disposed of		-	(16,181)
<b>Net cash outflow from investing activities</b>		<b>(502,406)</b>	<b>(289,010)</b>
<b>Cash flows from financing activities</b>			
Net cash (outflows) / inflows from borrowing		-	-
<b>Net cash (outflow) / inflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>(Decrease) / increase in cash and cash equivalents in the year</b>		<b>(668,692)</b>	<b>411,515</b>
Cash and cash equivalents at the beginning of the year		1,329,375	917,860
<b>Cash and cash equivalents at the end of the year</b>		<b>660,683</b>	<b>1,329,375</b>

## 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) Basis of consolidation

The financial statements consolidate the results of the charity, its wholly owned trading subsidiaries Bulky Bob's Limited and FRC Trading Limited and also FRC Developments and Bulky Bob's 2015, charities 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.

### c) Going Concern

The financial position on pages 76 to 105 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.

### d) 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

### e) 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, staff costs, general office and depreciation are apportioned by income generated.

### f) Irrecoverable VAT

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

### g) Operating leases

Where FRC is lessee, rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are included in 'resources expended' on a straight line basis over the term of the lease.

Where FRC is lessor, and rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are included in 'incoming resources' on a straight line basis over the term of the lease.

### h) Investments

Current asset investments concern cash held on deposit with a maturity date of less than one year from the maturity date. Investments are initially and subsequently measured at the amount of the cash deposit.

### 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) 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.

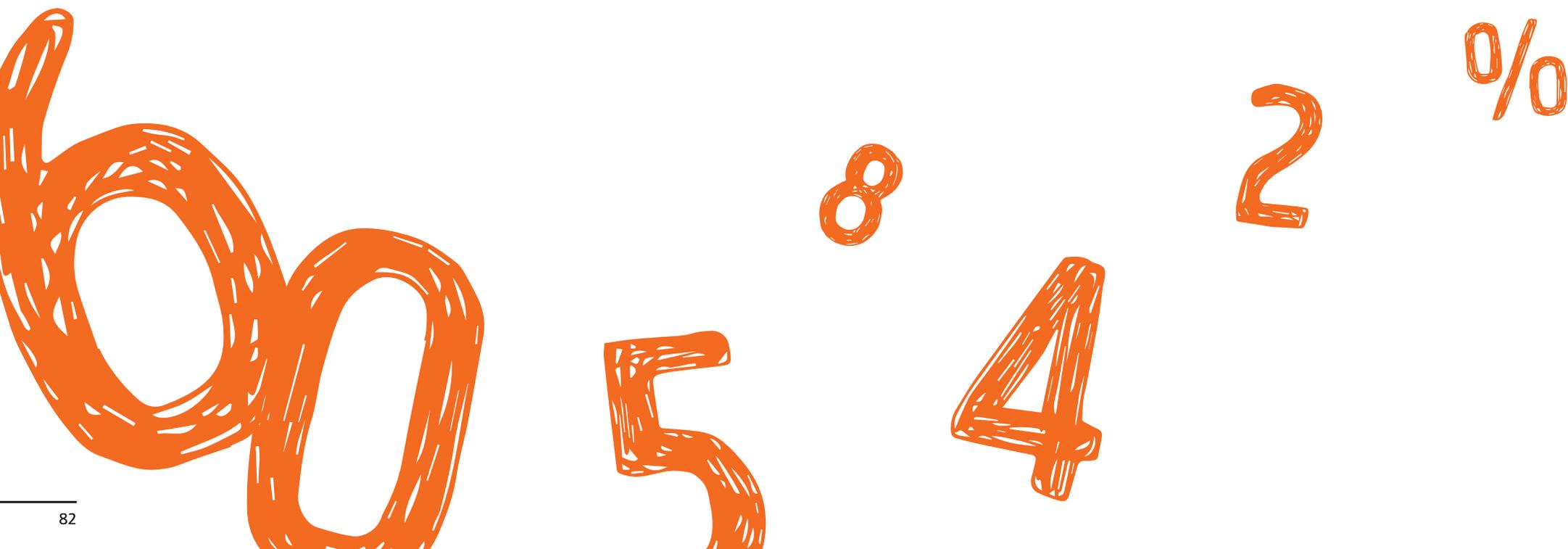
## 2 Financial activities of the charity

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	4,987,728	51,384	5,039,112
Resources Expended	(4,886,118)	(60,643)	(4,946,761)
Net incoming / (outgoing) resources for the year	101,610	(9,259)	92,351



### 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 FRC Developments and Bulky Bob's 2015, both companies and charities for which Furniture Resource Centre is the sole member. The information and financial data for each company is included below.

