

# ESSENTIAL NEEDS

England & Wales · Charity number 1108046

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [05312941](#)

**Registered** 2005-02-11

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Back Gladstone Street  
Harrogate  
HG2 8DF

**Phone** 01423870040

**Email** [essentialneeds@gmail.com](mailto:essentialneeds@gmail.com)

**Website** [www.essentialneeds.org.uk](http://www.essentialneeds.org.uk)

## Activities

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**Objects:** 1. TO RELIEVE EITHER GENERALLY OR INDIVIDUALLY PERSONS RESIDENT IN HARROGATE AND THE SURROUNDING AREA WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS BY THE PROVISION OF FURNITURE AND OTHER HOUSEHOLD ACCESSORIES CALCULATED TO REDUCE THE NEED, HARDSHIP OR DISTRESS OF SUCH PERSONS.2. TO PROTECT AND PRESERVE THE ENVIRONMENT FOR THE BENEFIT OF THE PUBLIC, INCLUDING (WITHOUT LIMITATION), THE RE-USE AND RE-CYCLING OF GOODS AND THEIR COMPONENT PARTS AND MATERIALS AS A MEANS OF WASTE REDUCTION.

**Activities:** To provide furniture and household items to people on low incomes and state benefits for a modest charge.To protect and preserve the environment for the benefit of the public, including (without limitation), the re-use and recycling of goods and their component parts and materials as a means of waste reduction.

## Classification

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

## Geography

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- **Area of benefit:** NORTH YORKSHIRE
- North Yorkshire

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31	£235,309	£235,104	-	-
2024-03-31	£226,549	£198,108	-	-
2023-03-31	£206,798	£192,936	-	-
2022-03-31	£157,656	£148,051	-	-
2021-03-31	£121,647	£123,970	-	-

## Trustees

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Name	Role	Appointed
ADRIAN HOLEY		2023-03-07
Francis McAllister		2025-09-15
John Ennis		2020-02-06
Joy Rosemary Allan		2018-01-15
Lloyd Anthony Campbell		2021-04-14
Lucy Mary Francis Hind		2020-11-12
Peter George Rogers		2021-06-16
Susan Ann Donnelly		2020-11-12

**ESSENTIAL NEEDS**

England & Wales - Charity number 1108046

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# Accounts

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**Essential Needs**  
**Report and Accounts**  
**Year Ended 31 March 2025**

**Company Number: 05312941**

**Charity Registration Number: 1108046**

**Essential Needs**  
**Report and Accounts**  
**Year Ended 31 March 2025**

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## Essential Needs - Trustees Report for the year ended 31 March 2025

### CHARITY INFORMATION

**Company Name:** Essential Needs

**Company Registration No:** 05312941

**Charity Number:** 1108046

#### Legal Structure and governing document of the Charity

Essential Needs was constituted as a company limited by guarantee on 14 December 2004. It was registered as a charity on 11 February 2005.

The Trustees are directors under Companies legislation and are also Trustees under Charities legislation and have responsibilities, as such, under both company law and charity law.

The Trustees are all individuals.

The provisions regulating the purpose and administration of the Charity are contained in the Memorandum and Articles of Association which (as amended August 2008) are filed with the registrar of companies for England and Wales.

#### The principal operating address, telephone number and email address of the Charity are:

##### Address:

Back Gladstone Street  
Harrogate  
HG2 8DF

**Telephone** : 01423 870040

**Email** : manager.essentialneeds@gmail.com

#### Details of the Independent Examiner

Mike Briggs  
Lithgow Perkins LLP  
Crown Chambers  
Princes Street  
Harrogate HG1 1NJ

#### Bankers

Leeds Building Society  
Holbeck House  
105 Albion Street  
Leeds  
LS1 5AS

Co-operative Bank plc  
P O Box 101  
1 Balloon Street  
Manchester

## **Essential Needs - Trustees Report for the year ended 31 March 2025 (continued)**

**The Trustees in office on the date the report was approved were:**

Joy Allan  
Anthony Campbell  
Susan Donnelly  
John Ennis  
Lucy Hind  
Peter Rogers  
Adrian Holey  
Francis McAllister

**The Trustees who served as a director in the reporting period, and if applicable, their dates of appointment or resignation during the year, were:**

<b>Name</b>	<b>Appointed</b>	<b>Resigned /Retired</b>
Joy Allan		
Anthony Campbell		
Susan Donnelly		
John Ennis		
Lucy Hind		
Christine Norton		Retired 23/09/2024
Peter Rogers		
Adrian Holey		
Francis McAllister	23/09/2024	

Trustees are appointed to office by resolution of the members of the Charity in a general meeting. The trustees may appoint a new trustee but that person must retire at the next annual general meeting. No other person or external body is entitled to appoint new trustees. Recruitment of new trustees is by the existing trustees.

One third of the Trustees (or the number nearest to one third) retire each year. Susan Donnelly, John Ennis and Lucy Hind will retire at the AGM.

All the Trustees are members of the Charity.

## **Essential Needs - Trustees report for the year ended 31 March 2025 (continued)**

### **TRUSTEES' ANNUAL REPORT**

#### **A - OBJECTS AND ACTIVITIES OF THE CHARITY**

The Charity has the following objectives:

1. To relieve either generally or individually persons resident in Harrogate and the surrounding area who are in conditions of need, hardship or distress by the provision of furniture and other household accessories calculated to reduce the need, hardship or distress of such persons.
2. To protect and preserve the environment for the benefit of the public, including (without limitation), the re-use and recycling of goods and their component parts and materials as a means of waste reduction.

#### **B - SUMMARY OF MAIN ACTIVITIES OF THE CHARITY IN RELATION TO ITS OBJECTS**

The Charity offers its beneficiaries the chance to turn their house into a home, by the provision of as wide a choice of furniture and household goods as is possible, all items being available at low cost. The Charity is staffed by full and part-time employees, assisted by volunteers to collect, sort and deliver the household goods, and to help with office administration.

#### **C - THE MAIN ACTIVITIES UNDERTAKEN DURING THE YEAR TO FURTHER THE CHARITY'S PURPOSE FOR PUBLIC BENEFIT**

In accordance with S17(5) of the Charities Act 2011, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit in planning future activities. In particular, the Trustees consider how planned activities will contribute to the objectives of the Charity.

#### **D - THE CONTRIBUTION OF VOLUNTEERS DURING THE YEAR**

The Charity currently has a governing board of 8 Trustees, 2 of whom also volunteer to assist with operational aspects.

