Report and Financial Statements for the year ended 31 December 2017
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Directors and Trustees
Teresa Tideman (Chair)
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Debra Alcock Tyler
Graham Burridge
Tim Hinton
Graham Inglis
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Amanda Mackenzie
Tom Moody
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Andrew Wright

Chief Executive
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Status

In Kind Direct is:

- a company limited by guarantee, number 3155226.
- a charity registered in the United Kingdom, number 1052679.

It is governed by a Memorandum and Articles of Association dated 16 January 1996, as amended by subsequent Special Resolutions.
Supporters

In Kind Direct gratefully acknowledges support in 2017 from many individuals and organisations by way of encouragement, donated goods or services and direct funding. This support is provided by the people and organisations listed below.

The In Kind Direct Patrons’ Network recognises individuals and organisations which have made a significant financial contribution and commitment to the work of the charity

2020 Investors’ Circle
Lloyds Banking Group
Nutt, Mr & Mrs Anthony
Wilko
Garfield Weston Foundation

Diamond Patrons
Levin, Mr and Mrs Vadim
McBride
DS Smith

Patrons
Acheson & Acheson
Anonymous donors
The Garvey Foundation
The Walt Disney Company

Other financial supporters
Aldridge, Mr Mark
Alcock-Tyler, Mrs Debra
Amazon Local
Bisgood Charitable Trust
BNY Mellon
Cecil Pilkington Charitable Trust
Freeman, Mr Peter
FSJ Trust
Kepler Cheuvreux
Levin, Mr Vadim
Lloyds Bank Foundation
Maths & Magic
Maud Elkington Charitable Trust
McBride
Morgan Charitable Foundation
Nutt, Mr and Mrs Anthony
Ormsby Charitable Trust
P&G
Parekh, Mr and Mrs Gary
People’s Postcode Lottery
Pentland
Pouroulis, Mr Adonis
Rhodes, Miss Rachel
Ricoh UK
Scott, Ms Hazel
Sir James Knott Trust
Sobell Foundation
The Prince of Wales’s Charitable Foundation
The Walt Disney Company
Thomas, Ms Sharon
Tideman, Mrs Teresa

Service donors
Addison
AIMIA
Amazon
Amazon Web Services
Amazon.co.uk
Beiersdorf
Blueprint Partners
Britannia Communications
Business in the Community
Capgemini
Directory of Social Change
DynamicAction
Elliott, Mr Graham
Excelsior Hotel Ernst
Family Business Place
Goldsby, Mrs Robin Meloy
HMKM
iNet Telecoms Ltd
Interserve Healthcare
Jabbar, Mr Ijaz
Johnson & Johnson
Lloyds Banking Group
McBride
Microsoft
Mishcon de Reya
Pentland Brands
Pregis Corporation
Premier Paper Group
Printed Easy
Procter & Gamble
Ricoh
Sussex Soccer Academy
The Prince of Wales’s Charitable Foundation
The Service Business
The Walt Disney Company
Tulchan Communications
Wilko
Withers & Rogers
WPP
Youth Action

We would like to thank players of People’s Postcode Lottery for their support which has benefited numerous charities helping vulnerable adults across the country.
Our donors

Cleaning & household
Balsam Brands
BELMAS
BigGreenSmile
Brakes
Cologne & Cotton
Conair
Duracell UK
Energizer
Essity
Guest Supply Europe
Halo Living
Mars Petcare
Mcbride
Pacific Direct
Procter & Gamble
Promotional Handling
PZ Cussons
Reckitt Benckiser
Royl Cats & Dogs
Royal Sanders UK
Sealed Air
Super Shammy
Sykes Global Services
Trendsetter Home Furnishings
Vans Europe
Vi-Spring

Cookware, kitchen & food
Bewley’s Tea & Coffee UK
Bunzl Catering Supplies
Burtons Biscuits
Compass Group
Kickstand Marketing
Lindt & Sprüngli (UK)
Lucozade Ribena Suntory
Meyer Group
Pastificio Lucio Garofalo SPA
Raceahead
Stafford Fire Station

General retail
Amazon.co.uk
Asda Stores
Zebra A/S Flying Tiger
Copenhagen

Clothing, footwear, & sports
Association of Graduate Recruiters
Ataxia UK
Berghaus
Brand Addition
Cancer Research UK
Canonbury Products
Caravan and Motorhome Club
Chantelle Lingerie Ltd
Duo Boots
Hioco UK
Kikiyo
Levi Strauss (UK)
Mira Mikati
Mitre Prostar
Royal bank of Scotland
Sweatband.com
Tricouni Brands
VF Corporation
Woolovers

Office supplies
Boles, Dr Blair
Bullitt Group
Bureau Direct
Deutsche Bank
EV Group
Gardiner & Theobald
Global Resale
Lloyds Banking Group
Newell Rubbermaid
Plumen
Premier Paper Group
S&P Global
Schoeller Allibert Group
Spicers
Transaid

Health & personal care
Acheson & Acheson
Alliance Healthcare
Baylis and Harding
Beiersdorf UK
Bodyform
Boots Group
Colgate Palmolive
Cornerstone (shaving)
Dynamic Merchandise
Faith in Nature
Gift Wellness
Grace Cole
Harrison Wipes
HRH The Duchess of Cornwall’s Office
Innatura
InstaNatural
Johnson & Johnson
Kimberly Clark
L’Oréal
MNH Sustainable Cabin Services
NHS Supply Chain
The Body Shop
Unilever UK
Well Pharmacy

Toys, baby & educational
Centum Books
Dooks A Dee Publishing
Entertainment One
Genie Toys
John Lewis Partnership
Michael O’Mara
Organic Zoo
Santander
The Disney Store
Usborne Publishing
WM Morrisons Supermarkets PLC
WOW Toys
Purpose

In Kind Direct’s purpose is to inspire product giving for social good.

Our 2020 Vision

Trusted…
To provide needed supplies to charitable organisations at great value, enabling them to do more for communities, whilst protecting companies’ brands

Admired…
For the high quality, efficient service we provide to companies in distributing donated goods, for inspiring product giving for social impact and for delivering quantifiable social impact returns for our funders

Recognised…
by all charitable and community groups which could use our service, companies with products to give, our international network affiliates and other partners that help us deliver our work in the UK and overseas

Based on a robust financial and operating model

Key Achievements in 2017
• £16.3 million at retail values of goods distributed to charities
• Equivalent to 5,413 pallets (208 lorry loads) of goods donated for distribution
• A record 3,127 charities benefiting from our services in the year

Achievements since 1997
• £185 million at retail value of goods distributed to charities
• To date over 9,000 charities have benefited from our service providing goods
How it works

1. Products are donated...
   Companies donate all kinds of new and unused consumer products such as hygiene products, household goods, clothes, toys and IT equipment.

2. In Kind Direct
   Products are received, checked, sorted and prepared at our 30,000 sq ft warehouse in Telford. Corporate volunteers help to sort and pack more complex donations.

3. The goods go online
   Charities, not-for-profit organisations and social enterprises can register to be part of our network and request the goods they need via our secure online catalogue.

4. Orders are dispatched...
   Our team of logistics professionals pick and pack the orders and our courier partner collects parcels and pallets at the warehouse for distribution across the UK.

5. ...and sent to charities
   Goods are delivered to our charities working in the UK and overseas for use in their operations or given out free of charge to the people they support.

6. Making a great impact
   This service allows charities to save precious funds and do more for the disadvantaged people they support. Donating helps companies make a wider positive impact by reducing waste.

8. How it works
1,000 companies giving.
£185 million worth of products distributed. 23,000 tonnes of products diverted from waste.
9,000 charities receiving goods.
Millions of people helped every year.
Trustees’ report for the year ending 31 December 2017

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 December 2017.

Public benefit, objectives and activities
The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission on determining the activities undertaken by a charity. The trustees are satisfied that the aims and objectives of the charity, and the activities reported on can achieve the aims and principles of public benefit.

The charity’s objects are as follows:

1) to apply funds or make donations to or for such charitable institution or institutions or for such charitable purposes as the Trustees shall decide, in particular, but without limitation, by the distribution of donated goods;

2) to encourage environmentally efficient, sustainable waste management and recycling practices through the advancement of education by the collection and dissemination of information and/or the promotion of research and/or development relating to waste management and recycling.

Founded by HRH The Prince of Wales in 1996, In Kind Direct runs a unique service distributing new surplus product from manufacturers and retailers to UK charities. We have distributed over £185 million of donated goods from 1,000 companies. 9,000 charities have received products to date. In Kind Direct works for the public benefit by ensuring that the expenditure of other charities on essential goods is reduced, thus stretching their scarce resources and enabling them to help millions of people in need at home and abroad, while reducing environmental damage.

In Kind Direct provides a single contact point for companies with surplus goods to donate. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charities where it is needed most. We inspire confidence in companies to donate, by vetting all charities in our network and monitoring them closely to ensure products are used only for charitable purposes. Charities request goods via our online catalogue (www.inkinddirect.org). They pay a small charge for goods ordered which includes delivery to their doors. This helps prevent stockpiling, makes an important contribution towards covering our costs and protects our donor companies from incurring VAT on their product donations.

The result is an efficient, practical solution which diverts usable goods from going to waste and unlocks huge additional resource into the voluntary sector. In Kind Direct is the only UK charity which has taken on the administrative and logistical complexity of providing consumer goods widely.

In addition to our core service distributing donated surplus products from companies, In Kind Direct, along with our trading company, also helps charities to access valuable resources by negotiating discounts on new and refurbished essential products through our affiliate schemes.

In Kind Direct’s work currently touches the lives of over two million disadvantaged people every year through our network of charity partners, the majority of which are small and work locally.
Our work has the following key areas of public benefit:

• Saving charities money: By securing goods from In Kind Direct, charities can stretch their budgets for the essential goods they need many times over. This can reduce their need to fundraise and helps them become more financially resilient.

• Helping charities improve and extend their services:
  By opening up access to high quality products for charities with limited budgets, we enable charities to improve the service they offer, do more for their beneficiaries and provide for people they may not otherwise reach.

• Relieving hardship, building confidence and self esteem: In Kind Direct’s service enables charities to provide direct support to people experiencing financial hardship and to build confidence and self esteem amongst the vulnerable people they support.

• Reducing waste and environmental damage:
  Providing companies with a practical and secure way to donate usable surplus product reduces external recycling and landfill and enables a more circular economy of resource use.

Achievements and performance
2017 was the third year of our strategic plan, which sets out what we want to achieve as an organisation by 2020.

Progress against the objectives for 2017 is set out below:

1. TRUSTED: Drive savings for charities helping them to improve their impact

<table>
<thead>
<tr>
<th>Key Measures</th>
<th>2017 Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative number of charities ever receiving product at year end</td>
<td>8,640</td>
<td>8,887</td>
</tr>
<tr>
<td>Savings generated for charities</td>
<td>£15.3m</td>
<td>£15.2m</td>
</tr>
<tr>
<td>Impact index score</td>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>

In 2017 we continued to see growth in demand for our service among voluntary and community organisations of all sizes, tackling a huge range of issues. 2,647 charities received donated products during 2017, more than in any previous year, whilst in total 3,127 charities benefited from products including those from our affiliate partners. This took the cumulative number of charities benefiting substantially ahead of our original target to around 9,000.

The value of products distributed to charities reached £16.3m, generating total savings for charities of £15.2m (after charges paid are removed). This was a strong result, although lower than in 2016 which was an exceptional year because of a very large donation of clothing and footwear valued at over £7m from a sportswear manufacturer.