The registered office of all subsidiary companies is the same as stated on the company information page of these accounts.

#### (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 2017, the capital and reserves of the subsidiary were £47,760. The subsidiary made a profit after gift aid and taxation of £75,198 in the year ended 31 March 2017. Taxable profits of £50,000 were transferred to the parent charity under gift aid.

#### (ii) FRC Trading Limited (Company number 05088520)

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 2017, the capital and reserves of the subsidiary were £3,187. The subsidiary made a loss before corporation tax of £53 in the year ended 31 March 2017.

#### (iii) FRC Developments (Company number 09735094)

The charity is the sole member of FRC Developments, a company limited by guarantee and registered in England. FRC Developments is also a registered charity (charity number 1168088).

At 31 March 2017, the capital and reserves of FRC Developments were £2. In June 2017, the charity changed its name to Bulky Bob's Office and Commercial Waste.

#### (iv) Bulky Bob's 2015

The charity is the sole member of Bulky Bob's 2015, a company limited by guarantee and registered in England. Bulky Bob's 2015 is also a registered charity (charity number 1167068).

At 31 March 2017, the capital and reserves of Bulky Bob's 2015 were £nil.



### 3 Subsidiary companies and their activities (continued)

A summary of the results of the trading companies is shown here.

	Bulky Bob's Limited £	FRC Trading Limited £
Turnover	1,275,172	-
Cost of sales	(69,586)	-
Gross profit	1,205,586	-
Distribution costs	(785,029)	-
Administration expenses	(345,359)	(71)
Operating profit / (loss)	75,198	(71)
Other income receivable	-	18
Profit / (loss) on ordinary activities before taxation	75,198	(53)
Taxation – UK corporation tax	-	-
Retained profit / (loss) for the year	75,198	(53)

At 31 March 2017, the capital and reserves of FRC Developments were £2.

Bulky Bob's 2015 did not trade during the year ended 31 March 2017.

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

A summary of the results of FRC Developments for the year is shown below.

	Unrestricted funds £	Restricted funds £	Total Funds £
Incoming Resources	2	-	2
Resources Expended	-	-	-
Net incoming resources for the year	2	-	2

### 3a Homemaker Solutions

In the prior year, the charity was the sole member of Homemaker Solutions. Homemaker Solutions ceased trading on 2 November 2015 due to disappointing trading results; the Trustees placed it into administration on that date. The prior year balance concerns the adjustment required upon the company entering administration. The company was dissolved on 27 January 2017.

### 4 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Joseph Rowntree Foundation	-	10,000	10,000	-
Sefton at Work	-	38,728	38,728	-
Liverpool City Council	-	2,400	2,400	-
Wirral MBC	-	256	256	-
Winning Pitch	-	-	-	7,500
Chamber of Commerce	-	-	-	1,500
Donation from St Andrews Parish Church	-	-	-	319
European Regional Development Fund	-	-	-	17,500
<b>Total donations and legacies</b>	-	51,384	51,384	26,819

## 5 Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Provision of furniture / furniture packages	4,452,039	-	4,452,039	4,667,728
Charity shop sales	123,454	-	123,454	128,169
Our House – Sales of Furniture	-	-	-	126,537
<b>Total charitable activities</b>	<b>4,575,493</b>	<b>-</b>	<b>4,575,493</b>	<b>4,922,434</b>

## 6 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Commercial trading operations	1,260,172	-	1,260,172	946,905
<b>Total other trading activities</b>	<b>1,260,172</b>	<b>-</b>	<b>1,260,172</b>	<b>946,905</b>

## 7 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Commercial trading operations	888,462	-	888,462	701,094
Total expenditure on raising funds	888,462	-	888,462	701,094