A total of 20 volunteers have assisted with the running of the Charity on a regular basis, both in administration and collection/delivery work. The office work involved the organisation of collections and deliveries, the registration of new clients, stock control and the sale of furniture. Collection and delivery work involved the viewing and collection of household goods, predominantly furniture and white goods, collection of those goods from donors, and delivering items to clients. In addition, volunteers help with the PAT testing of electrical goods. They contributed nearly 3,000 hours of unpaid work.

#### **E - THE MAIN ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY DURING THE YEAR**

The Charity supported 683 registered customers during the year, not only with the regular in store low prices, but by saving them an extra £37,038 due to the 35% discount for which they qualify. Over £14,000 worth of goods was donated free of charge to seriously deprived persons, e.g. homeless, refugees, etc, by way either of matching funding from a partner organisation or a direct donation. A further £13,000 was donated by way of free deliveries. It should therefore be noted that had all items of furniture been sold at either full price or at the general 35% discount, and had there been no free deliveries, the total turnover, inclusive of Gift Aid, would have been over £250,000

## **Essential Needs - Trustees report for the year ended 31 March 2025 (continued)**

Almost 10,500 household items and over 800 electrical items were sold in the period, as a result of which approximately 149 tonnes of furniture items were diverted from landfill or incineration, plus 12.5 tonnes of electrical goods.

The Charity supports other charities within its operating area which provide specific parts of the community with particular housing needs. We do this by prioritising the supply of items to them on preferential terms and at times operate a 'matched funding' programme so that those most in need receive extra value. Some of these organisations also put forward persons who qualify for the extra 50% discount reserved for those in the most extenuating circumstances.

### **F - THE DIFFERENCE THE CHARITY'S PERFORMANCE HAS MADE TO ITS BENEFICIARIES AND TO WIDER SOCIETY**

The Charity benefits the public in the following ways.

Clients who receive low-cost goods from the Charity are helped to improve their lives, independence, their health and wellbeing. These benefits result in a reduction in their needs being met from public resources.

Donors of goods to the Charity are contributing to reducing what would otherwise become waste and helping the public authorities to meet recycling targets. Reuse of items conserves energy, reduces air and water pollution, reduces greenhouse gases, and conserves natural resources. It also reduces the need for extracting, refining and processing raw materials.

The Charity could not operate without the volunteers, who all make their personal contributions which are valued by the local community and wider society.

### **G - FINANCIAL REVIEW**

#### **Financial Position on 31 March 2025**

The financial position of the Charity on 31 March 2025 and the comparatives for the prior year were as follows:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Unrestricted Revenue funds available for General purposes of the Charity, excluding Designated Funds	109,819	85,911
Liquid reserves (excluding fixed assets acquired for the delivery of the Charity's aims)	108,114	83,604

#### **Financial Performance for the year to 31 March 2025**

The sales performance of the Charity shows a slight down turn on the increases of recent years. However, as stated above, had the Charity been paid in full for the items and deliveries donated free of charge or sold with the extra discount, the turnover would be showing as very healthy. Total income including donations, grants and £22,460 of Gift Aid was £235,309, with total expenditure of £235,104 leaving a small surplus of £205. As £49,000 was designated at 31<sup>st</sup> March 2024 for particular projects, this was to be expected.

## **Essential Needs - Trustees report for the year ended 31 March 2025 (continued)**

The Charity's budget for the year to 31<sup>st</sup> March 2026 indicates that a small deficit can be expected as we continue to pursue our policy of making donations free of charge to those persons most in need of our support. Having accumulated substantial reserves in recent years and with the Charity not being significantly exposed to debtors or dependent on grant income, the Trustees consider that the ongoing trading position is secure.

Therefore, the Trustees consider that the Charity's assets are adequate to fulfil its obligations and its ability to continue to operate as a going concern.

Specific changes in fixed assets are detailed in the Notes to the Accounts.

### **H - RESERVES POLICY**

Following the Charity Commission guidance on risk, and as part of its management strategy, the Charity sets aside some of its income to form a reserve against any future shortfall in funds. Income from sales to fund ongoing trading cannot be guaranteed, and funding for major capital expenditure might need funding from reserves if grant funding cannot be secured.

In the past the Trustees have considered that a minimum reserve of 50% of annual budgeted expenditure would be adequate to enable the Charity to review its operation should revenue fall significantly. This would give time to review the method of operation and/or seek alternative sources of funding, as well as to meet obligations under the lease of the premises.

The Trustees also considered that the maximum figure to hold in reserves should be 100% of annual budgeted expenditure, as this would be adequate to cover deficits over an extended period. Furthermore, plans for future periods will potentially entail incurring higher expenditure in advance of higher income, with a consequential deficit in the short to medium term.

Budgeted expenditure for 2025/26 is £235,931 and on 31<sup>st</sup> March 2025 Total Unrestricted Funds excluding Fixed Assets were £128,465, including £20,351 designated for particular projects as detailed in note 11.

Having considered this position, the trustees feel that holding between 50% and 100% of annual outgoings remains appropriate for the year 2025/2026.

### **I - PLANS FOR THE FUTURE**

The Charity is aware that there is always room for improvement and expansion of our services, and will continue to review its operating policies, opening hours and delivery days. We shall also pursue further links with other organisations in the sector in which we operate. Of the £49,000 designated at 31<sup>st</sup> March 2024 for special projects, £20,351 remains unspent and this will be directed to four ongoing projects; free beds for children who do not have one of their own, an extra 50% discount on sales to those persons in greatest need who are referred by partner agencies, increased administrative salary costs and the balance of the marketing fund designated in the current year.

The Charity is grateful for all donations and will continue to apply for funding to replace equipment when required and to support special projects.

## **Essential Needs - Trustees report for the year ended 31 March 2025 (continued)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. The Trustees interpret this responsibility as requiring them to prepare the accounts according to the Charities SORP (FRS 102).

In particular, the Companies Act 2006 and charity law require the Trustees to prepare financial statements for each financial year and of the surplus or deficit of the Charity. In preparing those financial statements, the Trustees are required to:

- Prepare the accounts in accordance with UK Generally Accepted Accounting Practice
- Make judgement and estimates that are reasonable and prudent
  
- Prepare the financial statements on the going concern basis unless it is appropriate to assume that the Charity will not remain in business
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which are sufficient to show and explain the Charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


### **METHOD OF PREPARATION OF THE ACCOUNTS**

The financial statements are set out on pages 9 to 19.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102) (effective 1 January 2019)) and with the Charities Act 2011, and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on .....*18 August*..... 2025

J. R. Allan

  
\_\_\_\_\_  
Joy Allan  
Trustee

## **INDEPENDENT EXAMINER'S REPORT to the Trustees of Essential Needs**

I report to the Charity trustees on my examination of the accounts of the Company for the year ended 31 March 2025, which are set out on pages 9 to 19.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

### **Responsibilities and basis of report**

As the Charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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**

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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).