Impact measurement
Throughout the year we gather information and case studies about the impact we generate and how it can be improved. Our impact index tracks reported levels of impact generated by charity partners against various measures as they renew their accounts with us each year.

Annually we also survey charities using our service providing goods. This year we received 1,031 responses to our survey, 9% up on the previous year. Among the key findings of the survey looking back on 2017 were:

• 90% of respondents said that In Kind Direct had allowed them to access goods they would not otherwise be able to afford (2016 = 90%)
• 75% of respondents said that In Kind Direct helped their charity to “keep going” (2016 = 70%)
• 47% said ordering from In Kind Direct helped them to engage people they would not normally be able to engage (2016 = 46%)
• 74% of respondents said that using products from In Kind Direct has helped them to address poverty for their beneficiaries (2016 = 79%)
• 60% said that they were using In Kind Direct products to give out essential aid and supplies to the people they helped (2016 = 59%)
• 72% said that products from In Kind Direct helped them to address poor or neglected personal hygiene (2016 = 75%)
• 69% of respondents said receiving goods from In Kind Direct helps them to provide essential support to people who are struggling to afford basic supplies (2016 = 70%)
• 97% of organisations responding said they would recommend In Kind Direct to other charities (2016 = 96%)

More information is provided in our impact report published mid-2018.

Catalogue, user experience and network development
Our online catalogue is the main route through which charities select and order products for charitable use and is one of the leading platforms of its type in the world. Over the year, we continued to make iterative technical and design improvements to enhance users’ experience, informed by feedback from our Charity User Group and other ad hoc feedback.

We again ran a range of communications and activities to help charities make best use of the service including social media campaigns, newsletters, webinars and Facebook tutorials.

Disney Store Partnership
Through our Retail Donation Initiative, charities are matched directly with local Disney Stores. Charities collect in-store surplus directly from their local store, building strong partnerships with the Disney employees which often extend considerably beyond the receipt of surplus goods. In 2017 we matched charities to 29 Disney Stores.

In December, we repeated our successful project with The Disney Store to deliver soft toys to charities in the run up to Christmas. In Kind Direct’s role was to identify small, local charities which could use the toys in their Christmas projects, distribute the stock to them and gather feedback on impact generated.

Overseas distribution and emergency appeals
Our primary focus remains distributing every day essential goods to charities for use in the UK, but we also distributed £7.6 million in value of stock to UK emergency relief and development charities working overseas in Eastern Europe, the Middle East and Africa. Many of the products we distributed overseas went to charities tackling the burgeoning refugee and migrant crisis in Europe and the Middle East.

In addition, we also provided support to not-for-profit groups dealing with UK emergency situations, including the Grenfell Tower disaster. With the support of several of our donor companies, we supplied toiletries and basic household products to charities working with those affected. We continue to provide support as the local community recovers.

2. ADMIRED: Increase the volume and value of needed products donated

<table>
<thead>
<tr>
<th>Key Measures</th>
<th>2017 Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of products donated in pallet equivalents</td>
<td>5,200</td>
<td>5,413</td>
</tr>
</tbody>
</table>

In Kind Direct solicits and accepts goods from a wide range of manufacturers, retailers and other organisations. We develop mutually beneficial multi-level relationships with our donor companies, help them to identify where surplus may exist and strive to be front of mind for any company which has products to donate. We educate companies about the value of in kind giving and aim to secure the range of essential consumer products required by charities and their beneficiaries. Increasingly, we work with companies to incorporate product giving into their corporate responsibility or community giving strategy.

For a breakdown of the range of goods distributed during the year, see Figure 4.

In Kind Direct had a good year for product donations in 2017 with 5,413 pallets of goods (equivalent to 208 lorry loads) being donated by 110 companies during the year.

In Kind Direct continues to receive consistent support from top manufacturers such as Reckitt Benckiser, P&G, Colgate Palmolive, Kimberly-Clark and Johnson & Johnson. Amazon again donated over £1.2m in value of a huge range of different products.
48 companies donated for the first time over the year bringing a wide range of new products for distribution to our charity partners. New donors include Levis Strauss which donated clothing, the Danish retailer Flying Tiger Copenhagen which made a large donation of homeware items, Well Pharmacy which donated glasses and Mars Pet Nutrition which is now making regular donations of pet food. Other new donors included John Lewis, Duracell, Energizer, Cornerstone (men’s razors), Walter Geering (hotel supplies) and Lindt and Sprungli (chocolate gifts). For a full list of organisations donating product in the year see page 6.

3. RECOGNISED: Improve awareness of our brand, driving engagement with donors, charities and funders

<table>
<thead>
<tr>
<th>Key Measures</th>
<th>2015 Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of charities joining the network in the year</td>
<td>900</td>
<td>1,164</td>
</tr>
<tr>
<td>New donors recruited in core categories</td>
<td>30</td>
<td>48</td>
</tr>
</tbody>
</table>

1,164 charities joined the network to benefit over the course of the year – an average of 97 per month and well over our original target. See Figures 1 and 2 for a breakdown of the network by focus area and income level. We also recruited and reengaged more...
than our target of new donor companies, positioning us well for future growth.

Campaigns, awareness and thought leadership
2017 and our 20th anniversary provided the perfect opportunity to consider how we will continue to meet the needs of charities working to alleviate major social issues for the next 20 years. We used the activities of this year to help drive a shift in the awareness, capacity and growth of In Kind Direct.

Thanks to a grant from The Prince of Wales’s Charitable Foundation, we commissioned PricewaterhouseCoopers (PwC) to undertake research to understand the size of the product giving market and its potential for growth, to quantify the economic, social and environmental value generated by product donations and to forecast how the market is likely to be affected by major economic trends and long term megatrends. The result of the research was published by PwC as a white paper and together we produced the first ever ‘Strategic and Operational Guide to Product Giving’. This guide is the basis for a series of workshops with existing and prospective donor companies throughout 2018.

With consumer loyalty and expectation a key driver for manufacturers and retailers, in 2017 we wanted to build greater awareness of the work that we do. With the appointment of Bright Star Digital, Our Life’s Essentials campaign in March and our Hygiene Poverty campaign in July, shone a spotlight on the individuals who, long before they go to food banks to help feed themselves, have already stopped buying

Fig 2  Charity network by annual income at April 2018
other, everyday essentials. By exposing the issue of Hygiene Poverty, we started a conversation with the media that will continue into 2018 and allows us to make a call to action to both businesses and charities that more needs to be done. Our December campaign launched the research and our manifesto: “Join the Product Giving Revolution”. Together with statistics from an independent poll of 100 FMCG CEOs, we were able to make a call on business to help alleviate this, and other major social challenges through product giving. With coverage including Radio 4 You and Yours, ITV News, Sky News Business, London Live, The Telegraph (print and online), Huffington Post, and Evening Standard, our campaign reach was well over 60 million. All our campaigns were supported by integrated campaigns on our social media channels – with an increase in audience and engagement, across the board.

With generous pro-bono support from Addison Design Group (WPP Group), we also evolved our corporate identity, rolling the new look and feel out across all our collateral materials and across the whole network. To launch the new identity we also undertook a complete redesign of our main website with additional content, aimed at a broader audience.

**The Big Community Picnic**

On 8th August 2017, 300 children from 30 different charities, joined over 100 volunteers from our donor network at the beautiful Royal Hospital, Chelsea, for The Big Community Picnic. One of the cornerstone events of our 20th anniversary, the Picnic was an opportunity to bring together people from all our stakeholder groups as one big community, helping to build closer relationships and better understanding of the work we do. Generously supported by The Disney Store and with donations from many other product donors, we hope this is an event that will be repeated again in the future.

**Partnerships with charities**

We continue to develop partnerships with a range of third sector organisations to raise awareness of the benefits In Kind Direct provides. We worked with a large number of local authorities, CVS’s and charity umbrella groups over the course of the year in support of this objective.

**In Kind Direct International Network (IKDI)**

The three members of the IKDI network as of the end of 2017 were: In Kind Direct (as founder member), Innatura in Germany and Dons Solidaires in France. All continued to participate actively in the IKDI network, taking part in regular conference calls as well as a successful annual conference held in London.

During 2017, network members shared goods valued at over £2,000,000, taking the total value of goods shared to date to over £10,000,000. These goods were redirected to other network members, where they were surplus to the requirements of the network member which received them in the first instance.

Progress with the expansion of the IKDI network continued. In Kind Direct (Singapore) was set-up during 2017, with the appointment of board members and registration of the organisation as a company. Work continued during the year towards execution of a licence agreement with IKDI and towards obtaining operational status and charity registration. IKDI continues to work towards enabling the start-up of licensees in other countries.

The financial results of IKDI have been consolidated in the Statement of Financial Activities and balance sheet of the In Kind Direct group, as In Kind Direct is the sole member of IKDI. This was the third year of IKDI's financial results.
During 2017, IKDI received the following income:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence fees</td>
<td>£39,000</td>
<td>-</td>
</tr>
<tr>
<td>Donations and gift aid</td>
<td>£62,500</td>
<td>£10,000</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td><strong>£101,500</strong></td>
<td><strong>£10,000</strong></td>
</tr>
</tbody>
</table>

IKDI’s expenditure was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>£69,048</td>
<td>-</td>
</tr>
<tr>
<td>Audit and accounting services</td>
<td>£1,260</td>
<td>-</td>
</tr>
<tr>
<td>Licence fees to IKD</td>
<td>£3,000</td>
<td>-</td>
</tr>
<tr>
<td>Legal fees</td>
<td>£7,336</td>
<td>£4,776</td>
</tr>
<tr>
<td>Other costs</td>
<td>£1,663</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>£82,307</strong></td>
<td><strong>£4,776</strong></td>
</tr>
</tbody>
</table>

IKDI’s reserves at the end of 2017 were:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2017</td>
<td>£31,747</td>
<td>£44,776</td>
</tr>
<tr>
<td>Movement during 2017</td>
<td>£19,183</td>
<td>£5,224</td>
</tr>
<tr>
<td>Balance at 31 December 2017</td>
<td>£50,940</td>
<td>£50,000</td>
</tr>
</tbody>
</table>

4. **ROBUST:** A clear fundraising and income generation strategy and a robust logistics and IT platform with improved organisation capacity.

<table>
<thead>
<tr>
<th>Key Measures</th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise sufficient funding to end 2016 with at least three months’ operating reserves</td>
<td>3 months operating reserves</td>
<td>9.5 months operating reserves</td>
</tr>
<tr>
<td>Net logistics income (after logistics costs) achieved</td>
<td>£452,244</td>
<td>£513,979</td>
</tr>
<tr>
<td>£ expenditure to generate £1,000 of savings for recipient organisations</td>
<td>£189</td>
<td>£143</td>
</tr>
</tbody>
</table>

**Fundraising and income generation**

In Kind Direct is continuing to work towards greater financial resilience with a diversified income model.

2017 was another very strong year for income generated with income from distribution of goods charges, trading company and fundraising all ahead of target. This lead to end of year reserves increasing well ahead of our minimum target, placing the charity in a strong position in order to plan for generating greater impact.

We have three main income streams:

1) **Charges paid for our service**

   It’s free for charities to join our network. On ordering, charities pay a charge for the provision of goods, which includes delivery to their doors. As well as preventing stockpiling, this income is a crucial part of our income mix. In addition, we are required to levy a charge in order to protect donor companies from otherwise incurring VAT on the value of their donated goods.

2) **Trading income**

   In Kind Direct has a wholly owned trading subsidiary called Trading IK which was set up in 2009 to help develop non-fundraised income streams for the charity.

