



IN KIND DIRECT

(a company limited by guarantee)

**Trustee Report and Financial Statements
for the year ended 31 December 2022**

Registered Company no: 03155226

Registered Charity no: 1052679

Report and Financial Statements

for the year ended 31 December 2022

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REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

Teresa Tideman (Chair)
Ajay Kavan (Deputy Chair)
Vishal Bansal (appointed 4th April 2023)
Scott Barton

Graham Burridge
Ayshea Farooq

Barry Furlong (resigned 14th December 2022)
Alec Grant
Tim Hinton

Graham Inglis
Tom Moody
Martin Newman

Chirag Patel
Andy Rubin (resigned 31st March 2022)
Debra Allcock Tyler
Richard Wolff

Senior Advisor, Quarto Advisors
Senior Advisor KKR, Piper Equity
VP & CFO Amazon Transportation
MD, Corporate & Institutional
Coverage, Lloyds Banking Group
CFO, Pentland Brands
Development Director, The Oak
Foundation
VP & GM, Prime Video EMEA
CTO, C-Tech
Head of Corporate & Commercial
Banking, Santander UK
Retired
VP & MD, P&G Northern Europe
Founder, The Customer First
Group
CEO, Pentland Brands
Retired
CEO, Directory of Social Change
Founder, Javelin Group

Chief Executive

Rosanne Gray (maternity leave from 3rd October 2022)
Paul Buchanan, Interim CEO

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Lloyds Banking Group
109 Finsbury Pavement
London
EC2A 1LB

Status

In Kind Direct is:

- ◆ a company limited by guarantee, number 03155226.
- ◆ 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.

Who we are

We are a UK charity who work with charitable organisations and companies to ensure everyone has access to the products they need to keep clean, safe and well.

Our Purpose

Creating powerful partnerships, enabling more communities to thrive.

Our Belief

Everyone deserves access to life's essentials, and no usable product should go to waste. Product giving is a practical way to address the widening gap in need across society.

What we do

We distribute products including personal hygiene, household, clothes, toys and technology, donated by manufacturers and retailers, to charities, community groups, food banks and schools across the UK. By the end of 2022, we were supporting 345,000 people each week. In 2022 we unlocked over £18m in savings into the voluntary sector. This helped charitable organisations meet the increasing need in their communities, at a time when their own resources were stretched.

Our role

We are a practical response to the widening gap in society. We help meet today's need and use our insights to reduce tomorrow's. 2022 was the second year of our ambitious five-year strategy to triple our impact by 2025. We will do this by:

- Continuing our 25 year history of distributing products to people that need them today
- Connecting charities, companies and other organisations to find new solutions
- Building a strong evidence base of real-time local insight
- Amplifying the voice of local organisations and advocating for change on behalf of communities
- Delivering targeted projects that meet the needs of those we exist to serve

Since 1996

2022 was our 25th anniversary. Since being founded at the end of 1996 by HM King Charles III, we have distributed over £317m of essential products, diverted 34,820 tonnes from waste, and supported over 12,350 charitable organisations.

Our Values

Kindness

It's in our name. We are compassionate and always working for the greatest good to increase equity and justice.

Togetherness

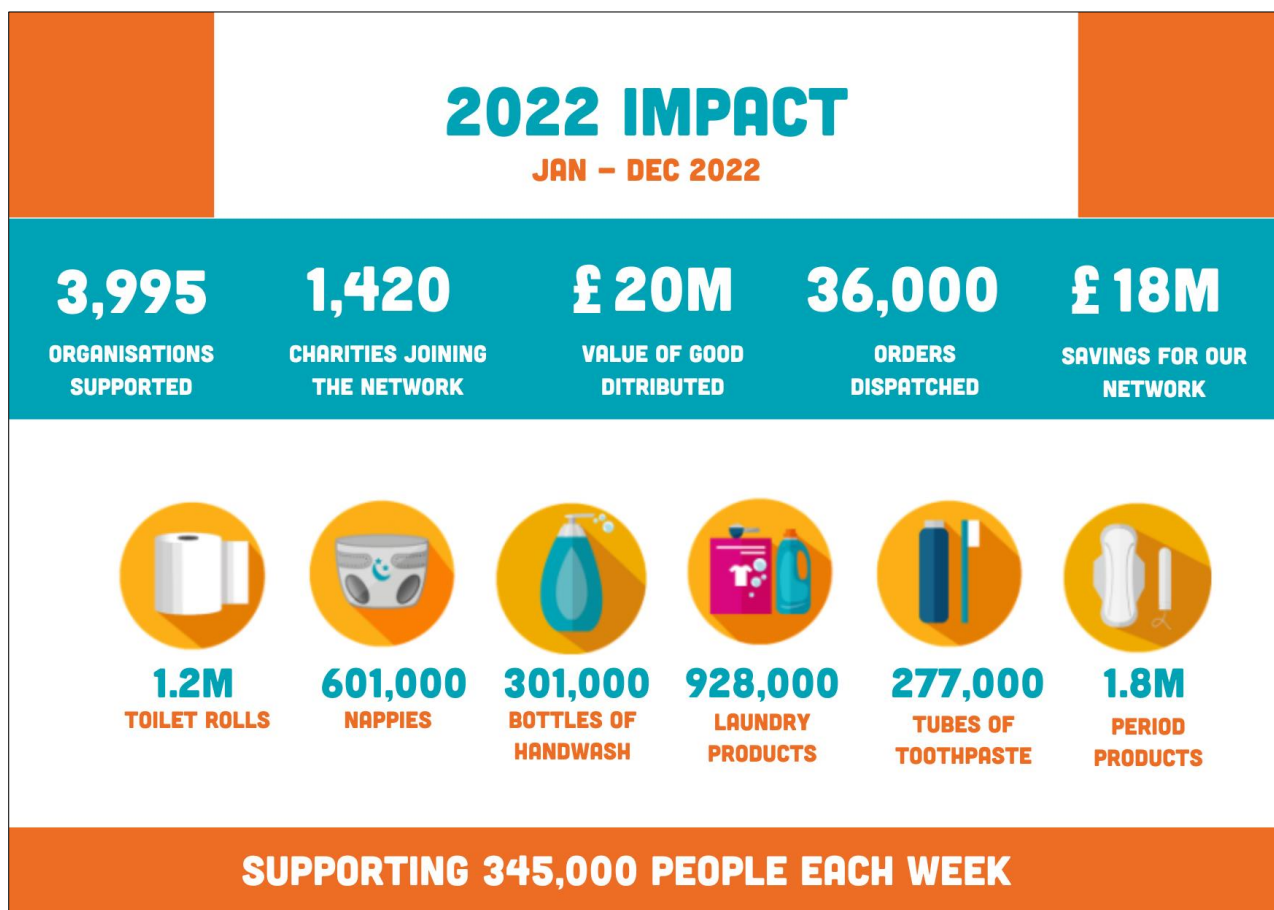
Positive change in society is not the job of one individual, group, or organisation. Our impact is greatest when we collaborate, act as one and all move forward together.

Integrity

How things are done is as impactful as what is done. We are open, accountable, and transparent and always strive to do the right thing.

Innovation

Just as our founder challenged the status quo, we are always looking to evolve and improve. Our curiosity, creativity and resilience enable us to think big and adapt at pace.



Our 2022 Impact Report is available at inkinddirect.org/our-impact.

Our 25th Anniversary

This year marked In Kind Direct's 25th anniversary. We celebrated milestone relationships with our longest standing partners across the charity and corporate sectors. Over the last 25 years, our friends and partners have stood with us steadfastly. Together, we have helped meet the immediate needs of millions of people, supported the local organisations those communities rely on, and maximised the impact of products that would otherwise go to waste. We know the hard work is far from over. We pause to reflect and to celebrate the extraordinary efforts made by many.

The Covid-19 pandemic showed the power of In Kind Direct to connect charities, communities and companies in times of extended crisis. In 2021, we developed our five year strategy, recognising the disproportionate impact of austerity measures and a pandemic on those already going without. We recognised the need to evolve beyond product distribution, to also tackle the root causes within society that keep people from being able to afford the essentials. Foodbanks, community centres and other charitable organisations have felt the immense pressure of being a safety net for growing numbers of people and families. The breathing space that we create for them is vital. By the end of 2022, we were helping network partners to reach 45% more people each week and had unlocked £18m in savings to help meet their own rising costs.

In our 25th operating year, we delivered the second year of our 2025 strategy, to triple our pre-pandemic impact. This will unlock £35m in savings each year for our sector and reach 600,000 people each week with the products they need. In the autumn, we published two pieces of research, drawing on the insight, evidence and stories of many. [Human Right to Hygiene](#) mapped the systems behind hygiene poverty, and crucially, outlined a roadmap to change for policymakers, businesses, and charities. [More than Products](#) showed the immense value of In Kind Direct to our network, unlocking £14 of impact for every £1 we spend. Our work in the coming years will

build from this, as we establish ourselves as a national voice for those we serve.

This year saw huge inflation of household and manufacturing costs, and ongoing uncertainty with the war in Ukraine. Our research indicates that because of this, a growing number of people have been pushed into poverty for the first time. They are less familiar with the resources and support available to them, and many are too embarrassed to seek support. Many smaller charitable organisations and funders used their reserves to survive recent years and are now facing huge uncertainty, coupled with increased need. The economic landscape has been brutal for many we support, meaning the need for our services has continued to increase. In response, our dual focus this year has been in ensuring a reliable supply of the most needed products and gathering new data to fuel action.

Our corporate partners have also faced real uncertainty. It is testament to their vision and values that in challenging times, many have strengthened their partnership with us. A growing number have made regular, planned commitments of the most needed products. They have also amplified and funded our work.

To deliver our purpose, 2022 has been an investment year for In Kind Direct. We have grown our team and created an inclusive culture that celebrates our values of Kindness, Togetherness, Integrity and Innovation. Ending 2022 as a team of just 25 direct staff, our systems and premises are key to achieving what we do at scale. In the summer, we successfully moved to a new warehouse with 40% more capacity. We relaunched our website and delivered the [Powered by Kind](#) campaign, securing national media coverage and helping us welcome over 1,400 organisations into our network. From our earliest days of paper catalogues and telephone orders, we have come a long way!

The difference we make to people's lives is only possible with our phenomenal partners.

Our Supporters and Partners

In Kind Direct gratefully acknowledges support in 2022 from many individuals and organisations by way of encouragement, donated goods or services and funding. This support is provided by the people and organisations listed below, as well as those who wish to remain anonymous.

The trustees wish to record their sadness at the passing of HM Queen Elizabeth II in September, and offer their condolences to the royal family, including the charity's founding patron, HM King Charles III.

Our Patrons

In Kind Direct's Patrons are a group of like-minded individuals and organisations who understand and recognise the unique impact that In Kind Direct's work has in communities.

Our Patrons' generosity is absolutely core to what we do. They have been instrumental in helping us respond to the particular challenges of the cost of living crisis for households, communities and our network of charitable organisations. Their support has also given us the confidence to invest in our infrastructure, to enable sustainable growth in line with our 2025 strategy.