## 8 Charitable activities

	Direct costs £	Support £	Total 2017 £	Total 2016 £
Provision of furniture / furniture packages	3,502,104	745,727	4,247,831	4,549,954
Charity shop sales	169,957	18,474	188,431	178,460
People Development	343,059	79,525	422,584	345,086
End Furniture Poverty	72,915	-	72,915	-
Our House – Provision of furniture	-	-	-	515,833
Financial inclusion	-	-	-	72,434
Total charitable activities expenditure	4,088,035	843,726	4,931,761	5,661,767

## 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, staff costs, general office and depreciation costs are apportioned by income generated.

	Provision of Furniture	Charity Shop Sales	People Development	2017 Total	2016 Total
Support Cost	£	£	£	£	£
Property cost	79,525	-	79,525	159,050	170,470
Staff costs	346,957	9,621	-	356,578	590,348
ICT costs	157,200	4,359	-	161,559	116,071
Governance	25,953	720	-	26,675	24,969
General office	93,895	2,604	-	96,497	150,604
Bad debt	-	-	-	-	122,798
Depreciation	42,197	1,170	-	43,367	24,899
	745,727	18,474	79,525	843,726	1,200,159

## 10 Governance costs

	2017	2016
	£	£
Social audit	5,000	5,004
Audit and accountancy	25,393	19,874
Directors insurance	2,280	2,131
	32,673	27,009

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

2 employees had emoluments (excluding pension contributions) of more than £60,000 in the year (2016: 3).

The key management personnel of the Charity and Group comprise the Trustees, Chief Executive Officer, Director of Finance and Social, Director of FRC and the Director of People and Culture. The total employee cost of the key management personnel was £260,449. For 2016, key management personnel comprised a different group of roles to those in 2017 and had a cost of £296,354.

During the year, redundancy costs of £12,000 (2016: £62,402) were paid by the charity and group.

	2017	2016
	£	£
<b>Staff costs:</b>		
Wages and salaries	1,760,784	1,859,455
Social security costs	128,914	155,060
Pension costs	45,385	43,331
	1,935,083	2,057,846

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

The average number of employees analysed by function, was:

	2017	2016
	Number	Number
Furniture packages / LWP Sales	25	25
Training	16	11
Retail	5	4
Bulky Bob's	22	19
Finance, Administration and ICT	9	8
End Furniture Poverty	1	-
Our House	-	6
	78	73

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

	2017	2016 Restated
	Number	Number
£60,000 - £70,000	1	1
£70,001 - £80,000	-	1
£90,001 - £100,000	1	1

The 2016 numbers have been restated due to benefits in kind having been incorrectly omitted when calculating emoluments

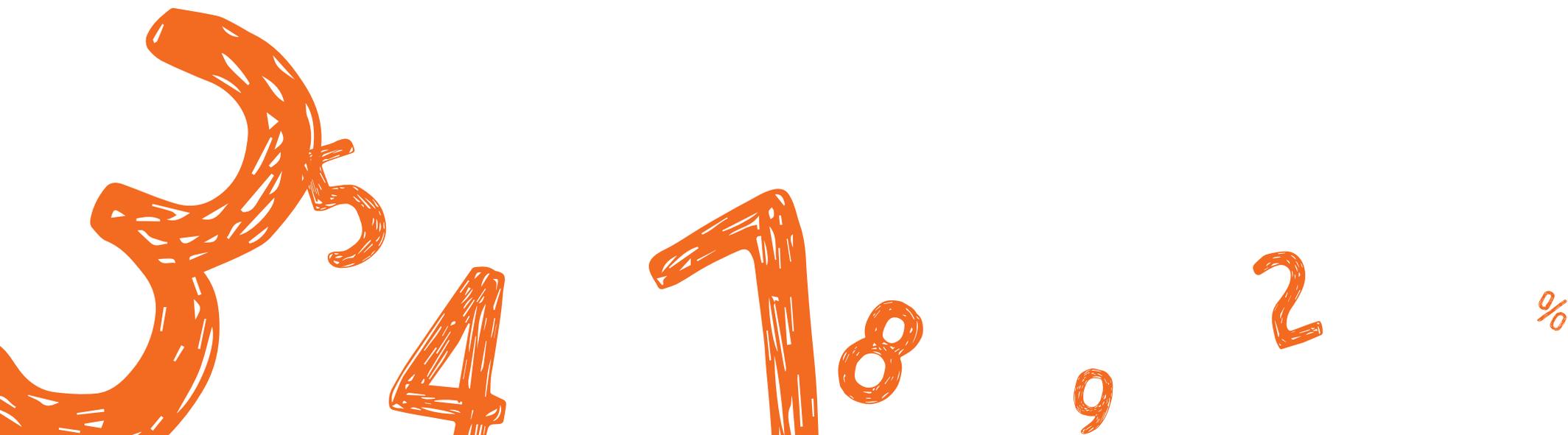
## 12 Trustee Remuneration & Related Party Transactions

