

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30 SEPTEMBER 2016

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

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GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

CHARITY DETAILS

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
Canon T Lipscomb (Vicar of Preston)
Councillor J Saksena (Preston City Council)
Councillor K Sedgewick (Lancashire County Council)
Councillor N Pomfret (Preston City Council)
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

Reuse shop:
Brockholes Way
Garstang Road
Claughton
PR3 0PH

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 DChA
Moore and Smalley LLP
Richard House
Winckley Square
Preston
PR1 3HP

Investment Advisers:

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

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

TRUSTEES REPORT

The trustees present their report and the financial statements for the year ended 30 September 2016.

Objects and activities for the public benefit

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. 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.

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.

Constitution

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

Trustees

The charity is managed 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.

Recruitment, induction and training of trustees

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 £7,712, which increases the charity's total funds from £186,725 to £194,437. £15,383 was held on the unrestricted income fund as at 30 September 2016.

An additional £25,000 was transferred to the designated investment fund, which increased in value from £58,894 at 30 September 2015 to £91,211 at 30 September 2016. The fund generated £2,629 investment income to support the charity's operational costs. There were net unrealised gains of £7,460 on investments during the year.

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

TRUSTEES REPORT (CONTINUED)

Investment policy and performance

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

The management of risk

The trustees are mindful of potential risks to the charity and regularly review and evaluate policies and procedures. The main risk to the charity is whether the Lancashire County Council CaUNSS Scheme will continue beyond 31 March 2017. 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

The Trustees aim to maintain free reserves in the unrestricted general fund which equates to approximately 6 months of unrestricted general expenditure. The charity held £15,383 free reserves at the year-end which represents three months expenditure. The Charity is actively seeking new sources of grant funding to ensure that it has sufficient funds to continue in operation.

In addition to the unrestricted general fund the charity held designated reserves totalling £128,264 as detailed in note 13. This includes £91,211 in respect of the Investment fund which is held to create income.

Review of activities and achievements

During the charity's twenty fourth year of operation Gift92 received 388 referrals, and made 457 deliveries of furniture and household items, assisting 729 people, of which 330 were dependent children, 89 were aged under 25 and 43 formerly homeless. We made 1,403 collections of household furniture mainly from the general public whose support is vital to our success and diverted over 61 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 regularly links with the Harris Charity.

The charity is one of seven 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, and to St Clare's Catholic Church who enable our van to be parked overnight in a secure area.

Future developments

In December 2016, the charity was invited to take over running the 'Bits and Bobs shop' at Garstang's Household Waste Recycling Centre for an initial 4-month period. This new activity is generating additional items for reuse and funds to support our service.

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

TRUSTEES REPORT (CONTINUED)

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.

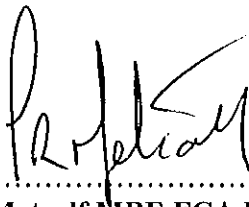
Tax status

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

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 18th January 2017 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 2016

I report on the accounts of the charity for the year ended 30th September 2016 which are set out on pages 6 to 15.

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(2) 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,
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- 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:

19/7/17

Name:

Nicola Mason ACA DChA

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 2016

Income	Note	Unrestricted general income fund £	Design - ated funds £	Restricted funds £	2016 Total £	2015 Total £
Donations and legacies	4	14,708	-	-	14,708	12,415
Income from charitable activities	5	75,578	-	-	75,578	88,173
Investments	6	3,669	-	-	3,669	3,035
Total income		93,955	-	-	93,955	103,623
Expenditure						
Charitable activities	7	(93,560)	-	-	(93,560)	(100,064)
Investment management charges		-	(143)	-	(143)	(50)
Total expenditure		(93,560)	(143)	-	(93,703)	(100,114)
Net income/(expenditure) before investment gains and losses		395	(143)	-	252	3,509
Net investment gain/ (loss)						
Net investment gain/ (loss)		-	7,460	-	7,460	(7,661)
Unrealised gain/(loss) – 2014		-	-	-	-	5,000
Other gain						
Sale of van		-	-	-	-	2,763
Transfers between funds		1,041	(684)	(357)	-	
Transfer Investment fund		(25,000)	25,000	-	-	-
Net movement in funds		(23,564)	31,633	(357)	7,712	3,611
Reconciliation of funds						
Total funds brought forward		38,947	96,631	51,147	186,725	183,114
Total funds carried forward		15,383	128,264	50,790	194,437	186,725

