

NECESSARY FURNITURE

England & Wales · Charity number 1091602

Details

Status	Registered
Legal form	Charitable company
Company number	03886547
Registered	2002-04-11
Register	View on the Charity Commission register

Contact

Address	Unit 2b Canterbury Industrial Park Island Road Hersden - Canterbury Kent CT3 4HQ
Phone	01227712680
Email	office@necessaryfurniture.co.uk
Website	www.necessaryfurniture.co.uk

Activities

Objects: TO RELIEVE PERSONS IN THE AREA OF EAST KENT WHO ARE IN CONDITIONS OF NEED OR HARDSHIP BY: (A) THE PROVISION OF FURNITURE AND OTHER HOUSEHOLD ACCESSORIES; (B) THE PROVISION OF TRAINING TO SUPPLY THE SKILLS TO IMPROVE EMPLOYMENT OPPORTUNITIES; AND (C) SUCH CHARITABLE PURPOSES AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE.

Activities: Necessary Furniture is a charitable organisation set up to provide furniture and household goods for the disadvantaged within the community. In addition Necessary Furniture (in partnership with the relevant agencies) provides work experience for unemployed people.

Classification

- **How:** Provides Services
- **What:** The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** EAST KENT
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£387,530	£411,811	-	-
2024-03-31	£414,478	£389,096	-	-
2023-03-31	£344,210	£332,994	-	-
2022-03-31	£336,189	£305,759	-	-
2021-03-31	£289,931	£264,630	-	-

Trustees

Name	Role	Appointed
ROBERT DAVID MEREDITH	Chair	2022-08-08
CHRISTOPHER COULSTING GAY MBE		
Cheryl Howard		2026-06-15
Dermot Gary Hickland		2026-06-15
Paul Glover		2026-06-15
Peter John Cowell		2024-11-24
SIMON EDRIDGE		2013-09-27
WILLIAM RHYS-JONES		2018-09-17

NECESSARY FURNITURE

England & Wales - Charity number 1091602

Accounts

Necessary Furniture
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2025

PG LEMON LLP

Chartered Certified Accountants
22-26 Bank Street
Herne Bay
Kent
CT6 5EA

Necessary Furniture

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2025

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Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2025

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2025.

Reference and administrative details

Registered charity name Necessary Furniture

Charity registration number 1091602

Company registration number 03886547

Principal office and registered office 22-26 Bank Street
Herne Bay
CT6 5EA
Kent

The trustees

C.C Gay MBE
G.A. Glover
S. Edridge
T. Wallace-Sims
W. Rhys-Jones
J. Kennett (Resigned 27 January 2025)
R.D. Meredith
P. Cowell (Appointed 25 November 2024)

Independent examiner Maxine Gambrell FCCA
22-26 Bank Street
Herne Bay
Kent
CT6 5EA

Structure, governance and management

The organisation is a charitable company limited by guarantee and registered as a charity. The Directors (whose liability is limited to £1) are also Trustees. The Directors meet regularly as a Management Committee. Management is governed by a Memorandum and Articles of Association in accordance with the Companies Acts.

Objectives and activities

Necessary Furniture is a charitable organisation set up to provide furniture and household goods for the disadvantaged within the community and to reduce the volume of useable goods going to landfill.

Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

Achievements and performance

Necessary Furniture (in partnership with the relevant agencies) provides worthwhile jobs and work experience for unemployed people.

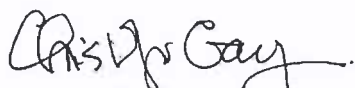
Financial review

Our current priority is closely to monitor income and expenditure to keep the Charity on a sound footing. Recent initiatives agreed include the clearance of redundant stock to make way for attractive display areas and asking donors of furniture, as well as recipients, to make a donation towards running costs.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 28 July 2025 and signed on behalf of the board of trustees by:



C.C. Gay MBE
Trustee

Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture

Year ended 31 March 2025

I report to the trustees on my examination of the financial statements of Necessary Furniture ('the charity') for the year ended 31 March 2025.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture *(continued)*

Year ended 31 March 2025

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

M. A. Gambrill

Maxine Gambrill FCCA
Independent Examiner

22-26 Bank Street
Herne Bay
Kent
CT6 5EA

28 July 2025

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2025

		2025		2024
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Donations and legacies	5	2,394	2,394	3,102
Charitable activities	6	377,453	377,453	405,501
Other trading activities	7	1,463	1,463	1,934
Investment income	8	6,220	6,220	3,941
Total income		387,530	387,530	414,478
		nnnnnnnnnn	nnnnnnnnnn	nnnnnnnnnn
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	9	27,666	27,666	21,900
Expenditure on charitable activities	10	383,475	383,475	366,607
Other expenditure	11	700	700	589
Total expenditure		411,841	411,841	389,096
		nnnnnnnnnn	nnnnnnnnnn	nnnnnnnnnn
Net (expenditure)/income and net movement in funds		(24,311)	(24,311)	25,382
		nnnnnnnnnn	nnnnnnnnnn	nnnnnnnnnn
Reconciliation of funds				
Total funds brought forward		206,242	206,242	180,860
Total funds carried forward		181,931	181,931	206,242
		nnnnnnnnnn	nnnnnnnnnn	nnnnnnnnnn

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 14 form part of these financial statements.