No Director received any remuneration during the year ended 31 March 2017 (2016: £nil). Travel costs amounting to £156 (2016: £153) were reimbursed to 1 (2016: 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 (2016: Nil).

### 13 Net incoming / (outgoing) resources for the year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
This is stated after charging/(crediting):				
Auditors' remuneration: Audit services	25,393	19,874	19,393	12,154
Auditors' remuneration: Non-audit services	4,191	5,004	5,000	5,004
Depreciation	59,143	56,279	54,366	34,181
Operating lease rentals:-				
Other	288,336	326,637	204,905	204,201
Rents receivable on property sub-lease	28,414	22,500	28,414	22,500



## 14 Taxation

### Reconciliation of tax charge

	Bulky Bob's Limited £	FRC Trading Limited £	Total 2017 £	(Restated) Total 2016 £
Profit on ordinary activities before tax	75,198	-	75,198	3,295
Tax on loss on ordinary activities at standard rate of 20.00% (2016: 20.00%)	15,039	-	15,039	659
<b>Effects of:</b>				
Adjustment in respect of gift aid donation to parent	(10,000)	-	(10,000)	(2,181)
Adjustments to tax charge in respect of previous periods – deferred tax	-	-	-	(2,481)
Adjust opening deferred tax to rate of 20.00%	(400)	-	(400)	-
Adjust closing deferred tax to rate of 20.00%	(155)	-	(155)	400
Deferred tax not recognised	(4,484)	-	(4,484)	3,603
	-	-	-	-

## 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
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2016	877,779	154,008	146,602	193,043	1,371,432
Additions	7,155	24,330	16,581	102,202	150,268
Disposals	-	-	-	-	-
At 31 March 2017	884,934	178,338	163,183	295,245	1,521,701
<b>Accumulated Depreciation</b>					
At 1 April 2016	750,228	152,298	114,238	154,326	1,171,090
Charge for the year	21,399	1,677	12,156	23,911	59,143
Disposals	-	-	-	-	-
At 31 March 2017	771,627	153,975	126,394	178,237	1,230,233
<b>Net book value</b>					
At 31 March 2017	113,307	24,363	36,789	117,008	291,467
At 31 March 2016	127,551	1,710	32,364	38,717	200,342

## 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
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2016	838,221	71,694	143,717	190,359	1,243,991
Additions	2,712	3,556	16,257	100,274	122,799
Disposals	-	-	-	-	-
At 31 March 2017	840,933	75,250	159,974	290,633	1,366,790
<b>Accumulated Depreciation</b>					
At 1 April 2016	716,153	70,169	111,613	151,640	1,049,575
Charge for the year	18,373	482	12,028	23,483	54,366
Disposals	-	-	-	-	-
At 31 March 2017	734,526	70,651	123,641	175,123	1,103,941
<b>Net book value</b>					
At 31 March 2017	106,407	4,599	36,333	115,510	262,849
At 31 March 2016	122,068	1,525	32,104	38,719	194,416

## 16 Stock

Stock recognised as an expense in the year was £2,609,419 (2016: £2,782,416). There was no impairment loss recognised in the year due to slow moving and obsolete stock.