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

BALANCE SHEET

AS AT 30 SEPTEMBER 2016

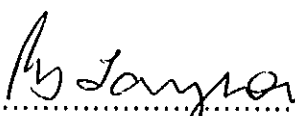
	Note	£	2016 £	£	2015 £
Fixed assets	8		58,210		62,894
Investments	9		91,211		58,894
Current assets					
Stock		502		2,340	
Debtors	10	5,143		5,139	
Cash at bank and in hand	11	<u>45,196</u>		<u>71,184</u>	
		50,841		78,663	
Liabilities					
Creditors falling due within one year	12	<u>(5,825)</u>		<u>(10,319)</u>	
Net current assets			45,016		68,344
Creditors falling due after one year	12		<u>-</u>		<u>(3,407)</u>
Net assets	13		194,437		186,725
			<u><u> </u></u>		<u><u> </u></u>
Funds of the charity:					
General unrestricted funds			15,383		38,947
Designated funds	14		37,053		37,737
Designated Investment fund	15		91,211		58,894
Restricted funds	16		<u>50,790</u>		<u>51,147</u>
Total charity funds			194,437		186,725
			<u><u> </u></u>		<u><u> </u></u>

CERTIFICATE OF TRUSTEES

The accounts were approved by the trustees on 18th January 2017 and signed on their behalf by:



 P R Metcalf MBE - Chairman



 P D Taylor – Secretary

The notes on pages 8 to 14 form part of these accounts.

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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.

Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity constitutes a public benefit entity as defined by FRS 102. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. The charity has early adopted the amendments to the SORP included in Charities SORP (FRS102) Update Bulletin 1 published on 2 February 2016.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 17.

Fund accounting

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

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.

No amount is included in the financial statements for volunteer time in line with SORP (FRS102) Further details are given in the Trustees Annual Report.

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Expenditure

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.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs and administrative costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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.

Judgements and Key Assumptions

The Trustees have reviewed the useful economic life of fixed assets are disclosed in the fixed policy and consider that it is reasonable. There are no other judgements or key assumptions.

	2016 £	2015 £
2. Employees		
Salary costs	51,046	48,590

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.

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.

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	General funds £	Restricted funds £	2016 Total £	2015 Total £
4. Donations and legacies				
• Charitable grants received				
Restricted income				
Global Renewables	-	-	-	2,793
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,793</u>
Unrestricted income				
PCC VCFS	8,700	-	8,700	7,933
Other grants	<u>350</u>	<u>-</u>	<u>350</u>	<u>600</u>
Total	9,050	-	9,050	11,326
	<u>9,050</u>	<u>-</u>	<u>9,050</u>	<u>11,326</u>
• Legacies and donations				
Unrestricted income				
Legacy	4,688	-	4,688	-
Donations	<u>886</u>	<u>-</u>	<u>886</u>	<u>880</u>
Total	5,574	-	5,574	880
	<u>5,574</u>	<u>-</u>	<u>5,574</u>	<u>880</u>
• HMRC Gift aid tax repayment	84	-	84	209
	<u>84</u>	<u>-</u>	<u>84</u>	<u>209</u>
Total	14,708	-	14,708	12,415
	<u>14,708</u>	<u>-</u>	<u>14,708</u>	<u>12,415</u>
5. Income from charitable activities				
	General funds £	Restricted funds £	2016 Total £	2015 Total £
Landfill tax credits	3,347	-	-	3,347
Membership subscriptions	5,150	-	-	5,125
Referral, admin and delivery charges	10,141	-	-	10,836
Sale of appliances & donated goods	<u>56,940</u>	<u>-</u>	<u>-</u>	<u>68,502</u>
Total	75,578	-	-	88,173
	<u>75,578</u>	<u>-</u>	<u>-</u>	<u>88,173</u>

Income from charitable activities in the year ended 30 September 2015 was unrestricted.

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

6. Investments

	General funds £	Restricted funds £	2016 Total £	2015 Total £
Bank charges and interest refunded	1,019	-	1,019	-
Investment income	2,629	-	2,629	3,014
Bank interest	<u>21</u>	<u>-</u>	<u>21</u>	<u>21</u>
Total	3,669	-	3,669	3,035

Investment income in the year ended 30 September 2015 was unrestricted.