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Position

31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	16	10,344	22,489
Current assets			
Debtors	17	15,718	14,657
Cash at bank and in hand		200,801	215,678
		216,519	230,335
Creditors: amounts falling due within one year	18	44,932	46,582
Net current assets		171,587	183,753
Total assets less current liabilities		181,931	206,242
Net assets		181,931	206,242
		nnnnnnnn	nnnnnnnn
Funds of the charity			
General funds		181,931	206,242
Total charity funds	20	181,931	206,242
		nnnnnnnn	nnnnnnnn

For the year ending 31 March 2025 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- ☐ The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- ☐ The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 28 July 2025, and are signed on behalf of the board by:

C.C Gay MBE
Trustee

The notes on pages 7 to 14 form part of these financial statements.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2025

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 22-26 Bank Street, Herne Bay, CT6 5EA, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- ☐ income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- ☐ legacy income is recognised when receipt is probable and entitlement is established.
- ☐ income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- ☐ income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- ☐ expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- ☐ expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- ☐ other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% reducing balance
Motor vehicles	- 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is limited by guarantee of members and does not have a share capital. The liability of members is limited to £1.00.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2025

5. Donations and legacies

	General Funds	Total Funds	General Funds	Total Funds
	£	2025	£	2024
	£	£	£	£
Donations				
Donations	2,394	2,394	3,102	3,102
	nnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnn

6. Charitable activities

	General Funds	Total Funds	General Funds	Total Funds
	£	2025	£	2024
	£	£	£	£
Sale of goods/services as part of direct charitable activities	377,453	377,453	405,501	405,501
	nnnnnnnnnn	nnnnnnnnnn	nnnnnnnnnn	nnnnnnnnnn

7. Other trading activities

	General Funds	Total Funds	General Funds	Total Funds
	£	2025	£	2024
	£	£	£	£
Auction/recycle credits	1,030	1,030	250	250
Other income	433	433	1,684	1,684
	—	—	—	—
	1,463	1,463	1,934	1,934
	nnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnn

8. Investment income

	General Funds	Total Funds	General Funds	Total Funds
	£	2025	£	2024
	£	£	£	£
Bank interest receivable	6,220	6,220	3,941	3,941
	nnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnn

9. Costs of other trading activities

	General Funds	Total Funds	General Funds	Total Funds
	£	2025	£	2024
	£	£	£	£
Costs of other trading activities - Shop costs	27,666	27,666	21,900	21,900
	nnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnn

10. Expenditure on charitable activities by fund type

	General Funds	Total Funds	General Funds	Total Funds
	£	2025	£	2024
	£	£	£	£
Wages and overheads	383,475	383,475	366,607	366,607
	nnnnnnnnnn	nnnnnnnnnn	nnnnnnnnnn	nnnnnnnnnn

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2025

11. Other expenditure

	General Funds	Total Funds	General Funds	Total Funds
	2025	2024	2025	2024
	£	£	£	£
Other expenditure - bank charges	700	700	589	589
	0000	0000	0000	0000

12. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation of tangible fixed assets	12,146	12,207
	00000000	00000000

13. Independent examination fees

	2025	2024
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	950	950
	0000	0000

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	276,524	243,191
Employer contributions to pension plans	5,497	4,748
	282,021	247,939
	00000000	00000000

The average head count of employees during the year was 10 (2024: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	2025	2024
	No.	No.
Number of staff	10	9
	0000	0000

No employee received employee benefits of more than £60,000 during the year (2024: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

16. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 April 2024 and 31 March 2025	5,230 nnnnnnn	47,851 nnnnnnn	53,081 nnnnnnn
Depreciation			
At 1 April 2024	4,497	26,094	30,591
Charge for the year	183	11,963	12,146
At 31 March 2025	4,680 nnnnnnn	38,057 nnnnnnn	42,737 nnnnnnn
Carrying amount			
At 31 March 2025	550 nnnnnnn	9,794 nnnnnnn	10,344 nnnnnnn
At 31 March 2024	733 nnnnnnn	21,757 nnnnnnn	22,490 nnnnnnn

17. Debtors

	2025 £	2024 £
Trade debtors	1,179	(731)
Prepayments and accrued income	10,982	10,987
Other debtors	3,557	4,401
	15,718 nnnnnnn	14,657 nnnnnnn

18. Creditors: amounts falling due within one year

	2025 £	2024 £
Bank loans and overdrafts	—	1,829
Trade creditors	13,464	10,576
Accruals and deferred income	1,140	1,140
Social security and other taxes	9,557	6,366
Other creditors	20,771	26,671
	44,932 nnnnnnn	46,582 nnnnnnn

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £5,497 (2024: £4,748).

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

20. Analysis of charitable funds

General funds

	At 1 April 2024	Income	Expenditure	At 31 March 2025
	£	£	£	£
General funds	206,242	387,530	(411,841)	181,931
	nnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnn

	At 1 April 2023	Income	Expenditure	At 31 March 2024
	£	£	£	£
General funds	180,860	414,478	(389,096)	206,242
	nnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnn

21. Analysis of net assets between funds

	General Funds	Total Funds 2025
	£	£
Tangible fixed assets	10,344	10,344
Current assets	216,519	216,519
Creditors less than 1 year	(44,932)	(44,932)
Net assets	181,931	181,931
	nnnnnnnn	nnnnnnnn

	General Funds	Total Funds 2024
	£	£
Tangible fixed assets	22,489	22,489
Current assets	230,334	230,334
Creditors less than 1 year	(46,581)	(46,581)
Net assets	206,242	206,242
	nnnnnnnn	nnnnnnnn

Necessary Furniture

Company Limited by Guarantee

Management Information

Year ended 31 March 2025

The following pages do not form part of the financial statements.