Without their support, our work would simply not be possible. We thank all those who have supported us in the year, including those named in this report.

Patrons

Mr & Mrs Kenneth & Fiona Acheson
Amazon UK
Ms Anita Balchandani
Colombia Threadneedle (Services) Ltd
Julia and Hans Rausing Trust
Kimberly-Clark Corporation
Lloyds Banking Group

Massachusetts Financial Services
Mr & Mrs Anthony & Eleanor Nutt
The players of the People's Postcode Lottery
Procter & Gamble
Mr Andy Rubin
Santander
The Warwick Trust

Other Financial Supporters

The Cecil Pilkington Charitable Trust
The Charities Trust
The Dischma Trust
J Reginald Corah Foundation Fund
Mr Aron Gelbard
Simon Gibson Charitable Trust

The Haremead Trust
LEGO
The Maud Elkington Charitable Trust
The Morgan Charitable Trust
SC Johnson
Mr Richard Woolf

Donated Services

Amazon Web Services
Mark Aspinall
The Customer First Group
Directory of Social Change
Google
Javelin
Lloyds Banking Group
Microsoft

The Oak Foundation
The OR Society
Jawahir Roble
Pentland Brands
Procter & Gamble
Santander
Voipfone

Donated goods:

Household

Balsam Brands
 Beauty Kitchen
 Beiersdorf UK
 Bulldog Natural Skincare
 Bunzl Catering Supplies
 Childs Farm
 Colgate Palmolive
 Consuma Paper Products
 Diversey (ex Sealed Air)
 Duracell UK
 Dynamic Wipe Industries
 Escentual
 Essity and Essity - Bodyform
 Estée Lauder
 Ethique
 Evo Lifestyle Products
 Exclusively Housewares
 Faith in Nature
 Henkel
 Inca Glasses
 Johnson & Johnson
 Kimberly-Clark
 Koh
 Lil-lets Group
 L'Oreal
 MaCher
 Mama Bamboo
 McBride
 Mondays
 Procter & Gamble
 Persan
 PZ Cussons
 Rascal + Friends
 Reckitt Benckiser
 SC Johnson
 Sodexo
 Superdrug
 The Body Shop
 TOTM
 Two White Bears Ltd
 Unilever UK
 Whirlpool

Household appliances, Tools & Electronics

Bitmore

Giff Gaff
 Philips Electronics UK
 Samsung Electronics

General Retail

Amazon.co.uk
 ASDA Stores
 Banner UK
 Co-op
 Tesco
 Very Group
 Waitrose & Partners
 Zebra A/S - Flying Tiger Copenhagen

Toys, Baby & Educational

Cath Kidston
 Character Group
 Confident Games
 The Disney Store
 Gamesys
 Genie Toys
 H and A
 Hasbro
 LEGO
 Meri Meri
 Micro Scooters
 TCC Global
 The Works
 Usborne Publishing

Work & Office

Active International
 Association of Graduate Recruiters
 Newell Brands
 Oxford University Press
 Papier
 Premier Paper Group
 Ricoh

Clothing, Footwear & Sports

Arcadia Branded Merchandise
 Bombas
 Brand Addition
 ChattyFeet
 Decathlon UK Ltd
 Hotmilk
 Human Race

London Marathon Events
Modibodi
Nike UK
Pentland Brands plc
Playful Promises
Reydon Sports
Stand4socks
VCSEP
William Lamb Group

Kitchen, Ambient & Pet Food

Bidfood
For Aisha
Hill's Pet Nutrition
Lindt & Sprungli (UK)
OXO
Pladis Global

Trustees' report for the year ended 31 December 2022

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 December 2022.

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.

In Kind Direct distributes products donated by companies to UK charitable organisations working in the UK and overseas. Founded in 1996 by HM King Charles III, we offer a simple solution to connect companies and their products to thousands of charities, community groups, foodbanks and schools supporting our communities.

In Kind Direct makes it easy for companies and brands to have a positive social impact with the products they make and sell. We have the logistics infrastructure and expertise to store and handle large and varied quantities of stock and distribute it to charitable organisations. We inspire confidence in companies to donate, by working with charitable organisations in our network to ensure the most needed products reach the communities that need them.

We enable charitable organisations to do more for less and put their local knowledge at the heart of our work. Charitable organisations register for free, and request goods via our online catalogue. They pay a small charge for products, which includes UK delivery. This contributes to our operational costs and protects 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 sector. In 2022, we unlocked £18m in savings and reached 345,000 people each week. Charitable organisations in our network used these savings to cover core costs, deliver new services, and reach an average 45% more people with the products they need during the cost of living crisis.

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

Since our inception, we have distributed £317m of essential products, supporting 12,350 charitable organisations and millions of people, and diverting 34,820 tonnes of usable goods from waste.

The Trustees have identified the following public benefits that flow from the charity's objects and activities:

- **Unlocking savings for charitable organisations:** Our service means partners can secure the goods they need for a fraction of the usual cost, freeing up valuable funds. Most of the organisations we support are small, local organisations with limited resources, who have been particularly affected by increased need for their services and increased operating costs. In 2022, we welcomed 1,429 new organisations into our network, a 50% increase on 2021.
- **Helping charitable organisations improve and extend their services:** By opening up access to high quality products for those with limited budgets, we enable charitable organisations to improve the services they offer and do more for their beneficiaries. 25% say products help them to reach more diverse groups of people with the products they receive.
- **Relieving hardship, building confidence, self-esteem and bringing joy:** The products we distribute are helping to alleviate poverty and hardship across the UK. With high quality products, charities can provide essential practical support, restore dignity and self-esteem to people in crisis as longer-term solutions are put in place.
- **Reducing waste and environmental damage:** Providing companies with a practical and trusted way to donate usable product reduces external recycling and landfill, enables a more circular economy of resource use, and supports social responsibility goals.
- **Amplifying and sharing local insight to power systemic change:** Building on 25 years of experience and insight, we recognise the need to understand and challenge the systems that force people and communities to need our service. We are evolving to consolidate and amplify insight from our network and deliver new research; to push for action and long-term change.

Our Achievements and Performance in 2022

2022 was the second year of our five-year strategy and the charity's 25th anniversary. Our ambition is to triple our pre-pandemic impact by 2025, driven by the needs of communities. Having embedded learnings in 2021, 2022 was the start of the "invest and enhance" phase of our strategy. We piloted new initiatives, commissioned new research, grew the team, and made infrastructure investment to enable growth. This included moving to a larger warehouse in the year. We are striving to provide a consistent supply of essential products for communities, as well as specific products at the right time.

The items we receive are so important to the people we work with. Those in the asylum system get £40 per week to cover food, clothing, travel, phone top ups and toiletries. Any help we can give means that money can go a little bit further and makes a huge difference. Giving people the dignity to be able to choose what they spend their money on is so important. Regular deliveries from In Kind Direct allows us to do that.

Refuweege, a refugee welcome charity, led by the community in Glasgow

Cost of living crisis

The Covid-19 pandemic showed the vital role In Kind Direct has for charities, communities and companies in times of extended crisis. Our work this year has focussed on providing the most needed products, both to support of charitable partners to do more for less, and to meet the growing need as household budgets are stretched to the limit. Our representative population polling with YouGov in the year showed a huge increase in people seeking support for the first time. We estimated 8m people would be going without at least one hygiene product in the winter.

In this challenging climate, the charity has continued to grow and at the end of the year, we were supporting almost twice as many people each week as during the peak of the pandemic in 2020 (345,000 vs 174,000). As summarised in the table below, the profile of our impact has changed, as the needs of communities have become more acute. We are supporting more organisations and distributing more orders of the most needed products. As more people struggle to afford essentials like toiletries, period products and household cleaners, we distributed a higher volume of essentials with a lower monetary value. This led to a reduction in the overall financial value of products we distributed, and the savings we unlocked. We are confident this shift reflects the changing needs of those we serve and will continue to use our network's insight to drive our product strategy. In recognition of our impact and approach, we were delighted to be shortlisted for the 2022 Civil Media Environmental and Conservation award.

Impact measure	2022 Achieved	2022 Target	2021 Achieved	% Growth on last year
People supported each week	345,000	311,000	249,000	+39%
Value of products distributed	£20m	£30m	£29m	-31%
Organisations receiving products	3,995	4,200	3,198	+25%
Orders distributed	35,977	36,000	33,693	+7%
New partners joining the network	1,429	1,600	952	+50%
Average saving for each organisation	£5,006	£5,640	£9,130	-43%

Essential support for local communities

In Kind Direct's network comprises a wide range of organisations addressing issues right across the charitable spectrum at a local, regional, and national level. Among the network are community centres, foodbanks, disability support groups, schools, health and wellbeing charities, housing projects, child and youth support groups, and community nurseries. Most of the network are small and locally focussed. The majority have an income less than £100,000 per year. Over 80% of our network partners are based outside London and over 40% work with school-aged children.

Thanks to generous support from the players of the People's Postcode Lottery and utilising our own reserves, we were able to provide account credits to 265 organisations in our network ahead of winter, unlocking an estimated £280,000 of products to families and households most affected by the cost of living crisis. The Community Gateways programme recognised the role that products play in acting as a route to more people accessing the range of support and services provided by our network partners.

The products we access from In Kind Direct allow us to increase what we can provide to the families that use our foodbank. Providing additional and sometimes unexpected items can lead to conversations which help us to find out more about the current situation and identify other ways that we or other organisations can support the family.

Wheely Tots, a UK social integration charity based in London

For a breakdown of all organisations receiving products in 2022 by geographic area and focus area see figures A and B.

In 2022, we continued to prioritise 17 core product lines, covering essential hygiene and cleaning supplies. Through strong partnerships with longstanding corporate partners, we also continued efforts to improve the consistency of availability of these key products. We distributed 35,977 orders to organisations across the UK, and a further £4.5m worth of products through other initiatives including placements and bespoke projects. For a breakdown of goods distributed, see figure C.

[Understanding our impact](#)

In Kind Direct exists to enable communities to thrive. We regularly gather quantitative data and stories of the impact we generate across the UK, and how we can do more. This includes surveys, visits, focus groups and end of order feedback. In our biannual impact surveys, at least 80% of our network consistently reported an increase in demand, whilst no less than 75% reported the number of people they were supporting had increased. Our Insight Panel enabled us to engage monthly with 120 network partners. In the year, this enabled in-depth feedback to support the co-design, testing and delivery of our communications, campaigns, research and policy approach.