7. Cost of charitable activities

	2016 £	2015 £
Salary costs	51,046	48,590
Vehicle expenses	3,711	6,559
Office and support costs	5,667	7,179
Property costs	2,617	2,178
Depreciation	<u>4,684</u>	<u>1,703</u>
	67,725	66,209
Cost of appliances bought	24,235	32,977
Costs re sale of donated items	<u>1,600</u>	<u>878</u>
	93,560	100,064

Included within costs of charitable activities for the year ended 30 September 2015 was £97,176 related to unrestricted funds and £2,888 related to restricted funds.

8. Tangible fixed assets

	Freehold property Unit 2 £	Van £	Total £
Cost			
As at 1 October 2015/30 September 2016	<u>44,157</u>	<u>20,440</u>	<u>64,597</u>
Depreciation			
As at 1 October 2015	-	1,703	1,703
Charge for year	<u>-</u>	<u>4,684</u>	<u>4,684</u>
As at 30 September 2016	<u>-</u>	<u>6,387</u>	<u>6,387</u>
Written down value			
30 September 2016	<u>44,157</u>	<u>14,053</u>	<u>58,210</u>
30 September 2015	<u>44,157</u>	<u>18,737</u>	<u>62,894</u>

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

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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 2016 provided by the investment advisers Hedley and Company Stockbrokers Ltd.

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

		2016	2015
		£	£
10.	Debtors and accrued income		
	Preston Relief in Need	-	201
	CaUNSS	3,442	2,930
	Landfill tax credit	707	913
	HMRC Refund due	84	165
	Delivery charges and referral fees	100	93
	Investment income receivable	264	295
	Prepaid expenses	<u>546</u>	<u>542</u>
		<u>5,143</u>	<u>5,139</u>
		2016	2015
		£	£
11.	Cash at bank		
	Cash	21	54
	Capital reserve	41,088	41,067
	Current account	<u>4,087</u>	<u>30,063</u>
		<u>45,196</u>	<u>71,184</u>
		2016	2015
		£	£
12.	Creditors – falling due within one year		
	Quarterly Referral fees in advance	1,184	1,450
	PAYE and NIC	136	147
	HMRC – Vat	706	1,808
	Finance loan – Van	3,407	5,110
	Sundry creditors and accrued expenses	<u>392</u>	<u>1,804</u>
		<u>5,825</u>	<u>10,319</u>
	Creditors – falling due after one year		
	Finance loan	-	3,407
		2016	2015
		£	£
		</	

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

14. 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 £13,030 is based on the age of each employee as well as their length of time employed plus £7,970 entitlement in lieu of notice. Total £21,000.

The balance on the vehicle fund £14,053 is represented by the net book value of the vehicle owned by the charity.

	Brought forward	Addition	Expenses	Gains/ transfers	Carried forward
	£	£	£	£	£
14. Designated funds					
Warehouse roof	2,000	-	-	-	2,000
Redundancy reserve	17,000	-	-	4,000	21,000
New vehicle	18,737	-	(4,684)	-	14,053
	37,737	-	(4,684)	4,000	37,053
15. Investment fund	58,894	25,000	(143)	7,460	91,211
Total	96,631	25,000	(4,827)	11,460	128,264

16. Restricted funds

These are funds that can only be used for 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	-	(137)	-	4,246
Access to volunteering	2,607	-	(220)	-	2,387
	51,147	-	(357)	-	50,790

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.

GUILD INITIATIVE FOR FURNITURE TRUST (Gift92)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

16. Restricted funds (Continued)

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.

17. First time adoption of SORP (FRS102)

The charity has adopted the SORP (FRS 102) for the first time in the year ended 30 September 2016.

There have been no changes in accounting policies resulting from adoption of SORP (FRS 102).

There have been no adjustments to previously reported total charity funds at the date of transition to SORP (FRS 102) or at the end for the comparative period.

There were no adjustments to previously reported net income in the comparative period.

18. Post balance sheet events

In accordance with Auto Enrolment Pension Regulations the charity will introduce a pension scheme for eligible employees in April 2017.