Necessary Furniture

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 March 2025

	2025 £	2024 £
Income and endowments		
Donations and legacies		
Donations	2,394	3,102
Charitable activities		
Sale of goods/services as part of direct charitable activities	377,453	405,501
Other trading activities		
Auction/recycle credits	1,030	250
Other income	433	1,684
	1,463	1,934
Investment income		
Bank interest receivable	6,220	3,941
Total income	387,530	414,478
	nnnnnnnn	nnnnnnnn

Necessary Furniture

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

Year ended 31 March 2025

	2025 £	2024 £
Expenditure		
Costs of other trading activities		
Light and heat	11,814	7,648
Other motor/travel costs	503	460
Legal and professional fees	11,767	8,800
Telephone	1,287	1,469
Other office costs	2,295	3,523
	<u>27,666</u>	<u>21,900</u>
Expenditure on charitable activities		
Wages and salaries	276,524	243,191
Pension costs	5,497	4,748
Rent	47,895	47,835
Rates and water	3,245	2,173
Repairs and maintenance	5,640	20,215
Insurance	5,914	5,696
Other establishment	171	389
Motor vehicle expenses	23,758	24,302
Vehicle leasing/hire	251	251
Legal and professional fees	1,084	950
Other office costs	1,351	4,651
Depreciation	12,145	12,206
	<u>383,475</u>	<u>366,607</u>
Other expenditure		
Other expenditure - bank charges	700	589
	<u>700</u>	<u>589</u>
Total expenditure	<u>411,841</u> nnnnnnnn	<u>389,096</u> nnnnnnnn
Net (expenditure)/income	<u>(24,311)</u> nnnnnnnn	<u>25,382</u> nnnnnnnn

Necessary Furniture

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2025

	2025 £	2024 £
Costs of other trading activities		
Costs of other trading activities - Shop costs		
Shop costs - light & heat	11,814	7,648
Shop costs - other motor/travel costs	503	460
Shop costs - legal and professional fees	11,767	8,800
Shop costs - postage, telephone and fax	1,287	1,469
Shop costs - other office costs	2,295	3,523
	<u>27,666</u>	<u>21,900</u>
Costs of other trading activities	<u>27,666</u>	<u>21,900</u>
	nnnnnnnn	nnnnnnnn
Expenditure on charitable activities		
Wages and overheads		
Activities undertaken directly		
Wages/salaries	276,524	243,191
Pension costs	5,497	4,748
Rent	47,895	47,835
Rates & water	3,245	2,173
Repairs & maintenance	5,640	20,215
Insurance	5,914	5,696
Direct charitable activity 1 - other establishment	171	389
Motor vehicle expenses	23,758	24,302
Vehicle leasing	251	251
Legal and professional fees	1,084	950
Direct charitable activity 1 - advertising & marketing	1,351	4,651
Depreciation	12,145	12,206
	<u>383,475</u>	<u>366,607</u>
Expenditure on charitable activities	<u>383,475</u>	<u>366,607</u>
	nnnnnnnn	nnnnnnnn

NECESSARY FURNITURE

England & Wales - Charity number 1091602

Accounts

Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2024

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2024.

Reference and administrative details

Registered charity name	Necessary Furniture
Charity registration number	1091602
Company registration number	03886547
Principal office and registered office	22-26 Bank Street Herne Bay CT6 5EA Kent

The trustees

C.C Gay MBE
G.A. Glover
S. Edridge
T. Wallace-Sims
W. Rhys-Jones
J. Kennett
R.D. Meredith

Independent examiner	Maxine Gambrill FCCA 22-26 Bank Street Herne Bay Kent CT6 5EA
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Structure, governance and management

The organisation is a charitable company limited by guarantee and registered as a charity. The Directors (whose liability is limited to £1) are also Trustees. The Directors meet regularly as a Management Committee. Management is governed by a Memorandum and Articles of Association in accordance with the Companies Acts.

Objectives and activities

Necessary Furniture is a charitable organisation set up to provide furniture and household goods for the disadvantaged within the community and to reduce the volume of useable goods going to landfill.

Achievements and performance

Necessary Furniture (in partnership with the relevant agencies) provides worthwhile jobs and work experience for unemployed people.

Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

Financial review

Our current priority is closely to monitor income and expenditure to keep the Charity on a sound footing. Recent initiatives agreed include the clearance of redundant stock to make way for attractive display areas and asking donors of furniture, as well as recipients, to make a donation towards running costs.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 29 July 2024 and signed on behalf of the board of trustees by:

C.C Gay MBE
Trustee

COMPANY REGISTRATION NUMBER: 03886547
CHARITY REGISTRATION NUMBER: 1091602

Necessary Furniture
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2024

PG LEMON LLP
Chartered Certified Accountants
22-26 Bank Street
Herne Bay
Kent
CT6 5EA

Necessary Furniture

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2024

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Necessary Furniture

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2024

		2024		2023
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Donations and legacies	5	3,102	3,102	2,721
Charitable activities	6	405,501	405,501	339,675
Other trading activities	7	1,934	1,934	973
Investment income	8	3,941	3,941	841
Total income		<u>414,478</u>	<u>414,478</u>	<u>344,210</u>
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	9	21,900	21,900	18,026
Expenditure on charitable activities	10	366,607	366,607	314,206
Other expenditure	11	589	589	762
Total expenditure		<u>389,096</u>	<u>389,096</u>	<u>332,994</u>
Net income and net movement in funds		<u>25,382</u>	<u>25,382</u>	<u>11,216</u>
Reconciliation of funds				
Total funds brought forward		180,860	180,860	169,644
Total funds carried forward		<u>206,242</u>	<u>206,242</u>	<u>180,860</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Position

31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	16	22,489	34,696
Current assets			
Debtors	17	14,657	21,356
Cash at bank and in hand		215,678	163,175
		230,335	184,531
Creditors: amounts falling due within one year	18	46,582	38,367
Net current assets		183,753	146,164
Total assets less current liabilities		206,242	180,860
Net assets		206,242	180,860
Funds of the charity			
Unrestricted funds		206,242	180,860
Total charity funds	20	206,242	180,860

