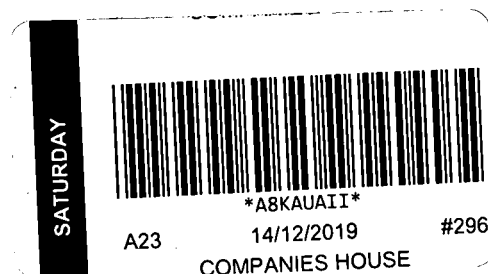


Charity Registration No. 1141581

Company Registration No. 07475543 (England and Wales)

**FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**



FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Bob Jones Chris Lindeman Nicky Pomeroy Carl French Ardia Kaikai
Secretary	Chris Lindeman
Manager	Michael Gadeke
Charity number	1141581
Company number	07475543
Registered office	26-28 Hyde Way Welwyn Garden City Hertfordshire AL7 3UQ
Independent examiner	Gary Howard FCA Howard Wilson Chartered Accountants 36 Crown Rise Watford Hertfordshire WD25 0NE

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

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FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's objects are:

- 1 To relieve either generally or individually persons resident in Hertfordshire and its environs 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;
- 2 To raise public awareness of environmental issues in general and in particular of the advantages of furniture re-use, renewal and recycling.

Aims of the charity

The charity aims to help families and individuals in Hertfordshire by recycling second-hand furniture and household equipment.

Objectives for year

The objective for this year was to obtain sufficient second-hand furniture and household equipment to meet the demands of families and individuals in need.

Strategies for achieving objectives

The charity has attempted to deliver links with individuals and organisations to be notified of available goods for recycling and publicise the availability of goods to the potential beneficiaries of the charity.

Public benefit

FreScH provides public benefits by:

- reducing the amount of furniture and equipment that would otherwise be destined for landfill sites;
- providing assistance to those suffering financial hardship, isolation or stress;
- providing furniture and equipment to charities;
- offering much-needed volunteering opportunities to vulnerable and isolated people.

In all activities, the Trustees pay due regard to the guidance on public benefit issued by the Charity Commission.

Activities

The main activity of FReScH is to recycle second-hand furniture and household equipment for the benefit of families and individuals in need. FReScH will accept goods at its premises or will collect furniture and household equipment from donors.

Donated goods are cleaned, mended and offered for sale in the charity's showroom to individuals and families who are in receipt of means-tested benefits or who are otherwise in particular need due to financial hardship, disability, isolation, or recent life-changing difficulties. Goods and equipment are also offered "at cost" to other charities. Deliveries are usually made free of charge in the Welwyn/Hatfield area.

People are referred to our services by other charities, by social services, the jobcentre, by housing associations, or by friends and neighbours.

FReScH cannot accept donations of goods that cannot be reclaimed or refurbished or that cannot be passed on to others because they fail to comply with legal requirements (for example, if safety labels have been removed).

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Volunteers

FReSch relies heavily on the contributions made by its volunteers. Volunteers have been referred by probation services, adult care services, job centres and other charities. Some volunteers were originally clients of the FReSch. In keeping with FReSch's Training and Development Policy, volunteers receive appropriate training in confidence building, driving, customer services, job search skills and interview techniques. A representative elected by volunteers attends each Board meeting as an observer and participated in discussions.

Achievements and performance

Premises are provided free of charge by The Mears Group, a commercial organisation contracted to provide services to council-owned properties in Welwyn Hatfield. This support has proved enormously valuable. The Mears Group also continue to provide a private area so that volunteers can rest, train, test equipment, or clean or refurbish furniture.

During the year, FReSch

- diverted approximately 40 tonnes of furniture and household equipment from landfill;
- has benefitted from approximately 8,500 hours of volunteering;
- received donated goods from around 1,100 individuals;
- provided goods to nearly 900 individual customers;
- provided goods to a number of Local charities.

Investment performance

The charity does not have large amounts of surplus funds available to invest but those that existed during the year were placed in a deposit account to obtain interest. Interest rates are currently very low and the amount of interest received in the year reflects this.

Financial review

2018-19 continued to pose challenges after the trustees had reduced expenditure whilst taking action to raise the charity's profile. FReSch ended 2018-19 with a surplus on the year of £919 (2018:- £1,101) increasing reserves carried forward to £20,008 (2018: £19,089) reflecting the hard work and participation of the trustees, staff and volunteers.

Reserves policy

FReSch seeks to hold unrestricted reserves equivalent to four months' costs +/- 10%. In this period, excluding donated facilities, expenses have been £56,476 (2018: £53,448) so year-end reserves should be in the range £20,708 – £16,943. This policy was reviewed and affirmed during the year.

At year end, actual reserves were £20,008 (2018: £19,089) which is within the required range of free reserves.

The Trustees consider this level of reserves to be satisfactory and aim to maintain reserves at this level over the coming year.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meets the company law requirements for the trustees to present a strategic report.

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Principal sources of income and how expenditure meets objects

The main source of income is from the sale of second-hand furniture and equipment.

Some sales are facilitated through the Herts Welfare Assistance Scheme.

The main expenditure of the charity is directly related to obtaining goods and refurbishing them ready for resale.

Investment policy

Any surplus funds that the charity has are placed in a deposit account to obtain interest.

