

# Richmond Furniture Scheme

Annual Report and Financial Statement for the Year Ended March 2018



**Richmond Furniture Scheme**

*Your local furniture re-use charity*

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## Chair's Foreword

2017/18 has proved to be a year of mixed success for the Richmond Furniture Scheme.

On the one hand, we have continued to enjoy an increase in revenue generated by sales – this is great! It reflects the success of the Scheme's policy of being choosier in the quality of donations we accept, our reading of the segmented nature of demand in the local market (ie. the willingness of some of our customers to pay higher prices for higher quality upcycled furniture) and, most importantly, the commitment and talent of staff and volunteers.

On the other hand, despite Saturdays being busier than ever, our overall customer numbers are falling. While the number of 'grant-referred' customers in receipt of benefits is up on last year, the number of 'self-referring' customers is down. Part of the explanation for this is that we are successfully helping many of those who initially approach us on benefits to access financial support before they return to us as grant aided customers. However, there is no escaping the fact that aggregate customer numbers have been slowly but steadily declining – a trend which we really do need to tackle head on.

A timely opportunity to take stock and 'strategize' presents itself with the arrival of two new trustees who joined the board in early summer – each bringing substantial additional experience from their respective fields, including social housing and digital transformation. At the time of writing we are looking forward to a Strategy Awayday at which the Trustees will be collectively reviewing the charity's mission, marketing strategy, stakeholder relationships – and wider strengths, weaknesses, opportunities and threats.

One early benefit of an injection of fresh talent has been a coming together of staff and board members in readying the Scheme for April 2018's introduction of the new General Data Protection Regulation (GDPR). Unlike many small charities that have floundered in upgrading data handling and protection policies and procedures, both the board and staff at RFS have embraced the GDPR as an opportunity to renew and strengthen trust with our many volunteers and customers. We are confident that customer data is safe with us!

In the year ahead, we look forward to effectively engaging with a newly elected Council - and a widening array of sponsor stakeholders - so as to ensure the unique characteristics of the RFS are not missed; and that our service to local people in need of favourably priced, quality furniture together, with our core recycling activities, chime with the Council's agenda for a greener, fairer, friendlier Richmond.

With thanks as ever to all our customers - and not forgetting our good neighbours in Fortescue Avenue.

Best wishes,



**Stephen Batey, Chair**

## ADMINISTRATIVE DETAILS

### Status

Richmond Furniture Scheme is registered as a Charity in England and Wales (1133019) and as a UK Registered Company Limited by Guarantee (7001417).

### Registered Office and Business Address

1a Fortescue Avenue  
Twickenham  
Middlesex  
TW2 5LS

### Contact Details

Telephone	020 8755 4665
Email	admin@richmondfurniturescheme.co.uk
Website	www.richmondfurniturescheme.co.uk

### Trustees/Directors at Year End

Stephen Batey	(Chair)
John Hallett	(Treasurer and Secretary)
Cllr Annie Hambidge	
Carolyn Hallett	
Jack Stephen	
Mithu Sengupta	

### Scheme Manager

Sharron Nichols

### Accounts Examiner

Hyatt & Co  
Onslow Hall  
Little Green  
Richmond  
TW9 1QS

### Bankers

Cafbank Ltd, Kings Hill, West Malling, Kent

### Insurance

David Edwards Insurance Brokers Ltd  
WRS Insurance Brokers Ltd  
Ansfar Insurance

# DIRECTORS/TRUSTEES' REPORT

## **Principal Activities**

Richmond Furniture Scheme accepts and collects donations of furniture from the general public in the London Borough of Richmond upon Thames. It stores, repairs as necessary, displays and sells at discounted prices to people in need and at marginally higher prices to the general public. The Scheme also provides volunteering opportunities, training and work experience.

## **Background**

Richmond Furniture Exchange was established in 1990 and became a registered charity in 1992, changing its name in 1997 to the Richmond Furniture Scheme. From 1st April 2010 the assets of the Scheme were transferred to Richmond Furniture Scheme, a newly formed company limited by guarantee and registered as a charity.

## **Objectives**

The Scheme's objectives, as specified in its Memorandum of Association and agreed by the Charities Commission are the:

- Prevention and relief of poverty by supplying donated furniture and household goods at minimal cost to people in need
- Protection and preservation of the environment by encouraging reuse/recycling of donated furniture and household goods
- Relief of unemployment for the benefit of the public in such ways as may be thought fit, including the provision of training, employment, work experience and volunteering opportunities.