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.

*Michael Briggs*

Mike Briggs FCA

Dated: *4 September 2025*

Lithgow Perkins, Chartered Accountants

Crown Chambers, Princes Street, Harrogate HG1 1NJ

**Essential Needs - STATEMENT of FINANCIAL ACTIVITIES (including the summary Income and Expenditure account) for the year ended 31 March 2025**

	Notes	Unrestricted Funds General 2025 £	Unrestricted Funds Designated 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Unrestricted Funds General 2024 £	Unrestricted Funds Designated 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
<b>INCOME FROM</b>									
Donations & Grants	2	5,411	-	8,753	14,164	404	-	2,233	2,637
<b>Charitable Activities</b>									
Sale of Donated Furniture		154,791	-	-	154,791	153,605	-	-	153,605
Gift Aid on Sale of Donated Furniture		22,460	-	-	22,460	21,891	-	-	21,891
Sale of New Furniture		34,637	-	-	34,637	39,906	-	-	39,906
Delivery Charges		5,895	-	-	5,895	6,148	-	-	6,148
Commission Charges		1,109	-	-	1,109	1,117	-	-	1,117
Other Income		257	-	-	257	1,042	-	-	1,042
Investments - Bank Interest		1,996	-	-	1,996	203	-	-	203
<b>Total Income</b>		<b>226,556</b>	<b>-</b>	<b>8,753</b>	<b>235,309</b>	<b>224,316</b>	<b>-</b>	<b>2,233</b>	<b>226,549</b>
<b>EXPENDITURE ON CHARITABLE ACTIVITIES</b>									
Direct Costs	6 & 7	205,798	24,395	3,386	233,579	195,245	-	1,185	196,430
Support Cost	6 & 7	1,525	-	-	1,525	1,678	-	-	1,678
<b>Total Expenditure</b>	6 & 7	<b>207,323</b>	<b>24,395</b>	<b>3,386</b>	<b>235,104</b>	<b>196,923</b>	<b>-</b>	<b>1,185</b>	<b>198,108</b>
<b>Net Income / (Expenditure) before Transfers</b>		<b>19,233</b>	<b>(24,395)</b>	<b>5,367</b>	<b>205</b>	<b>27,393</b>	<b>-</b>	<b>1,048</b>	<b>28,441</b>
Transfers between Funds		4,675	(4,254)	(421)	-	(47,937)	49,000	(1,063)	-
<b>Net Income / (Expenditure) after Transfers</b>		<b>23,908</b>	<b>(28,649)</b>	<b>4,946</b>	<b>205</b>	<b>(20,544)</b>	<b>49,000</b>	<b>(15)</b>	<b>28,441</b>
Total Funds brought forward		85,911	49,000	985	135,896	106,455	-	1,000	107,455
<b>Balance at 31 March 2025</b>		<b>109,819</b>	<b>20,351</b>	<b>5,931</b>	<b>136,101</b>	<b>85,911</b>	<b>49,000</b>	<b>985</b>	<b>135,896</b>

The statement of financial activities includes all gains and losses recognised in the year. Incoming and outgoing resources arise from the Charity's continuing operations. No activities were acquired or discontinued during the year.

## Essential Needs - BALANCE SHEET as at 31 March 2025

Company Number : 05312941

	Notes	2025 £	2025 £	2024 £	2024 £
<b>FIXED ASSETS</b>					
Tangible Assets	8		1,705		2,307
<b>CURRENT ASSETS</b>					
Stock		1,140		632	
Debtors	9	33,006		24,510	
Cash at Bank/In Hand		109,373		116,089	
		-----		-----	
		<b>143,519</b>		<b>141,231</b>	
<b>LIABILITIES</b>					
Creditors falling due within One Year	10		(9,123)		(7,642)
<b>NET CURRENT ASSETS</b>					
			<b>134,396</b>		<b>133,589</b>
			-----		-----
<b>TOTAL NET ASSETS</b>					
	<b>12</b>		<b>136,101</b>		<b>135,896</b>
			-----		-----
<b>Charity Funds</b>					
Unrestricted Revenue Funds	11		109,819		85,911
Unrestricted Designated Funds	11		20,351		49,000
			-----		-----
Unrestricted Funds	11		<b>130,170</b>		<b>134,911</b>
Restricted Funds	11		5,931		985
			-----		-----
<b>TOTAL CHARITY FUNDS</b>					
	<b>12</b>		<b>136,101</b>		<b>135,896</b>
			-----		-----

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

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The Trustees (who are also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the FRS 102 (effective January 2019).

**Approved on behalf of the Trustees by:**

..... *J R Allan* .....

Joy Allan  
Trustee

Date: ..... *18 August* ..... 2025

# Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025

## 1. ACCOUNTING POLICIES

### **Basis of Accounting**

These financial statements have been prepared under the historical cost convention with the items recognised at cost or transaction unless otherwise stated in the relevant notes to the accounts.

The accounts have been prepared in accordance with the Companies Act 2006 relating to small charitable companies, the Statement of Recommended Practice: Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2019, and with the Charities Act 2011. There has been no change to the accounting policies since last year. No changes have been made to the accounts for previous years.

The Charity constitutes a public benefit entity as defined by FRS 102.

### **Going concern**

Given the position of the balance sheet and the level of liquid resources, the Trustees have identified no material uncertainties that may cast significant doubt over the ability of the Charity to continue as a going concern.

### **Cash Flow Statement**

Exemption has been claimed from preparing a Cash Flow Statement on the grounds that the Charity qualifies as a small company.

### **Donations**

Donations are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

### **Grants receivable**

Grants and donations are included in the SOFA when the Charity has unconditional entitlement to the resources.

### **Gift Aid**

Gift Aid is claimed on items donated to Essential Needs, where the donor has completed a Gift Aid declaration. Gift Aid due is recognised in the month in which the donated item is sold.

### **Investment income**

Income from investments is included in the SOFA in the year in which it is receivable.

### **Expenditure**

All expenditure is accounted for gross, and when incurred. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimated time or floor space basis, as appropriate.

Governance costs (see Note 6) include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the independent examination fees and costs linked to the strategic management of the Charity.

# Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025 (continued)

## 1. ACCOUNTING POLICIES (continued)

### Taxation

As a registered charity, Essential Needs is not liable to taxation on its investment income and gains, income and gains arising from trading in furtherance of its charitable objectives and charitable donations. Recovery of income tax is made on tax credits arising from receipts under deeds of covenant and gift aid payments. VAT deemed to be irrecoverable is written off in the Statement of Financial Activities in the period to which it relates.

### Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of a past event.

### Tangible fixed assets

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following annual rates:

Leasehold Premises	-25% Reducing Balance
Plant and Equipment	-25% Straight Line
Motor Vehicles	-25% Reducing Balance

Items less than £250 are not capitalised and are written off in the year of purchase.

### Gifts in kind

Assets and other gifts in kind given for use by the Charity are recognised as incoming resources at their estimated market value when receivable.

### Donated Goods

The Trustees have carefully considered the practicality of, and the benefit due to the users of the accounts, from valuing the donated goods for resale at the year end. However, due to the large number of small items, and the considerable time it would take, as well as the difficulty in achieving a realistic valuation, it has been decided to continue to recognise donated goods at the point of sale. In addition, the Trustees have concluded that the small movement of the stock held between years would not add to the information presented to users of the accounts.

### Debtors

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

### Stock

Finished goods bought for resale to the clients are valued at the lower of cost and net realisable value.

### Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the period of the lease or to an earlier date if the lease can be determined without financial penalty.

### Pension costs

The Charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025 (continued)

### Accounting for separate funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated Funds are funds set aside by the Trustees for specific purposes.

### 2. DONATIONS AND GRANTS

	2025	2025	2025	2024
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Grants	5,000	8,753	13,753	2,233
Donations	411	-	411	404
<b>Total</b>	<b>5,411</b>	<b>8,753</b>	<b>14,164</b>	<b>2,637</b>

### 3. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:	2025	2024
	£	£
Independent Examination Fee	750	750
Depreciation	602	947

### 4. TRUSTEES' REMUNERATION

No trustee was remunerated in the year (2024: £nil). No expenses were reimbursed to Trustees (2024: £nil)

### 5. STAFF COSTS

The staff costs shown in Note 6 relate to eight employees (2024: 8). No employee earned more than £60,000 (2024: nil).

The average number of employees for the year ended 31 March 2025 was 8 (2023: 8), being an average of 4 full time equivalent (2024: 4). The amounts paid to employees were:

	2025	2024
	£	£
Gross Pay	141,551	119,600
Social Security costs	5,061	3,453
Pension Payments	3,505	2,912

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025 (continued)

### 6. TOTAL EXPENDITURE

	Furniture Store 2025 £	Governance 2025 £	Total 2025 £	Total 2024 £
Cost of Beds Sold	27,498		27,498	25,542
Salaries & National Insurance	146,612		146,612	123,053
Pension Contributions	3,505		3,505	2,912
Volunteer & Staff Expenses	548		548	384
Uniform	142		142	751
Training	428		428	273
Rent & Rates	20,254		20,254	19,229
Insurance	4,236		4,236	4,006
Electricity, Gas & Water	4,388		4,388	2,674
Maintenance & cleaning	1,003		1,003	1,158
Appliance Testing & Workshop	962		962	909
Van Repairs	5,088		5,088	4,462
Van Fuel	2,512		2,512	2,231
Hire of Second Van	2,425		2,425	-
Telephone & Broadband	1,085		1,085	814
Card Machine	3,537		3,537	3,329
Computer	1,761		1,761	1,725
Postage	35		35	30
Stationery	734		734	487
Bank & Card charges	25		25	24
Marketing and PR	4,527		4,527	271
Membership & Conference	360		360	110
Sundry	1,088		1,088	901
Equipment <£250	224		224	208
Depreciation	602		602	947
Support costs	530	995	1,525	1,678
	-----	-----	-----	-----
<b>Total Expenditure</b>	<b>234,109</b>	<b>995</b>	<b>235,104</b>	<b>198,108</b>
	-----	-----	-----	-----

### 7. SUPPORT COSTS

	2025 £ Store	2024 £ Store
Independent Examination	750	750
Other Professional Fees	245	400
Recruitment & Payroll Bureau	530	528
	-----	-----
	<b>1,525</b>	<b>1,678</b>
	-----	-----

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025 (continued)

### 8. TANGIBLE ASSETS

	Leasehold Improvements £	Plant & Equipment £	Van £	Total £
<b>Cost</b>				
At 1 April 2024	10,413	16,372	22,414	49,199
Additions	-	-	-	-
	-----	-----	-----	-----
<b>At 31 March 2025</b>	<b>10,413</b>	<b>16,372</b>	<b>22,414</b>	<b>49,199</b>
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 April 2024	10,166	16,101	20,625	46,892
Charge for the Year	62	93	447	602
	-----	-----	-----	-----
<b>At 31 March 2025</b>	<b>10,228</b>	<b>16,194</b>	<b>21,072</b>	<b>47,494</b>
	-----	-----	-----	-----
<b>Net Book Value</b>				
<b>As at 31 March 2025</b>	<b>185</b>	<b>178</b>	<b>1,342</b>	<b>1,705</b>
As at 31 March 2024	247	271	1,789	2,307

### 9. DEBTORS

	2025 £	2024 £
Trade Debtors	261	583
Prepayment & Accrued Income	31,492	23,927
Other Debtors	1,253	-
	-----	-----
<b>Total</b>	<b>33,006</b>	<b>24,510</b>
	-----	-----

### 10. CREDITORS (amounts falling due within one year)

	2025 £	2024 £
Trade Creditors	4,218	1,088
Accrual & Other Creditors	2,755	3,887
Other Taxation & Social Security	2,150	2,667
	-----	-----
	<b>9,123</b>	<b>7,642</b>
	-----	-----

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025 (continued)

### 11. MOVEMENTS IN CHARITY FUNDS

#### UNRESTRICTED FUNDS

2025 Unrestricted Funds	B/f 1 April 2024	Income Received	Expenditure	Transfers In / (Out)	Balance C/f 31 March 2025
<b>Designated Funds</b>					
Free Beds for Children	7,000	-	(1,586)	(2,414)	3,000
Additional 50% Discount	6,500	-	-	154	6,654
Van Hire	4,420	-	(2,426)	(1,994)	-
Additional Salaries	26,080	-	(16,133)	-	9,947
Marketing	5,000	-	(4,250)	-	750
	-----	-----	-----	-----	-----
<b>Total Designated Funds</b>	<b>49,000</b>	<b>-</b>	<b>(24,395)</b>	<b>(4,254)</b>	<b>20,351</b>
<b>Unrestricted General Fund</b>	<b>85,911</b>	<b>226,556</b>	<b>(207,323)</b>	<b>(4,675)</b>	<b>109,819</b>
	-----	-----	-----	-----	-----
<b>Total Unrestricted Funds</b>	<b>134,911</b>	<b>226,556</b>	<b>(231,718)</b>	<b>421</b>	<b>130,170</b>
	-----	-----	-----	-----	-----

