

**GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)**

**FINANCIAL STATEMENT**

**FOR THE YEAR ENDED**

**30 SEPTEMBER 2015**

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# **GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)**

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# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## CHARITY DETAILS

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### Trustees/

#### Executive Committee:

Chairman - \* P R Metcalf MBE, FCA, DChA  
(Preston Relief in Need)  
Vice Chairman - E Lowes (Fox Street Community Central  
Methodist Church)  
Treasurer - \* Mrs A Metcalf FCA, DChA  
Secretary - \* P D Taylor (Galloways Society for the Blind)  
Councillor C Crompton (Preston City Council)  
T Greaves (Preston CVS/Jalgos Sports & Social Club)  
A Jackson - resigned 8<sup>th</sup> June 2016  
Canon T Lipscomb (Vicar of Preston)  
Councillor J Saksena (Preston City Council)  
Councillor K Sedgewick (Lancashire County Council)  
Councillor N Pomfret  
J Whittle (SVP)  
Mrs M Thompson (Churches Together)  
*\* Finance & Executive Committee*

#### President (ex officio):

Mayor of Preston City Council

#### Warehouse / Office:

Unit 2, off Boundary Road  
Plungington  
Preston  
PR2 3DS  
Tel: 01772 716572

#### Registered Office:

1 Yewlands Avenue  
Fulwood  
Preston  
Lancashire  
PR2 9QR

#### Charity Number:

1015952

#### Bankers:

National Westminster Bank PLC  
35 Fishergate  
Preston  
Lancashire

#### Independent Examiner:

N Mason ACA

#### Investment Advisers:

Hedley & Company Stockbrokers Ltd  
13b Winckley Square  
Preston  
PR1 3JJ

# **GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)**

## **TRUSTEES REPORT**

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The trustees present their report and the financial statements for the year ended 30 September 2015.

### **Public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

### **Objects and activities of the charity**

The charity was established for the relief of poverty in the Preston area. It was set up to collect donated items of furniture and household effects and delivers such items when requested to needy persons, primarily within a radius of five miles of the Town Hall of Preston. In furtherance of these aims the charity co-operates with other outside bodies, statutory or voluntary, to assist in its objects.

There have been no changes in the charity's objects or policies since the last report.

### **Structure, governance and management**

The charity is governed by a scheme and constitution approved by the Charity Commission on 28 December 1992.

The charity is administered by a Committee of Trustees. The trustees meet not less than four times a year. The members of the Committee are elected at the AGM for a period of three years. One-third of the membership retires annually but may offer themselves for re-election.

The trustees who have served during the year are set out on page 1.

The existing trustees accept the obligation to fully inform a new trustee of the duties and responsibilities of charity trustees by providing the new trustee with copies of the governing document, minutes of previous meetings of the trustees, recent annual accounts of the charity and the relevant Charity Commission publication relating to the responsibilities of trustees.

### **Key management**

The trustees are the key management personnel of the charity with Mr P R Metcalf in charge of directing and controlling daily operations.

All trustees give of their time freely, no trustee remuneration or expenses were paid in the year and there were no related party transactions.

### **Financial review**

The accounts annexed to this report show a net surplus for the year of £3,611, which increases the charity's total funds from £183,114 to £186,725. £38,947 was held on the unrestricted income fund as at 30 September 2015.

The designated investment fund decreased in value from £61,605 at 30 September 2014 to £58,894 at 30 September 2015, but generated £3,014 investment income to support the charity's operational costs. There were net unrealised losses of £8,046 on investments during the year.

# **GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)**

## **TRUSTEES REPORT (CONTINUED)**

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### **Investment policy and performance**

Our investment advisers are instructed to generate income of at least 4% per annum with capital growth in excess of inflation through the use of gilts, unit trusts and common investment funds. At the 30<sup>th</sup> September the investment portfolio was yielding 5.27%. The trustees receive quarterly valuation reports from the investment advisers.

### **Risk**

The main risk to the charity is whether the Lancashire County Council CaUNSS Scheme will continue beyond 31 March 2016. Due to other charities recycling furniture in the Preston area which they sell to generate funds for their cause, there is considerable competition for usable donated household items.

### **Reserves policy**

It is the intention of the Trustees to maintain unrestricted funds to cover 6 months ongoing expenditure. The charity held £38,947 free reserves at the year-end which represents 4.5 months expenditure. The Charity is actively seeking new sources of grant funding to ensure that it has sufficient funds to continue in operation.