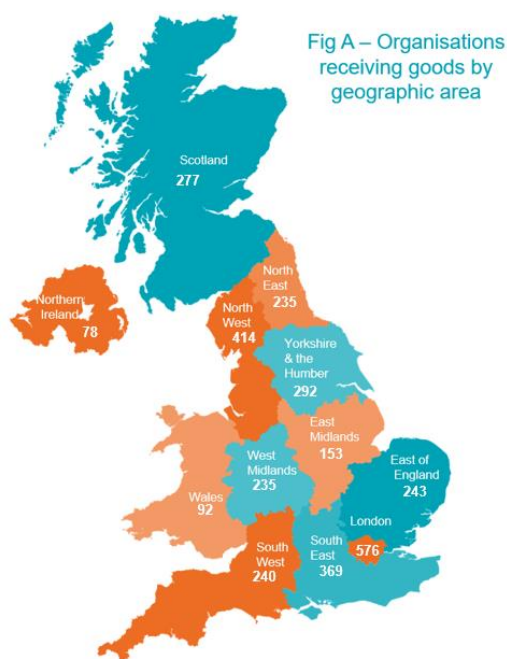
As part of our 25th anniversary projects, we commissioned [More than Products](#), working with the New Economics Foundation (NEF). This social cost-benefit analysis focused on our three priority user groups: families living on a low income, young people 18-24, and smaller charitable organisations. Through a theory of change workshop with six network partners, qualitative interviews with individuals who received products from In Kind Direct, and a survey completed by 52 of our network partners, we identified that for every £1 spent delivering our work, we return £14 of social value (based on 2021 figures). This includes savings on products, strengthening local community partnerships, and our network's ability to reach more people.

This research also began to explore the social outcomes we deliver for the people who receive products. For young people aged 18-24, this includes increasing their confidence, autonomy and sense of belonging. For low-income families, this includes reducing parental stress, and increasing a sense of belonging and attendance for school-aged children. This initial work suggests at least a further £3.3m in social value each year.

In 2022, our work meant:

- Two-thirds of our network partners could reach more people with more products
- 25% said products helped increase the diversity of the people accessing their services
- 78% said products helped the people they support to feel valued and cared for
- 15% of network partners could start a new service or activity with the savings they made with us

In Kind Direct works at the intersection of social and environmental impact, reducing waste and redirecting products to enable communities to thrive. As we work towards our 2025 vision to triple our social impact, we continue to track our carbon emissions each year. As we have scaled our operations and moved to a new warehouse, we have piloted recycled packing materials and reduced the volume of pallet deliveries to help us improve lives without costing the earth.



Hygiene Poverty – a new approach

Since coining the phrase Hygiene Poverty in 2017, we have distributed products that everyone needs to feel clean and well. As we evolve our model to alleviate immediate need and target the causes of hygiene poverty, we commissioned new research in the year. [Human Right to Hygiene](#) was published in the autumn, supported by Andrex and carried out by New Philanthropy Capital (NPC). This mapping sought to understand how we can change the systems that stop people living well.

This research laid the foundation for In Kind Direct to establish itself in the public policy space over the next 3-5 years. Key themes emerged around wider causes of hardship, the generational poverty cycle and raising awareness to reduce stigma. A clear roadmap set out the actions needed to assess, act, amplify and advocate for change. The [full systems map](#) is publicly available. We are grateful to those that gave their time and insight to create and validate this pioneering research. The full list of project partners is provided in the [Executive Summary report](#).

We have been partners with In Kind Direct for 24 years to get our products into the hands of families and individuals furthest away from being able to go into a shop and buy them. We believe clean is a feeling everyone should have, and we're proud to stand with In Kind Direct in being a force for clean. Alongside donating a million toilet rolls this year, we are committed to being part of the change to the systems that make this necessary.

Matt Stone, Marketing Director – Family Care, Kimberly-Clark (including the Andrex brand)

Sector partnerships

In Kind Direct's values of togetherness and innovation drive our belief that working in partnership achieves more impact for the communities we support. Across the year, this has included joint campaigns, initiatives to extend our network and impact, and supporting calls for evidence to inform national policy. We also regularly work with other sector partners that receive product donation offers they cannot process and facilitate direct placements of products. Examples include:

- The **Tech4Schools** initiative was launched, in partnership with the Learning Foundation, Amazon UK and Teach First. The project saw £360k worth of devices and data provided to over 600 students across over 20 schools. Alongside digital skills training, the project and its evaluation will continue into 2023.
- We worked with the Disaster Emergency Committee (DEC) and others to support the distribution of needed products to **people displaced by the war in Ukraine**. This included specific product donations from Pentland Brands, Johnson & Johnson and Procter & Gamble.
- We made **submissions of evidence** to DCMS and the Treasury on cost-of-living impact for charitable organisations and their communities, as well as engaging with the Dormant Asset Spend Consultation. The Spring 2023 budget reflected the evidence provided by the sector.
- We worked for a second year with Save the Children to deliver a **Summer of Play** campaign, securing new product donations of toys to help every child can enjoy their summer.
- **Network recruitment** initiatives were progressed with Trussell Trust, Charity Digital, FareShare, Business in the Community (BitC), Feeding Britain and Little Village, as well as multiple CVS networks. Efforts in the year saw 1,429 new partners join our network (2021: 952).

The charity continues to be an active member in a number of alliances, including the Civil Society Group (CSG), National Business Response Network (NBRN), Voluntary and Community Sector Emergency Partnership (VCSEP), Community Wealth Fund Alliance (CWFA), and the Digital Poverty Alliance (DPA).

Affiliate Partnerships

Organisations registered with In Kind Direct gain discounted access to office and facility supplies, IT equipment and services, and training via affiliate schemes with Ricoh, Ryman, Robert Dyas, Office Depot, Directory of Social Change and Enterprise Rent-a-Car. In the year, 176 organisations accessed additional savings and services through these schemes.

It [the photocopier] has certainly made a difference, especially over the last year when our income generation reduced due to us heavily relying on fundraising and people coming to our clubs. It has meant that we have been able to redirect the funding we receive to other crucial areas of the service e.g. extra telephone calls during lockdown. Thank you for enabling our charity to do this.

Friendship at Home, a befriending service for older people in Doncaster

Support for overseas relief

Our primary focus remains distributing essential goods to UK charitable organisations for use in the UK. In addition, we also distribute products to UK emergency relief and development charities working overseas in Eastern Europe, the Middle East and Africa. £4.1m (2021: £3.4m) in value of stock was distributed to UK charities supporting emergency relief and development work over the course of the year.

Corporate Partnerships

In the year, the charity received donations from 99 companies, 28 of which were new to us. For a summary of the volume of essential products that reached communities across the UK, see page 5.

In Kind Direct engages and accepts goods from a wide range of manufacturers, retailers, and other organisations. We develop mutually beneficial multi-level relationships with our corporate partners. We help them to identify where stock available to donate may exist within their business and we

strive to be front of mind for any company which has products to donate. We educate companies on the value of product giving to secure the range of essential consumer products required by charitable organisations and their beneficiaries.

Working with In Kind Direct we've been able to reach more charities with more of our products so we can make more of an impact. Their insight, expertise and vast network of charities across the UK means our products can support the most vulnerable and affected by hygiene poverty. Reaching local charities at this scale is something we'd not be able to do on our own. We're immensely proud of our long-standing partnership and what we achieve together.

Chris Barron, VP Beauty and Personal Care, Unilever UK & Ireland

A key part of delivering our 2025 ambition is the ability to unlock regular, planned donations of the products most needed by communities. In the year, 14 companies made planned commitments, increasing the consistency of supply for our network. This included core product ranges such as period products, toilet roll, toys, cleaning products, baby food and copier paper. In the year, activity also focused on unlocking support and stock from retailers. For example, a hygiene poverty campaign was developed with Unilever and Tesco. In its first year, it unlocked 420k hygiene products worth £1.1m. Increasingly, we work with companies and brands to develop high impact collaborative campaigns. By working with In Kind Direct, brands can deliver on their corporate responsibility objectives, enhance, and protect their reputations and build awareness and conversion. Key commitments in the year included:

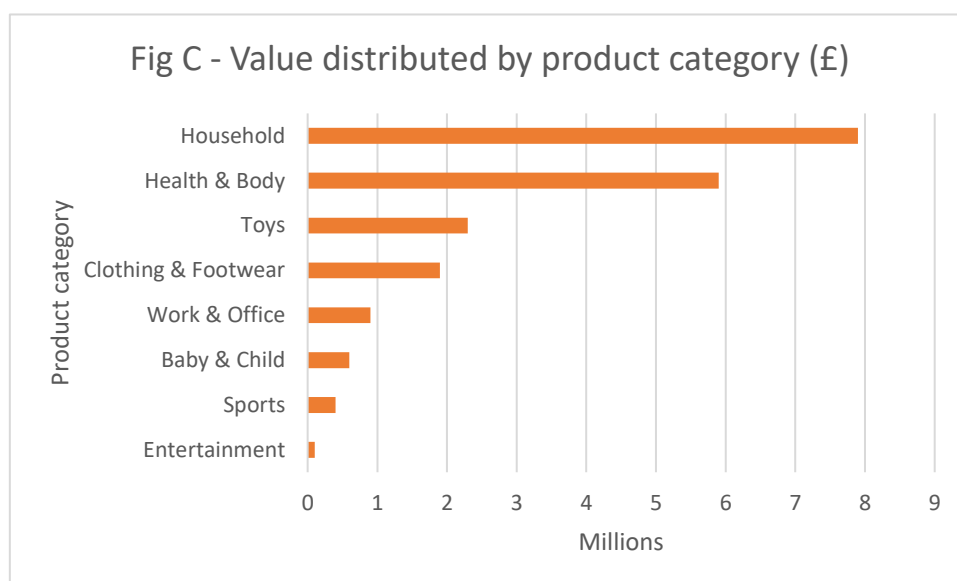
- P&G committed 500k Pampers nappies and 1 million Always period products.
- L'Oréal donated 1,500 gift sets as part of their Mother's Day campaign.
- Kimberly-Clark donated 1 million Andrex toilet rolls as regular deliveries across the year, as well as supporting the delivery of the Human Right to Hygiene research in the year.
- PZ Cussons donated 460k Carex core products including handwash.
- Pentland brand Canterbury donated £100k worth of sports kit, as part of their Fair Game campaign to provide PE kits to schoolchildren affected by the cost of living crisis.
- Essity committed 1 million Velvet toilet rolls and regular donations of Bodyform pads. They also fitted out a number of network partners with new dispensers, to receive donated Tork toilet rolls.
- Micro Scooter made monthly donations of refurbished scooters through their Scotter Aid scheme.

TOTM exists to drive positive change. We're committed to supporting organisations and initiatives that share our desire to have a positive impact on the world. We're proud to partner with In Kind Direct as part of our vision to improve access to period products. In Kind Direct's team are a pleasure to work with. They make it easy to reach period dignity projects across the UK and provide us with ongoing feedback of the real impact that TOTM donations are making."

Ruby Parmer, Chair, TOTM (Planet-friendly period care)

The charity increased efforts in the year to engage more companies through trusted intermediaries. Opportunities were created with a number of Trade Associations, including British Footwear Association, 1% for the Planet, and B Corp. We exhibited for a second year with Exclusively Housewares, and through sector partners including Business in the Community (BitC).

For a full list of organisations donating product in the year see page 6.