2024 Unrestricted Funds	B/f 1 April 2023	Income Received	Expenditure	Transfers In / (Out)	Balance C/f 31 March 2024
<b>Designated Funds</b>					
Free Beds for Children	-	-	-	7,000	7,000
Additional 50% Discount	-	-	-	6,500	6,500
Van Hire	-	-	-	4,420	4,420
Additional Salaries	-	-	-	26,080	26,080
Marketing	-	-	-	5,000	5,000
	-----	-----	-----	-----	-----
<b>Total Designated Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,000</b>	<b>49,000</b>
<b>Unrestricted General Fund</b>	<b>106,455</b>	<b>224,316</b>	<b>(196,923)</b>	<b>(47,937)</b>	<b>85,911</b>
	-----	-----	-----	-----	-----
<b>Total Unrestricted Funds</b>	<b>106,455</b>	<b>224,316</b>	<b>(196,923)</b>	<b>1,063</b>	<b>134,911</b>
	-----	-----	-----	-----	-----

Of the £49,000 designated at 31 March 2024 for special projects, £20,351 remains unspent and this will be directed to four projects in the year 2025-26.

**Cost of free beds £3,000** – Free beds will continue to be provided for children, referred to the Charity by schools, GP's, Harrogate Homeless and other partner agencies.

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025 (continued)

**Additional 50% discount and donations free of charge £6,654** – Partner Organisations including those above, YMCA, New Beginners, churches and others can refer families in extreme poverty to the Charity to claim a further discount of 50%, and in some cases, items will be donated free of all charge.

**Additional Salary Costs £9,947** – This will continue to fund increased administrative costs and as necessary the cost of an additional van driver.

**Marketing £750** – the remainder of the £5,000 allocated in 2024-25, which will be spent in the year 2025-26.

### RESTRICTED FUNDS

2025 Restricted Funds	B/f 1 April 2024	Income Received	Expenditure	Transfers In / (Out)	Balance C/f 31 March 2025
North Yorkshire CC	48	950	(398)	-	600
Rotary	937	-	-	(421)	516
Two Ridings – Bed Packs	-	1,515	(1,515)	-	-
Schools Fundraising for Beds	-	549	-	-	549
Shears Foundation	-	5,739	(1,473)	-	4,266
<b>Total Restricted Fund</b>	<b>985</b>	<b>8,753</b>	<b>(3,386)</b>	<b>(421)</b>	<b>5,931</b>

2024 Restricted Funds	B/f 1 April 2023	Income Received	Expenditure	Transfers In / (Out)	Balance C/f 31 March 2024
Charles & Elsie Sykes Trust	1,000	-	-	(1,000)	-
North Yorkshire CC	-	1,233	(1,185)	-	48
Rotary	-	1,000	-	(63)	937
<b>Total Restricted Fund</b>	<b>1,000</b>	<b>2,233</b>	<b>(1,185)</b>	<b>(1,063)</b>	<b>985</b>

**Shears Foundation** – a grant of £5,739 was made during the year 2024-25 to contribute to the utility costs of the Charity (Gas, Electricity, Water and Broadband). £1,473 of this fund was spent during the year 2024-25 and the remainder will be used in the year 2025-26.

**Schools Fundraising for free beds for children** – During the year 2024-25, two local primary schools (St Roberts and Western) held fundraising events and together donated £549 to fund the provision of free beds for children, an ongoing initiative of the Charity.

**North Yorkshire CC** – North Yorkshire County Council paid the following grants, the purpose of which were as follows:

- **Year 2024-25**
  - £350 to fund new PAT and Microwave testers to improve in house appliance testing, which has been spent in the year.
  - £600 to purchase of a new PC for the office, which will be used in 2025-26

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025 (continued)

- **Year 2023-24**

- £750 to fund the purchase of uniforms for Staff and Volunteers. The balance of this fund at 31 March 2024, was spent in the year 2024-25.
- £483 to buy a new printer and to fund a marketing campaign. This was fully spent in the year 2023-24.

**Rotary** – In 2023-24, Rotary donated £1,000 to help fund free items for Ukrainian families settling in the local area, either in their own homes or with host families. The Charity continues to match the funding from this grant.

**Charles & Elsie Sykes Trust** – In 2022-23 a grant of £5,000 was given to help the Charity further support those in need. £4,000 of this grant was applied in the year 2022-23 and the remaining £1,000 in the year 2023-24. This fund was to provide items to those most in need, for no charge or at a higher than usual discount. In line with the agreed conditions of the grant, the Charity bore 50% of the additional discount value of these items.

### 12. NET ASSET SUMMARY

Balance at 31 March 2025	Unrestricted Funds			Restricted Fund	Total Funds at 31 March 2025
	General	Designated			
	£	£		£	£
Tangible Fixed Assets	1,705	-	-	-	1,705
Current Assets	34,146	-	-	-	34,146
Cash at Bank/In Hand	83,091	20,351	5,931	5,931	109,373
Current Liabilities	(9,123)	-	-	-	(9,123)
	-----	-----	-----	-----	-----
<b>Total Net Assets</b>	<b>109,819</b>	<b>20,351</b>	<b>5,931</b>	<b>5,931</b>	<b>136,101</b>
	-----	-----	-----	-----	-----

Balance at 31 March 2024	Unrestricted Funds			Restricted Fund	Total Funds at 31 March 2024
	General	Designated			
	£	£		£	£
Tangible Fixed Assets	2,307	-	-	-	2,307
Current Assets	25,142	-	-	-	25,142
Cash at Bank/In Hand	66,104	49,000	985	985	116,089
Current Liabilities	(7,642)	-	-	-	(7,642)
	-----	-----	-----	-----	-----
<b>Total Net Assets</b>	<b>85,911</b>	<b>49,000</b>	<b>985</b>	<b>985</b>	<b>135,896</b>
	-----	-----	-----	-----	-----

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2025 (continued)

### 13. OPERATING LEASES

The Charity entered into a new 5-year lease agreement on 1 October 2022. This agreement has a built-in annual rent increase, from £15,000 to £20,000, commencing 1 October 2023. Buildings Insurance is also payable to the landlord under the terms of the lease.

<b>Buildings</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Due within one year	21,104	20,976
Due between two and five years	31,656	52,440
	-----	-----
<b>Total amount payable</b>	<b>52,760</b>	<b>73,416</b>
	-----	-----

### 14. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension charge represents the contributions payable by the Charity to the fund and amounted to £3,505 (2024: £2,912).