## **Governance**

The governing body of the scheme are the Trustees/Directors, none of whom is paid. Those who served throughout 2017/18 were Stephen Batey, Carolyn Hallett, John Hallett and Cllr Annie Hambidge. Mithu Sengupta was appointed in March 2018 and Jack Stephens was appointed in June 2018.

Trustees/directors are recruited by advertisement, networking and personal contact; they are all asked to identify areas of interest. Their main responsibility is to ensure the good governance of the scheme by strategic and financial planning, approving and monitoring expenditure, and ensuring sufficient funding is in place. The Trustees hold monthly meetings with their

appointed Scheme Manager where they review operational and financial performance reports and discuss and take decisions on the direction of the Scheme.

### **Management and Staff**

We currently have five paid employees: Scheme Manager, Sharron Nichols, who oversees all aspects of day to day business. Sharron is supported by an Office Administrator, a Showroom/Warehouse Supervisor, a Van Driver and a Van Driver's Assistant.

### **Volunteers**

We are very lucky to benefit from the services of some stalwart volunteers – many of whom have given their time and skills to us over a number of years. Some attend regularly, maintaining workplace skills or developing their craftwork experience. Others come to us for shorter periods, perhaps on work experience or other placements. Typically, there are between nine and twelve volunteers attending the Scheme over the course of any given week.

### **Youth Training**

In the last year we have offered work experience placements to a number of young people from local schools and agencies such as Achieving for Children.

We provide opportunities to work in our showroom, building valuable customer service skills, or to work on upcycling projects, learning about the importance of recycling as well as acquiring skills in preparing, renovating and painting furniture to achieve various finishes using different creative techniques.



### **Marketing highlights**

During the year, to promote the Scheme in the Borough we attended Chestnut Sunday in Bushy Park, The Hands Fair on Twickenham Green, Go Green in Church Street, Twickenham and an antiques and collectibles fair at Ellery Hall, Teddington. Events such as these provide us with opportunities to reach a

wide range of people in the community about the value of our work. Many people consent to joining our mailing list - leaving their contact details for our marketing or as potential volunteers or donors of furniture.

We have also attended a number of fairs. In particular, volunteers from our upcycling project, 'Carousel at Richmond Furniture Scheme' managed a stall at the Hampton Court Flower Show as part of a joint venture with Visit Richmond and The Poppy Factory, generating a lot of interest.



Although the Carousel upcycling venture has proven to be a marginal commercial contributor in previous years, it is beginning to come into its own helped by our new marketing endeavour – RFS is now an accredited stockist of *Frenchic* paints.

Frenchic is the eco-friendly chalk paint used on our upcycling projects. There are very few stockists in this part of the country. Early signs are that Frenchic customers are being tempted into our furniture showroom and this is benefiting our upcycled furniture sales via Carousel. Carousel itself has benefited from a strong team of volunteers dedicated to upcycling and restoration. The project has been taking commissions on a regular basis and completing these with Frenchic paint. We are fortunate to have the services of a volunteer upholsterer to complement our up-cycling work. The Scheme's particular thanks also go to Mandy Rippon for driving this initiative over the past year.



Finally, the Scheme continues to benefit from ‘informal’ marketing as customers put the word out that we RFS is worth visiting. Existing customers recommend us to friends, relatives and neighbours; others find us online or have seen one of our posters or flyers; in some cases customers have seen our van in their area and then look us up online. We are also firmly on the browsing circuit of those who enjoy ‘doing the rounds’ of local charity shops in the course of their weekend leisure activities.

## **Funding**

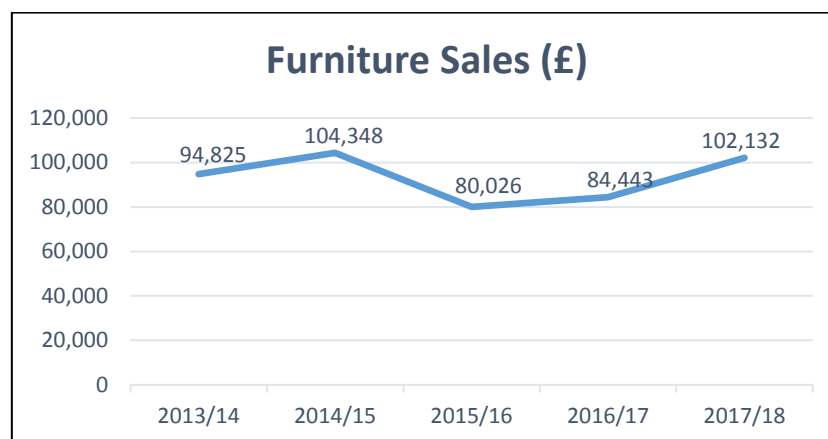
The trustees/directors are grateful for past and present financial support from external funders without whom the Scheme would not be able to operate in the long term. Particular thanks go to:

- Richmond Parish Lands
- The London Borough of Richmond upon Thames
- Asra Paragon Housing Association
- Waitrose
- The Rotary Club, Teddington
- Barnes Workhouse Trust

All the above have provided funding in 2017/18.

## **Trading Performance**

### Furniture sales



The graph above shows that in 2017/18 there has been a recovery in overall furniture sales. This is primarily due to an increase in the value of sales to ‘non-referred’ customers (ie customers not on benefits). The number of grant referred customers however remains in line with 2016/17 (see graph below).



Overall the Scheme's income from commercial activities has improved by over 20% helped by a combination of strong Saturday trading, improved Carousel commissions and sales arising from our marketing of Frenchchic paints.

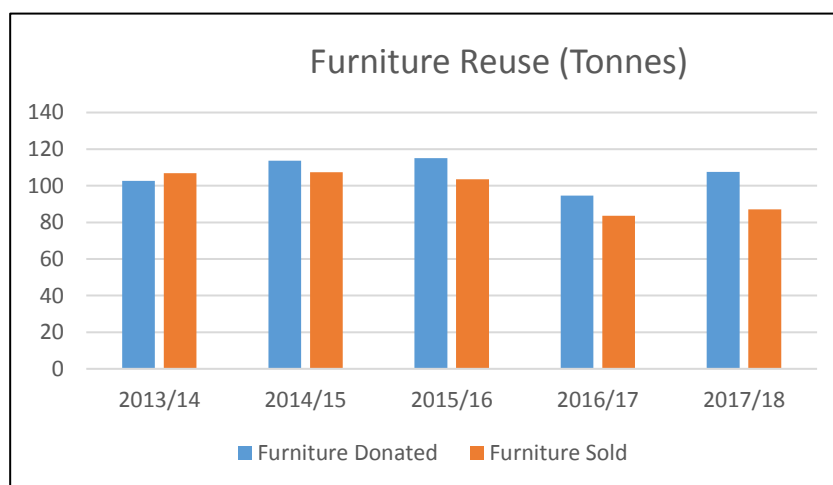
Despite the loss this year of one long term funding grant, the charity has proved robust in achieving an overall increase in total income from all sources of £4,563 to £132,194.

Our two main costs are Salaries and Transport which covers the cost of providing the collection and delivery service that we offer. In addition, we have minor administration costs. In the first three months of the year, whilst we were recruiting our new scheme manager, we operated without one and this has enabled the reported costs of salaries for the year to be contained. In total, our costs increased by £4,026 to £138,000.

Thus, the overall result was a small deficit of £5,806 in the year.

### Volumes

In terms of volume, last year saw a recovery in both furniture donated and sold on the previous year. However, these figures remain down on previous years.