   One strand of the work is public sale of goods donated to In Kind Direct which are not suitable for distribution to our charity partners or are in excess of their requirements and have a commercial value. Products are sold via eBay, directly to purchasers or via partner organisations. No product is ever considered for this route without the explicit permission of the donor company and without consideration of the needs of our charity partners, who are always our first priority. All trading company net profits are gift aided to In Kind Direct.

   Trading IK also facilitates various affiliate marketing schemes giving charities access to discounted products and services, particularly in categories where In Kind Direct struggles to secure adequate supplies of donated product. In 2017, we added to our existing schemes with Ryman, Staples Advantage and the IT services company Arrow (formerly RDC) with a new partnership with Office Depot to provide discounted access to office supplies and IT equipment to our charities. We also set up a new partnership with Robert Dyas to provide in store discounts for our charity partners. In addition, we continued our partnership with
The Recycled Assets Company (TRACO), which provides an office and furniture clearance service to companies.

3) Grants and fundraising practice
Another essential part of our income is support from grant-makers and our funders who understand and are inspired by the unique impact of In Kind Direct’s work. Fundraising is particularly important in ensuring that our service is accessible to small, under-resourced charities which most need the products we provide.

In 2017, we continued to receive generous support from a number of companies and individuals who give regularly as part of our Patrons’ Network. Becoming a patron is an opportunity for individuals and companies to invest in our plans in the run up to 2020, building on the vision of our Founder, HRH The Prince of Wales. Our patrons’ generosity as supporters is absolutely core to what we do. Without their support, much of our work simply would not be possible.

Individuals and teams from supporter companies again took part in challenge events to raise funds for In Kind Direct. Teams from Pentland Brands, Amazon and Lloyds Banking Group were among those taking part in the Prudential Ride London event and the Royal Parks Half Marathon, raising

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**Fig 3** Number of currently registered organisations at March 2018
valuable funds for our work. We are hugely grateful and again extend our thanks to everyone who provided financial support to our charity throughout the year. A full list of those donating is provided on page 6.

Flexible, efficient and scalable logistics platform
Because of the quantity, nature and complexity of the products we handle, In Kind Direct has unique challenges in processing stock for distribution. By their very nature, the surplus product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt. Accordingly, goods are valued after being sorted, prepared and ready to be made available to charities.

Over our twenty-one year operational history, we have developed a deep understanding of the specific processes and strategies required to deliver an efficient service for both our donor and charity partners. Our Telford warehousing, pick and pack operation and courier management is provided by a third party contractor, The Service Business (TSB), with which we work closely to improve performance. Now in our third contract with TSB (from 2016), the arrangement provides ongoing stability and a high-quality service for our charity network.

TSB continues to suggest operational efficiencies and works with our logistics team to deliver cost and time savings to In Kind Direct and our charity network. In 2017 we completed an upgrade of our fire and security system. Various projects are ongoing in relation to energy efficiency and waste reduction. We continued to develop our successful corporate volunteering scheme during the year. Volunteers work intensively on reworking and preparing goods for distribution, which greatly increases our capacity to deal with complex mixed stock donations. In total we organised 20 volunteer challenge days with over 200 volunteers at our warehouse with teams from Lloyds Banking Group, Beiersdorf, Interserve Healthcare, Capgemini and Johnson & Johnson. Our volunteering scheme continues to receive excellent feedback from participants as an enjoyable teambuilding experience as well as an opportunity to develop communication, problem solving and team-working skills. Hosting teams of volunteers from our donor companies also helps deepen our relationships and connection to In Kind Direct's cause and many teams return back again and again.

HR and IT
In Kind Direct has a staff team with a strong mix of experience and enjoys high levels of retention.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for distributing goods</td>
<td>£1,095,647</td>
<td>£1,118,814</td>
<td>-£23,167/-2.1%</td>
</tr>
<tr>
<td>Unrestricted donations</td>
<td>£1,042,358</td>
<td>£699,817</td>
<td>+£342,541/+48.9%</td>
</tr>
<tr>
<td>Restricted donations</td>
<td>£169,299</td>
<td>£48,243</td>
<td>+£121,056/+250.9%</td>
</tr>
<tr>
<td>Total donations</td>
<td>£1,211,657</td>
<td>£748,060</td>
<td>+£463,597/+62.0%</td>
</tr>
<tr>
<td>Trading company gross income</td>
<td>£150,250</td>
<td>£320,307</td>
<td>-£170,058/-53.1%</td>
</tr>
<tr>
<td>Gift aid donation from trading company</td>
<td>£62,265</td>
<td>£199,606</td>
<td>-£137,341/-68.8%</td>
</tr>
<tr>
<td>Charitable activity costs</td>
<td>£2,290,314</td>
<td>£1,909,374</td>
<td>+£299,940/+15.7%</td>
</tr>
<tr>
<td>Overheads</td>
<td>£1,548,412</td>
<td>£1,279,975</td>
<td>+£268,437/+21.0%</td>
</tr>
</tbody>
</table>
We provide a range of benefits for staff including performance related remuneration, insurance, support for further education and professional development, volunteering leave, a health reimbursement scheme, cycle to work and childcare voucher schemes.

Our paid internships provide six to nine months’ experience within a dynamic work environment at our London office. Interns usually spend some time during their internship on placements at our donor or charity partners which further enhances the experience. We are delighted that the intern scheme has helped provide a valuable starting point for individuals looking to start, or change to, a career within the sector.

In Kind Direct has proven high quality IT systems which enable us to provide an excellent standard of service and support to our customers and stakeholders. In 2017 we planned a major transformation project which will upgrade both the core business systems and the e-commerce platform, while also adopting new customer service and integrated relationship management systems. New reporting tools will also provide rapid analyses and insights in to operational information. To achieve this In Kind Direct has partnered with specialist service providers, appointed after a thorough selection process. The first phase will be delivered by the end of the second quarter of 2018.

Throughout 2017 In Kind Direct also invested in enhancing the security of its systems, with additional layers of protection provided by multiple services. Work also commenced in relation to the additional requirements of GDPR and for ongoing security and maintenance of data systems.

**Volunteers**

In 2017 the charity once again benefited from the support of many volunteers. As well as our warehouse volunteer scheme, the charity benefited...
For 2018, our principal objectives and plans are as follows:

<table>
<thead>
<tr>
<th>Objective</th>
<th>Plans</th>
</tr>
</thead>
</table>
| **1. Trusted:** Drive savings for charities helping them to improve their impact | • Continual improvement and development through feedback gained through our charity survey, impact work and Charity User Advisory Group.  
• Continue development of community amongst our charity partners through social media, webinars and events, helping to share best practice.  
• Roll out a new process for responding to emergencies and special situations where urgent, time-bound support is required.  
• To run three events showcasing our work in London and the regions. |
| **Key measures** |  
Cumulative number of charities ever receiving product at year end = 9,500  
Savings generated for charities = £16.8m  
Impact index score = 80% |
| **2. Admired:** Increase the volume and value of needed products donated | • Develop and deepen relationships with existing product donors in core product categories.  
• Attract new donors to give through expanded business development activity, including a series of workshops based on In Kind Direct’s product Giving Guide.  
• Set up new affiliate partnerships to expand range of products available to charity partners. |
| **Key measures** |  
5,850 pallet equivalents donated from companies  
>115 companies donating in the year  
Reduced reliance on top donor companies |
| **3. Recognised:** Improve awareness of our brand, driving engagement with donors, charities and funders | • Integrated PR and media campaign plan to develop brand awareness with target audiences working with donor and charity partners, influencers and our Ambassador.  
• Continue developing research into the impact and benefits of product giving with target audiences.  
• Ongoing support for the international network and In Kind Direct International. |
| **Key measures** |  
Number of charities joining the network in the year = 950  
New donor companies giving in the year = 30 |
| **4. Robust:** A clear fundraising and income generation strategy and a robust logistics and IT platform with improved organisation capacity. | • Continue efficiency improvements at the warehouse, reducing costs wherever suitable and responding effectively to growth in throughput  
• Continue and expand our corporate warehouse volunteering programme.  
• Secure and maintain new, long term support from corporate and individual patrons.  
• Host a gala dinner in an iconic venue to recognise the contribution of major supporters as part of the 20th Anniversary celebrations.  
• Develop and expand the Trading IK public sales initiative and other income-earning schemes  
• Carry out upgrade of our ERP systems and implement enhanced CRM capability  
• Develop, support and retain our staff and volunteers |
| **Key measures** |  
End year with at least four months’ minimum operating reserves  
£ expenditure to generate £1,000 of savings for recipient organisations = £137 |
from the support of volunteer fundraisers, volunteer IT expertise and expert support on our Marketing and Network Development Committees. In Kind Direct is hugely grateful to all volunteers who supported the charity this past year.

**Financial Review of 2017**

In 2017 our operational and fundraised income meant we achieved above target unrestricted reserves, and we also put in place many building blocks for success in 2018.

In Kind Direct’s logistics operations generated income of £1,095,647 (2016: £1,118,814) and Retail Donation Initiative registration fees of £5,054 (2016: £4,485). Logistics income decreased by £23,167 (2.1%) compared to 2016. £1,211,657 was donated to the In Kind Direct Group during 2017 (2016: £748,060), of which £1,042,358 was unrestricted and £169,299 was restricted.

The proportion of funding from charitable trusts and foundations increased during 2017 from 8.6% in 2016 to 29.6%; whilst the contribution from the corporate sector decreased from 59.7% to 42.7%. Donations from individuals decreased slightly from 31.7% in 2016 to 27.7% in 2017. Major donor funding continues to have the potential to be a strong future funding stream.

In addition to unrestricted grants and donations, £35,163 was transferred from restricted funds to the general fund. The majority of this amount (£28,246) related to “virtual vouchers” given to charity partners to incentivise them to order from the online catalogue. A further £6,917 represented funding received to make capital improvements at the warehouse.

Trading company income decreased from £320,307 in 2016 to £150,250 in 2017. This was due to only one small bulk sale of goods to other third parties (£700) compared with £123,337 of such income during 2016. Therefore, the gift aid donation from the trading company to In Kind Direct decreased from £199,606 in 2016 to £62,265 in 2017.

Over £16.3 million of In Kind Direct’s expenditure was the value of the goods distributed to our charity partners. As discussed above, the nature and complexity of the products donated to In Kind Direct make it near-impossible to value goods at the point of receipt from donors. A further £2.21 million related to the costs of our logistics operation; the costs of maintaining our online ordering system; and the costs of In Kind Direct employees engaged in sourcing goods and servicing charity partners, as well as warehouse, distribution and office expenses. See Figure 6 for an analysis of our expenditure. Overhead expenditure increased by 21.0% from 2016 to £1,548,412. This increase was largely due to the increase in staff costs as new roles were created, and investment was made in support of our 20th Anniversary activities.
Plans for the Future

2017 was the third year of our strategic plan, which sets out what we plan to achieve by 2020. We review our strategy on an ongoing basis to ensure we are working to realistic and effective work plans that help us in delivering our long term purpose.

Structure, governance and management

In Kind Direct was founded in 1996 by our Royal Founding Patron, HRH The Prince of Wales. There are thirteen trustees who meet quarterly as a Board, as do the Marketing Committee and the Finance and Audit Committee. With the addition of the Chairman of the charity, the latter Committee also constitutes the Remuneration Committee. There is also a Nominations Committee and Network Development Committee which meet as required.