Campaigns & Brand

In the year, we consolidated our campaigns approach, to raise awareness of both the charity and our impact, and topical issues that contribute to so many people going without. As well as providing a calendar of engagement for current and prospective partners, campaigns offer a strong mechanism for recruiting new charitable organisations to our network, and securing local, regional, and national PR coverage. Our campaigns reflected the impact of increased costs for our network and their communities. They also built from a growing body of evidence, data and stories drawn from the insight of our network, in-house analysis, and research commissioned in the year. This work was supported by the recruitment of the charity's first Policy & Research Manager in September 2022.

Efforts begun in 2021 to establish the charity's distinct tone of voice and develop awareness of our brand, continued in the year. As part of our 25th anniversary activities, our website was relaunched, emphasising the impact and breadth of our work, and improving user experience. Resource was also invested in reviewing and taking a targeted approach to social media content and PR efforts. Website dwell time, social media engagement and media coverage all grew in the year as a result. We achieved 66 media articles across national and sector titles, as well as 41 broadcast moments.

As part of our 25th anniversary activation plans, we began working with a new ambassador, former refugee and the UK's first female Muslim football referee, Jawahir Roble. This helped extend our reach to new audiences and secure coverage in regional and sector publications. We are immensely grateful to Jawahir, also known as JJ, for her openness to sharing her own lived experience of going without essential products, and her commitment to amplifying our work.

Our main campaign in the year, Powered by Kind, gave us the opportunity to lead the conversation around hygiene poverty as part of the cost of living crisis. It focussed on the power of product giving to enable dignity and confidence, as well as improving people's wellbeing. This was evidenced by new national data, and stories from our network. The campaign achieved a 107% uplift in registrations to join our charitable network, compared to the same period in 2021.

In November and December, our Warmth this Winter campaign raised awareness of the impossible choices thousands of families were facing. Our national polling data indicated a quarter of families on a low income would be forgoing presents for festive celebrations to make ends meet. The campaign drove donations of the most needed products for the winter months, including clothing, toiletries and toys.

Warehouse & Logistics

The charity completed a successful warehouse move in late summer 2022. A move to larger, more versatile premises was a key part of achieving the charity's 2025 ambition and meeting the needs of more communities. To retain organisational knowledge and key personnel, as well as maintain a central base for UK distribution, warehousing remained in Telford and contracted staff were transferred under TUPE. The move came at the end of a longstanding and prosperous partnership with TSB Supply Chain. Our warehouse fulfilment partner from this year is Telford Transport Solution (TTS), who supported the charity with additional storage and transportation during the pandemic.

The trustees extend their thanks to TSB for their generous commitment over the last decade, in particular to Graham Best and Phil Smith. They also thank TTS for their support in a smooth transition to new premises, and Mark Aspinall and Javelin for their time and expertise. Special recognition is given to the entire project team, led by Neil Chawla, Operations Director, for completing the move ahead of schedule and budget, and with minimum disruption to our service.

The move also meant improved office space, including more desks and a dedicated meeting room. This created an operational hub, accessible to all staff. The majority of the customer support team are now based in Telford, alongside the fulfilment team. All new starters based from the London office visit the Telford site in their first three months. In the year, a number of trustees and the whole IKD team spent time at the new premises.

Operational efficiencies in 2021 were maintained and exceeded across the year. Global shortages of packaging materials saw those costs increase, offset by savings in other areas, including overflow storage costs going to nil. To mitigate risk as operations continue to grow, and align with our carbon reduction aspirations, the use of pre-used cartons was successfully piloted in the year.

Because of the quantity, nature, and complexity of the products we handle, In Kind Direct has unique challenges in processing donated stock for distribution, including receiving very mixed product donations. These can be difficult to identify and categorise prior to reworking. Significant strides have been made in this area, with a significant increase in planned, pre-sorted and single category donations being received. Whilst our incoming stock remains variable, it is impractical to value goods on receipt. Goods are valued after being sorted, ahead of being sent to our network partners.

Our warehouse volunteer programme sees teams from our corporate partners come into the warehouse to sort, pack and prepare donations of stock for distribution. We welcomed 14 groups in the year, primarily from a range of our corporate partners. We are hugely grateful for their time.

Systems & IT

In Kind Direct has a reputation for high quality IT systems, to support a small staff team to deliver an excellent service to our partners. Our primary business applications, infrastructure, web platforms and data services are managed internally, with support from key suppliers. All aspects of the service are monitored for availability, scalability, and security.

Throughout the year, traffic and volumes on our e-commerce and operational systems continued to increase year on year. Customers continued to receive the stable and consistent service they are used to. In the year, we launched a new corporate website which saw average dwell time on the site increase by 41% (4.3 minutes to 6.1 minutes).

Key activity in the year included steps to shift more fully to systems that will grow with the organisation and remove future one-off major upgrade costs. Activities will automate many processes, improve data collection and retention, and improve network registration and renewal:

- Migration and adoption of Dynamics 365 across teams, focused on corporate partner management and customer service. Scoping work was carried out for case study and consent management and fundraising functionality and will continue into 2023 to find practical solutions.
- With the investment of funds designated by the trustees from reserves, the charity commenced a major system implementation project to migrate away from Dynamics Nav 2018, to Business Central. Preparatory work involved all teams in the year and go-live is scheduled for mid-2023.

Thanks to our prior program of investment in cloud technology the charity remained able to maintain a hybrid working approach. All office-based staff were provided with equipment to work remotely, to promote a flexible approach to working patterns, and recognise the increased costs of commuting. To support the team to work well, internal staff training across systems was ongoing, supporting real time reporting and ensuring understanding of data protection principles. To support a growing team, a new Business Systems Coordinator role was recruited in the year, based in Telford.

[Equality, Diversity and Inclusion, HR](#)

In Kind Direct is committed to its values of Kindness, Togetherness, Integrity and Innovation. To live these values, we strive to be an inclusive partner and employer. Our service is open to UK charitable organisations, serving a wide range of communities. The very nature of our work increases their reach; 25% of our network said products helped increase the diversity of the people accessing their services.

In autumn 2021, the charity carried out an Equality, Diversity and Inclusion (EDI) review with all staff and trustees, supported by external consultants, Social Justice Collective. In March 2022, the recommendations of the review were shared internally, and helped shape our first holistic People Plan. Activities in the year included:

- EDI and Wellbeing and Togetherness working groups set up. Both groups met regularly to help shape aspects of the People Plan.
- Awareness training was provided for all staff to increase understanding and encourage courageous conversations around topics including neurodivergence, bias, disability and personal resilience.
- “Leadership Academy” training was launched for all managers, embedding tools and guidance to nurture inclusive practices and promote wellbeing in their teams.
- “My Story, Our Story, Big Story” training was provided to all new starters, to understand their natural preferences, key strengths, and how their core purpose aligns with the charity’s.
- Review of recruitment and induction materials and processes was started, to continue in 2023.
- Review of staff benefits including sick pay, parental leave and increased annual leave allowance.
- Policies were reviewed and updated in the year, focused on proactive inclusion and considering a wider range of current and potential personal circumstances.
- Three new trustees were recruited in the year, reflecting those we partner with, and serve.

Everyone employed by the charity can access a range of benefits including performance related remuneration, insurance, learning and development opportunities, volunteering leave, health reimbursement scheme, cycle to work and childcare voucher schemes. A single benefits platform to further remove barriers to accessing these benefits will be in place in 2023. Trustees recognised the impact of the cost of living crisis on the team in the year and were unanimous in bringing forward a cost of living salary increase of 4% to all eligible staff from October.

In 2022, 7 new roles were recruited across the organisation. This allowed us to address skills gaps, support the creation and stewardship of impactful partnerships, utilise our systems to deliver robust reporting and financial planning, and establish our voice externally. In addition, our paid internships provide experience within a dynamic work environment, usually for individuals looking to start a career in the sector. In the year, one internship was created, working to embed storytelling in our communications. The individual successfully moved into one of the newly created permanent roles.

In Kind Direct International (IKDI) Network

At the start of 2022, IKDI had five network members: In Kind Direct, the founder member; Innatura, a German licensee; Dons Solidaires, a French licensee; In Kind Direct (Singapore); and a newly established Swiss licensee, MateriaBona.

Collectively, to the end of 2022, IKDI network members have distributed goods with an estimated retail value of over £753 million, received from more than 1,780 corporate product donors, to over 18,100 charitable organisations.

As a result of board member and staffing changes in Singapore, a decision was taken during 2022, by the board of In Kind Direct (Singapore), to close operations. As a result of this decision, IKDI no longer has a licensee operating in Singapore. In Kind Direct (Singapore) had been established as a licensee of IKDI in 2018 and was granted charitable status in March 2021. During the period for which it was operating, In Kind Direct (Singapore) distributed donated products valued at S\$500,000 (approximately £290,000) to 29 charitable organisations, some of which served up to 10,000 beneficiaries. Recipient organisations have shown appreciation for the services provided.

Work continued during 2022, to support the establishment of a new network member in Italy.

Demand for the services of established IKDI network members in the UK, France and Germany, continued in the year. IKDI network members continued to work collaboratively, sharing know-how, experience, innovation, and donations, when appropriate. Regular online meetings took place between IKDI network members throughout the year. This included an abridged virtual annual conference, in anticipation of an in-person event taking place in the first half of 2023.

Since the IKDI network was formed in 2013, IKDI network members have shared donated goods between network members with an estimated retail value of over £16 million. Goods are shared between network members if they are surplus to the requirements of the receiving network member or because a particular type of product is better suited to use in another country, for example due to need, size, labelling or configuration. IKDI continues to review opportunities for potential expansion of the IKDI network in additional 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 legal member of IKDI. This was the ninth full year of operating for IKDI.

During 2022, IKDI received the following income:

	Unrestricted	Restricted
Licence fees	£69,000	-
Other income	£75	-
Donations and gift aid	£25,000	-
Total income	£ 94,075	-

IKDI's expenditure was as follows:

	Unrestricted	Restricted
Staff costs	£57,350	-
Audit and accounting services	£1,850	-
Licence fees to IKD	£6,000	-
Legal fees	£2,686	-
Other costs	£20,619	-
Total expenditure	£88,926	-

IKDI's reserves at the end of 2022 were:

	Unrestricted	Restricted
Balance on 1 January 2022	£70,595	£16,333
Movement during 2022	£5,571	-
Balance on 31 December 2022	£76,166	£16,333

Fundraising & Income Generation

In Kind Direct has a diversified income base comprising the following streams:

1) Contributions paid for our service by benefiting charitable organisations

It is free for charitable organisations to join our network. On ordering, charitable organisations pay a small charge which is a contribution to our costs for the provision of goods and includes UK delivery. This revenue is a crucial part of our unrestricted income mix. In addition, we are required to levy a charge to protect donor companies from otherwise incurring VAT on the value of their donated goods. In 2022, we received contributions from recipient organisations of £2.3m, an increase of 5% on the previous year (£2.2m). As inflation significantly increased retail prices in the year, the charity maintained charge levels at a lower level and covered its own increasing costs through other sources of income, include trade and the utilisation of designated funds from reserves.

2) Trading income

In Kind Direct has a wholly owned trading subsidiary called Trading IK which was set up in 2009 to help develop commercial income streams for the charity. All trading company net profits are gift aided to In Kind Direct.