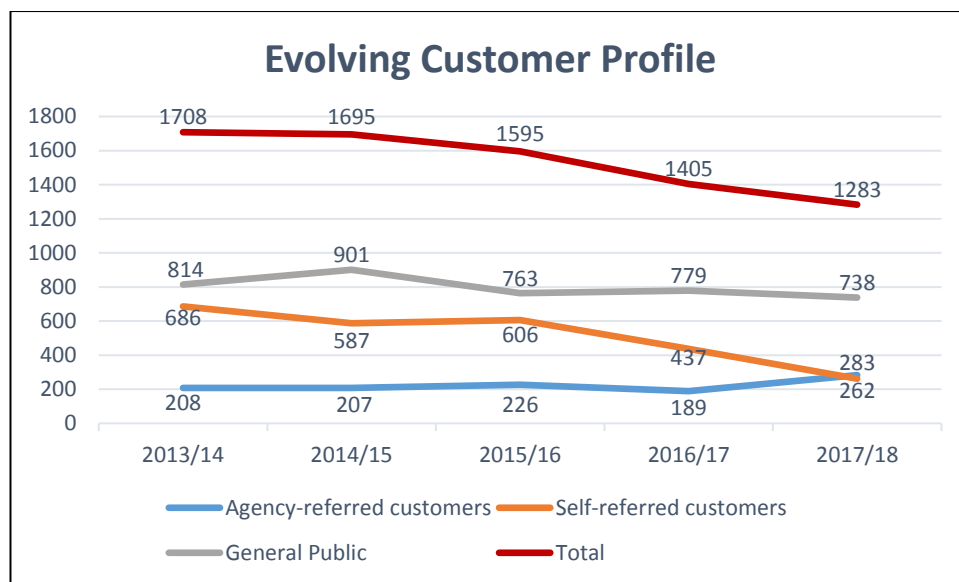


Despite the Scheme's best endeavours some of the furniture donated to us proves not to be of sufficient quality for upcycling and selling on. We continue to review our collection policies and operational procedures with the aim of minimising the volume of furniture we collect that proves to be unwanted. However, customer demand is cyclical. Sometimes we do carry an excess of certain stock (ex. wardrobes, tables and chairs) that does not always turnover quickly.

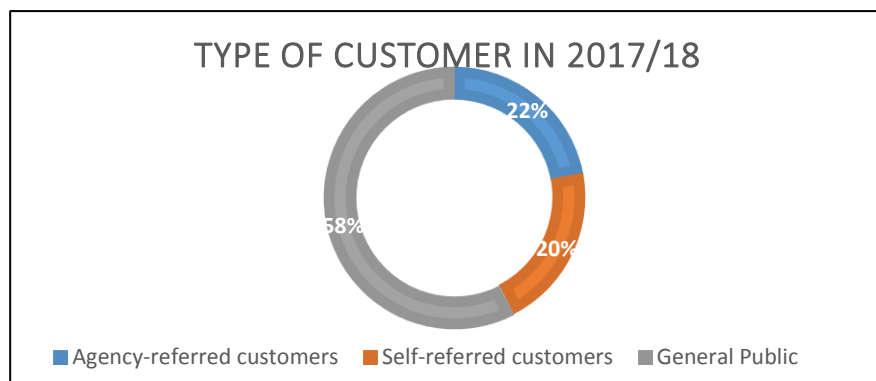
## Customer Profile

While spend per customer has increased, the continuing downward trajectory in total numbers of customers per annum is giving cause for concern. This is an issue the trustees will be tackling at a forthcoming Strategy Awayday.

Trends show an increasing number of people visiting with grants (external referrals) but a decline in those coming without grants while showing they are on benefits (what we call 'self-referrals'). We are reflecting on the possible underlying reasons for this changing picture which has implications for how we market our 'offer' to those in need. We think part of the explanation is the help offered by our staff in redirecting prospective customers on benefits to apply to Richmond Borough Council's local assistance scheme. Many then return to the Scheme with a personal grant.



Nevertheless, with the majority of our customers last year being from the general public, we do need to ensure that we continue to deliver our core charity objectives focusing primarily on people in need.



## **Customer Satisfaction**

The Scheme encourages customers to comment on the service we provide. People often leave comments on our Facebook page. Our ability to respond to these comments ensures that potential customers are aware that we take their views seriously.

“Staff are very helpful and the quality of stock is surprisingly good. Keep it up!”  
“Great place to visit” and “Amazing place” are typical of the feedback we receive.

Our Instagram account has 143 followers and receives many enthusiastic comments. Facebook ‘likes’ number 432.

## **Future Plans and Challenges**

In order to increase our sales revenue generally and successful targeting of those on lower incomes in particular, we are in the process of undertaking a strategic marketing review.

We have used the Richmond Borough Village News to advertise our periodic Sales and promotional offers to local residents. These have been useful in bringing us new custom. Looking ahead we will make more use of the Richmond Card Offers to promote our services.

We have limited storage space at our premises. The volume of donations we are offered is such that we could easily fill double our site space. We have secured further storage in Brentford which is usually at least 75% full. Expediting turnover is a continuous challenge. In the coming year we are hopeful that our strengthened marketing efforts will show good results and that this in turn will improve the flow of stock inwards and outwards.