New trustees are recommended by the Nominations Committee and appointed by the members in general meeting. The Board may appoint trustees to hold office until the next annual general meeting where the appointment is approved by the members. All trustees are subject to retirement by rotation except the Chief Executive of Business in the Community and the Executive Director of The Prince of Wales’s Charitable Foundation.

New trustees are given copies of the charity’s legal documents, management information and accounts, together with general reading material about the charity and Charity Commission literature. This is followed by meetings with the Chief Executive and at least one other trustee as part of the induction process. Trustees are sent training updates as appropriate throughout the year. Trustees are invited to attend a periodic in-depth training day at Clarence House.

In Kind Direct is also a company limited by guarantee. When a term of appointment as trustee/director ceases, membership of the company also

![Analysis of Expenditure](image)

**Fig 5** Analysis of Expenditure
ceases. In the event of winding up, the liability of each member of In Kind Direct is limited by guarantee to £10.

Day-to-day management of the charity is delegated to the Senior Management Team led by the Chief Executive. Formal reporting by the Chief Executive to Trustees takes place regularly throughout the year. At the end of the period under review there were thirteen full-time and five part-time staff as well as one intern on a temporary contract.

Financial policies

Reserves policy

In 2009, the Board’s review of the reserves policy concluded that the charity should aim to achieve reserves equivalent to three months’ operational cashflow (2017: £300,123) until such time that the charity reaches financial self-sustainability. The longer term aspiration of the Board is that the Group achieves six months’ reserves. This policy is assessed annually by the Finance & Audit Committee to ensure that it remains appropriate.

The reserves at 31 December 2017 were as follows:

- Unrestricted reserves £953,521
- Restricted reserves £1,211,427

Total reserves as at 31 December 2017 £2,164,948

The unrestricted reserves balance of £953,521 equates to 9.5 months of operating costs and represents an increase of £256,572 compared to the previous year (2016: £696,949). It is also in excess of the longer term goal of achieving six months’ funds. The Trustees appreciate that this is a high level of reserves however £143,000 has been committed for a major upgrade of the IT system. Also one major funding agreement will end after Q1 of 2018 which will reduce the charity’s funding income.

Within the restricted funds, £1,116,661 relates to an accrual of 7 years’ of grant income from Lloyds Banking Group towards the cost of In Kind Direct’s offices. (See note 14a) A further £41,760 is being retained as a designated fund to pay for office dilapidations, should a break clause within the lease be exercised after 5 years. This fund is being increased by £3,480 per calendar quarter upon receipt of the office costs grant.

Investment policy

In Kind Direct’s investment policy is to place funds in excess of short-term commitments on deposit for one to three months, leaving a sufficient balance in the current account. It is the opinion of the Board of Trustees that the interest earned is paid at a competitive market rate and that these investments perform to an acceptable level.

In Kind Direct’s policy with regard to donated shares is that they will generally be sold at the earliest opportunity subject to any restrictions on sale. Staff seek concurrence prior to any proposed disposal from a member of the Finance and Audit Committee before either proceeding with the sale or give an explanation for not realising the value as soon as the restriction has lapsed. Currently no donated shares are held.

Executive Pay and Remuneration

We have a Remuneration Sub-Committee of the Board which reviews and monitors senior staff pay. Periodically remuneration levels are benchmarked by outside industry specialists. One such exercise was carried out in December 2017 in advance of the annual Remuneration Committee meeting.

Qualifying indemnity insurance

The charitable company has granted an indemnity to its directors and officers against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity insurance remains in force as at the date of approving the Trustees’ report.

Risk policy and management

The Trustees review the assessment of major risks to which the charity is exposed. The Senior Management Team has compiled a risk register, which they also regularly monitor and amend as necessary. Management of risks with strategies to minimise and mitigate them is an ongoing task of the Senior Management Team. Changes are reported to the Board at quarterly meetings with the full risk register being reviewed by Trustees annually.
“In Kind Direct helps us to drive down core costs. This is particularly important as many charities like ours must face the challenge of offering the same service as before but with lower budgets.”

Andrew Preston, Director, Lambeth Elfrida Rathbone Society
“With the savings we make ordering goods from In Kind Direct, we can make lovely welcome packs for new members to our charity with the hygiene essentials they struggle to buy themselves.”

Wendy, Manager, Step (Elderly Support) Leeds
The top three current risks faced by the charity are:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Management measures</th>
</tr>
</thead>
</table>
| Overreliance on top donor companies leading to lack of donations of core product should the donor cease giving | • Expansion plan targeting new donor companies in key categories  
• Engagement with multiple contacts at all levels of key donor companies |
| Operational and reputational risk surrounding misuse of donated products by charity partners leading to donor companies not being comfortable donating their products | • Strict vetting and monitoring process for goods recipients to ensure that products are used for charitable purposes, including visits to recipient organisations  
• Tracking of all donations and deliveries through ERP system |
| Increasing competition for products from commercial operators and other charitable projects | • Investment in maintenance of relationships with existing donor companies, emphasising benefits of partnership  
• Continual improvement in operational efficiency and ability to react quickly to goods offers  
• Expanded activity raising the charity’s profile and understanding of the impact we make with all relevant audiences  
• Expanded business development activity |

Envionmental policy
In Kind Direct, a registered charity, redistributes surplus product from manufacturers and retailers to UK charities working at home and abroad. As well as helping charities, our work has a positive impact on the environment by diverting goods that might otherwise go to waste as landfill or external recycling, generating greenhouse gases.

We recognise our obligation to comply with the law and to carry out our work in an as environmentally sound manner as possible. As a matter of policy we have a commitment to minimise the negative impact of our operations on the environment to as low a level as is practically and economically feasible. The full policy is available on our website and sets out what we commit to do in terms of monitoring and minimising our impact where possible.

Directors and trustees
The directors and trustees of In Kind Direct during the year and up to the date the accounts were approved were as follows:

- John Pattullo (Chair)  
  Resigned 29 June 2017
- Amar Abbas
- Debra Allcock-Tyler
- Graham Burridge  
  Appointed 1 May 2017
- James Garvey  
  (Chair of Network Development Committee)  
  Resigned 29 June 2017
- Tim Hinton  
  Appointed 29 June 2017
- Graham Inglis  
  Appointed 1 May 2017
- Ajay Kavan
- Amanda Mackenzie
- Tom Moody
- Rachel Rhodes  
  (Chair of Finance & Audit Committee)  
  Resigned 7 February 2018
- Michael Ross
- Andrew Rubin
- Rebecca Salt  
  Resigned 29 June 2017
- Teresa Tideman  
  Appointed Chair 29 June 2017
- Andrew Wright

Changes in fixed assets
Expenditure of £19,084 was incurred during the year at the warehouse. The main investments made were new CCTV and security systems costing £16,924. £6,917 of this expenditure came from restricted grants received by the charity. Expenditure of £7,232 was incurred towards the upgrade of the IT system. As this project will not be completed until 2018, expenditure incurred to date...
People receive products that they would never be able to afford. Nothing makes us happier than seeing people’s faces light up when they receive them.

Lorraine Lewis, CEO, The Lewis Foundation
has been transferred to the balance sheet and will be amortised once the IT system is live.

**Statement of trustees’ responsibilities**
The Trustees, who are also directors of In Kind Direct for the purposes 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as we are aware:

- There is no relevant audit information of which the charitable company’s auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Related Parties**

None of In Kind Direct’s trustees are employed by a company with which In Kind Direct has a commercial relationship. Two trustees of In Kind Direct are employed as Chief Executive / Director of two other organisations connected to our Royal Founding Patron. These are detailed in Note 17, page 50, to these accounts.

Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Rachel Rhodes, who was Chair of the subsidiary was also a director/trustee of In Kind Direct. Robin Boles, Chief Executive and Linda Kelly, Head of Finance of In Kind Direct are also directors of Trading IK Ltd.

In Kind Direct is the sole member of IKDI. Robin Boles, Chief Executive of In Kind Direct, along with three director trustees of In Kind Direct, are director/trustees of IKDI. They are Teresa Tideman, Graham Inglis and Michael Ross.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**Auditors**

Haymacintyre is deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Board

[Signature]

21st May 2018
Independent Auditor’s report to the members of In Kind Direct

Opinion
We have audited the financial statements of In Kind Direct for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet, the Consolidated and Parent Charitable Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and charitable company’s members, as a body, for our audit work, for this report, or for the opinion we have formed.

In our opinion the financial statements:
• give a true and fair view of the state of the group’s and the parent charitable company’s affairs as at 31 December 2017 and of the group’s incoming resources and application of resources, including its income and expenditure, of the group for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements
As explained more fully in the Statement of Trustees’ Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group’s and the parent charitable company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the
audit of the financial statements is located on the
org.uk/auditorsresponsibilities. This description
forms part of our auditor’s report.

Conclusions relating to going concern
We have nothing to report in respect of the following
matters in relation to which the ISAs (UK) require us
to report to you where:
• the trustees’ use of the going concern basis of
accounting in the preparation of the financial
statements is not appropriate; or
• the trustees have not disclosed in the financial
statements any identified material uncertainties
that may cast significant doubt about the group’s
or the parent charitable company’s ability to
continue to adopt the going concern basis of
accounting for a period of at least twelve months
from the date when the financial statements are
authorised for issue.

Other information
The trustees are responsible for the other
information. The other information comprises the
information included in the Trustees’ Annual Report.
Our opinion on the financial statements does not
cover the other information and, except to the extent
otherwise explicitly stated in our report, we do not
express any form of assurance conclusion thereon.

In connection with our audit of the financial
statements, our responsibility is to read the other
information and, in doing so, consider whether
the other information is materially inconsistent
with the financial statements or our knowledge
obtained in the audit or otherwise appears to be
materially misstated. If we identify such material
inconsistencies or apparent material misstatements,
we are required to determine whether there is a
material misstatement in the financial statements or
a material misstatement of the other information. If,
based on the work we have performed, we conclude
that there is a material misstatement of this other
information, we are required to report that fact.
We have nothing to report in this regard.

Opinions on other matters prescribed by the
Companies Act 2006
In our opinion, based on the work undertaken in the
course of the audit:
• the information given in the Trustees’ Annual
Report for the financial year for which the financial
statements are prepared is consistent with the
financial statements; and
• the Trustees’ Annual Report has been prepared in
accordance with applicable legal requirements.

Matters on which we are required to report by
exception
In the light of the knowledge and understanding of
the group and the parent charitable company and
its environment obtained in the course of the audit,
we have not identified material misstatements in the
Trustees’ Annual Report.

We have nothing to report in respect of the following
matters in relation to which the Companies Act 2006
requires us to report to you if, in our opinion:
• adequate accounting records have not been kept
by the parent charitable company, or returns
adequate for our audit have not been received from
branches not visited by us; or
• the parent charitable company financial statements
are not in agreement with the accounting records
and returns; or
• certain disclosures of trustees’ remuneration
specified by law are not made; or
• we have not received all the information and
explanations we require for our audit; or
• the trustees were not entitled to prepare the
financial statements in accordance with the
small companies’ regime and take advantage of
the small companies’ exemptions in preparing
the trustees’ report and from the requirement to
prepare a strategic report.

Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre,
Statutory Auditor 2018
10 Queen Street Place
London EC4R 1AG
“In Kind Direct has enabled us to support so many families and increased our ability to reach the most vulnerable in society.”

Peter Knight, Aura Ion Foundation
“Rucksacks/daysacks have allowed us to take our young men & women on DofE expeditions and introduced some of them to their first ever visit out of the town they live in. Allowing them to also complete a DofE level.”