One strand of the work is the 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 or other third parties, directly to purchasers or via partner organisations. No product is ever considered for this route without the explicit permission of the donating corporate partner, and prioritisation of the needs of our charitable partners. One example of this was through our partnership with Amazon UK FBA (fulfilled by Amazon) and maximising the benefit of product donated by specific distribution centres.

Trading IK also facilitates various affiliate marketing schemes giving charitable organisations access to discounted products and services, particularly in categories where In Kind Direct struggles to secure adequate supplies of donated product. In 2022, we continued our existing schemes with Ryman, Robert Dyas, Office Depot and Enterprise Rent-a-Car to provide discounted access to office supplies, IT equipment and services to our charitable partners.

3) Fundraising

Support from companies, trusts & foundations and individuals who are inspired by the impact of our work allow us to plan with confidence for the future. Their support closes the gap to deliver our work each year and ensures charges for providing goods are kept as low as is sustainable. This ensures our service remains accessible to smaller charitable organisations who rely on the products we provide. Without our Patrons and other funders' support, our ability to maintain our service and trial new initiatives would simply not have been possible.

In Kind Direct's fundraising in 2022 was carried out by employed staff. Our activities principally comprised seeking funding from trusts and foundations and the development of partnerships with

companies and individuals through our Patrons programme. We did not use professional agencies to carry out fundraising activities in the year.

Several corporate partners provided significant financial support during the year in tandem with product donations, including PZ Cussons, Pampers, Andrex and Amazon. Our thanks also go to Lloyds Banking Group, our longest standing funder, for their continued stalwart support, and to Santander for their support to explore ways to address the UK's digital divide.

As a mark of our deepest respect and sympathy, our Patrons event in September at Highgrove estate was cancelled, with news of the passing of Her Majesty the Queen. In the winter, we launched a corporate fundraising campaign to secure support, and meet the growing need for millions of people heading into a challenging winter. Significant product donations were secured in the lead up to Christmas, enabling us to reach more people with products to bring warmth at winter. This included gifts, toys, blankets and essential hygiene products.

In Kind Direct is a member of the Fundraising Regulator. We work hard to comply with the Code of Fundraising Practice for the UK across all our fundraising activities. We comply with the key principles and behaviours of the Code to ensure that any vulnerable persons are treated fairly. No complaints about fundraising activity were received during the year.

We require signed agreements from all of those who fundraise on our behalf controlling any use of our logo or branding. We had four Commercial Participation Agreement relating to financial donations in place during the year with corporate partners. Where we do work with third parties such as corporate partners to raise funds, we have agreements in place with close monitoring of performance in line with these agreements.

In what has been a particularly challenging time for many. We are hugely grateful and extend our thanks to everyone who provided support to the charity throughout the year.

[Volunteers & Pro Bono Support](#)

In Kind Direct's long-running warehouse volunteer scheme continued in the year. We were delighted to welcome 14 groups across the year from a range of corporate partners, following two years of disruption by the pandemic.

We were fortunate to receive the support of several companies and individuals who provided their services pro bono during the year. Our particular thanks go to Mark Aspinall at Javelin, regarding their further support to deliver on the recommendations of the logistics review in 2021 and support the successful warehouse move in the year. We also wish to thank Jawahir Roble, JJ, for her committed support to raising awareness of hygiene poverty and the charity's work as our Ambassador in the year.

The Trustees are hugely grateful to everyone who supported the charity through volunteering and donating time and expertise this year.

Financial review of 2022

	2022	2021	Variances	
	£	£	£	%
Charges for distributing goods	2,301,450	2,174,115	127,336	6%
Unrestricted donations	329,623	318,983	10,639	3%
Restricted donations	151,335	36,000	115,335	320%
Total donations	480,957	354,983	125,974	35%
Trading company gross income	313,363	242,528	70,835	29%
Gift aid donation from trading company	240,192	96,599	143,593	149%
Charitable activity costs	3,398,552	2,786,858	611,694	22%
Support costs	2,189,998	1,906,312	283,686	15%

In Kind Direct's logistics operations generated income of £2.30m (2021: £2.17m). Revenue charges income increased slightly by £127k compared to 2021. The charity maintained the strong growth, demonstrating that sustainable growth will be possible in future years.

Trade income through the trading company has continued to increase in the year to £313,363. This was due to new initiatives to generate income from products not suitable to support the work of our network partners, which would otherwise have gone to landfill or incineration. This meant that the gift aid payment from the trading company to In Kind Direct also increased from £96,599 in 2021 to £240,192 in 2022.

Over £20m of In Kind Direct's expenditure was the value of the products distributed which is offset by the same amount recognised as an income for accounting treatment purpose. As outlined previously, the nature and complexity of the products donated to In Kind Direct make it near-impossible to value goods at the point of receipt. A further £1.247m 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 note 6 for an analysis of our expenditure.

Plans for the Future

In 2021, we created our 2025 vision, building on the extensive review and planning process initiated in 2020. Our ambition is to triple our impact through to 2025 (on a 2019 base). Our broad strategic priorities are summarised below. Each year we will review our organisational objectives to ensure we remain on track to meet this ambitious target.

[Our Strategic Priorities](#)

1. Transform our corporate partnerships

We build partnerships of equals with our corporate partners. We will develop bespoke programmes with our donors which lead to consistent and increasing supply of core products. We will communicate the impact of partnerships in an engaging, valuable and real-time manner.

2. Meet more of the needs of our communities

We will use data effectively to map need, fill gaps and drive decisions. Consistent product supply is key. We will add value for our partners and spread best practice. We will better target new partners with focused sector partnerships and improved, impactful storytelling.

3. Drive operational efficiency

We will review our operating model to build in flexibility and enable growth. We will automate and streamline key systems and use data to inform decisions across teams. We will understand our costs and ROI and implement cost savings where possible.

4. Develop a more consistent and broad-based funding model

We will grow sustainable and long-term support from our corporate partners. We will reduce concentration risk by growing our pipeline of funders and shift to a proactive fundraising strategy. We will innovate and develop packages of funding for projects and impact.

5. Build a strong, fit for purpose organisation with a thriving culture

We will invest in our team as the foundation of our success. We will continue to build a safe and inclusive organisation that lives its values. Data and insight will drive efficiency and resilience. Impact will underpin our strategy, developing our voice to push for systemic change.

Operational Plan for 2023

As we work toward our long-term strategic goals, our operational plans and objectives for 2023 are summarised below. All key metrics will feed into six organisational measures of success:

- 389,000 people supported each week
- 5,200 charitable organisations receiving products
- £23.5m in savings unlocked for our network partners
- Environmental impact reduced
- 6 never out of stock (NOOS) lines across core product areas
- £4.1m income secured from all sources

We have embedded the “In Kind Direct Approach” across the organisation, ensuring the delivery of our operational plans and wider strategic ambition aligns with our purpose and values.

The In Kind Direct Approach

- An organisation that respects and reflects those we serve
- Insight powered by our systems
- Innovation unlocked by asking WHY and HOW
- Improving lives cannot cost the earth
- To be heard, we must make a noise

Objective	Summary Plans
1. More of the right product at the right time	<ul style="list-style-type: none"> • Reinvigorated corporate partner strategy, focussed on core products lines and including sector partnerships • Ownership and strategic plan for impact beyond our catalogue • Initiatives to support hygiene, play and access to tech • A focus on building strong relationships with retailers
2. Better understand those we serve and our impact	<ul style="list-style-type: none"> • Second phase of research delivery, focussed on wellbeing and social value metrics • Enable a user-developed service through Insights Panel, surveys, and inclusion in research scoping • Impact assessment review and continuous improvement • Network development strategy driven by end user needs
3. Grow our profile and supporter base	<ul style="list-style-type: none"> • Scope and define our role in increasing volunteering • Strategic campaign delivery to raise awareness • Sector strategy focus for great impact, and initial activities to develop In Kind Direct’s voice for change • Patron’s programme, focussed on multi-year support

4.Operational excellence driving insight and efficiency	<ul style="list-style-type: none"> • Systems migration, automation and improvements • Real time reporting and dashboarding to support self-serve for internal and external stakeholders • Business modelling and scenario planning improvements to drive robust decision making and future strategy • Improve customer onboarding and key journeys
5.An organisation that lives its values	<ul style="list-style-type: none"> • Rollout out of new staff benefits and learning and development opportunities • Team development – 5 new roles • Equity, Equality, Diversity & Inclusion, and Wellbeing & Togetherness working group activity plans • Environmental, Social, and Governance (ESG) framework and carbon emissions baseline tracked

Structure, governance and management

In Kind Direct was founded in 1996 by our Royal Founding Patron, HM King Charles III. There are fourteen trustees who meet quarterly as a Board, as does the Finance and Governance Committee. The latter Committee also constitutes the Remuneration Committee. There is also a Nominations Committee which meets 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 AGM where the appointment is approved by the members. Trustees are subject to retirement by rotation.

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 and are encouraged to visit and learn from the organisations benefiting from In Kind Direct's work and their beneficiaries. Network partners regularly share their impact and feedback at Board meetings.

In Kind Direct is also a company limited by guarantee. When a term of appointment as trustee/director ceases, membership of the company also 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 Leadership 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 22 full-time and 3 part-time staff. There were no reportable safeguarding or data compliance incidents identified in the year.

From late 2020 to early 2022, In Kind Direct undertook a Governance Review. In the year, this review was completed and evolved into procedures to support ongoing review of the charity's governance. In the year, two trustees resigned, and three trustees were recruited from across the corporate and charity sector. In early 2023 a further trustee was recruited. Trustees recognised the need to increase diversity on the Board, to represent the wide range of individuals and organisation In Kind Direct works with and for. Processes to ensure regular review of policies and practices were introduced. These steps help build transparent and inclusive practices that align with our People Plan.

Financial policies

Reserves policy

In 2018, the Board's review of the reserves policy concluded that the charity should aim to achieve unrestricted reserves equivalent to at least four months' operational cashflow with a longer-

term aspiration that the Group achieve a minimum of six months' unrestricted reserves. This policy is assessed annually by the Finance & Governance Committee to ensure that it remains appropriate. The Group reserves as of 31 December 2022 were as follows:

Unrestricted reserves	£	829,414
Restricted reserves	£	728,296
Designated reserves	£	295,000
Total Group reserves as of 31 December 2022	£	1,852,710

The Group unrestricted reserves balance of £829,414 equates to 4.2 months of operating costs for In Kind Direct and represents an increase of £67,591 compared to the previous year (2021: £761,823).

This means that the Group ended the year having achieved reserves in line with its reserves policy. The designated budget approved by the Trustees included a new warehouse and systems upgrade & integration logistics platform, upgraded websites and commissioned research.

Within the restricted funds (note 15a), £531,928 relates to the grant income received and receivable from Lloyds Banking Group towards the cost of In Kind Direct's offices, less expenditure to date. This includes an accrual of the remaining grant income receivable. A further £35,200 is being retained as a separate restricted fund to pay for office dilapidations, should a break clause within the lease be exercised after 4 years.