For the year ending 31 March 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 29 July 2024, and are signed on behalf of the board by:

C.C Gay MBE
Trustee

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2024

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 22-26 Bank Street, Herne Bay, CT6 5EA, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	25% reducing balance
Motor vehicles	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is limited by guarantee of members and does not have a share capital. The liability of members is limited to £1.00.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Donations				
Donations	<u>3,102</u>	<u>3,102</u>	<u>2,721</u>	<u>2,721</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Sale of goods/services as part of direct charitable activities	<u>405,501</u>	<u>405,501</u>	<u>339,675</u>	<u>339,675</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Auction/recycle credits	250	250	—	—
Other income	<u>1,684</u>	<u>1,684</u>	<u>973</u>	<u>973</u>
	<u>1,934</u>	<u>1,934</u>	<u>973</u>	<u>973</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Bank interest receivable	<u>3,941</u>	<u>3,941</u>	<u>841</u>	<u>841</u>

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Costs of other trading activities - Shop costs	<u>21,900</u>	<u>21,900</u>	<u>18,026</u>	<u>18,026</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Wages and overheads	<u>366,607</u>	<u>366,607</u>	<u>314,206</u>	<u>314,206</u>

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

11. Other expenditure

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Other expenditure - bank charges	<u>589</u>	<u>589</u>	<u>762</u>	<u>762</u>

12. Net income

Net income is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	<u>12,207</u>	<u>5,451</u>

13. Independent examination fees

	2024 £	2023 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>950</u>	<u>950</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024 £	2023 £
Wages and salaries	243,191	210,907
Employer contributions to pension plans	<u>4,748</u>	<u>4,089</u>
	<u>247,939</u>	<u>214,996</u>

The average head count of employees during the year was 9 (2023: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Number of staff	<u>9</u>	<u>9</u>

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

16. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 April 2023 and 31 March 2024	5,230	47,851	53,081
Depreciation			
At 1 April 2023	4,253	14,132	18,385
Charge for the year	244	11,963	12,207
At 31 March 2024	4,497	26,095	30,592
Carrying amount			
At 31 March 2024	733	21,756	22,489
At 31 March 2023	977	33,719	34,696

17. Debtors

	2024 £	2023 £
Trade debtors	(731)	812
Prepayments and accrued income	10,987	10,982
Other debtors	4,401	9,562
	14,657	21,356

18. Creditors: amounts falling due within one year

	2024 £	2023 £
Bank loans and overdrafts	1,829	—
Trade creditors	10,576	10,039
Accruals and deferred income	1,140	1,140
Social security and other taxes	6,366	12,687
Other creditors	26,671	14,501
	46,582	38,367

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,748 (2023: £4,089).

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
General funds	180,860	414,478	(389,096)	206,242

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
General funds	169,644	344,210	(332,994)	180,860

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	22,489	22,489
Current assets	230,334	230,334
Creditors less than 1 year	(46,581)	(46,581)
Net assets	206,242	206,242

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	34,695	34,695
Current assets	184,530	184,530
Creditors less than 1 year	(38,365)	(38,365)
Net assets	180,860	180,860

Necessary Furniture

Company Limited by Guarantee

Management Information

Year ended 31 March 2024

The following pages do not form part of the financial statements.

Necessary Furniture

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 March 2024

	2024 £	2023 £
Income and endowments		
Donations and legacies		
Donations	<u>3,102</u>	<u>2,721</u>
Charitable activities		
Sale of goods/services as part of direct charitable activities	<u>405,501</u>	<u>339,675</u>
Other trading activities		
Auction/recycle credits	250	—
Other income	<u>1,684</u>	<u>973</u>
	<u>1,934</u>	<u>973</u>
Investment income		
Bank interest receivable	<u>3,941</u>	<u>841</u>
Total income	<u>414,478</u>	<u>344,210</u>

Necessary Furniture

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

Year ended 31 March 2024

	2024 £	2023 £
Expenditure		
Costs of other trading activities		
Light and heat	7,648	4,065
Other motor/travel costs	460	300
Legal and professional fees	8,800	9,244
Telephone	1,469	1,394
Other office costs	3,523	3,023
	<u>21,900</u>	<u>18,026</u>
 Expenditure on charitable activities		
Wages and salaries	243,191	210,907
Pension costs	4,748	4,089
Rent	47,835	47,840
Rates and water	2,173	1,843
Repairs and maintenance	20,215	9,381
Insurance	5,696	5,222
Other establishment	389	95
Motor vehicle expenses	24,302	26,165
Vehicle leasing/hire	251	251
Legal and professional fees	950	1,021
Other office costs	4,651	1,941
Depreciation	12,206	5,451
	<u>366,607</u>	<u>314,206</u>
 Other expenditure		
Other expenditure - bank charges	<u>589</u>	<u>762</u>
 Total expenditure	<u>389,096</u>	<u>332,994</u>
 Net income	<u>25,382</u>	<u>11,216</u>

Necessary Furniture

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2024

	2024 £	2023 £
Costs of other trading activities		
Costs of other trading activities - Shop costs		
Shop costs - light & heat	7,648	4,065
Shop costs - other motor/travel costs	460	300
Shop costs - legal and professional fees	8,800	9,244
Shop costs - postage, telephone and fax	1,469	1,394
Shop costs - other office costs	3,523	3,023
	<u>21,900</u>	<u>18,026</u>
Costs of other trading activities	<u>21,900</u>	<u>18,026</u>
Expenditure on charitable activities		
Wages and overheads		
Activities undertaken directly		
Wages/salaries	243,191	210,907
Pension costs	4,748	4,089
Rent	47,835	47,840
Rates & water	2,173	1,843
Repairs & maintenance	20,215	9,381
Insurance	5,696	5,222
Other establishment	389	95
Motor vehicle expenses	24,302	26,165
Vehicle leasing	251	251
Legal and professional fees	950	1,021
Advertising & marketing	4,651	1,941
Depreciation	12,206	5,451
	<u>366,607</u>	<u>314,206</u>
Expenditure on charitable activities	<u>366,607</u>	<u>314,206</u>

Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture

Year ended 31 March 2024

I report to the trustees on my examination of the financial statements of Necessary Furniture ('the charity') for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture *(continued)*

Year ended 31 March 2024

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Maxine Gambrill FCCA
Independent Examiner

22-26 Bank Street
Herne Bay
Kent
CT6 5EA

29 July 2024

NECESSARY FURNITURE

England & Wales - Charity number 1091602

Accounts

COMPANY REGISTRATION NUMBER: 03886547
CHARITY REGISTRATION NUMBER: 1091602

Necessary Furniture
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2023

PG LEMON LLP
Chartered Certified Accountants
22-26 Bank Street
Herne Bay
Kent
CT6 5EA

Necessary Furniture

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2023

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Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name	Necessary Furniture
Charity registration number	1091602
Company registration number	03886547
Principal office and registered office	22-26 Bank Street Herne Bay CT6 5EA Kent

The trustees

C.C Gay MBE	
T. Fermor	(Resigned 8 August 2022)
G.A. Glover	
S. Edridge	
T. Wallace-Sims	
W. Rhys-Jones	
J. Kennett	
R.D. Meredith	(Appointed 8 April 2022)

Company secretary C Barber

Independent examiner Philip Gambrell FCCA
22-26 Bank Street
Herne Bay
Kent
CT6 5EA

Structure, governance and management

The organisation is a charitable company limited by guarantee and registered as a charity. The Directors (whose liability is limited to £1) are also Trustees. The Directors meet regularly as a Management Committee. Management is governed by a Memorandum and Articles of Association in accordance with the Companies Acts.

Objectives and activities

Necessary Furniture is a charitable organisation set up to provide furniture and household goods for the disadvantaged within the community and to reduce the volume of useable goods going to landfill.

Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Achievements and performance

Necessary Furniture (in partnership with the relevant agencies) provides worthwhile jobs and work experience for unemployed people.

Financial review

Our current priority is closely to monitor income and expenditure to keep the Charity on a sound footing. Recent initiatives agreed include the clearance of redundant stock to make way for attractive display areas and asking donors of furniture, as well as recipients, to make a donation towards running costs.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 14 August 2023 and signed on behalf of the board of trustees by:



C.C Gay MBE
Trustee

Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of Necessary Furniture ('the charity') for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture *(continued)*

Year ended 31 March 2023

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Philip Gambrill FCCA
Independent Examiner

22-26 Bank Street
Herne Bay
Kent
CT6 5EA

14/8/23

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		2023		2022
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Donations and legacies	5	2,721	2,721	14,228
Charitable activities	6	339,675	339,675	317,712
Other trading activities	7	973	973	4,249
Investment income	8	841	841	10
Total income		<u>344,210</u>	<u>344,210</u>	<u>336,199</u>
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	9	18,026	18,026	18,590
Expenditure on charitable activities	10	314,206	314,206	286,249
Other expenditure	11	762	762	920
Total expenditure		<u>332,994</u>	<u>332,994</u>	<u>305,759</u>
Net income and net movement in funds		<u>11,216</u>	<u>11,216</u>	<u>30,440</u>
Reconciliation of funds				
Total funds brought forward		169,644	169,644	139,204
Total funds carried forward		<u>180,860</u>	<u>180,860</u>	<u>169,644</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 14 form part of these financial statements.

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	16	34,696	10,310
Current assets			
Debtors	17	21,356	14,977
Cash at bank and in hand		163,175	184,907
		<u>184,531</u>	<u>199,884</u>
Creditors: amounts falling due within one year	18	<u>38,367</u>	<u>40,550</u>
Net current assets		<u>146,164</u>	<u>159,334</u>
Total assets less current liabilities		<u>180,860</u>	<u>169,644</u>
Net assets		<u>180,860</u>	<u>169,644</u>
Funds of the charity			
Unrestricted funds		<u>180,860</u>	<u>169,644</u>
Total charity funds	20	<u>180,860</u>	<u>169,644</u>

For the year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 14 August 2023, and are signed on behalf of the board by:



C.C Gay MBE
Trustee

The notes on pages 7 to 14 form part of these financial statements.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 22-26 Bank Street, Herne Bay, CT6 5EA, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% reducing balance
Motor vehicles	- 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is limited by guarantee of members and does not have a share capital. The liability of members is limited to £1.00.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2023

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	2,721	2,721	4,404	4,404
Grants				
Government grants	—	—	5,824	5,824
CCC grants	—	—	4,000	4,000
	<u>2,721</u>	<u>2,721</u>	<u>14,228</u>	<u>14,228</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Sale of goods/services as part of direct charitable activities	339,675	339,675	303,612	303,612
KSAS Vouchers	—	—	14,100	14,100
	<u>339,675</u>	<u>339,675</u>	<u>317,712</u>	<u>317,712</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Cycles and computers	—	—	665	665
Other income	973	973	3,584	3,584
	<u>973</u>	<u>973</u>	<u>4,249</u>	<u>4,249</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	841	841	10	10

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Costs of other trading activities - Shop costs	18,026	18,026	18,590	18,590

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2023

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Wages and overheads	314,206	314,206	286,249	286,249

11. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Other expenditure - bank charges	762	762	859	859
Bad debts written off	—	—	61	61
	762	762	920	920

12. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	5,451	4,938

13. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	950	950

14. Staff costs

The average head count of employees during the year was 9 (2022: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of staff	9	8

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

16. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 April 2022	5,230	18,014	23,244
Additions	—	29,837	29,837
At 31 March 2023	5,230	47,851	53,081
Depreciation			
At 1 April 2022	3,927	9,007	12,934
Charge for the year	326	5,125	5,451
At 31 March 2023	4,253	14,132	18,385
Carrying amount			
At 31 March 2023	977	33,719	34,696
At 31 March 2022	1,303	9,007	10,310

17. Debtors

	2023 £	2022 £
Trade debtors	812	677
Prepayments and accrued income	10,982	10,982
Other debtors	9,562	3,318
	21,356	14,977

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	—	62
Trade creditors	10,039	10,663
Accruals and deferred income	1,140	1,140
Social security and other taxes	12,687	10,030
Other creditors	14,501	18,655
	38,367	40,550

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,089 (2022: £3,597).

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2023

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
General funds	169,644	344,210	(332,994)	180,860

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	139,204	336,199	(305,759)	169,644

21. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	34,695	34,695
Current assets	184,530	184,530
Creditors less than 1 year	(38,365)	(38,365)
Net assets	180,860	180,860

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	10,309	10,309
Current assets	199,883	199,883
Creditors less than 1 year	(40,548)	(40,548)
Creditors greater than 1 year	—	—
Net assets	169,644	169,644

NECESSARY FURNITURE

England & Wales - Charity number 1091602

Accounts

Necessary Furniture

Company Limited by Guarantee

Unaudited Financial Statements

31 March 2022

PG LEMON LLP

Chartered Certified Accountants

22-26 Bank Street

Herne Bay

Kent

Necessary Furniture

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2022

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Independent examiner's report to the trustees	3
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Statement of financial position	6
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Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name	Necessary Furniture
Charity registration number	1091602
Company registration number	03886547
Principal office and registered office	22-26 Bank Street Herne Bay CT6 5EA Kent

The trustees

C.C Gay MBE	
T. Fermor	
G.A. Glover	
P. Bushell	(Resigned 19 April 2021)
S. Edridge	
T. Wallace-Sims	
W. Rhys-Jones	

Company secretary	C Barber
Independent examiner	Philip Gambrell FCCA 22-26 Bank Street Herne Bay Kent CT6 5EA

Structure, governance and management

The organisation is a charitable company limited by guarantee and registered as a charity. The Directors (whose liability is limited to £1) are also Trustees. The Directors meet regularly as a Management Committee. Management is governed by a Memorandum and Articles of Association in accordance with the Companies Acts.

Objectives and activities

Necessary Furniture is a charitable organisation set up to provide furniture and household goods for the disadvantaged within the community and to reduce the volume of useable goods going to landfill.

Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Achievements and performance

Necessary Furniture (in partnership with the relevant agencies) provides worthwhile jobs and work experience for unemployed people.

Financial review

Our current priority is closely to monitor income and expenditure to keep the Charity on a sound footing. Recent initiatives agreed include the clearance of redundant stock to make way for attractive display areas and asking donors of furniture, as well as recipients, to make a donation towards running costs.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 8 August 2022 and signed on behalf of the board of trustees by:



G.A. Glover
Trustee

Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture

Year ended 31 March 2022

I report to the trustees on my examination of the financial statements of Necessary Furniture ('the charity') for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
 2. the financial statements do not accord with those records; or
 3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
 4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).
-

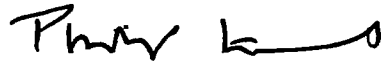
Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture *(continued)*

Year ended 31 March 2022

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Philip Gambrill FCCA
Independent Examiner

22-26 Bank Street
Herne Bay
Kent
CT6 5EA

8 August 2022

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	14,228	14,228	123,909
Charitable activities	6	317,712	317,712	163,112
Other trading activities	7	4,249	4,249	2,910
Investment income	8	10	10	17
Total income		<u>336,199</u>	<u>336,199</u>	<u>289,948</u>
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	9	18,590	18,590	12,375
Expenditure on charitable activities	10	286,249	286,249	250,461
Other expenditure	11	920	920	1,794
Total expenditure		<u>305,759</u>	<u>305,759</u>	<u>264,630</u>
Net income and net movement in funds		<u>30,440</u>	<u>30,440</u>	<u>25,318</u>
Reconciliation of funds				
Total funds brought forward		139,204	139,204	113,886
Total funds carried forward		<u>169,644</u>	<u>169,644</u>	<u>139,204</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	16	10,310	14,825
Current assets			
Debtors	17	14,977	17,604
Cash at bank and in hand		184,907	171,241
		<u>199,884</u>	<u>188,845</u>
Creditors: amounts falling due within one year	18	<u>40,550</u>	<u>14,466</u>
Net current assets		<u>159,334</u>	<u>174,379</u>
Total assets less current liabilities		<u>169,644</u>	<u>189,204</u>
Creditors: amounts falling due after more than one year	19	<u>—</u>	<u>50,000</u>
Net assets		<u>169,644</u>	<u>139,204</u>
Funds of the charity			
Unrestricted funds		<u>169,644</u>	<u>139,204</u>
Total charity funds	21	<u>169,644</u>	<u>139,204</u>

For the year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position
continues on the following page.

The notes on pages 8 to 16 form part of these financial statements.