Mandy Colton, Instructor, Air Cadets
## Consolidated Statement of Financial Activities for the year ended 31 December 2017

<table>
<thead>
<tr>
<th>INCOME</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Totals 2017</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Totals 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income from donations</strong></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Value of donated goods distributed</td>
<td>4 15,705,741</td>
<td>619,053</td>
<td>16,324,794</td>
<td>19,645,310</td>
<td>579,764</td>
<td>20,225,074</td>
</tr>
<tr>
<td>Donations</td>
<td>3 1,042,358</td>
<td>169,299</td>
<td>1,211,657</td>
<td>699,817</td>
<td>48,243</td>
<td>748,060</td>
</tr>
<tr>
<td>Donated services for own use</td>
<td>4 22,119</td>
<td>-</td>
<td>22,119</td>
<td>42,065</td>
<td>-</td>
<td>42,065</td>
</tr>
<tr>
<td><strong>Income from charitable activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail donation registration fees</td>
<td>5 5,054</td>
<td>-</td>
<td>5,054</td>
<td>4,485</td>
<td>-</td>
<td>4,485</td>
</tr>
<tr>
<td>Charges for providing goods</td>
<td>1,095,646</td>
<td>-</td>
<td>1,118,814</td>
<td>-</td>
<td>1,118,814</td>
<td></td>
</tr>
<tr>
<td>Other charitable income</td>
<td>68,301</td>
<td>-</td>
<td>68,301</td>
<td>41,695</td>
<td>-</td>
<td>41,695</td>
</tr>
<tr>
<td><strong>Income from other trading activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial trading operations</td>
<td>5 150,250</td>
<td>-</td>
<td>150,250</td>
<td>320,307</td>
<td>-</td>
<td>320,307</td>
</tr>
<tr>
<td>Income from Investments</td>
<td>913</td>
<td>-</td>
<td>913</td>
<td>927</td>
<td>-</td>
<td>927</td>
</tr>
<tr>
<td><strong>Total income excluding value of donated goods distributed</strong></td>
<td>2,384,641</td>
<td>169,299</td>
<td>2,553,940</td>
<td>2,228,110</td>
<td>48,243</td>
<td>2,276,353</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>18,090,382</td>
<td>788,352</td>
<td>18,878,734</td>
<td>21,873,420</td>
<td>628,006</td>
<td>22,501,427</td>
</tr>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on Raising Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of Raising Funds</td>
<td>6 65,195</td>
<td>9,305</td>
<td>74,500</td>
<td>64,219</td>
<td>27,892</td>
<td>92,111</td>
</tr>
<tr>
<td>Costs of Trading Activities</td>
<td>6 84,384</td>
<td>-</td>
<td>84,384</td>
<td>117,101</td>
<td>-</td>
<td>117,101</td>
</tr>
<tr>
<td><strong>Expenditure on Charitable Activities:</strong></td>
<td>149,579</td>
<td>9,305</td>
<td>158,884</td>
<td>181,320</td>
<td>27,892</td>
<td>209,212</td>
</tr>
<tr>
<td>Distribution of donated goods</td>
<td>6 15,705,741</td>
<td>619,053</td>
<td>16,324,794</td>
<td>19,645,310</td>
<td>579,764</td>
<td>20,225,074</td>
</tr>
<tr>
<td>Other Charitable Costs</td>
<td>6 2,013,653</td>
<td>195,661</td>
<td>2,209,314</td>
<td>1,784,843</td>
<td>124,531</td>
<td>1,909,374</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td>17,719,394</td>
<td>814,714</td>
<td>18,534,108</td>
<td>21,430,154</td>
<td>704,294</td>
<td>22,134,448</td>
</tr>
<tr>
<td><strong>Net Income/(Expenditure) for the Year Before Transfers</strong></td>
<td>6 17,868,973</td>
<td>824,019</td>
<td>18,692,992</td>
<td>21,611,474</td>
<td>732,187</td>
<td>22,343,660</td>
</tr>
</tbody>
</table>

The financial activities above relate wholly to the continuing activities of In Kind Direct.
The notes on pages 37 to 51 form part of these financial statements.
There are no recognised gains or losses other than those dealt with in the above statements.
# Consolidated Balance Sheet at 31 December 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds 2016</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>10</td>
<td>56,626</td>
<td>-</td>
<td>56,626</td>
<td>81,039</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>12</td>
<td>312,907</td>
<td>1,101,657</td>
<td>1,414,564</td>
<td>289,510</td>
<td>1,230,722</td>
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<tr>
<td>Investments</td>
<td></td>
<td>250,000</td>
<td>-</td>
<td>250,000</td>
<td>200,000</td>
<td>-</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>555,392</td>
<td>109,771</td>
<td>665,163</td>
<td>511,854</td>
<td>51,536</td>
<td>563,390</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>(221,404)</td>
<td>-</td>
<td>(221,404)</td>
<td>(385,454)</td>
<td>-</td>
<td>(385,454)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>896,895</td>
<td>1,211,428</td>
<td>2,108,323</td>
<td>615,910</td>
<td>1,282,258</td>
<td>1,898,168</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>953,521</td>
<td>1,211,428</td>
<td>1,979,207</td>
<td>696,949</td>
<td>1,282,258</td>
<td>1,979,207</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td>696,949</td>
<td>1,282,258</td>
<td>1,821,440</td>
<td>410,967</td>
<td>1,410,473</td>
<td>1,821,440</td>
</tr>
<tr>
<td>Movement in Funds</td>
<td>256,572</td>
<td>(70,830)</td>
<td>185,742</td>
<td>285,982</td>
<td>(128,215)</td>
<td>157,767</td>
</tr>
<tr>
<td><strong>Balance at 31 December</strong></td>
<td>14a</td>
<td>953,521</td>
<td>1,211,428</td>
<td>2,164,949</td>
<td>696,949</td>
<td>1,282,258</td>
</tr>
</tbody>
</table>

The financial statements were approved and authorised for issue by the directors on the and were signed on its behalf by:

Director and Trustee: 

[Signature]

The notes on pages 37 to 51 form part of these financial statements.
### Company Balance Sheet at 31 December 2017 (Charity)

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>Restricted Funds 2016</th>
<th>Total 2016</th>
<th>Restricted Funds 2015</th>
<th>Total 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>10</td>
<td>56,626</td>
<td>56,626</td>
<td>81,309</td>
<td>81,309</td>
</tr>
<tr>
<td>Investments</td>
<td>11</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>12</td>
<td>323,342</td>
<td>1,101,657</td>
<td>1,424,999</td>
<td>328,085</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td>250,000</td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>404,999</td>
<td>96,103</td>
<td>501,102</td>
<td>382,213</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43,093</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>13</td>
<td>(200,986)</td>
<td>(200,986)</td>
<td>(362,470)</td>
<td>(362,470)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>978,341</td>
<td>1,197,760</td>
<td>2,176,101</td>
<td>910,298</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,273,815</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,821,643</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>833,982</td>
<td>1,197,760</td>
<td>2,031,742</td>
<td>628,868</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,273,815</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,902,683</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January</td>
<td></td>
<td>628,868</td>
<td>1,273,815</td>
<td>1,902,683</td>
<td>387,946</td>
</tr>
<tr>
<td>Movement in Funds</td>
<td></td>
<td>205,114</td>
<td>(76,055)</td>
<td>129,059</td>
<td>240,922</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(128,215)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>14b</td>
<td>833,982</td>
<td>1,197,760</td>
<td>2,031,742</td>
<td>628,868</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,273,815</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,902,683</td>
</tr>
</tbody>
</table>

The financial statements were approved and authorised for issue by the directors on the and were signed on its behalf by:

![Signature]

The notes on pages 37 to 51 form part of these financial statements.

In Kind Direct has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present the Statement of Financial Activities and Income and Expenditure Account of the parent charitable company in these financial statements. Income of the parent company amounted to £18,696,081 (2016: £22,350,064). The result for the year is a net movement of funds of £129,059 (2016: £112,707).
# Consolidated and Company Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash used in operating activities</td>
<td>19</td>
<td>377,177</td>
<td>524,123</td>
<td>351,200</td>
</tr>
</tbody>
</table>

## Cash flows from investing activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>913</td>
<td>927</td>
<td>913</td>
<td>927</td>
</tr>
<tr>
<td>Transfer of cash to current asset investments</td>
<td>(250,000)</td>
<td>(200,000)</td>
<td>(250,000)</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Purchase of tangible fixed assets</td>
<td>(26,317)</td>
<td>(27,457)</td>
<td>(26,317)</td>
<td>(27,457)</td>
</tr>
<tr>
<td><strong>Cash (used in) investing activities</strong></td>
<td>(275,404)</td>
<td>(226,530)</td>
<td>(275,404)</td>
<td>(226,530)</td>
</tr>
</tbody>
</table>

## Increase/(decrease) in cash and cash equivalents in the year

- Increase/(decrease) in cash and cash equivalents in the year: 101,773, 297,593, 75,796, 208,778
- Cash and cash equivalents at the beginning of the year: 563,390, 265,797, 425,306, 216,528
- Total cash and cash equivalents at the end of the year: 665,163, 563,390, 501,102, 425,306

See note 19 for the reconciliation of net income/(expenditure) to net cash flow from operating activities.
Notes to the Financial Statements – year ended 31 December 2017

1. Principal accounting policies

General Information
In Kind Direct is a charitable company limited by guarantee, incorporated in England and Wales (company number 03155226) and registered with the Charity Commission (charity registration 1052679). The registered office address is: 11 – 15 St Mary at Hill, London, EC3R 8EE.

Basis of Preparation
The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS 102). In Kind Direct meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation
Group accounts have been prepared for In Kind Direct and its wholly owned subsidiary Trading IK Limited. The results of IKDI, a separate charity have also been included on the basis of control as In Kind Direct is the sole member of IKDI. The accounts have been consolidated on a line by line basis.

Going concern
The trustees are confident that In Kind Direct will remain a going concern and that there are no known material uncertainties about the charity’s ability to continue. 49% of the charity’s unrestricted cash income results from charges paid by the charities in the network. Sources of income from the charity’s trading subsidiary continues to vary as opportunities arise. In 2017, the number of charities in the network using the In Kind Direct service increased by 22.6% from 2,550 to 3,127. Knowing from where all funding required will be sourced in any year can never be certain in advance.

Fund Accounting
Unrestricted funds includes funds and goods donated for distribution. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds and goods donated for distribution, which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the funds. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income
All income is recognised in the SOFA when the charity has entitlement to the income, there is reasonable certainty of receipt and the amount can be measured. Event income and handling charges are treated as income of the period to which they relate. Registration fees are generally non-refundable and are applied to income at the beginning of the year to which they relate. Interest receivable is treated as income of the period in which it accrues.

Goods and services donated for the charity’s own use
Goods, office facilities and logistics services donated for the charity’s own use are recognised in the Statement of Financial Activities as both income and expenditure or capitalised if it is a capital item at the market value.

Goods donated for onward distribution
Goods donated for onward distribution are included as both income and expenditure, at the time of distribution, at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition. By their very nature, the surplus product donations we receive from companies are often hugely mixed and difficult to identify and categorise without manual sorting and reworking. This makes it near-impossible to value goods on receipt.

Expenditure
Expenditure is classified in accordance with the
Statement of Recommended Practice as shown below:

Charitable Activities - all expenditure directly relating to the objects of the charity including the direct cost of supporting charitable activities and covers the following activities as incurred:

Identification of potential donors, obtaining donated goods for onward distribution, the processes for distributing, reporting and accounting for those goods; the recruitment and registration of charities and maintenance of data relating to those charities.