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 the year, two short term deposits were placed, realising £2k in investment income. At year end, no funds were held on deposit.

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 Governance 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

Our approach to pay is to provide fair remuneration packages for people who can help the charity to maximise its impact. To do this we seek to balance the need to attract, develop and retain individuals with a need to ensure value for money for the charity. We aim to provide remuneration packages and benefits that are competitive within the charity sector, proportionate to the complexity and scope of each role, and in line with our charitable objectives. We meet all national pay standards and provide all staff including interns with the Real Living Wage as a minimum.

The Remuneration Committee of the Board reviews and monitors senior staff pay, including the pay of the Chief Executive. Periodically, remuneration levels are reviewed and benchmarked by outside industry specialists. In the year, a benchmarking exercise was carried out for the three director roles. Across the organisation, the ratio of our highest salary to our median salary was 3.6.

In the year, the charity's CEO Rosanne Gray took maternity leave. Paul Buchanan joined as Interim CEO in September. Paul is on a 10-month secondment from his role as Executive Director, Delivery and Impact at the UK charity, Business in the Community (BITC).

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 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 Leadership Team maintains a risk register, which is regularly monitored and updated. Risks are scored by likelihood and impact both prior and post mitigation measures taken. Management of risks is an ongoing task of the Leadership Team. Changes are reported to the Board at quarterly meetings.

The top three risks faced by the charity at December 2022 were:

Risk	Management & Mitigation Measures
Reliance on key staff to maintain business continuity	<ul style="list-style-type: none"> • Regular leadership team meetings • 3 month notice period for new managers • Documentation of all operational processes • Handover across Leadership team for periods of leave • Change management process for times of transition • Training on key tasks shared across functions • Strong supplier relationships for ad hoc/outsourced support if necessary
Excessive reliance on a small number of companies/key contacts at these companies	<ul style="list-style-type: none"> • New business development to spread risk • Strengthen relationships with current partners • Multi-layer stewardship across organisations • Corporate Partner tiering process in place • Regular reporting and migration to Dynamics
Failure to provide goods requested/needed by charity partners	<ul style="list-style-type: none"> • Regular communication across teams to identify core product categories and quantify need • Strengthen relationships with current partners • Monitoring of type and quantities of products requested • Process for Goods Acceptance • Regular Trading and Operations meetings including pipeline review • New availability metrics to monitor key stock levels

In the year, finance resourcing was a key challenge for the charity. In October, transactional and management accounting, and payroll were outsourced to multiple teams at Mazars LLP. Lessons learned have been carried forward and a new Finance Manager joined us in January 2023.

Environmental policy

In Kind Direct, a registered charity, distributes product from manufacturers and retailers to UK charitable organisations working at home and abroad. As well as helping charitable organisations, our work has a positive impact on the environment by diverting usable goods that might otherwise go to waste. We also support an environmentally conscious approach by:

- Encouraging and supporting network partners to act in an environmentally responsible way
- Advocating a reduce, reuse, recycle approach to products
- Supporting the trial and distribution of "green" products and having a clear ethical donation policy for accepting donated products and services

We recognise our obligation to comply with the law and to carry out our work in an as environmentally sound manner as possible. In the year we calculated our carbon emissions, to support our future efforts to set meaningful reduction targets from our baseline in 2021.

In Kind Direct is committed to supporting a just transition to net zero and reducing the environmental impact of our operations and service delivery. We commit to monitoring our carbon emissions and resource usage, and seeking solutions that balance the needs of our communities in the short term, with the long term needs for the planet. We support UN sustainable Development Goals (SDGs) 1 (no poverty), 3 (good health and wellbeing) and 12 (responsible consumption and production).

In the year, efforts to reduce our impact on the environment continued. This included:

- A significant reduction in pallet deliveries, reducing our emissions and haulage costs, and providing a better to service to our network partners without large vehicle access.
- Piloting the use of pre-used cartons for dispatching orders. Carton deliveries made up 93% of deliveries, made via carbon-neutral couriers.
- Continuing to reduce single-use plastic and packaging in our own supply chain.
- Increased proportion of eco-friendly and plastic-free products distributed. This gave more choice to recipients and included hygiene items with plastic-free packaging.
- A requirement for quarterly environmental reporting and efforts for continual improvement being included in our new warehouse agreement.
- Reusing racking from the previous warehouse space in the new facility and furnishing the new office with pre-used office desks.
- An organisational shift to prioritise online meetings and to group physical meetings to reduce travel beyond the office. This included virtual focus groups, webinars and drop-in sessions for our network partners, which also enabled a wider geographical mix of partners to convene.
- Preparatory work to launch a refurbished tech initiative, to launch in 2023.

We recognised the need for additional knowledge and resource to deliver further improvements and embed good practice across all our activities. In 2023, the charity will be recruiting a Quality & Sustainability Manager to support this. This will include building a decision-making framework which supports staff to assess actions and services that have a positive environmental impact, but which may require more resource to implement, as well as the impact of new projects.

Our environmental statement and full environmental policy are available on our website.

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:

Debra Allcock Tyler	
Scott Barton	
Graham Burrige	
Barry Furlong	Resigned 14 th December 2022
Tim Hinton	
Graham Inglis	
Ajay Kavan	
Tom Moody	
Martin Newman	
Andrew Rubin	Resigned 31 March 2022
Teresa Tideman (Chair)	
Richard Wolff	
Alec Grant	Appointed 29 th June 2022

Ayshea Farooq	Appointed 29 th June 2022
Chirag Patel	Appointed 29 th June 2022
Vishal Bansal	Appointed 4 th April 2023

Changes in fixed assets

£145.4k was invested in fixed assets in 2022, £86.7k relating to warehouse move costs & £58.7k investment on the Business Central accounting system.

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 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.

Statement of disclosure to the auditor so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- 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 charitable company's 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. Trading IK Ltd is the wholly owned trading subsidiary of In Kind Direct. Graham Burrige, who is Chair of the subsidiary, is also a director/trustee of In Kind Direct. Rosanne

Gray, Chief Executive also served as a directors of Trading IK Ltd during the year. Paul Buchanan, Interim CEO also served as a director for TIK, in the year.

In Kind Direct is the sole legal member of IKDI. Three director/trustees of In Kind Direct are director/trustees of IKDI. They are Teresa Tideman, Graham Inglis and Richard Wolff. Rosanne Gray, Chief Executive, replaced in the year by Paul Buchanan as Interim CEO, of In Kind Direct is also a director/trustee of IKDI.

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

Auditors

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

On behalf of the Board

T M Tideman

Teresa Tideman

Date: 15/08/2023

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 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statement of Cash Flows and notes to the financial statements. 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).

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 2022 and of the group's net movement in funds, including the income and expenditure, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, and we considered the extent to which non-compliance might have a material effect on the

financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of the meeting minutes of the board of trustees and sub-committees;
- Identifying and testing journals, in particular journal entries posted that significantly impact on the result for the year, posting in areas subject to significant judgements or estimates, postings in accounts that are considered higher risk; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



.....
Richard Weaver (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date 16/08/2023.....

**Consolidated Statement of Financial Activities (including income & expenditure account)
for the year ended 31 December 2022**

	Notes	Unrestricted Funds £	Restricted Funds £	Totals 2022 £	Unrestricted Funds £	Restricted Funds £	Totals 2021 £
INCOME							
Income from donations							
Value of donated goods distributed	4	20,277,481	-	20,277,481	29,198,822	-	29,198,822
Donations	3	329,623	151,335	480,957	318,983	36,000	354,983
Donated services for own use	4	116,459	-	116,459	97,874	-	97,874
Income from charitable activities:							
Retail donation registration fees		-	-	-	-	-	-
Charges for providing goods		2,301,450	-	2,301,450	2,174,115	-	2,174,115
Other charitable income		116,289	-	116,289	65,482	-	65,482
Income from other trading activities:							
Commercial trading operations	5	380,941	-	380,941	242,528	-	242,528
Bank Interest		2,173	-	2,173	-	-	-
TOTAL INCOME		23,524,415	151,335	23,675,750	32,097,804	36,000	32,133,804
EXPENDITURE							
Costs of Raising Funds:							
Costs of Raising Funds	6	154,174	0	154,174	103,685	11,177	114,862
Costs of Trading Activities	6	71,572	-	71,572	73,551	-	73,551
		225,746	0	225,746	177,236	11,177	188,413
Expenditure on Charitable Activities:							
Distribution of donated goods	6	20,277,481	-	20,277,481	29,198,822	-	29,198,822
Other Charitable Costs	6	3,293,597	121,419	3,415,016	2,602,730	184,128	2,786,858
		23,571,078	121,419	23,692,497	31,801,552	184,128	31,985,680
TOTAL EXPENDITURE	6	23,796,824	121,419	23,918,242	31,978,788	195,305	32,174,093
Net Income for the Year Before Transfers		(272,409)	29,916	(242,493)	119,016	(159,305)	(40,289)
Gross Transfers Between Funds		-	-	-	-	-	-
Net Movement in funds		(272,409)	29,916	(242,493)	119,016	(159,305)	(40,289)
Funds brought forward at 1 January		1,396,823	698,380	2,095,203	1,277,807	857,685	2,135,492
Funds carried forward at 31 December	15a	1,124,414	728,296	1,852,710	1,396,823	698,380	2,095,203

The financial activities above relate wholly to the continuing activities of In Kind Direct. There are no recognised gains or losses other than those dealt with in the above statement.

The notes on page 35 to 46 form part of these financial statements.

Consolidated Balance Sheet at 31 December 2022

	Notes	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
		£	£	£	£	£	£
Fixed assets							
Tangible assets	10	80,070	-	80,070	1,393	-	1,393
Intangible assets	11	66,174	-	66,174	71,748	-	71,748
Public benefit concessionary loan		-	-	-	20,000	-	20,000
Fixed Assets		<u>146,244</u>	<u>-</u>	<u>146,244</u>	<u>93,142</u>	<u>-</u>	<u>93,142</u>
Current assets							
Debtors	13	71,150	176,189	247,339	130,866	368,716	499,582
Cash at bank and in hand		<u>1,160,031</u>	<u>552,107</u>	<u>1,712,138</u>	<u>1,384,319</u>	<u>329,664</u>	<u>1,713,983</u>
		1,231,181	728,296	1,959,477	1,515,185	698,380	2,213,565
Creditors: amounts falling due within one year	14	(253,012)	-	(253,012)	(211,503)	-	(211,503)
Net current assets		<u>978,169</u>	<u>728,296</u>	<u>1,706,465</u>	<u>1,303,682</u>	<u>698,380</u>	<u>2,002,062</u>
Net assets		<u>1,124,414</u>	<u>728,296</u>	<u>1,852,710</u>	<u>1,396,823</u>	<u>698,380</u>	<u>2,095,204</u>
Funds							
Balance at 1 January		1,396,823	698,380	2,095,203	1,277,807	857,685	2,135,492
Movement in Funds		(272,409)	29,916	(242,493)	119,016	(159,305)	(40,289)
Balance at 31 December	15a	<u>1,124,414</u>	<u>728,296</u>	<u>1,852,710</u>	<u>1,396,823</u>	<u>698,380</u>	<u>2,095,203</u>

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

T M Tideman

Teresa Tideman

Director and Trustee

15/08/2023
Date:

The notes on page 35 to 46 form part of these financial statements.