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 March 2022

These financial statements were approved by the board of trustees and authorised for issue on 8 August 2022, and are signed on behalf of the board by:


G.A. Glover
Trustee

The notes on pages 8 to 16 form part of these financial statements.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 22-26 Bank Street, Herne Bay, CT6 5EA, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events; non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	25% reducing balance
Motor vehicles	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is limited by guarantee of members and does not have a share capital. The liability of members is limited to £1.00.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations	4,404	4,404	1,778	1,778
Grants				
Government grants	5,824	5,824	75,329	75,329
CCC grants	4,000	4,000	25,286	25,286
National grid grants	—	—	20,000	20,000
KCC rebates	—	—	1,516	1,516
	<u>14,228</u>	<u>14,228</u>	<u>123,909</u>	<u>123,909</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Sale of goods/services as part of direct charitable activities	303,612	303,612	154,027	154,027
KSAS Vouchers	14,100	14,100	9,085	9,085
	<u>317,712</u>	<u>317,712</u>	<u>163,112</u>	<u>163,112</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Cycles and computers	665	665	220	220
Other income	3,584	3,584	2,690	2,690
	<u>4,249</u>	<u>4,249</u>	<u>2,910</u>	<u>2,910</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	10	10	17	17

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Costs of other trading activities - Shop costs	<u>18,590</u>	<u>18,590</u>	<u>12,375</u>	<u>12,375</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Wages and overheads	<u>286,249</u>	<u>286,249</u>	<u>250,461</u>	<u>250,461</u>

11. Other expenditure

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other expenditure - bank charges	859	859	809	809
Bad debts written off	<u>61</u>	<u>61</u>	<u>985</u>	<u>985</u>
	<u>920</u>	<u>920</u>	<u>1,794</u>	<u>1,794</u>

12. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>4,938</u>	<u>4,941</u>

13. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>950</u>	<u>950</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	189,973	170,053
Employer contributions to pension plans	<u>3,597</u>	<u>3,268</u>
	<u>193,570</u>	<u>173,321</u>

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

14. Staff costs (continued)

The average head count of employees during the year was 8 (2021: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Number of staff	8	10

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

16. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 April 2021	4,807	18,014	22,821
Additions	423	—	423
At 31 March 2022	5,230	18,014	23,244
Depreciation			
At 1 April 2021	3,493	4,503	7,996
Charge for the year	434	4,504	4,938
At 31 March 2022	3,927	9,007	12,934
Carrying amount			
At 31 March 2022	1,303	9,007	10,310
At 31 March 2021	1,314	13,511	14,825

17. Debtors

	2022 £	2021 £
Trade debtors	677	690
Prepayments and accrued income	10,982	9,742
Other debtors	3,318	7,172
	14,977	17,604

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	62	—
Trade creditors	10,663	2,149
Accruals and deferred income	1,140	1,140
Social security and other taxes	10,030	6,315
Other creditors	18,655	4,862
	<u>40,550</u>	<u>14,466</u>

19. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	—	50,000

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,597 (2021: £3,268).

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	<u>139,204</u>	<u>336,199</u>	<u>(305,759)</u>	<u>169,644</u>

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
General funds	<u>113,886</u>	<u>289,948</u>	<u>(264,630)</u>	<u>139,204</u>

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	10,309	10,309
Current assets	199,883	199,883
Creditors less than 1 year	(40,548)	(40,548)
Creditors greater than 1 year		
Net assets	169,644	169,644

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	14,824	14,824
Current assets	188,844	188,844
Creditors less than 1 year	(14,464)	(14,464)
Creditors greater than 1 year	(50,000)	(50,000)
Net assets	139,204	139,204

NECESSARY FURNITURE

England & Wales - Charity number 1091602

Accounts

COMPANY REGISTRATION NUMBER: 03886547
CHARITY REGISTRATION NUMBER: 1091602

Necessary Furniture
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2021

PG LEMON LLP
Chartered Certified Accountants
22-26 Bank Street
Herne Bay
Kent
CT6 5EA

Necessary Furniture

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2021

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Independent examiner's report to the trustees	3
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Statement of financial position	6
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Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details

Registered charity name	Necessary Furniture
Charity registration number	1091602
Company registration number	03886547
Principal office and registered office	22-26 Bank Street Herne Bay CT6 5EA Kent

The trustees

C.C Gay MBE	
T. Fermor	
G.A. Glover	
P. Bushell	
S. Edridge	
R. Bartley	(Resigned 1 June 2020)
T. Wallace-Sims	
W. Rhys-Jones	

Company secretary	C Barber
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Independent examiner	Philip Gambrell FCCA 22-26 Bank Street Herne Bay Kent CT6 5EA
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Structure, governance and management

The organisation is a charitable company limited by guarantee and registered as a charity. The Directors (whose liability is limited to £1) are also Trustees. The Directors meet regularly as a Management Committee. Management is governed by a Memorandum and Articles of Association in accordance with the Companies Acts.

Objectives and activities

Necessary Furniture is a charitable organisation set up to provide furniture and household goods for the disadvantaged within the community and to reduce the volume of useable goods going to landfill.

Necessary Furniture

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Achievements and performance

Necessary Furniture (in partnership with the relevant agencies) provides worthwhile jobs and work experience for unemployed people.