Governance Costs – Being financial, legal and administrative expenses incurred in connection with enabling the charitable company to comply with external regulations, constitutional and statutory requirements; and in providing support to the trustees in the discharge of their statutory duties. These costs are included within support costs.

Costs of Generating Funds - The costs incurred to obtain voluntary contributions to the charity including expenditure on increasing In Kind Direct’s general resources other than through obtaining registration income or goods for distribution and for improving general awareness of In Kind Direct within the overall community.

Support Costs - Expenditure incurred on activities falling directly within one expenditure classification is charged directly to that classification. Expenditure incurred on activities falling in more than one cost category is apportioned as follows:

- Staff Costs: According to the time spent by each member of staff on activities within that category.
- Office expenses: In the same overall ratio as staff costs
- Depreciation: In the same overall ratio as staff costs

Taxation
As a registered charity, the company is potentially exempt from taxation of its income and gains to the extent that these are applied to its charitable objects. The company is registered for VAT. Income Tax recoverable under Deeds of Covenant and Gift Aid is accounted for on a receivable basis.

Pension costs
Contributions to group personal money purchase pension schemes are charged to the Statement of Financial Activities on an accruals basis.

Operating leases
Operating lease rentals are charged to the SOFA over the term of the lease. Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

Fixed Assets
Fixed assets are capitalised in the balance sheet at cost or, for donated goods, at estimated market value, except for items costing less than £2,000, which are expensed in the year of purchase. Depreciation is calculated so as to write off the cost of tangible fixed assets, less the estimated residual values, on a straight-line basis over the estimated economic lives of the assets concerned. Computer equipment is written off over three years and off the shelf computer software is written off over two years. Bespoke computer software is depreciated over four years. Other capital equipment such as items purchased for use at the warehouse is also written off over three years.

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions
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.

**Financial instruments**
The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Critical accounting judgements and estimation uncertainty

- In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the group’s and parent charitable company’s accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those areas subject to judgement and uncertainty are as follows:

- Valuation of goods distributed
- Valuation of other goods and services received in kind.
- Accrued income and expenditure
- Cross charges of staff time spent between the 3 group entities.

Goods donated for onward distribution are valued at a reasonable estimate of their original market value, less adjustments to reflect condition where the goods are not in their original pristine condition.

Other goods and services received are valued either by the donor, or where no value is given, valued at the equivalent market cost were these to be purchased directly by the charity.

Accrued income and expenditure are estimated where no invoice has been provided. These estimates are based either on third party evidence or on known values as yet uninvoiced by the group.

Cross charges of staff time spent are based on reasonable estimates of how much time staff employed by In Kind Direct spend working on matters related to Trading IK Limited or IKDI.
3. Other Voluntary Income (Group)

<table>
<thead>
<tr>
<th></th>
<th>Restricted Funds</th>
<th>£</th>
<th>Unrestricted Funds</th>
<th>£</th>
<th>Total 2017</th>
<th>£</th>
<th>Restricted Funds</th>
<th>£</th>
<th>Unrestricted Funds</th>
<th>£</th>
<th>Total 2016</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable Trusts</td>
<td>91,200</td>
<td></td>
<td>267,500</td>
<td></td>
<td>358,700</td>
<td></td>
<td>21,023</td>
<td></td>
<td>43,200</td>
<td></td>
<td>64,223</td>
<td></td>
</tr>
<tr>
<td>Business donations</td>
<td>23,693</td>
<td></td>
<td>493,593</td>
<td></td>
<td>517,286</td>
<td></td>
<td>3,658</td>
<td></td>
<td>443,110</td>
<td></td>
<td>446,768</td>
<td></td>
</tr>
<tr>
<td>Donations by individuals</td>
<td>54,406</td>
<td></td>
<td>281,265</td>
<td></td>
<td>335,671</td>
<td></td>
<td>23,562</td>
<td></td>
<td>213,507</td>
<td></td>
<td>237,069</td>
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</tr>
<tr>
<td></td>
<td>169,299</td>
<td></td>
<td>1,042,358</td>
<td></td>
<td>1,211,657</td>
<td></td>
<td>48,243</td>
<td></td>
<td>699,817</td>
<td></td>
<td>748,060</td>
<td></td>
</tr>
</tbody>
</table>

4. Donated goods and services

Donated goods and services were applied to the activities of the charity as follows:

<table>
<thead>
<tr>
<th></th>
<th>Restricted Funds</th>
<th>£</th>
<th>Unrestricted Funds</th>
<th>£</th>
<th>Total 2017</th>
<th>£</th>
<th>Restricted Funds</th>
<th>£</th>
<th>Unrestricted Funds</th>
<th>£</th>
<th>Total 2016</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of donated goods distributed</td>
<td>619,053</td>
<td></td>
<td>15,705,741</td>
<td></td>
<td>12,324,794</td>
<td></td>
<td>579,764</td>
<td></td>
<td>19,645,310</td>
<td></td>
<td>20,225,074</td>
<td></td>
</tr>
<tr>
<td>Services donated for own use</td>
<td>-</td>
<td></td>
<td>22,119</td>
<td></td>
<td>22,119</td>
<td></td>
<td>-</td>
<td></td>
<td>42,065</td>
<td></td>
<td>42,065</td>
<td></td>
</tr>
<tr>
<td></td>
<td>619,053</td>
<td></td>
<td>15,727,860</td>
<td></td>
<td>16,346,913</td>
<td></td>
<td>579,764</td>
<td></td>
<td>19,687,375</td>
<td></td>
<td>20,267,139</td>
<td></td>
</tr>
</tbody>
</table>
Note 5

5. Subsidiary undertakings

Trading IK Limited
Trading IK Limited is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its principal activity is generating alternative sources of income such as eBay sales and affiliate marketing agreements. The company gift aids its taxable profits to the parent company. The results for the trading company for the year ended 31 December 2017 were:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2017</th>
<th>31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£150,249</td>
<td>£320,307</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(£80,041)</td>
<td>(£112,202)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>£70,208</td>
<td>£208,105</td>
</tr>
<tr>
<td>Distribution costs</td>
<td>(£2,605)</td>
<td>£2,771</td>
</tr>
<tr>
<td>Administration costs</td>
<td>(£5,878)</td>
<td>(£5,728)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>£62,265</td>
<td>£199,606</td>
</tr>
<tr>
<td>Gift Aid to In Kind Direct</td>
<td>(£64,606)</td>
<td>(£175,058)</td>
</tr>
<tr>
<td>Result for the year after Gift Aid</td>
<td>(£2,341)</td>
<td>(£24,548)</td>
</tr>
</tbody>
</table>

Administration costs relate to audit fees, set up costs and other professional fees from In Kind Direct to Trading IK Limited (2017: £3,600; 2016 £3,600) for the use of staff and resources. These have been eliminated on consolidation.

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>£52,740</td>
<td>£44,705</td>
</tr>
<tr>
<td>Creditors and accruals</td>
<td>(£20,474)</td>
<td>(£10,098)</td>
</tr>
<tr>
<td>Net Assets</td>
<td>£32,266</td>
<td>£34,607</td>
</tr>
</tbody>
</table>

IKDI
IKDI is a charitable company incorporated in England & Wales, of which In Kind Direct is the sole member. The results of the subsidiary charitable company for the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2017</th>
<th>31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total incoming resources</td>
<td>£111,500</td>
<td>£106,583</td>
</tr>
<tr>
<td>Total resources expended</td>
<td>(£87,108)</td>
<td>(£61,500)</td>
</tr>
<tr>
<td>Net incoming resources</td>
<td>£24,392</td>
<td>£45,083</td>
</tr>
<tr>
<td>Funds brought forward at 1 January 2017</td>
<td>£76,548</td>
<td>£31,465</td>
</tr>
<tr>
<td>Funds carried forward at 31 December 2017</td>
<td>£100,940</td>
<td>£76,548</td>
</tr>
</tbody>
</table>

Total resources expended relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2017: £69,048; 2016 £56,256) for the use of staff and resources. These have been eliminated on consolidation.
In Kind Direct

Notes 6–7

6. Expenditure

<table>
<thead>
<tr>
<th>Cost of Charitable Activities</th>
<th>Direct cost £</th>
<th>Support cost £</th>
<th>Total 2017 £</th>
<th>Total 2016 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of donated goods</td>
<td>16,324,794</td>
<td>-</td>
<td>16,324,794</td>
<td>20,225,074</td>
</tr>
<tr>
<td>Other charitable costs</td>
<td>729,644</td>
<td>1,479,670</td>
<td>2,209,314</td>
<td>1,909,374</td>
</tr>
<tr>
<td></td>
<td><strong>17,054,438</strong></td>
<td><strong>1,479,670</strong></td>
<td><strong>18,534,108</strong></td>
<td><strong>22,134,448</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost of Generating Funds</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising activities</td>
<td>5,758</td>
<td>68,742</td>
<td>74,500</td>
<td>92,111</td>
</tr>
<tr>
<td>Trading activities</td>
<td>84,384</td>
<td>-</td>
<td>84,384</td>
<td>117,101</td>
</tr>
<tr>
<td>Total Resources Expended</td>
<td><strong>17,144,580</strong></td>
<td><strong>1,548,412</strong></td>
<td><strong>18,692,992</strong></td>
<td><strong>22,343,660</strong></td>
</tr>
</tbody>
</table>

7. Support costs

Support costs are the costs of premises, facilities, staff and office overheads and are allocated to the activities of the charity as follows:

<table>
<thead>
<tr>
<th>Cost of Charitable Activities</th>
<th>Costs of generating funds</th>
<th>Total 2017 £</th>
<th>Total 2016 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management/Other</td>
<td>774,171</td>
<td>53,160</td>
<td>827,331</td>
</tr>
<tr>
<td>Finance &amp; IT</td>
<td>182,178</td>
<td>2,978</td>
<td>185,156</td>
</tr>
<tr>
<td>Logistics</td>
<td>221,581</td>
<td>-</td>
<td>221,581</td>
</tr>
<tr>
<td>Charities</td>
<td>124,017</td>
<td>-</td>
<td>124,017</td>
</tr>
<tr>
<td>Fundraising</td>
<td>48,233</td>
<td>6,438</td>
<td>54,671</td>
</tr>
<tr>
<td>Premises</td>
<td>129,490</td>
<td>6,166</td>
<td>135,656</td>
</tr>
<tr>
<td></td>
<td><strong>1,479,670</strong></td>
<td><strong>68,742</strong></td>
<td><strong>1,548,412</strong></td>
</tr>
</tbody>
</table>

Support costs are included in the expenditure in the SOFA and have been allocated on the basis of time spent. The cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. Therefore, the support costs shown are a best estimate of the costs that have been so allocated.
8. Employees

Staff costs comprise:

<table>
<thead>
<tr>
<th></th>
<th>Total 2017</th>
<th>Total 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>£813,879</td>
<td>£765,922</td>
</tr>
<tr>
<td>Social security costs</td>
<td>£81,905</td>
<td>£73,818</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>£66,856</td>
<td>£64,898</td>
</tr>
<tr>
<td></td>
<td>£962,640</td>
<td>£904,638</td>
</tr>
</tbody>
</table>

The average number of employees during the year, analysed by function, was:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of donated goods</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Governance</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>19</td>
<td>18</td>
</tr>
</tbody>
</table>

The number of employees earning in excess of £60,000 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,001 - £70,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>* £150,001 - £160,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>* £160,001 - £170,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

* includes benefit in kind in respect of company leased car

The key management personnel of In Kind Direct, the parent charity, comprise the Chief Executive Officer and the Senior Management Team (7 people). The total employee benefits of the key management personnel of In Kind Direct were £582,967 (2016: £580,384).