Company number: 03155226

Company Balance Sheet at 31 December 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Fixed assets							
Tangible assets	10	80,070	-	80,070	1,393	-	1,393
Intangible assets	11	66,174	-	66,174	71,748	-	71,748
Investments	12	1	-	1	1	-	1
		<u>146,245</u>	<u>-</u>	<u>146,245</u>	<u>73,142</u>	<u>-</u>	<u>73,142</u>
Current assets							
Debtors	13	279,846	176,189	456,035	123,034	368,716	491,750
Investments		-	-	-	-	-	-
Cash at bank and in hand		<u>773,343</u>	<u>552,107</u>	<u>1,325,450</u>	<u>1,237,065</u>	<u>329,664</u>	<u>1,566,729</u>
		1,053,189	728,296	1,781,485	1,360,099	698,380	2,058,479
Creditors: amounts falling due within one year	14	<u>(235,095)</u>	<u>-</u>	<u>(235,095)</u>	<u>(190,924)</u>	<u>-</u>	<u>(190,924)</u>
Net current assets		<u>818,094</u>	<u>728,296</u>	<u>1,546,390</u>	<u>1,169,175</u>	<u>698,380</u>	<u>1,867,555</u>
Net assets		<u>964,339</u>	<u>728,296</u>	<u>1,692,635</u>	<u>1,242,317</u>	<u>698,380</u>	<u>1,940,697</u>
Funds							
Balance at 1 January		1,242,317	698,380	1,940,697	1,166,961	857,685	2,024,646
Movement in Funds		<u>(277,978)</u>	<u>29,916</u>	<u>(248,062)</u>	<u>75,356</u>	<u>(159,305)</u>	<u>(83,949)</u>
Balance at 31 December	15b	<u>964,339</u>	<u>728,296</u>	<u>1,692,635</u>	<u>1,242,317</u>	<u>698,380</u>	<u>1,940,697</u>

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 £23,675,750 (2021: £32,017,947). The result for the year is a net movement of funds of (£248,062) (2021: (£83,949)).

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

T M Tideman

Teresa Tideman

Director and Trustee

Date: 15/08/2023

The notes on page 35 to 46 form part of these financial statements.

Consolidated and Company Statement of Cash Flows

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash provided/(used in) by operating activities	20	119,408	63,730	(100,027)	(447)
Cash flows from investing activities					
Interest income		-	-	-	-
Transfer of cash to current asset investments		-	-	-	-
Purchase of fixed assets		(145,429)	(15,098)	(145,429)	(15,098)
Cash (used in) investing activities		<u>(145,429)</u>	<u>(15,098)</u>	<u>(145,429)</u>	<u>(15,098)</u>
Cash flows from financing activities					
Increase/(decrease) in cash and cash equivalents in the year		(1,845)	48,632	(241,279)	(15,545)
Cash and cash equivalents at the beginning of the year		1,713,983	1,665,351	1,566,729	1,582,274
Total cash and cash equivalents at the end of the year		<u><u>1,712,138</u></u>	<u><u>1,713,983</u></u>	<u><u>1,325,450</u></u>	<u><u>1,566,729</u></u>

No analysis of changes in net debt is presented as the charity and group has no borrowings.

Notes to the Financial Statements – year ended 31 December 2022

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 Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts, 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

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings as per note 5 of their accounts. The accounts have been consolidated on a line-by-line basis, after eliminating the intercompany balances and transactions in full.

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. A cash flow forecast has been prepared for the 12-month period following the date of signing of the accounts. This forecast includes all funding received to date as well as committed funding. Assumptions have been made around charges for goods income that show an increase in growth against the 2022 targets which is line with the 2025 strategy. Unrestricted cash balances remain positive for the whole period and are expected to exceed the minimum requirement of £100,000.

Fund Accounting

Unrestricted funds (both general & designated) include 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.

The Board of trustees agreed in 2021 to designate £635k of the unrestricted reserve for specific projects to support the 2025 strategy growth. The fund will be used for the warehouse move (£320k), systems upgrade (£150k) & marketing/research/support activities (£165k).

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 a specific purpose. 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 charges for our service providing products 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 cleaning and printing facilities, consultancy work and other 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 on the basis of the value of the gift to the charity.

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 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.

Fundraising Costs - The costs incurred to obtain voluntary contributions to the charity including expenditure on increasing In Kind Direct's fundraising 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:

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 objectives. The company is registered for VAT. Income Tax recoverable under Deeds of Covenant and Gift Aid is accounted for on a receivable basis.

Termination costs

All costs included in terminating employee contracts are accounted for on an accrual basis and disclosed in aggregate within staff costs. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

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.

Tangible 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. Computers and other capital equipment is written off over three years.

Intangible fixed assets

Intangible assets are initially recognised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. In Kind Direct's intangible fixed assets consist of software development costs. Amortisation is charged on a straight line basis over the estimated useful economic life of the software (from two to six years) and is included in Finance & IT support costs in the SOFA.

Public benefit concessionary loans

The group provides a loan to further its charitable purposes at rates below prevailing market rates. In accordance with section 34 of FRS102 this loan has been classified and accounted for as a concessionary loan. Such loans are initially recognised and measured at the amount provided and subsequently adjusted to reflect any repayments, accrued interest and any subsequent impairments.

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 group 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 for the charity's own use.
- 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 not invoiced 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

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Charitable Trusts	31,084	110,000	141,084	276,839	318	277,157
Business donations	146,100	41,335	187,435	37,826	30,000	67,826
Donations by individuals	152,439	-	152,439	4,318	5,682	10,000
Total Donations	<u>329,623</u>	<u>151,335</u>	<u>480,958</u>	<u>318,983</u>	<u>36,000</u>	<u>354,983</u>

4. Donated goods and services

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

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Total Value of donated goods distributed	20,277,481	-	20,277,481	29,198,822	-	29,198,822
Total Value of Services donated for own use	116,459	-	116,459	97,874	-	97,874
Total Donations	<u>20,393,940</u>	<u>-</u>	<u>20,393,940</u>	<u>29,296,696</u>	<u>-</u>	<u>29,296,696</u>

5. Subsidiary undertakings

Trading IK Limited

Trading IK Limited (Company no. 06950193) is a wholly owned subsidiary trading company of the charity, established on 2 July 2009. Its registered office address is 11 - 15 St Mary at Hill, London, EC3R 8EE.

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 2022 were:

	31 December 2022	31 December 2021
	£	£
Turnover	313,363	242,528
Cost of sales	<u>(48,185)</u>	<u>(71,512)</u>
Gross profit	265,178	171,016
Distribution costs	(18,125)	(3,226)
Administration costs	(6,861)	(3,613)
Profit for the year	240,191	164,177
Gift Aid to In Kind Direct	(240,192)	(96,599)
Movement in Shareholder's Funds After Gift	<u>(1)</u>	<u>67,578</u>

Administration costs relate to audit fees and other professional fees from In Kind Direct to Trading IK Limited (2022: £3,600; 2021 £4,800) for the use of staff and resources. These have been eliminated on consolidation.

	£	£
Current assets	236,889	133,009
Creditors and accruals	<u>(236,889)</u>	<u>(65,431)</u>
Net Assets	<u>(0)</u>	<u>67,578</u>

At the balance sheet date the company owed a balance of £225,272 to In Kind Direct.

Subsidiary undertakings - Continued

IKDI

IKDI is a charitable company incorporated in England & Wales, (Charity no. 1157417; Company no. 08478660) of which In Kind Direct is the sole member. Its registered office address is 11 - 15 St Mary at Hill, London, EC3R 8EE. The results of the subsidiary charitable company for the year were as follows:

	31 December 2022	31 December 2021
	£	£
Income	94,075	74,227
Expenditure	(88,504)	(67,868)
Net surplus/(expenditure)	5,571	6,359
Funds brought forward at 1 January	86,927	80,568
Funds carried forward at 31 December	92,498	86,927

Total expenditure relate to audit fees, travel, legal fees and other charges from In Kind Direct to IKDI (2022: £57,350 ; 2021: £57,224) for the use of staff and resources . These have been eliminated on consolidation.

At the balance sheet date the charity owed a balance of £4,900 to In Kind Direct.

6. Expenditure

	Direct cost £	Support cost £	Total 2022 £	Direct cost £	Support cost £	Total 2021 £
Cost of Charitable Activities						
Distribution of donated goods	20,277,481	-	20,277,481	29,198,822	-	29,198,822
Other charitable costs	1,247,437	2,167,578	3,415,015	1,036,260	1,750,598	2,786,858
	<u>21,524,918</u>	<u>2,167,578</u>	<u>23,692,496</u>	<u>30,235,082</u>	<u>1,750,598</u>	<u>31,985,680</u>
Cost of Generating Funds						
Fundraising activities	62,790	91,384	154,174	5,214	109,648	114,862
Trading activities	71,572	-	71,572	73,551	-	73,551
	<u>134,362</u>	<u>91,384</u>	<u>225,746</u>	<u>78,765</u>	<u>109,648</u>	<u>188,413</u>
Total Expenditure	<u>21,659,280</u>	<u>2,258,962</u>	<u>23,918,242</u>	<u>30,313,847</u>	<u>1,860,246</u>	<u>32,174,093</u>

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:

	Cost of Charitable Activities £	Total 2022 £	Total 2021 £
Management/Other	836,794	836,794	725,707
Finance & IT	109,977	109,977	218,637
Logistics	395,173	395,173	354,370
Charities	807,781	807,781	404,665
Fundraising	62,526	62,526	57,266
Premises	87,956	87,957	99,601
	<u>2,300,207</u>	<u>2,300,207</u>	<u>1,860,246</u>
Governance costs total		<u>86,471</u>	<u>74,121</u>
Fundraising costs total*		<u>154,174</u>	<u>114,862</u>

* During the course of the year we have revisited the basis for calculating fundraising costs and the resultant change provides more reliable, appropriate and relevant information. This update has been retrospectively applied to provide comparatives for the prior year.

8. Employees

Staff costs comprise:	Total	Total
	2022	2021
	£	£
Salaries and wages	1,182,025	921,202
Social security costs	126,668	97,578
Other pension costs	95,762	82,315
Org. restructure costs*	-	113,127
	<u>1,404,455</u>	<u>1,214,222</u>

* Organisation restructure costs comprise those costs associated with the termination of employee contracts

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

	2022	2021
Distribution of donated goods	23	20
Governance	<u>4</u>	<u>2</u>
	<u>27</u>	<u>22</u>

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

£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,000 - £100,000	1	-
£140,000 - £160,000	1	1

The key management personnel of In Kind Direct, the parent charity, comprise the Chief Executive Officer and Executive Directors.

The total employee benefits (including employer's national insurance contributions) of the key management personnel of In Kind Direct were £553,111 (2021: £472,674).