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Finished goods	194,107	136,244	194,107	136,244

## 17 Debtors

The total of £65,000 shown under debtors due after more than one year above relates to a bond issued by Bulky Bob's Limited to Liverpool City Council for £65,000 (2016: £nil) which they can draw down from in the event that the company defaults on contracts with the Council. The bond remains in place until 7 November 2022 or 12 months after than contract ends, whichever is the earliest.

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	874,248	608,568	629,005	451,285
Prepayments	215,745	135,726	155,640	87,991
Amounts due from subsidiary undertakings	-	-	214,176	48,846
Other debtors	8,407	8,706	7,945	8,600
	1,098,400	753,000	1,006,766	596,722
Other debtors due after more than one year	65,000	-	-	-

## 18 Investments

The amount shown under cash held on deposit above relates to cash held in fixed term deposits maturing prior to 31 March 2018.

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Cash held on deposit	352,138	-	352,138	-
	352,138	-	352,138	-

## 19 Creditors: amounts falling due within one year

There is a standard mortgage debenture held in the name of Bulky Bob's Limited incorporating a fixed and floating charge over the assets of the company.

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	696,046	498,632	647,444	477,474
Other taxation and social security	106,725	126,432	62,156	94,399
Other creditors	66,498	66,576	38,090	37,200
Accruals and deferred income	153,794	206,088	76,556	95,148
	1,023,063	897,728	824,246	704,221

## 20 Deferred Income

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

	Group	Charity
	£	£
Balance at 1 April 2016	88,369	2,400
Amount released to incoming resources	(448,069)	(2,400)
Amounts deferred in the year	410,555	-
Balance at 31 March 2017	50,855	-



## 21 Restricted Funds

Those funds with balances at 31 March 2017 or 31 March 2016 represent funds received and used for the following purposes.

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

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

- (ii) Funding for staff development and training
- (iii) Funding for End Furniture Poverty Campaign
- (iv) Funding for purchase of bicycles

		Balance at 1 April 2016	Movement in resources		Balance at 31 March 2017
			Incoming	Outgoing	
		£	£	£	£
CSEP	(i)	12,036	-	(2,445)	9,591
LCBP	(i)	23,793	-	(4,870)	18,923
Foundation	(i)	9,589	-	(1,944)	7,645
Sefton at Work	(ii)	-	38,728	(38,728)	-
Liverpool City Council	(ii)	-	2,400	(2,400)	-
Joseph Rowntree Foundation	(iii)	-	10,000	(10,000)	-
Wirral MBC	(iv)	-	256	(256)	-
		45,418	51,384	(60,643)	36,159

## 22 Analysis of net assets between funds

The amount of £36,159 included under Restricted Funds represents the net book value of the solar panels, which was funded by grants.

Group	Fixed assets £	Net current assets £	Total £
Restricted funds	36,159	-	36,159
Unrestricted funds	225,308	1,347,265	1,602,573
Net assets	291,467	1,347,265	1,638,732

Charity	Fixed assets £	Net current assets £	Total £
Restricted funds	36,159	-	36,159
Unrestricted funds	226,692	1,323,328	1,550,020
Net assets	262,851	1,323,328	1,586,179

## 23 Commitments

### Operating leases commitments

At 31 March 2017, the commitments under non-cancellable operating leases are as follows:

	Land & buildings £	Other £	2017 Total £	2016 Total £
<b>Charity</b>				
Expiry within:				
Under one year	162,064	83,223	245,287	178,548
Two to five years	518,476	152,733	671,209	565,904
Over five years	211,815	-	211,815	336,236
	892,355	235,956	1,128,311	1,080,688
<b>Group</b>				
Expiry within:				
Under one year	186,064	97,423	283,487	200,835
Two to five years	608,476	152,733	761,209	655,051
Over five years	211,815	-	211,815	352,951
	1,006,355	250,156	1,256,511	1,208,837

## 23 Commitments (continued)

### Operating leases commitments

At 31 March 2017, the rentals payable to the Charity and Group under non-cancellable operating leases are as follows:

	Land & buildings £	Other £	2017 Total £	2016 Total £
<b>Charity</b>				
Expiry within:				
Under one year	9,771	-	9,771	9,000
	9,771	-	9,771	9,000
<b>Group</b>				
Expiry within:				
Under one year	9,771	-	9,771	9,000
	9,771	-	9,771	9,000