The trustees did not receive remuneration for their services to the company during the period (2016: £nil).

Expenses incurred by one director were reimbursed by the company (£350) (2016: £200).

9. Net income for the year is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor remuneration - audit fee</td>
<td>11,050</td>
<td>11,250</td>
</tr>
<tr>
<td>Operating Lease rentals</td>
<td>72,122</td>
<td>72,376</td>
</tr>
<tr>
<td>Depreciation</td>
<td>50,729</td>
<td>54,519</td>
</tr>
</tbody>
</table>
Notes 10–11

10. Tangible Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment Unrestricted Funds £</th>
<th>Warehouse Equipment Unrestricted Funds £</th>
<th>Office Equipment Unrestricted Funds £</th>
<th>Total 2017 £</th>
<th>Total 2016 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost as at 1 January 2017</td>
<td>82,463</td>
<td>139,801</td>
<td>42,632</td>
<td>264,896</td>
<td>237,439</td>
</tr>
<tr>
<td>Additions during year</td>
<td>7,232</td>
<td>19,084</td>
<td>-</td>
<td>26,316</td>
<td>27,457</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(112,344)</td>
<td>-</td>
<td>(112,344)</td>
<td>-</td>
</tr>
<tr>
<td>Cost as at 31 December 2017</td>
<td>89,695</td>
<td>46,541</td>
<td>42,632</td>
<td>178,868</td>
<td>264,896</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017 £</th>
<th>2016 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation as at 1 January 2017</td>
<td>(51,539)</td>
<td>(111,002)</td>
</tr>
<tr>
<td>Charge for year</td>
<td>(20,616)</td>
<td>(15,902)</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(112,344)</td>
</tr>
<tr>
<td>Depreciation as at 31 December 2017</td>
<td>(72,155)</td>
<td>(14,560)</td>
</tr>
<tr>
<td>Net book value as at 1 January 2017</td>
<td>30,924</td>
<td>28,799</td>
</tr>
<tr>
<td>Net book value as at 31 December 2017</td>
<td>17,540</td>
<td>31,981</td>
</tr>
</tbody>
</table>

11. Investment (Charity)

<table>
<thead>
<tr>
<th>Unrestricted Funds £</th>
<th>Total 2017 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares - subsidiary company Trading IK Ltd</td>
<td>1</td>
</tr>
<tr>
<td>Cost at 1 January 2017 and 31 December 2017</td>
<td>1</td>
</tr>
</tbody>
</table>
Notes 12–13

12a Debtors - unrestricted

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>£44,375</td>
<td>£40,339</td>
<td>£44,375</td>
<td>£40,339</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>£30,238</td>
<td>£29,584</td>
<td>£28,980</td>
<td>£8,031</td>
</tr>
<tr>
<td>Intercompany debtors</td>
<td>-</td>
<td>-</td>
<td>£26,088</td>
<td>£60,128</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>£26,671</td>
<td>-</td>
<td>£20,180</td>
<td>-</td>
</tr>
<tr>
<td>Accrued income*</td>
<td>£211,623</td>
<td>£219,587</td>
<td>£203,719</td>
<td>£219,587</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£312,907</strong></td>
<td><strong>£289,510</strong></td>
<td><strong>£323,342</strong></td>
<td><strong>£328,085</strong></td>
</tr>
</tbody>
</table>

* Mostly donations recognised in the 2017 accounts but received early in 2018, and commissions due to trading subsidiary (group accounts).

12b Debtors - restricted

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant income debtor*</td>
<td>£1,101,657</td>
<td>£1,230,722</td>
<td>£1,101,657</td>
<td>£1,230,722</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£1,101,657</strong></td>
<td><strong>£1,230,722</strong></td>
<td><strong>£1,101,657</strong></td>
<td><strong>£1,230,722</strong></td>
</tr>
</tbody>
</table>

*This represents the value of the grant receivable by In Kind Direct until March 2025 in respect of the charity’s office accommodation.

13 Creditors: amounts falling due within one year - unrestricted

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>(£157,755)</td>
<td>(£95,087)</td>
<td>(£132,557)</td>
<td>(£95,087)</td>
</tr>
<tr>
<td>Accruals</td>
<td>(£29,092)</td>
<td>(£35,593)</td>
<td>(£24,627)</td>
<td>(£27,609)</td>
</tr>
<tr>
<td>Intercompany creditor</td>
<td>-</td>
<td>-</td>
<td>(£9,245)</td>
<td>-</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>(£24,596)</td>
<td>(£39,774)</td>
<td>(£24,596)</td>
<td>(£39,774)</td>
</tr>
<tr>
<td>Deferred income*</td>
<td>-</td>
<td>(£215,000)</td>
<td>-</td>
<td>(£200,000)</td>
</tr>
<tr>
<td>Other creditors</td>
<td>(£9,961)</td>
<td>-</td>
<td>(£9,961)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(£221,404)</td>
<td>(£385,454)</td>
<td>(£200,986)</td>
<td>(£362,470)</td>
</tr>
</tbody>
</table>

* Deferred income relates to grants received to which In Kind Direct is entitled in the next financial year.
## 14a Reserves (Group) 2017

<table>
<thead>
<tr>
<th>Restricted Funds:</th>
<th>Balance at 1 Jan 2017</th>
<th>Incoming Grants</th>
<th>Expenditure</th>
<th>Transfers between funds</th>
<th>Balance at 31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Beatrice Laing Trust</td>
<td>£5,584</td>
<td>£-</td>
<td>£(240)</td>
<td>£(5,344)</td>
<td>£-</td>
</tr>
<tr>
<td>2 Lloyds Bank Premises Fund</td>
<td>£1,238,818</td>
<td>£-</td>
<td>£(108,237)</td>
<td>£(13,920)</td>
<td>£1,116,661</td>
</tr>
<tr>
<td>3 Premises Fund 3 - dilaps</td>
<td>£27,840</td>
<td>£-</td>
<td>£-</td>
<td>£13,920</td>
<td>£41,760</td>
</tr>
<tr>
<td>4 Amazon Golden Tickets</td>
<td>£-</td>
<td>£220</td>
<td>£(220)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>5 20th Anniversary project</td>
<td>£-</td>
<td>£22,500</td>
<td>£(22,500)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>6 Sire James Knott</td>
<td>£-</td>
<td>£5,000</td>
<td>£(5,000)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>7 Disney Picnic</td>
<td>£-</td>
<td>£17,037</td>
<td>£(17,037)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>8 FSJ Trust</td>
<td>£-</td>
<td>£1,200</td>
<td>£(1,200)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>9 P&amp;G Emergency Fund</td>
<td>£-</td>
<td>£1,765</td>
<td>£(426)</td>
<td>£-</td>
<td>£1,339</td>
</tr>
<tr>
<td>10 Unilever Grenfell</td>
<td>£-</td>
<td>£1,869</td>
<td>£(1,869)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>11 The Prince of Wales’s Charitable Foundation</td>
<td>£1,573</td>
<td>£50,000</td>
<td>£(25,000)</td>
<td>£(1,573)</td>
<td>£25,000</td>
</tr>
<tr>
<td>12 The People’s Postcode Lottery</td>
<td>£-</td>
<td>£25,000</td>
<td>£(25,000)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>13 Vadim Levin</td>
<td>£-</td>
<td>£25,000</td>
<td>£(12,000)</td>
<td>£-</td>
<td>£13,000</td>
</tr>
<tr>
<td>14 BoNY Mellon</td>
<td>£-</td>
<td>£9,708</td>
<td>£(9,708)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td>15 McCarthy Denning (IKDI)</td>
<td>£8,443</td>
<td>£-</td>
<td>£(4,775)</td>
<td>£-</td>
<td>£3,668</td>
</tr>
<tr>
<td>16 Ashwin Mutthiah (IKDI)</td>
<td>£-</td>
<td>£10,000</td>
<td>£0</td>
<td>£0</td>
<td>£10,000</td>
</tr>
<tr>
<td>17 Value of goods distributed</td>
<td>£-</td>
<td>£619,053</td>
<td>£(619,053)</td>
<td>£-</td>
<td>£-</td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td><strong>£1,282,258</strong></td>
<td><strong>£788,352</strong></td>
<td><strong>£(852,265)</strong></td>
<td><strong>£(6,917)</strong></td>
<td><strong>£1,211,428</strong></td>
</tr>
<tr>
<td><strong>Unrestricted Funds</strong></td>
<td><strong>£696,949</strong></td>
<td><strong>£18,090,382</strong></td>
<td><strong>£(17,868,973)</strong></td>
<td><strong>£35,163</strong></td>
<td><strong>£953,521</strong></td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>£1,979,207</strong></td>
<td><strong>£18,878,734</strong></td>
<td><strong>£(18,721,238)</strong></td>
<td><strong>£28,246</strong></td>
<td><strong>£2,164,949</strong></td>
</tr>
</tbody>
</table>

(1) Funds towards the cost of capital improvements at the warehouse
(2) Funds to pay rent, service charge, utilities and other office running costs.
(3) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
(4) Funds to pay for charity prizes.
(5) Funds towards consultancy fees for the 20th Anniversary project.
(6) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.
(7) Funds towards a celebration charity event commemorating the 20th Anniversary of In Kind Direct.
(8) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.
(9) Funds towards supporting charities helping people affected by emergency situations.
(10) Funds towards supporting charities helping survivors of the Grenfell Tower fire.
(11) Funds towards a product giving research project.
(12) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.
(13) Funds for PR research work.
(14) Funds towards a 20th Anniversary gala dinner.
(15) Funds represent start up costs for IKDI and to expand the IKDI network.
(16) Fund represent start up costs for IKDI network member in Singapore.
(17) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.
14a Reserves (Group) 2016

<table>
<thead>
<tr>
<th>Restricted Funds:</th>
<th>Balance at 1 Jan 2016</th>
<th>Incoming Grants £</th>
<th>Expenditure £</th>
<th>Transfers between funds £</th>
<th>Balance at 31 Dec 2016 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 DS Smith</td>
<td>168</td>
<td>-</td>
<td>(168)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2 Beatrice Laing Trust</td>
<td>11,434</td>
<td>-</td>
<td>(765)</td>
<td>(5,085)</td>
<td>5,584</td>
</tr>
<tr>
<td>3 Lloyds Bank Premises Fund</td>
<td>1,376,508</td>
<td>-</td>
<td>(123,770)</td>
<td>(13,920)</td>
<td>1,238,818</td>
</tr>
<tr>
<td>4 Premises Fund 3 - dilaps</td>
<td>13,920</td>
<td>-</td>
<td>-</td>
<td>13,920</td>
<td>27,840</td>
</tr>
<tr>
<td>5 Justgiving Refugees</td>
<td>-</td>
<td>1,062</td>
<td>(1,062)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6 20th Anniversary Project</td>
<td>-</td>
<td>22,500</td>
<td>(22,500)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7 Office opening</td>
<td>-</td>
<td>658</td>
<td>(658)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8 Flood Relief</td>
<td>-</td>
<td>1,000</td>
<td>-</td>
<td>(1,000)</td>
<td>-</td>
</tr>
<tr>
<td>9 PWCF</td>
<td>-</td>
<td>19,523</td>
<td>-</td>
<td>(17,950)</td>
<td>1,573</td>
</tr>
<tr>
<td>10 VAT query</td>
<td>-</td>
<td>2,000</td>
<td>(2,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11 JR Corah</td>
<td>-</td>
<td>1,500</td>
<td>(1,500)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12 McCarthy Denning (IKDI)</td>
<td>8,443</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,443</td>
</tr>
<tr>
<td>13 Value of goods distributed</td>
<td>-</td>
<td>579,764</td>
<td>(579,764)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td><strong>1,410,473</strong></td>
<td><strong>628,007</strong></td>
<td>(732,187)</td>
<td>(24,035)</td>
<td><strong>1,282,258</strong></td>
</tr>
<tr>
<td><strong>Unrestricted Funds</strong></td>
<td><strong>410,967</strong></td>
<td><strong>21,873,420</strong></td>
<td>(21,611,473)</td>
<td>24,035</td>
<td><strong>696,949</strong></td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>1,821,440</strong></td>
<td><strong>22,501,427</strong></td>
<td>(22,343,660)</td>
<td>-</td>
<td><strong>1,979,207</strong></td>
</tr>
</tbody>
</table>

(1) Funds towards the cost of warehouse packaging supplies.
(2) Funds towards the cost of capital improvements at the warehouse.
(3) Funds to pay rent, service charge, utilities and other office running costs.
(4) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
(5) Funds towards work with charities supporting refugees.
(6) Funds towards consultancy fees for the 20th Anniversary project.
(7) Funds towards a staff celebration for the opening of the new IKDI office.