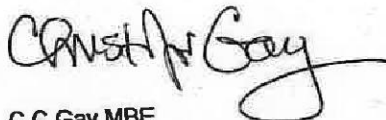
Financial review

Our current priority is closely to monitor income and expenditure to keep the Charity on a sound footing. Recent initiatives agreed include the clearance of redundant stock to make way for attractive display areas and asking donors of furniture, as well as recipients, to make a donation towards running costs.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 12 July 2021 and signed on behalf of the board of trustees by:



C.C Gay MBE
Trustee

Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture

Year ended 31 March 2021

I report to the trustees on my examination of the financial statements of Necessary Furniture ('the charity') for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

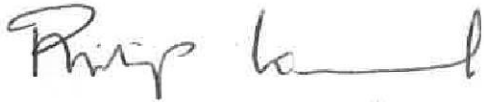
Necessary Furniture

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Necessary Furniture *(continued)*

Year ended 31 March 2021

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Philip Gambrell FCCA
Independent Examiner

22-26 Bank Street
Herne Bay
Kent
CT6 5EA

12 July 2021

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2021

		2021		2020
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Donations and legacies	5	123,909	123,909	8,959
Charitable activities	6	163,112	163,112	284,952
Other trading activities	7	2,910	2,910	5,284
Investment income	8	17	17	14
Total income		<u>289,948</u>	<u>289,948</u>	<u>299,209</u>
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	9	12,375	12,375	18,498
Expenditure on charitable activities	10	250,461	250,461	254,815
Other expenditure	11	1,794	1,794	2,147
Total expenditure		<u>264,630</u>	<u>264,630</u>	<u>275,460</u>
Net income and net movement in funds		<u>25,318</u>	<u>25,318</u>	<u>23,749</u>
Reconciliation of funds				
Total funds brought forward		113,886	113,886	90,137
Total funds carried forward		<u>139,204</u>	<u>139,204</u>	<u>113,886</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	16	14,825	1,752
Current assets			
Debtors	17	17,604	18,575
Cash at bank and in hand		171,241	112,769
		188,845	131,344
Creditors: amounts falling due within one year	18	14,466	19,210
Net current assets		174,379	112,134
Total assets less current liabilities		189,204	113,886
Creditors: amounts falling due after more than one year	19	50,000	—
Net assets		139,204	113,886
Funds of the charity			
Unrestricted funds		139,204	113,886
Total charity funds	22	139,204	113,886

For the year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position
continues on the following page.

The notes on pages 8 to 16 form part of these financial statements.

Necessary Furniture

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 March 2021

These financial statements were approved by the board of trustees and authorised for issue on 12 July 2021, and are signed on behalf of the board by:



C.C. Gay MBE
Trustee

The notes on pages 8 to 16 form part of these financial statements.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 22-26 Bank Street, Herne Bay, CT6 5EA, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% reducing balance
Motor vehicles	- 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is limited by guarantee of members and does not have a share capital. The liability of members is limited to £1.00.

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	1,778	1,778	8,959	8,959
Grants				
Government grants	75,329	75,329	—	—
CCC grants	25,286	25,286	—	—
National grid grants	20,000	20,000	—	—
KCC rebates	1,516	1,516	—	—
	<u>123,909</u>	<u>123,909</u>	<u>8,959</u>	<u>8,959</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Sale of goods/services as part of direct charitable activities	154,027	154,027	269,807	269,807
KSAS Vouchers	9,085	9,085	15,145	15,145
	<u>163,112</u>	<u>163,112</u>	<u>284,952</u>	<u>284,952</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Cycles and computers	220	220	2,567	2,567
Other income	2,690	2,690	2,717	2,717
	<u>2,910</u>	<u>2,910</u>	<u>5,284</u>	<u>5,284</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	17	17	14	14

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Costs of other trading activities - Shop costs	12,375	12,375	18,498	18,498

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Wages and overheads	250,461	250,461	254,815	254,815

11. Other expenditure

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Other expenditure - bank charges	809	809	2,147	2,147
Bad debts written off	985	985	—	—
	1,794	1,794	2,147	2,147

12. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	4,941	584
Loss on disposal of heritage assets	—	74

13. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	950	950

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	170,053	169,853
Employer contributions to pension plans	3,268	3,165
	173,321	173,018

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

14. Staff costs *(continued)*

The average head count of employees during the year was 10 (2020: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Number of staff	10	10

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

16. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 April 2020	4,807	—	4,807
Additions	—	18,014	18,014
At 31 March 2021	4,807	18,014	22,821
Depreciation			
At 1 April 2020	3,055	—	3,055
Charge for the year	438	4,503	4,941
At 31 March 2021	3,493	4,503	7,996
Carrying amount			
At 31 March 2021	1,314	13,511	14,825
At 31 March 2020	1,752	—	1,752

17. Debtors

	2021 £	2020 £
Trade debtors	690	3,897
Prepayments and accrued income	9,742	9,742
Other debtors	7,172	4,936
	17,604	18,575

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	—	1,015
Trade creditors	2,149	6,967
Accruals and deferred income	1,140	1,002
Social security and other taxes	6,315	5,226
Other creditors	4,862	5,000
	<u>14,466</u>	<u>19,210</u>

19. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>50,000</u>	<u>—</u>

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,268 (2020: £3,165).

21. Grants

The Chairman and Trustees of Necessary Furniture wish to place on record their thanks to the National Grid Community Grant Programme for their generous support in funding £20,000 for a replacement delivery van.

22. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
General funds	<u>113,886</u>	<u>289,948</u>	<u>(264,630)</u>	<u>139,204</u>

	At 1 April 2019	Income	Expenditure	At 31 March 2020
	£	£	£	£
General funds	<u>90,137</u>	<u>299,209</u>	<u>(275,460)</u>	<u>113,886</u>

Necessary Furniture

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

23. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	14,824	14,824
Current assets	188,844	188,844
Creditors less than 1 year	(14,464)	(14,464)
Creditors greater than 1 year	(50,000)	(50,000)
Net assets	<u>139,204</u>	<u>139,204</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	1,751	1,751
Current assets	131,344	131,344
Creditors less than 1 year	(19,209)	(19,209)
Creditors greater than 1 year	—	—
Net assets	<u>113,886</u>	<u>113,886</u>