### **Review of activities and achievements**

During the charity's twenty second year of operation Gift92 received 524 referrals, and made 551 deliveries of furniture and household items, assisting 940 people, of which 389 were dependent children, 141 were aged under 25 and 44 formerly homeless. We made 1,279 collections of household furniture mainly from the general public whose support is vital to our success and diverted over 68 tonnes from landfill. Preston is a city with high levels of deprivation and our service helps mitigate this.

We offer electrical appliances in conjunction with a partner charity Preston Relief in Need acquiring refurbished appliances from Currys and Ashton Domestic and recycling reusable items donated following PAT testing. The charity is regularly supported by The Harris Charity, Preston which enables the service to support many young persons and families.

The charity is one of eight Lancashire reuse organisations that support Lancashire County Council Care & Urgent Need Support Scheme (CaUNSS). The work has been awarded the MRW National Recycling Partnership Award 2014.

The Trustees are grateful to the staff and unpaid volunteers, who have enabled the charity to efficiently maintain its service to the community, and to the general public, who have again contributed with the vital furniture donations, and for donations received which are shown in the accounts (note 5). Thanks are also due to Moore & Smalley Chartered Accountants who prepare our staff payroll at no cost.

We received significant funding this year from a number of charitable and statutory organisations recorded in the accounts for which we are extremely grateful (note 4). We continue not to charge for furniture as the people we serve are the neediest in Preston and have very limited resources.

### **Tax status**

The charity is exempt from tax on income and gains to the extent that these are applied to its charitable objects.

# **GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)**

## **TRUSTEES REPORT (CONTINUED)**

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### **Independent examiner**

Nicola Mason ACA, a Member of the Institute of Chartered Accountants, has kindly undertaken the examination of the accounts.

This report was approved by the Board of Trustees on ~~8th~~ June 2016 and signed on its behalf by:



.....  
**P R Metcalf MBE FCA DChA**  
**Chairman of the Board of Trustees**

# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

ON THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
  - to keep accounting records in accordance with section 130 of the Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Nicola Mason

Date:

22/7/16

Name:

Nicola Mason

Relevant professional qualification

Member of the Institute of Chartered Accountants

# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Income	Note	Unrestricted income fund £	Income funds		2015 Total £	2014 Total £
			Desig- nated £	Restricted income fund £		
<b>Voluntary income</b>						
Charitable grants	4	8,533	-	2,793	11,326	32,770
Donations and sundry income	5	7,307	-	-	7,307	5,427
HMRC tax repayments		209	-	-	209	-
Investment Income		3,014	-	-	3,014	2,868
Bank interest		21	-	-	21	19
		19,084	-	2,793	21,877	41,084
<b>Incoming resources from charitable activities</b>						
Landfill tax credits		3,710	-	-	3,710	3,419
Membership subscriptions		5,125	-	-	5,125	8,113
Referral fees and delivery charges		10,836	-	-	10,836	11,652
CaUNSS and PRiN		61,197	-	-	61,197	71,272
<b>Total income</b>		99,952	-	2,793	102,745	135,540
<b>Expenditure</b>						
Charitable activities	6	(94,595)	(1,703)	(2,888)	(99,186)	(102,664)
Investment management charges		-	(50)	-	(50)	-
<b>Total expenditure</b>		(94,595)	(1,753)	(2,888)	(99,236)	(102,664)
<b>Net income/(expenditure) before investment gains and losses</b>		5,357	(1,753)	(95)	3,509	32,876
<b>Net investment gains/(losses)</b>						
Unrealised (loss)		-	(7,661)	-	(7,661)	(1,061)
Unrealised gain/(loss) – 2014		-	5,000	-	5,000	-
Other gain – sale of van		2,763	-	-	2,763	-
<b>Transfer between funds</b>		849	1,640	(2,489)	-	-
<b>Net movement in funds</b>		8,969	(2,774)	(2,584)	3,611	31,815
<b>Reconciliation of funds</b>						
Total funds brought forward		29,978	99,405	53,731	183,114	151,299
<b>Total funds carried forward</b>		38,947	96,631	51,147	186,725	183,114



# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## BALANCE SHEET

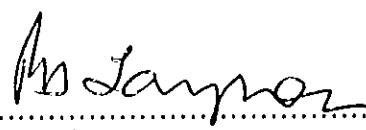
AS AT 30 SEPTEMBER 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>	7		62,894		46,646
<b>Investments</b>	8		58,894		61,605
<b>Current assets</b>					
Stock		2,340		1,780	
Debtors	9	5,139		9,576	
Cash at bank and in hand	10	<u>71,184</u>		<u>69,134</u>	
		78,663		80,490	
<b>Liabilities</b>					
Creditors falling due within one year	11	<u>(10,319)</u>		<u>(5,627)</u>	
<b>Net current assets</b>			68,344		74,863
Creditors falling due after one year	11		<u>(3,407)</u>		<u>-</u>
<b>Net assets</b>	12		<u>186,725</u>		<u>183,114</u>
<b>Funds of the charity:</b>					
General unrestricted funds			38,947		29,978
Designated funds	13		37,737		37,800
Designated Investment fund	14		58,894		61,605
Restricted funds	15		<u>51,147</u>		<u>53,731</u>
<b>Total charity funds</b>			<u>186,725</u>		<u>183,114</u>