A further priority for the year ahead is to build a stronger set of external relationships, in particular with local housing associations and a new Council administration with the aim of generating referrals and raising income generally. We aim to do so while ensuring our services continue to be relevant and tailored to need.

The Scheme’s premises in Fortescue Avenue remain on a short-term extension of earlier leasing arrangements with Richmond Council. It is very important for the future of the Scheme that a long-term solution be agreed with the Council.

## **Financial reserves policy**

The trustees have determined that the unrestricted liquid reserves of the Scheme should be maintained at a level equivalent to at least six months otherwise unfunded expenditure. The trustees consider that reserves at this level are sufficient to ensure that in the event of a very significant drop in funding the Scheme will continue to function while consideration is given to means by which additional funding may be raised and / or the Charity be restructured.

## **Risk and internal controls**

The trustees have overall responsibility for ensuring that the Scheme has an appropriate system of controls in place - financial and otherwise. They are also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps in the prevention and detection of fraud and to ensure data protection and other assurance against irregularities such that:

- The Scheme's assets are safeguarded against unauthorised use
- Proper records are maintained so that financial information used within the Scheme or for publication is reliable
- The Scheme complies with relevant legislation and regulations.

As part of the Scheme's system of internal control, the trustees supported by the Scheme Manager, record and review risks including their likelihood of occurrence and potential impact and review associated actions to mitigate these.

**Richmond Furniture Scheme  
Statement of Financial Activities - April 2017 to March 2018**

<u>Incoming Resources</u>		notes	Unrestricted Funds	Restricted Funds	Total 2017/18	Total 2016/17
		1	£	£		£
<b>Grants</b>						
	Hampton Fuel Allotment Charity					15,000
	LBRT (Notional Rent)			15,700	15,700	15,700
	Richmond Parish Lands			5,800	5,800	5,800
	Rotary Club of Teddington			1,000	1,000	-
				<u>22,500</u>	<u>22,500</u>	<u>36,500</u>
<b>Income From Charitable</b>						
	Sales to Referred Clients		46,033		46,033	45,600
	Sales to Non- Referred Clients		56,099		56,099	38,843
	Carousel		2,903		2,903	2,115
	Paint Sales		575		575	-
			<u>105,610</u>	<u>-</u>	<u>105,610</u>	<u>86,558</u>
<b>Other Income</b>						
	Bank Interest		410		410	738
	Donations incl Gift Aid		3,674		3,674	3,835
			<u>4,084</u>	<u>-</u>	<u>4,084</u>	<u>4,573</u>
<b>Total Incoming Resources</b>			<u><b>109,694</b></u>	<u><b>22,500</b></u>	<u><b>132,194</b></u>	<u><b>127,631</b></u>
<u><b>Resources Expended</b></u>						
<b>Collection &amp; Distribution</b>						
	Transport Costs		35,677		35,677	37,052
<b>Overhead costs</b>		2				
	Employee Costs		51,305	6,800	58,105	57,797
	Volunteer Expenses		4,991		4,991	3,656
	Rent & Rates (LB of Richmond)		-	15,700	15,700	15,700
	Insurance		2,529		2,529	2,261
	Utilities		3,094		3,094	3,975
	Office equipment/telecoms./computer		5,778		5,778	3,751
	Repairs/maintenance/tools/materials		1,470		1,470	2,303
	Printing & Publicity & Postage & Stationery		4,055		4,055	2,625
	Training/health & safety		-		-	83
	Carousel Materials		1,305		1,305	
	Paint Supplies		530		530	
	Depreciation		2,209		2,209	2,920
	Sundry Office Expenses		1,908		1,908	784
	Fees and charges		650		650	1,068
<b>Total Resources Expended</b>			<u><b>115,500</b></u>	<u><b>22,500</b></u>	<u><b>138,000</b></u>	<u><b>133,974</b></u>
<b>Net Movement in Funds</b>			<u><b>(5,806)</b></u>	<u><b>-</b></u>	<u><b>(5,806)</b></u>	<u><b>(6,343)</b></u>

**Richmond Furniture Scheme  
Balance Sheet as at 31st March 2018**

(Company No 7001417)