Plans for the future

The charity aims to obtain sufficient good quality second-hand furniture and household equipment to meet the demand from potential beneficiaries.

Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

This is a company limited by guarantee and a registered charity.

FReSch is a continuation of the (unincorporated) charity known as the Mid Herts Furniture Recycling Scheme (charity number 1127730) which ceased trading at the end of March 2011 when its net assets (£21,518) were passed to FReSch.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Bob Jones

Chris Lindeman

Andy Nazer

Nicky Pomeroy

Carl French

Ardia Kaikai

(Resigned 6 December 2018)

Potential new trustees have an initial meeting with the Chairman and are asked to read the Charity Commission guidance for trustees. They then attend a board meeting as an observer. The next meeting (without the candidate present) then decides whether or not to co-opt for a term of three years.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

This is a small charity and there are no sub-committees. The trustees meet 4-5 times a year. They set FReSch's strategic direction, review its activities, agree budgets and plans, safeguard FReSch's assets and purpose. The trustees review risks at least annually, and in all decisions bear in mind public benefit guidance issued by the Charity Commission. The trustees appoint a professional Manager who manages the organisation on a day-to-day basis. The manager talks regularly with the Chairman and with the Treasurer.

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Statement of trustees' responsibilities

The trustees, who are also the directors of Furniture Recycling Scheme for Hertfordshire for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

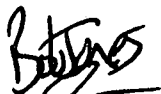
Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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. 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.

The trustees' report was approved by the Board of Trustees.



Bob Jones

Trustee

Dated: 5 December 2019

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

I report to the trustees on my examination of the financial statements of Furniture Recycling Scheme for Hertfordshire (the charity) for the year ended 31 March 2019.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

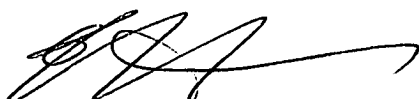
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Gary Howard FCA

Howard Wilson Chartered Accountants
36 Crown Rise
Watford
Hertfordshire
WD25 0NE

Dated: 10 December 2019

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds 2019 £	Total 2018 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	20,471	21,150
Furniture recycling	4	56,897	53,390
Investment income	5	27	9
Total income		77,395	74,549
<u>Expenditure on:</u>			
<u>Charitable activities</u>			
Furniture recycling	6	76,476	73,448
Total charitable expenditure		76,476	73,448
Net income for the year/ Net movement in funds		919	1,101
Fund balances at 1 April 2018		19,089	17,988
Fund balances at 31 March 2019		20,008	19,089

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	10	-		120	
Cash at bank and in hand		22,512		21,450	
		<u>22,512</u>		<u>21,570</u>	
Creditors: amounts falling due within one year	11	(2,504)		(2,481)	
Net current assets			20,008		19,089
Income funds					
Unrestricted funds			20,008		19,089
			<u>20,008</u>		<u>19,089</u>

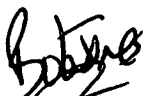
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 5 December 2019



Bob Jones
Trustee

Company Registration No. 07475543

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Furniture Recycling Scheme for Hertfordshire is a private company limited by guarantee incorporated in England and Wales. The registered office is 26-28 Hyde Way, Welwyn Garden City, Hertfordshire, AL7 3UQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated good and services are recognised as income and expenditure in the Statement of Financial Activities at their estimated market value at the time of donation.

1.5 Resources expended

Expenditure is accounted for on an accruals basis. Allocations of support costs are based on the appropriate combination of staff time, direct expenditure and activity levels.

Governance costs are the central running costs of the Charity, including strategic oversight and public accountability.

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	over four years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2019	2018
	£	£
Donations and gifts	471	1,150
Donated goods and services	20,000	20,000
	<u>20,471</u>	<u>21,150</u>

4 Furniture recycling

	2019	2018
	£	£
Sales within charitable activities	<u>56,897</u>	<u>53,390</u>

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Investment income

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	27	9

6 Charitable activities

	2019 £	2018 £
Staff costs	42,563	40,569
Volunteer costs	4,594	4,765
Premises costs	20,000	20,000
Insurance	1,105	899
Repairs and maintenance	610	885
Office costs	1,111	1,001
Website and computer costs	268	555
Motor vehicle running costs	4,155	3,129
General expenses	444	122
Legal and professional costs	145	20
Bank charges and credit card charges	731	753
	<u>75,726</u>	<u>72,698</u>
Governance costs (see note below)	750	750
	<u>76,476</u>	<u>73,448</u>

Governance costs comprise independent examiners fees of £750 (2018: £750).

The Trustees have recognised in these accounts the donation in kind made by The Mears Group which constitutes premises and the cost of lighting and heating. The Trustees have estimated that these facilities would cost the charity at least £20,000 per annum.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year.

FURNITURE RECYCLING SCHEME FOR HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Management & administration	2	2

Employment costs

	2019 £	2018 £
Wages and salaries	41,098	39,955
Social security costs	233	215
Other pension costs	1,232	399
	<u>42,563</u>	<u>40,569</u>

There were no employees whose annual remuneration was £60,000 or more.

9 Financial instruments

	2019 £	2018 £
Carrying amount of financial liabilities		
Measured at amortised cost	720	759

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Prepayments and accrued income	-	120

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	1,784	1,722
Other creditors	720	759
	<u>2,504</u>	<u>2,481</u>

12 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).