### 15. CONTROL RELATIONSHIPS

As the Charity is limited by guarantee without share capital, no individual has overall control of the Charity.

### 16. RELATED PARTY TRANSACTIONS

#### Trustee remuneration and benefits

During the year, no Trustee received any remuneration or benefits (2024: £nil).

#### Trustee Expenses

During the year, no Trustee was paid any expenses (2024: £nil).

#### Trustee Donations

During the year, no Trustee made a donation (2024: £nil).

There were no other related party transactions in the year ended 31 March 2024 (2023: £Nil).

**ESSENTIAL NEEDS**

England & Wales - Charity number 1108046

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# Accounts

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Company Number: 05312941

Charity Registration Number: 1108046



## Essential Needs

### Report and Accounts

Year Ended 31 March 2024

**Essential Needs**  
**Report and Accounts**  
**Year Ended 31 March 2024**

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## Essential Needs - Trustees report for the year ended 31 March 2024

### CHARITY INFORMATION

<b>Company Name:</b>	Essential Needs
<b>Company Registration No:</b>	05312941
<b>Charity Number:</b>	1108046

### Legal Structure and governing document of the Charity

Essential Needs was constituted as a company limited by guarantee on 14 December 2004. It was registered as a charity on 11 February 2005.

The Trustees are directors under Companies legislation and are also Trustees under Charities legislation and have responsibilities, as such, under both company law and charity law.

The Trustees are all individuals.

The provisions regulating the purpose and administration of the Charity are contained in the Memorandum and Articles of Association which (as amended August 2008) are filed with the registrar of companies for England and Wales.

### The principal operating address, telephone number and email address of the Charity are:

**Address:**

Back Gladstone Street  
Harrogate  
HG2 8DF

**Telephone** : 01423 870040

**Email** : manager.essentialneeds@gmail.com

### Details of the Independent Examiner

Sarah Wearing, FCA, DChA  
HPH, Chartered Accountants  
Conyngnam Hall Business Centre  
Knaresborough  
North Yorkshire HG5 9AY

### Bankers

Leeds Building Society  
Holbeck House  
105 Albion Street  
Leeds  
LS1 5AS

Co-operative Bank plc  
P O Box 101  
1 Balloon Street  
Manchester

## **Essential Needs - Trustees report for the year ended 31 March 2024 (continued)**

**The Trustees in office on the date the report was approved were:**

Joy Allan  
Anthony Campbell  
Susan Donnelly  
John Ennis  
Lucy Hind  
Christine Norton  
Peter Rogers  
Adrian Holey

**The Trustees who served as a director in the reporting period, and if applicable, their dates of appointment or resignation during the year, were:**

<b>Name</b>	<b>Appointed</b>	<b>Resigned /Retired</b>
Joy Allan		
Anthony Campbell		
Susan Donnelly		
John Ennis		
Lucy Hind		
Christine Norton		
Peter Rogers		
Adrian Holey		

Trustees are appointed to office by resolution of the members of the Charity in a general meeting. The trustees may appoint a new trustee but that person must retire at the next annual general meeting. No other person or external body is entitled to appoint new trustees. Recruitment of new trustees is by the existing trustees.

One third of the Trustees (or the number nearest to one third) retire each year. Joy Allan, Anthony Campbell, Christine Norton and Peter Rogers will retire at the AGM.

All the Trustees are members of the Charity.

## **Essential Needs - Trustees report for the year ended 31 March 2024 (continued)**

### **TRUSTEES' ANNUAL REPORT**

#### **A - OBJECTS AND ACTIVITIES OF THE CHARITY**

The Charity has the following objectives:

1. To relieve either generally or individually persons resident in Harrogate and the surrounding area who are in conditions of need, hardship or distress by the provision of furniture and other household accessories calculated to reduce the need, hardship or distress of such persons.
2. To protect and preserve the environment for the benefit of the public, including (without limitation), the re-use and recycling of goods and their component parts and materials as a means of waste reduction.

#### **B - SUMMARY OF MAIN ACTIVITIES OF THE CHARITY IN RELATION TO ITS OBJECTS**

The Charity offers its beneficiaries the chance to turn their house into a home, by the provision of as wide a choice of furniture and household goods as is possible, all items being available at low cost. The Charity is staffed by full and part-time employees, assisted by volunteers to collect, sort and deliver the household goods, and to help with office administration.

#### **C - THE MAIN ACTIVITIES UNDERTAKEN DURING THE YEAR TO FURTHER THE CHARITY'S PURPOSE FOR PUBLIC BENEFIT**

In accordance with S17(5) of the Charities Act 2011, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit in planning future activities. In particular, the Trustees consider how planned activities will contribute to the objectives of the Charity.

#### **D - THE CONTRIBUTION OF VOLUNTEERS DURING THE YEAR**

The Charity currently has a governing board of 8 Trustees, 2 of whom also volunteer to assist with operational aspects.

A total of 20 volunteers have assisted with the running of the Charity on a regular basis, both in administration and collection/delivery work. The office work involved the organisation of collections and deliveries, the registration of new clients, stock control and the sale of furniture. Collection and delivery work involved the viewing and collection of household goods, predominantly furniture and white goods, collection of those goods from donors, and delivering items to clients. In addition, volunteers help with the PAT testing of electrical goods.

#### **E - THE MAIN ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY DURING THE YEAR**

The Charity supported 658 registered customers during the year, not only with the regular in store low prices, but by saving them an extra £25,956 due to the discount for which they qualify. Over £16,242 worth of goods was donated free of charge to seriously deprived persons, e.g. homeless, refugees, etc, by way either of free delivery, matching funding from a partner organisation or a direct donation.

## **Essential Needs - Trustees report for the year ended 31 March 2024 (continued)**

Almost 9,558 household items and over 852 electrical items were sold in the period, as a result of which approximately 141 tonnes of furniture items were diverted from landfill, plus 14 tonnes of electrical goods.

Our volunteers contributed almost 3,000 hours of unpaid work to the operation of the Charity.

The Charity supports other charities within its operating area which provide specific parts of the community with particular housing needs by prioritising the supply to them of items on preferential terms and at times operates a 'matched funding' programme so that those most in need receive extra value. The discount is now set at 35% and a discount of 20% on new beds has been introduced for qualifying customers; delivery charges are waived for those customers in greatest need. A further 50% discount is offered for customers who are referred by partner agencies and who are in the most extenuating circumstances.

### **F - THE DIFFERENCE THE CHARITY'S PERFORMANCE HAS MADE TO ITS BENEFICIARIES AND TO WIDER SOCIETY**

The Charity benefits the public in the following ways.