		2018		2017	
	Notes	£	£	£	£
<b><u>Fixed Assets</u></b>					
Property and Equipment	3			2,211	5,340
<b><u>Current Assets</u></b>					
Stock of Paint		735			
Debtors	4	8,142		3,215	
Cash at Bank		106,664		113,455	
Petty Cash		19		114	
			115,559		116,785
<b><u>Current Liabilities</u></b>					
Suppliers/accruals	5	3,836		2,385	
			3,836		2,385
				111,723	114,400
<b><u>Net Current Assets</u></b>					
<b>TOTAL NET ASSETS</b>				<b>£113,934</b>	<b>£119,740</b>
<b><u>Representing</u></b>					
<b><u>Unrestricted Funds</u></b>					
Beginning of the year		108,397		114,740	
Surplus/(Deficit) for the year		(5,806)		(6,343)	
End of the year			102,591		108,397
<b><u>Restricted Funds</u></b>					
Beginning of year	1	4,343		4,343	
Surplus/(Deficit) for the year		-		-	
End of the year			4,343		4,343
<b><u>Designated Funds</u></b>					
Beginning of the year	6	7,000		7,000	
Designations released for the year					
End of the year			7,000		7,000
<b>TOTAL RESERVES</b>				<b>£113,934</b>	<b>£119,740</b>

For the year ending 31st March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors Responsibilities:

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

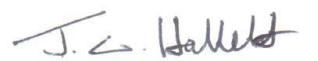
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the provisions of the small companies' regime

J W Hallett - Director/Trustee

Approved by the Board of Directors/Trustees on 6th September

2018



## Richmond Furniture Scheme

Notes forming part of the financial statements for the year ended 31 March 2018

### Basis of preparation

### Accounting convention

The financial statements are prepared under the historical cost convention in accordance with the Financial Reporting Standard 102 and Accounting and Reporting by Charities – Statement of Recommended Practice (SORP ) and with the Charities Act 2011.

### Incoming resources

These are included when the charity becomes entitled to them.

### Resources expended

Expenditure is included on an accruals basis.

### Tangible fixed assets and depreciation

All assets costing more than £500 are written off on a straight-line basis over a period of 3-5 years.

### Note

#### 1. Grants Receivable

Unrestricted grants are those provided to meet the general running costs of the Scheme.

Restricted grants are provided for specific purposes.

All grants received in 2017/18 were restricted,

Restricted Grants	Purpose	Balance b/fwd £	Additions £	Utilised £	Balance c/fwd £
LBRT Grants					
Notional Rent	Rent	0	15,700	15,700	0
New Workshop	New Workshop	1,843			1,843
Richmond Parish Lands	Employee Costs	0	5,800	5,800	0
Richmond Parish Lands	Carousel	2,500			2,500
Rotary Club of Teddington	Employee Costs		1,000	1,000	0
		4,343	21,500	21,500	4,343

#### 2. Staff costs and trustees' remuneration

No employees received remuneration amounting to more than £25,000 in the year. Trustees received no remuneration (2016/17 – Nil) and were not reimbursed for any expenses in the year (2016/17– Nil).



**3. Fixed Assets**

	£
Cost at 1 <sup>st</sup> April 2017	62,267
- Additions in year	Nil
Cost at 31 <sup>st</sup> March 2018	<b>62,267</b>

Depreciation at 1 <sup>st</sup> April 2017	56,927
- Depreciation for year	3,129
Depreciation at 31 <sup>st</sup> March 2018	<b>60,056</b>

Net book value at 1 <sup>st</sup> April 2017	5,340
Net book value at 31 <sup>st</sup> March 2018	<b>2,211</b>

**4. Debtors**

Sales:	£ 7,482
VAT:	£ 660

**Total: £ 8,142**

**5. Creditors**

**Amounts falling due within one year**

Suppliers:	£2,536
Accruals:	£1,300

**Total: £3,836**

**Creditors: Amounts falling due after more than one year**

There were no such liabilities due.

**6. Designated Funds**

£7,000 is designated for property refurbishment.

## Independent Examiner's Report to the Trustees of Richmond Furniture Scheme

I report on the accounts of the Richmond Furniture Scheme for the year ended 31<sup>st</sup> March 2018.

### 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 Commissioners (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 report

My examination was carried out on accordance with the General Directions given by the Charity Commissioners. 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 disclosure in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

### 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 to 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.

Name: H. A. HARTY C

Relevant professional qualification or body:

F.C.A.

Address:

ONLOW HALL  
WITTHE GREEN  
RICHMOND

Date:

SURREY, TW9 14J  
31. October 2018