### CERTIFICATE OF TRUSTEES

The accounts were approved by the trustees on 8 June 2016 and signed on their behalf by:

  
.....  
P R Metcalf MBE - Chairman

  
.....  
P D Taylor – Secretary

The notes on pages 8 to 13 form part of these accounts.

# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

#### Convention

These accounts have been prepared in accordance with the charity's Governing Document and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) and applicable accounting standards.

#### Funds

General unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds comprise unrestricted funds that have been set aside and earmarked by the Trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### Income recognition

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Grants restricted by the terms of the grantor are shown under restricted funds.

#### Expenditure recognition

The charity is now registered for VAT. All expenditure is accounted for on an accruals basis and has been allocated between the different expenditure categories of the SOFA dependent on the fund financing those costs.

#### Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price.

#### Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the previous year end and their carrying value.

#### Fixed assets and depreciation

The premises owned by the charity are shown at cost and are not depreciated. Depreciation has been charged at 25% on written down value of the van.

	2015 £	2014 £
2. Employees		
Salary costs	48,590	46,243

The average number of paid employees during the year was five part-time and there were regularly ten volunteers who were unpaid. The role of Operations Manager has been undertaken by a trustee.

# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 3. Trustees remuneration and expenses

No trustees or connected person has received or is due to receive any remuneration or other benefits directly or indirectly from the charity's funds.

	General funds £	Restricted funds £	2015 Total £	2014 Total £
4. Charitable grants received				
Restricted income				
Skelton Bounty (Warehouse)	-	-	-	3,000
Global Renewables (CaUNSS project)	-	2,793	2,793	-
Global Renewables (Admin Post)	-	-	-	2,370
	-	2,793	2,793	5,370
Unrestricted income				
The Harris Charity	-	-	-	16,000
PCC VCFS	7,933	-	7,933	10,900
Other grants	600	-	600	500
Total charitable grants	8,533	2,793	11,326	32,770

### 5. Donations and sundry income

Unrestricted income				
Catenians quiz	-	-	-	1,140
Auction	1,038	-	1,038	890
Sundry donations, sales, scrap & van hire	6,269	-	6,269	3,397
Total	7,307	-	7,307	5,427

### 6. Charitable activities

Salary costs	48,590	46,243
Vehicle expenses	8,262	7,059
Office and support costs	7,179	4,786
Property costs	2,178	2,537
Wall and roof repair	-	2,500
	66,209	63,125
Cost of household items - CaUNSS	32,977	39,539
	99,186	102,664

# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

7. Tangible fixed assets	Freehold property		
	Unit 2	Van	Total
	£	£	£
<b>Cost</b>			
As at 1 October 2014	44,157	22,942	67,099
Disposals	-	(22,942)	(22,942)
Additions	-	20,440	20,440
As at 30 September 2015	44,157	20,440	64,597
<b>Depreciation</b>			
As at 1 October 2014	-	19,624	19,624
Disposals	-	(19,624)	(19,624)
Charge for year	-	1,703	1,703
As at 30 September 2015	-	1,703	1,703
<b>Written down value</b>			
30 September 2015	44,157	18,737	62,894
30 September 2014	44,157	2,489	46,646

All of the assets are used in direct furtherance of the charity's objects.

8. Fixed asset investments	Listed investment	Cash held on investment portfolio	Total 2015	Total 2014
	£	£	£	£
<b>Movement in investments</b>				
Market value at 1 October 2014	61,335	270	61,605	62,666
Investments at cost – July 2014*	5,000	-	5,000	-
Deduct net gains/(losses) on revaluation	(7,661)	-	(7,661)	(1,061)
Movement in temporary deposit	-	(50)	(50)	-
Market value at 30 September 2015	58,674	220	58,894	61,605

# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	2015		2014	
	Cost	Market	Cost	Market
	£	value	£	value
		£		£
<b>Investments</b>				
Retail and commercial bonds	10,471	8,385	10,086	10,349
Equities	23,358	20,838	23,358	24,566
Overseas	23,849	24,276	23,849	26,420
Corporate bonds*	<u>5,000</u>	<u>5,175</u>	-	-
	62,678	58,674	57,293	61,335
Bank	<u>220</u>	<u>220</u>	<u>270</u>	<u>270</u>
<b>Total</b>	<u>62,898</u>	<u>58,894</u>	<u>57,563</u>	<u>61,605</u>

\*Investments costing £5,000 bought in July 2014 were omitted from the valuation report dated 30<sup>th</sup> September 2014.