Clients who receive low-cost goods from the Charity are helped to improve their lives, independence, their health and wellbeing. These benefits result in a reduction in their needs being met from public resources.

Donors of goods to the Charity are contributing to reducing landfill and helping the public authorities to meet recycling targets. Recycling conserves energy, reduces air and water pollution, reduces greenhouse gases, and conserves natural resources. It also reduces the need for extracting, refining and processing raw materials.

The Charity could not operate without the volunteers, who all make their personal contributions which are valued by the local community and wider society.

### **G - FINANCIAL REVIEW**

#### **Financial Position on 31 March 2024**

The financial position of the Charity on 31 March 2024 and the comparatives for the prior year were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Unrestricted Revenue funds available for General purposes of the Charity	85,911	106,455
Liquid reserves (excluding fixed assets acquired for delivery of the Charity's aims)	132,604	103,201

#### **Financial Performance for the year to 31 March 2024**

The sales performance of the Charity continues to show an improvement on previous years and was consistent throughout the period, with sales of donated items being £153,605 (almost 10% up on last year and sales of new furniture £39,906 (over 60% up on last year). This additional income came partly from the increased needs of our customer base with the demand for low cost good quality beds being most noticeable. We continue to expand our work with partners and improve efficiencies. Gift Aid was again a significant income source at £21,891 and the total income including donations and grants for the year to 31 March 2024 was £226,549.

## **Essential Needs - Trustees report for the year ended 31 March 2024 (continued)**

Total expenditure was £198,108, giving a total net surplus for the period of £28,441, rather more than double last year's figure and the Trustees are therefore very satisfied with the financial performance of the Charity during the year.

The Charity's budget for the year to 31 March 2025 indicates that a small loss can be expected due to an increase in staffing and a number of new initiatives being introduced to support those most in need in the district. The charity is not significantly exposed to debtors or dependent on grant income. For these reasons the Trustees consider that the ongoing trading position is secure.

Therefore, the Trustees consider that the Charity's assets are adequate to fulfil its obligations and its ability to continue to operate as a going concern.

Specific changes in fixed assets are detailed in the Notes to the Accounts.

### **H - RESERVES POLICY**

Following the Charity Commission guidance on risk, and as part of its management strategy, the Charity sets aside some of its income to form a reserve against any future shortfall in funds. Income from sales to fund ongoing trading cannot be guaranteed, and funding for major capital expenditure might need funding from reserves if grant funding cannot be secured.

In the past the Trustees have considered that a minimum reserve of 50% of annual budgeted expenditure would be adequate to enable the Charity to review its operation should revenue fall significantly. This would give time to review the method of operation and/or seek alternative sources of funding, as well as to meet obligations under the lease of the premises.

The Trustees also considered that the maximum figure to hold in reserves should be 100% of annual budgeted expenditure, as this would be adequate to cover deficits over an extended period. Furthermore, plans for future periods will potentially entail incurring higher expenditure in advance of higher income, with a consequential deficit in the short to medium term.

Budgeted expenditure for 2024/25 is £253,503. On 31 March 2024 Unrestricted Funds excluding Fixed Assets were £132,604, with £49,000 being designated for particular projects detailed in note 11

Having considered this position, the trustees feel that holding between 50% and 100% of annual outgoings remains appropriate for the year 2024/2025.

### **I - PLANS FOR THE FUTURE**

The Charity is constantly reviewing its operating policies, opening hours and delivery days. Additional staff have been employed and it is felt that our customers are better served although there is always room for improvement. The plans for the surplus generated in the year to March 2024 include providing free beds for children who have no bed of their own at present, providing bed packs (duvet, cover, sheet and pillow for these beds) and further increasing the scope of the additional 50% discount. A sum of £49,000 has been designated to fund these initiatives.

## **Essential Needs - Trustees report for the year ended 31 March 2024 (continued)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. The Trustees interpret this responsibility as requiring them to prepare the accounts according to the Charities SORP (FRS 102).

In particular, the Companies Act 2006 and charity law require the Trustees to prepare financial statements for each financial year and of the surplus or deficit of the Charity. In preparing those financial statements, the Trustees are required to:

- Prepare the accounts in accordance with UK Generally Accepted Accounting Practice
- Make judgement and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is appropriate to assume that the Charity will not remain in business
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which are sufficient to show and explain the Charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **METHOD OF PREPARATION OF THE ACCOUNTS**

The financial statements are set out on pages 9 to 19.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102) (effective 1 January 2019)) and with the Charities Act 2011, and in accordance with the special provisions of part 156 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 14 August 2024

J. R. Allan

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**Joy Allan**  
**Trustee**

## **INDEPENDENT EXAMINER'S REPORT to the Trustees of Essential Needs**

I report to the Charity trustees on my examination of the accounts of the Company for the year ended 31 March 2024, which are set out on pages 9 to 19.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

### **Responsibilities and basis of report**

As the Charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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**

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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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).

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.

Sarah Wearing FCA, DChA

Dated: 14 August 2024

HPH, Chartered Accountants

Conyngnam Hall Business Centre, Knaresborough, North Yorkshire, HG5 9AY

**Essential Needs - STATEMENT of FINANCIAL ACTIVITIES (including the summary Income and Expenditure account) for the year ended 31 March 2024**

	<i>Notes</i>	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
<b>INCOME FROM</b>							
Donations & Grants	<b>2</b>	404	2,233	<b>2,637</b>	650	10,400	<b>11,050</b>
<b>Charitable Activities</b>							
Sale of Donated Furniture		153,605	-	<b>153,605</b>	140,017	-	<b>140,017</b>
Gift Aid on Sale of Donated Furniture		21,891	-	<b>21,891</b>	20,046	-	<b>20,046</b>
Sale of New Furniture		39,906	-	<b>39,906</b>	24,253	-	<b>24,253</b>
Delivery Charges		6,148	-	<b>6,148</b>	9,795	-	<b>9,795</b>
Commission Charges		1,117	-	<b>1,117</b>	900	-	<b>900</b>
Other Income		1,042	-	<b>1,042</b>	716	-	<b>716</b>
<b>Investments</b>							
Bank Interest		203	-	<b>203</b>	21	-	<b>21</b>
<b>Total Income</b>		<b>224,316</b>	<b>2,233</b>	<b>226,549</b>	<b>196,398</b>	<b>10,400</b>	<b>206,798</b>
<b>EXPENDITURE ON CHARITABLE ACTIVITIES</b>							
Direct Costs	<b>6 &amp; 7</b>	195,245	1,185	<b>196,430</b>	181,299	10,000	<b>191,299</b>
Support Cost	<b>6 &amp; 7</b>	1,678	-	<b>1,678</b>	1,637	-	<b>1,637</b>
<b>Total Expenditure</b>	<b>6 &amp; 7</b>	<b>196,923</b>	<b>1,185</b>	<b>198,108</b>	<b>182,936</b>	<b>10,000</b>	<b>192,936</b>
<b>Net Income before Transfers</b>		<b>27,393</b>	<b>1,048</b>	<b>28,441</b>	<b>13,462</b>	<b>400</b>	<b>13,862</b>
Transfers between Funds		1,063	(1,063)	-	4,950	(4,950)	-
<b>Net Income / (Expenditure) after Transfers</b>		<b>28,456</b>	<b>(15)</b>	<b>28,441</b>	<b>18,412</b>	<b>(4,550)</b>	<b>13,862</b>
Total Funds brought forward		106,455	1,000	<b>107,455</b>	88,043	5,550	<b>93,593</b>
<b>Balance at 31 March 2024</b>		<b>134,911</b>	<b>985</b>	<b>135,896</b>	<b>106,455</b>	<b>1,000</b>	<b>107,455</b>