(8), (11) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.
(9) Funds are for the installation of LED lighting at the warehouse.
(10) Funds are for professional fees related to a VAT query raised by a product donor.
(12) Funds represent start up costs for IKDI and to expand the IKDI network.
(13) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.
### 14b Reserves (Charity) 2017

**Restricted Funds:**

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>Balance at 1 Jan 2017 £</th>
<th>Incoming Grants £</th>
<th>Expenditure £</th>
<th>Transfers between funds £</th>
<th>Balance at 31 Dec 2017 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Beatrice Laing Trust</td>
<td>5,584</td>
<td></td>
<td>(240)</td>
<td>(5,344)</td>
<td></td>
</tr>
<tr>
<td>2 Lloyds Bank Premises Fund</td>
<td>1,238,818</td>
<td></td>
<td>(108,237)</td>
<td>(13,920)</td>
<td>1,116,661</td>
</tr>
<tr>
<td>3 Premises Fund 3 - dilaps</td>
<td>27,840</td>
<td></td>
<td></td>
<td>13,920</td>
<td>41,760</td>
</tr>
<tr>
<td>4 Amazon Golden Tickets</td>
<td>-</td>
<td>220</td>
<td>(220)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 20th Anniversary project</td>
<td>-</td>
<td>22,500</td>
<td>(22,500)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Sire James Knott</td>
<td>-</td>
<td>5,000</td>
<td>(5,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Disney Picnic</td>
<td>-</td>
<td>17,037</td>
<td>(17,037)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 FSJ Trust</td>
<td>-</td>
<td>1,200</td>
<td>(1,200)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 P&amp;G Emergency Fund</td>
<td>-</td>
<td>1,765</td>
<td>(426)</td>
<td></td>
<td>1,339</td>
</tr>
<tr>
<td>10 Unilever Grenfell</td>
<td>-</td>
<td>1,869</td>
<td>(1,869)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 The Prince of Wales’s Charitable</td>
<td>1,573</td>
<td>50,000</td>
<td>(25,000)</td>
<td>(1,573)</td>
<td>25,000</td>
</tr>
<tr>
<td>Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 The People’s Postcode Lottery</td>
<td>-</td>
<td>25,000</td>
<td>(25,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 Vadim Levin</td>
<td>-</td>
<td>25,000</td>
<td>(12,000)</td>
<td></td>
<td>13,000</td>
</tr>
<tr>
<td>14 BoNY Mellon</td>
<td>-</td>
<td>9,708</td>
<td>(9,708)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Value of goods distributed</td>
<td>-</td>
<td>619,053</td>
<td>(619,053)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td>1,273,815</td>
<td>778,352</td>
<td>(847,490)</td>
<td>(6,917)</td>
<td>1,197,760</td>
</tr>
<tr>
<td><strong>Unrestricted Funds</strong></td>
<td>628,868</td>
<td>17,917,729</td>
<td>(17,747,778)</td>
<td>35,163</td>
<td>833,982</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td>1,902,683</td>
<td>18,696,081</td>
<td>(18,595,268)</td>
<td>28,246</td>
<td>2,031,742</td>
</tr>
</tbody>
</table>

(1) Funds towards the cost of capital improvements at the warehouse
(2) Funds to pay rent, service charge, utilities and other office running costs.
(3) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
(4) Funds to pay for charity prizes.
(5) Funds towards consultancy fees for the 20th Anniversary project.
(6) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.
(7) Funds towards a celebration charity event commemorating the 20th Anniversary of In Kind Direct.
(8) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.
(9) Funds towards supporting charities helping people affected by emergency situations.
(10) Funds towards supporting charities helping survivors of the Grenfell Tower fire.
(11) Funds towards a product giving research project.
(12) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.
(13) Funds for PR research work.
(14) Funds towards a 20th Anniversary gala dinner.
(15) These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.
## Note 14b

### 14b Reserves (Charity) 2016

<table>
<thead>
<tr>
<th></th>
<th>Balance at 1 Jan 2016 £</th>
<th>Incoming Grants £</th>
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<th>Balance at 31 Dec 2016 £</th>
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<td>-</td>
</tr>
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<td>-</td>
<td>(765)</td>
<td>(5,085)</td>
<td>5,584</td>
</tr>
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<td>1,238,818</td>
</tr>
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<td>13,920</td>
<td>-</td>
<td>-</td>
<td>13,920</td>
<td>27,840</td>
</tr>
<tr>
<td>5 Justgiving Refugees</td>
<td>-</td>
<td>1,062</td>
<td>(1,062)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6 20th Anniversary Project</td>
<td>-</td>
<td>22,500</td>
<td>(22,500)</td>
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<td>-</td>
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<td>658</td>
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<td>1,000</td>
<td>-</td>
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</tr>
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<td>-</td>
<td>19,523</td>
<td>-</td>
<td>(17,950)</td>
<td>1,573</td>
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<tr>
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<td>-</td>
<td>2,000</td>
<td>(2,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11 JR Corah</td>
<td>-</td>
<td>1,500</td>
<td>(1,500)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12 Value of goods distributed</td>
<td>-</td>
<td>579,764</td>
<td>(579,764)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Restricted Funds</strong></td>
<td><strong>1,402,030</strong></td>
<td><strong>628,007</strong></td>
<td><strong>(732,187)</strong></td>
<td><strong>(24,035)</strong></td>
<td><strong>1,273,815</strong></td>
</tr>
<tr>
<td><strong>Unrestricted Funds</strong></td>
<td><strong>387,946</strong></td>
<td><strong>21,722,057</strong></td>
<td><strong>(21,504,170)</strong></td>
<td><strong>23,035</strong></td>
<td><strong>628,868</strong></td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>1,789,976</strong></td>
<td><strong>22,350,064</strong></td>
<td><strong>(22,236,357)</strong></td>
<td><strong>(1,000)</strong></td>
<td><strong>1,902,683</strong></td>
</tr>
</tbody>
</table>

1. Funds towards the cost of warehouse packaging supplies.
2. Funds towards the cost of capital improvements at the warehouse.
3. Funds to pay rent, service charge, utilities and other office running costs.
4. Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
5. Funds towards work with charities supporting refugees.
6. Funds towards consultancy fees for the 20th Anniversary project.
7. Funds towards a staff celebration for the opening of the new In Kind Direct office.
8. (11) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct Service.
9. Funds are for the installation of LED lighting at the warehouse.
10. Funds are for professional fees related to a VAT query raised by a product donor.
11. These are goods which the donor company has specified must go overseas, or that have been restricted by the donor in some other way.
15. Donation of services for own use (Charity)

The financial statements exclude some intangible services (mainly legal services) as they were immaterial in value. However, the accounts do include the following donated services that are of material value:

<table>
<thead>
<tr>
<th>Service</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office accommodation, printing &amp; postage charges</td>
<td>£22,119</td>
<td>£17,065</td>
</tr>
<tr>
<td>Marketing support</td>
<td>-</td>
<td>£25,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£22,119</td>
<td>£42,065</td>
</tr>
</tbody>
</table>

16. Obligation under operating lease (Charity)

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for one motor vehicle as set out below:

<table>
<thead>
<tr>
<th>Minimum rentals falling due:</th>
<th>Motor vehicle</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>Within 1 year</td>
<td>£9,472</td>
<td>£5,533</td>
<td></td>
</tr>
<tr>
<td>Between 1 and 5 years</td>
<td>£16,577</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£26,049</td>
<td>£5,533</td>
<td></td>
</tr>
</tbody>
</table>

At 31 December the charitable company had the following future minimum rentals payable in respect of non-cancellable operating leases for one office premises as set out below:

<table>
<thead>
<tr>
<th>Minimum rentals falling due:</th>
<th>Office premises</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>Within 1 year</td>
<td>£64,774</td>
<td>£64,774</td>
<td></td>
</tr>
<tr>
<td>Between 1 and 5 years</td>
<td>£428,375</td>
<td>£400,501</td>
<td></td>
</tr>
<tr>
<td>More than 5 years</td>
<td>£123,530</td>
<td>£216,178</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£616,679</td>
<td>£681,453</td>
<td></td>
</tr>
</tbody>
</table>

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 of the lease.

17. Related party transactions

In Kind Direct is one of The Prince’s Charities, a group of not-for-profit organisations, of which HRH The Prince of Wales is President. Amanda Mackenzie, Chief Executive of Business in the Community, another of The Prince’s Charities, is a trustee of In Kind Direct.

Mr Andrew Wright, Treasurer to TRH The Prince of Wales and The Duchess of Cornwall and Executive Director of The Prince of Wales’s Charitable Foundation, is also a trustee of In Kind Direct. During the year, the Foundation provided funding to In Kind Direct as detailed in note 15.

The total value of donations received from Trustees during 2017 was £58,906 (2016: £24,000).
18. Capital commitments

The Charitable Company entered into a commercial contract with a third party supplier at the end of 2017 to implement a new IT system covering both its database and financial systems, as well as its online ordering platform. The estimated cost is £143,700 and it will be depreciated over 4 years.

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</td>
<td>£185,742</td>
<td>£157,767</td>
<td>£129,059</td>
<td>£112,707</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation charges</td>
<td>£50,729</td>
<td>£50,317</td>
<td>£50,729</td>
<td>£50,317</td>
</tr>
<tr>
<td>Dividends, interest and rents from investments</td>
<td>(£913)</td>
<td>(£927)</td>
<td>(£913)</td>
<td>(£927)</td>
</tr>
<tr>
<td>Decrease in debtors</td>
<td>£105,668</td>
<td>(£91,058)</td>
<td>£133,808</td>
<td>£66,245</td>
</tr>
<tr>
<td>Increase in creditors</td>
<td>(£179,050)</td>
<td>£10,907</td>
<td>(£161,485)</td>
<td>£6,966</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>£162,176</td>
<td>£309,122</td>
<td>£151,198</td>
<td>£235,308</td>
</tr>
</tbody>
</table>
In Kind Direct is a registered charity in England and Wales 1052679.

In Kind Direct gratefully acknowledges the generous support of Lloyds Banking Group and Xerox Reprographics in producing this brochure.

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