	Restated cost £	Restated market value £
Restated values	62,563	66,605

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded on quoted public markets, primarily the London Stock Exchange. Investments are valued using the mid market value as at 30 September 2015 provided by the investment advisers Hedley and Company Stockbrokers Ltd.

Fixed asset investments are all held in the designated investment fund.

	2015 £	2014 £
<b>9. Debtors and accrued income</b>		
Preston Relief in Need	201	1,007
CaUNSS	2,930	6,630
Landfill tax credit	913	668
HMRC Refund due	165	-
Delivery charges and referral fees	93	190
Investment income receivable	295	-
Prepaid expenses	<u>542</u>	<u>1,081</u>
	<u>5,139</u>	<u>9,576</u>

# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	2015 £	2014 £
10. Cash at bank		
Cash	54	60
Capital reserve	41,067	41,047
Current account	<u>30,063</u>	<u>28,027</u>
	<u>71,184</u>	<u>69,134</u>

	2015 £	2014 £
11. Creditors – falling due within one year		
Quarterly Referral fees in advance	1,450	1,575
PAYE and NIC	147	168
HMRC – Vat	1,808	-
Finance loan – Van	5,110	-
Sundry creditors and accrued expenses	<u>1,804</u>	<u>3,884</u>
	<u>10,319</u>	<u>5,627</u>

Creditors – falling due after one year  
Finance loan

3,407      -

	Unrestricted general £	Designated £	Restricted £	2015 Total £	2014 Total £
12. Analysis of net assets between funds					
Fixed assets	-	18,737	44,157	62,894	46,646
Investments	-	58,894	-	58,894	61,605
Net Current assets	42,354	19,000	6,990	68,344	74,863
Creditors due after one year	<u>(3,407)</u>	<u>-</u>	<u>-</u>	<u>(3,407)</u>	<u>-</u>
Net assets	<u>38,947</u>	<u>96,631</u>	<u>51,147</u>	<u>186,725</u>	<u>183,114</u>

### 13. Designated funds

An award of £2,000 was received from the Institute of Chartered Accountants in England and Wales in recognition of the Treasurer's involvement with the charity. The Trustees have designated this towards the cost of replacing the warehouse roof.

In accordance with recommended good employment practice the Redundancy Reserve Fund of £10,100 is based on the age of each employee as well as their length of time employed plus £6,900 entitlement in lieu of notice. Total £17,000.

The balance on the vehicle fund is represented by the net book value of the vehicle owned by the charity.

# GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Brought forward £	Income £	Expenses £	Transfers £	Carried forward £
13. Designated funds					
Warehouse roof	2,000	-	-	-	2,000
Redundancy reserve	15,800	-	-	1,200	17,000
New vehicle	20,000	-	(1,703)	440	18,737
	37,800	-	(1,703)	1,640	37,737
14. Investment fund	61,605	-	(50)	(2,661)	58,894
<b>Total</b>	<b>99,405</b>	<b>-</b>	<b>(1,753)</b>	<b>(1,021)</b>	<b>96,631</b>

A legacy of £60,000 received from the Dorothy Marsden Deceased Trust has been designated to an Investment Fund to provide income towards the running costs of the charity. The mid-market value of the investment held at 30 September 2015 was £58,894

### 15. Restricted funds

These are funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor. The restrictions are binding upon the Trustees of the charity.

	Brought forward £	Income £	Expenses £	Transfers £	Carried forward £
Property	44,157	-	-	-	44,157
Warehouse maintenance	4,383	-	-	-	4,383
Access to volunteering	2,702	-	(95)	-	2,607
CaUNSS project	-	2,793	(2,793)	-	-
Vehicle in use by the charity	2,489	-	-	(2,489)	-
	53,731	2,793	(2,888)	(2,489)	51,147

#### Property

The purchase of the property used as a warehouse was funded by a grant from National Lottery Charities Board in 1997. There is a restriction lasting 80 years that requires the permission of the Board in writing to enable the disposal of the property. This fund represents the cost of the charity's premises.

#### Warehouse maintenance

This grant funding is held towards alterations and improvements to the warehouse.

#### Access to Volunteering

The remaining balance on this grant is held in respect of volunteering roles.