### 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:

	2017		2016	
	Group £	Charity £	Group £	Charity £
Pension contributions	45,385	39,256	43,331	40,592

## 24 Related Parties

### Group Undertakings

In the year ended 31 March 2017, the following transactions took place between Furniture Resource Centre and its wholly owned subsidiary company, Bulky Bob's Limited:

Transactions from Furniture Resource Centre to Bulky Bob's Limited:

- Recharge for staff costs: £442,354 (2016: £356,600)
- Recharge for shared services: £247,579 (2016: £149,532)
- Recharge for premises costs: £64,239 (2016: £47,841)
- Recharge for logistics costs: £68,240 (2016: £44,819)
- Recharge for general costs: £22,543 (2016: £17,999)
- Recharge for fixed asset purchases: £14,899 (2016: £nil)
- Recharge for staff training costs: £690 (2016: £1,481)

Transactions from Bulky Bob's Limited to Furniture Resource Centre:

- Recharge for logistics services: £13,055 (2016: £11,352)
- Recharge for premises costs: £nil (2016: £1,058)
- Recharge for general costs: £1,818 (2016: £2,542)
- Recharge for staff training: £1,125 (2016: £1,366)
- Gift aid / donation payment of £50,000 (2016: £10,905)

The amount owed by Bulky Bob's Limited to Furniture Resource Centre at 31 March 2017 was £210,782 (2016: £43,846).

The amount owed by FRC Developments to Furniture Resource Centre at 31 March 2017 was £5,000 (2016: £5,000). This relates to a loan made from Furniture Resource Centre to FRC Developments, which was outstanding at 31 March 2017 and at 31 March 2016.

The amount owed by Bulky Bob's 2015 to Bulky Bob's Limited at 31 March 2017 was £5,000 (2016: £nil). This relates to a loan made from Bulky Bob's Limited to Bulky Bob's 2015 during the year, which was outstanding at 31 March 2017.

During the year, sales of £35 were made from Bulky Bob's Limited to PSS, a charity whose Chief Executive is also a Director of Bulky Bob's Limited.

iced around Merseyside and using  
create valuable social good.

e I left FRC, I have been noticed  
e by employers. I feel more professional,  
communication skills have improved,  
I have confidence in myself.

urniture Poverty needs a voice. It is part  
larger problems of poverty and inequality  
ut for too long it has been a hidden and  
agmented issue.

Buckingham Interiors completed  
the brief on time and on budget,  
and we're really pleased with it.

Buckingham Interiors worked closely with  
us to create bespoke furniture that use  
modern fabrics and furniture  
that is excellent for  
adults in mind.

FRC opened up new  
me and gave  
for the

We were all very pleased with the high standard  
of customer service and we are looking forward  
to working with Buckingham Interiors on the  
of our schemes.

If you intervene in the right way  
at the right time, you can make  
a difference between a life that  
is liveable and one that is not.

I moved into the property with a lilo bed  
for me and the boys to sleep on and borrowed  
chairs, which was so depressing. Then I got the  
furniture which helped me and the boys feel  
more like this is

I can  
to g

en now provide for my son and  
levels goods to have a bit of money  
my pocket.



## 25 Capital Commitments

There were no capital commitments at 31 March 2017 (2016: £nil).

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

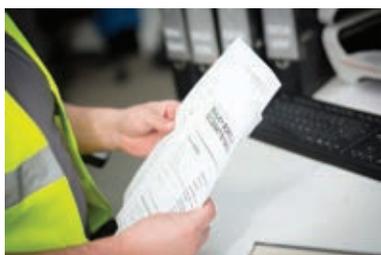
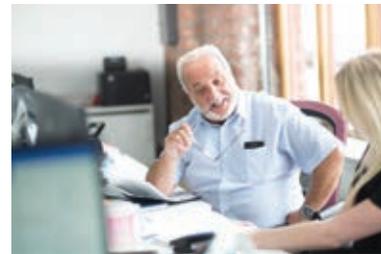
	Group	
	2017 £	2016 £
Net incoming resources for the year	117,499	131,556
Depreciation	59,143	56,279
Financial income	(3,840)	(2,977)
(Increase) in stock	(57,863)	(50,332)
(Increase) / decrease in debtors	(410,400)	874,726
Increase in creditors	125,335	226,512
Surplus on Administration of Homemaker	-	(532,150)
Cash generated from operations	(170,126)	703,614