The trustees did not receive remuneration for their services to the company during the period (2021: £nil).

Expenses of £199.20 incurred by a trustee were reimbursed by the charity during the period (2021: £nil).

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

	2022	2021
	£	£
Auditor remuneration - audit fee	19,000	15,750
Operating Lease rentals	51,766	71,676
Depreciation	<u>68,148</u>	<u>37,989</u>

10. Tangible Fixed Assets

	Warehouse	IT Equipment		
	Equipment	Unrestricted	Total	Total
	Unrestricted	Funds	2022	2021
	Funds	£	£	£
	£	£	£	£
Cost as at 1 January 2022	18,425	5,570	23,995	15,907
Additions during year	86,713	-	86,713	8,088
Transfer to intangible assets	-	-	-	-
Cost as at 31 December 2022	<u>105,138</u>	<u>5,570</u>	110,708	23,995
Depreciation as at 1 January 2022	(18,425)	(4,177)	(22,602)	(12,300)
Charge for year	<u>(7,339)</u>	<u>(697)</u>	(8,036)	(10,302)
Depreciation as at 31 December 2022	<u>(25,764)</u>	<u>(4,874)</u>	(30,638)	(22,602)
Net book value as at 1 January 2022	-	1,393	1,393	3,607
Net book value as at 31 December 2022	<u>79,374</u>	<u>696</u>	80,070	1,393

11. Intangible Fixed Assets

	IT Systems		
	Unrestricted Funds £	Total 2022 £	Total 2021 £
Cost as at 1 January 2022	152,355	152,355	145,345
Additions during year	<u>58,716</u>	<u>58,716</u>	<u>7,010</u>
Cost as at 31 December 2022	<u>211,071</u>	<u>211,071</u>	<u>152,355</u>
Depreciation as at 1 January 2022	(84,784)	(84,784)	(52,920)
Charge for year	<u>(60,113)</u>	<u>(60,113)</u>	<u>(27,687)</u>
Depreciation as at 31 December 2022	<u>(144,897)</u>	<u>(144,897)</u>	<u>(80,607)</u>
Net book value as at 1 January 2022	<u>67,571</u>	<u>67,571</u>	<u>92,425</u>
Net book value as at 31 December 2022	<u>66,174</u>	<u>66,174</u>	<u>71,748</u>

12. Investment
(Charity)

	Unrestricted Funds £	Total 2022 £
Shares - subsidiary company Trading IK Ltd	<u>1</u>	<u>1</u>
Cost at 1 January 2022 and 31 December 2022	<u>1</u>	<u>1</u>

13a. Debtors - unrestricted

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Prepayments	70,629	4,667	70,629	4,667
Trade debtors	(14,479)	36,356	(35,955)	14,879
Intercompany debtors	-	-	230,172	51,561
Taxation and social security	-	-	-	-
Accrued income*	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
	<u>71,150</u>	<u>56,023</u>	<u>279,846</u>	<u>86,107</u>

*Donations recognised in the 2022 accounts but received early in 2023.

13b. Debtors - restricted

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Grant income debtor*	176,189	368,716	176,189	368,716
	<u>176,189</u>	<u>368,716</u>	<u>176,189</u>	<u>368,716</u>

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

14. Creditors: amounts falling due within one year - unrestricted

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	(39,411)	(144,475)	(39,411)	(144,475)
Accruals	(158,099)	(158,099)	(146,799)	(146,799)
Taxation and social security	<u>(55,502)</u>	<u>(43,207)</u>	<u>(48,885)</u>	<u>(43,027)</u>
	<u>(253,012)</u>	<u>(345,781)</u>	<u>(235,095)</u>	<u>(334,302)</u>

15a. Reserves (Group) 2022

	Balance at 1 Jan 2022	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2022
Restricted Funds:	£	£	£	£	£
1 Lloyds Bank Premises Fund	656,303	(32,018)	(87,956)	(4,400)	531,928
2 Premises Fund 3 - dilaps	30,800	-	-	4,400	35,200
3 Peoples Postcode Lottery	-	60,000	(33,000)	-	27,000
4 Amazon	-	13,000	-	-	13,000
5 Kimberley Clark	-	30,353	-	-	30,353
6 Barclays COVID-19	11,277	-	(463)	-	10,815
7 Santander	-	25,000	-	-	25,000
8 Lego	-	5,000	-	-	5,000
9 JHRT	-	50,000	-	-	50,000
Total Restricted Funds	698,380	151,335	(121,419)	-	728,296
Unrestricted Funds - General	761,823	23,524,415	(23,796,824)	340,000	829,414
10 Unrestricted Funds - Designated	635,000	-	-	(340,000)	295,000
Total Unrestricted Funds	1,396,823	23,524,415	(23,796,824)	-	1,124,414
Total Funds	2,095,203	23,675,750	(23,918,242)	-	1,852,710

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations in distributing technology products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Board agreed to designate £647,457 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy growth

15a. Reserves (Group) 2021

	Balance at 1 Jan 2021	Income	Expenditure	Transfers between funds	Balance at 31 Dec 2021
Restricted Funds:	£	£	£	£	£
1 Lloyds Bank Premises Fund	760,303	-	(99,600)	(4,400)	656,303
2 Premises Fund 3 - dilaps	26,400	-	-	4,400	30,800
3 P&G Emergency Fund	982	-	(982)	-	-
4 Sir James Knott	-	5,000	(5,000)	-	-
5 GJW Turner Trust	-	1,000	(1,000)	-	-
6 Barclays COVID-19	70,000	-	(58,723)	-	11,277
7 The Prince of Wales's Charitable Foundation	-	30,000	(30,000)	-	-
Total Restricted Funds	857,685	36,000	(195,304)	-	698,380
Unrestricted Funds - General	1,277,807	32,097,804	(31,978,788)	(635,000)	761,823
Unrestricted Funds - Designated	-	-	-	635,000	635,000
Total Unrestricted Funds	1,277,807	32,097,804	(31,978,788)	-	1,396,823
Total Funds	2,135,492	32,133,804	(32,174,092)	-	2,095,203

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations and to put in place additional infrastructure required to respond to the pandemic

15b. Reserves (Charity) 2022

	Balance at 1 Jan 2022 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2022 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	656,303	(32,018)	(87,956)	(4,400)	531,928
2 Premises Fund 3 - dilaps	30,800	-	-	4,400	35,200
3 Peoples Postcode Lottery	-	60,000	(33,000)	-	27,000
4 Amazon	-	13,000	-	-	13,000
5 Kimberley Clark	-	30,353	-	-	30,353
6 Barclays COVID-19	11,277	-	(463)	-	10,815
7 Santander	-	25,000	-	-	25,000
8 Lego	-	5,000	-	-	5,000
9 JHRT	-	50,000	-	-	50,000
Total Restricted Funds	698,380	151,335	(121,419)	-	728,296
Unrestricted Funds - General	607,317	23,426,619	(23,704,597)	340,000	669,339
10 Unrestricted Funds - Designated	635,000	-	-	(340,000)	295,000
Total Unrestricted Funds	1,242,317	23,426,619	(23,704,597)	-	964,338
Total Funds	1,940,697	23,577,954	(23,826,016)	-	1,692,635

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations (distribution)
- (8) Funds towards supporting IKD's operations in distributing other products to small & medium size charities across the UK in the wake of the Covid-19 crisis.
- (9) Funds towards supporting IKD's core operations.
- (10) Board agreed to designate £635,000 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy grov

15b. Reserves (Charity) 2021

	Balance at 1 Jan 2021 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 Dec 2021 £
Restricted Funds:					
1 Lloyds Bank Premises Fund	760,303	-	(99,600)	(4,400)	656,303
2 Premises Fund 3 - dilaps	26,400	-	-	4,400	30,800
3 P&G Emergency Fund	982	-	(982)	-	0
4 Sir James Knott	-	5,000	(5,000)	-	-
5 JR Corah Foundation Fund	-	1,000	(1,000)	-	-
6 Barclays COVID-19	70,000	-	(58,723)	-	11,277
7 Santander	-	30,000	(30,000)	-	-
Total Restricted Funds	857,685	36,000	(195,305)	-	698,380
Unrestricted Funds - General	1,166,961	31,981,947	(31,906,591)	(635,000)	607,317
8 Unrestricted Funds - Designated	-	-	-	635,000	635,000
Total Unrestricted Funds	1,166,961	31,981,947	(31,906,591)	0	1,242,317
Total Funds	2,024,646	32,017,947	(32,101,896)	0	1,940,697
			- 83,949		1,940,697

Details

- (1) Funds to pay rent, service charge, utilities and other office running costs.
- (2) Funds towards legal/professional fees and office dilapidations should the office lease break clause be exercised in year 5.
- (3) Funds towards supporting charities helping people affected by emergency situations.
- (4) - (5) Funds are for the purpose of enabling charities in a particular sector or geographical location to benefit from the In Kind Direct service.
- (6) Funds towards helping charities in their community efforts against COVID-19.
- (7) Funds towards supporting IKD's operations and to put in place additional infrastructure required to respond to the pandemic
- (8) Board agreed to designate £635,000 fund for the warehouse move (£320k), systems upgrade (£150k) & research/marketing/other (£165k) to support the 2025 strategy grov

16. Donation of services for own use

The financial statements include the following donated services

	2022	2021
	£	£
Web hosting & IT services	48,000	63,500
Marketing & PR	56,286	28,074
Consultancy	5,460	6,300
Staff costs/training	-	-
	<u>116,459</u>	<u>97,874</u>

17. Obligation under operating lease

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:

Minimum rentals falling due:	2022	2021
	£	£
Within 1 year	53,757	53,757
Between 1 and 5 years	107,629	161,386
More than 5 years	-	-
	<u>161,386</u>	<u>215,143</u>

Future payments have been adjusted for the effect of rent-free periods in years 5 & 7 included in the lease of In Kind Direct's offices.

18. Related party transactions

Due to the nature of the IKD group charitable activities which relies on donated goods by companies and the composition of the board of trustees being drawn from corporations, transactions may take place with businesses in which the trustees have an interest. All transactions involving such companies are conducted in accordance with the requirements of the SORP and followed the IKD financial policies & procurement procedures relating to connected and related party transactions. All Board members are required to sign a related party disclosure.

HM King Charles III is the founder of In Kind Direct.

The total amount of donations made by trustees to the charity in 2022 was £0 (2021: £15,682).

19. Capital commitments

There were no capital commitments at the end of 2022 (2021: £0).

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(242,493)	(40,289)	(248,062)	(83,949)
Adjustments for:				
Depreciation	68,148	37,989	68,148	37,989
Dividends, interest and rents from investments	-	-	-	-
Decrease/(increase) in debtors	252,243	148,527	35,715	133,860
Increase/(decrease) in creditors	41,509	(82,497)	44,172	(88,347)
Net cash provided by/(used in) operating activities	<u>119,408</u>	<u>63,730</u>	<u>(100,027)</u>	<u>(447)</u>

21 Post Balance Sheet Events

There are no events after the Statements of Financial Position date.