

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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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.

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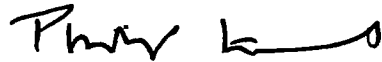
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Independent Examiner's Report to the Trustees of Necessary Furniture *(continued)*

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.

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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.

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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

Necessary Furniture

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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.

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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.

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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.

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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.

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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

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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>

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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

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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