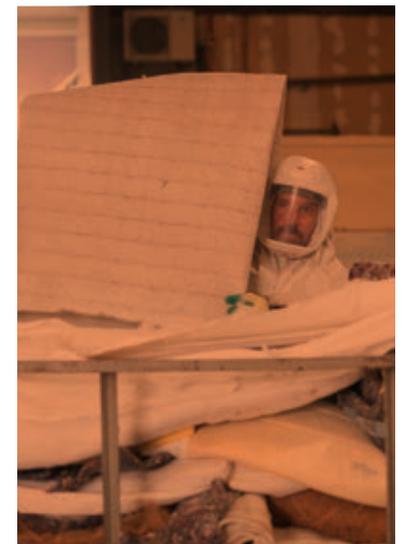
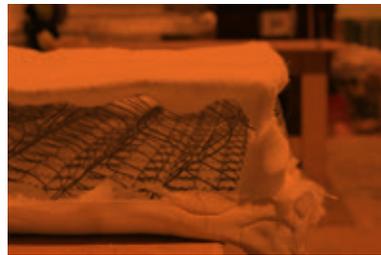
## 27 Post Balance Sheet Events

The assets, liabilities and trade of Bulky Bob's Limited was transferred to Bulky Bob's 2015, a charity of which Furniture Resource Centre is the sole member, with effect from 1 April 2017. At that date, Bulky Bob's Limited ceased trading.

## 28 Comparative information

	Continuing Activities			Discontinued Activities			Total Activities		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total Funds 31 March 2016
	£	£	£	£	£	£	£	£	£
<b>Incoming and endowments from:</b>									
Donations and legacies	319	9,000	9,319	-	17,500	17,500	319	26,500	26,819
Charitable activities	4,745,097	50,800	4,795,897	126,537	-	126,537	4,871,634	50,800	4,922,434
Other trading activities	946,905	-	946,905	-	-	-	946,905	-	946,905
Investments	2,835	-	2,835	142	-	142	2,977	-	2,977
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
<b>Total</b>	<b>5,743,685</b>	<b>59,800</b>	<b>5,803,485</b>	<b>690,932</b>	<b>-</b>	<b>690,932</b>	<b>6,434,617</b>	<b>59,800</b>	<b>6,494,417</b>
<b>Expenditure on:</b>									
Raising funds	701,094	-	701,094	-	-	-	701,094	-	701,094
Charitable activities	5,076,620	69,314	5,145,934	515,833	-	515,833	5,592,453	69,314	5,661,767
<b>Total resources expended</b>	<b>5,777,714</b>	<b>69,314</b>	<b>5,847,028</b>	<b>515,833</b>	<b>-</b>	<b>515,833</b>	<b>6,293,547</b>	<b>69,314</b>	<b>6,362,861</b>
<b>Net resources before transfers</b>	<b>(34,029)</b>	<b>(9,514)</b>	<b>(43,543)</b>	<b>175,099</b>	<b>-</b>	<b>175,099</b>	<b>141,070</b>	<b>(9,514)</b>	<b>131,556</b>
<b>Taxation – UK corporation tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net incoming / (outgoing) resources</b>	<b>(34,029)</b>	<b>(9,514)</b>	<b>(43,543)</b>	<b>175,099</b>	<b>-</b>	<b>175,099</b>	<b>141,070</b>	<b>(9,514)</b>	<b>131,556</b>
<b>Balances brought forward at 1 April</b>	<b>1,509,844</b>	<b>54,932</b>	<b>1,564,776</b>	<b>(175,099)</b>	<b>-</b>	<b>(175,099)</b>	<b>1,334,745</b>	<b>54,932</b>	<b>1,389,677</b>
<b>Balances carried forward at 31 March</b>	<b>1,475,815</b>	<b>45,418</b>	<b>1,521,233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,475,815</b>	<b>45,418</b>	<b>1,521,233</b>







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