The statement of financial activities includes all gains and losses recognised in the year. Incoming and outgoing resources arise from the Charity's continuing operations. No activities were acquired or discontinued during the year.

The notes on pages 11 to 19 form part of the accounts.

## Essential Needs - BALANCE SHEET as at 31 March 2024

*Company Number: 05312941*

	<i>Notes</i>	2024 £	2024 £	2023 £	2023 £
<b>FIXED ASSETS</b>					
Tangible Assets	8		2,307		3,254
<b>CURRENT ASSETS</b>					
Stock		632		1,016	
Debtors	9	24,510		28,548	
Cash at Bank/In Hand		116,089		81,293	
		-----		-----	
		<b>141,231</b>		<b>110,857</b>	
<b>LIABILITIES</b>					
Creditors falling due within One Year	10	(7,642)		(6,656)	
		-----		-----	
<b>NET CURRENT ASSETS</b>			<b>133,589</b>		<b>104,201</b>
			-----		-----
<b>TOTAL NET ASSETS</b>	<b>12</b>		<b>135,896</b>		<b>107,455</b>
			-----		-----
<b>Charity Funds</b>					
Unrestricted Revenue Funds	11		85,911		106,455
Unrestricted Designated Funds	11		49,000		-
			-----		-----
Unrestricted Funds	11		<b>134,911</b>		<b>106,455</b>
Restricted Funds	11		985		1,000
			-----		-----
<b>TOTAL CHARITY FUNDS</b>	<b>11</b>		<b>135,896</b>		<b>107,455</b>
			-----		-----

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

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The Trustees (who are also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies. The notes on pages 11 to 19 form part of the accounts.

**Approved on behalf of the Trustees by:**

.....  
**Joy Allan**  
**Trustee**

Date: 14 August 2024

# Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024

## 1. ACCOUNTING POLICIES

### **Basis of Accounting**

These financial statements have been prepared under the historical cost convention with the items recognised at cost or transaction unless otherwise stated in the relevant notes to the accounts.

The accounts have been prepared in accordance with the Companies Act 2006 relating to small charitable companies, the Statement of Recommended Practice: Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2019, and with the Charities Act 2011. There has been no change to the accounting policies since last year. No changes have been made to the accounts for previous years.

The Charity constitutes a public benefit entity as defined by FRS 102.

### **Going concern**

Given the position of the balance sheet and the level of liquid resources, the Trustees have identified no material uncertainties that may cast significant doubt over the ability of the Charity to continue as a going concern.

### **Cash Flow Statement**

Exemption has been claimed from preparing a Cash Flow Statement on the grounds that the Charity qualifies as a small company and charity.

### **Donations**

Donations are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

### **Grants receivable**

Grants and donations are included in the SOFA when the Charity has unconditional entitlement to the resources.

### **Gift Aid**

Gift Aid is claimed on items donated to Essential Needs, where the donor has completed a Gift Aid declaration. Gift Aid due is recognised in the month in which the donated item is sold.

### **Investment income**

Income from investments is included in the SOFA in the year in which it is receivable.

### **Expenditure**

All expenditure is accounted for gross, and when incurred. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimated time or floor space basis, as appropriate.

Governance costs (see Note 6) include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the independent examination fees and costs linked to the strategic management of the Charity.

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024 (continued)

### 1. ACCOUNTING POLICIES (continued)

#### Taxation

As a registered charity, Essential Needs is not liable to taxation on its investment income and gains, income and gains arising from trading in furtherance of its charitable objectives and charitable donations. Recovery of income tax is made on tax credits arising from receipts under deeds of covenant and gift aid payments. VAT deemed to be irrecoverable is written off in the Statement of Financial Activities in the period to which it relates.

#### Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of a past event.

#### Tangible fixed assets

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following annual rates:

Leasehold Premises	-25% Reducing Balance
Plant and Equipment	-25% Straight Line
Motor Vehicles	-25% Reducing Balance

Items less than £250 are not capitalised and are written off in the year of purchase.

#### Gifts in kind

Assets and other gifts in kind given for use by the Charity are recognised as incoming resources at their estimated market value when receivable.

#### Donated Goods

The Trustees have carefully considered the practicality of, and the benefit due to the users of the accounts, from valuing the donated goods for resale at the year end. However, due to the large number of small items, and the considerable time it would take, as well as the difficulty in achieving a realistic valuation, it has been decided to continue to recognise donated goods at the point of sale. In addition, the Trustees have concluded that the small movement of the stock held between years would not add to the information presented to users of the accounts.

#### Debtors

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

#### Stock

Finished goods bought for resale to the clients are valued at the lower of cost and net realisable value.

#### Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the period of the lease or to an earlier date if the lease can be determined without financial penalty.

#### Pension costs

The Charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024 (continued)

### Accounting for separate funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated Funds are funds set aside by the Trustees for specific purposes.

### 2. DONATIONS AND GRANTS

	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Grants	-	2,233	2,233	10,400
Donations	404	-	404	650
<b>Total</b>	<b>404</b>	<b>2,233</b>	<b>2,637</b>	<b>11,050</b>

### 3. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:	2024	2023
	£	£
Independent Examination Fee	750	743
Depreciation	947	1,065

### 4. TRUSTEES' REMUNERATION

No trustee was remunerated in the year (2023: £nil). No expenses were reimbursed to Trustees (2023: £nil)

### 5. STAFF COSTS

The staff costs shown in Note 6 relate to eight employees (2023: 8). No employee earned more than £60,000 (2023: nil).

The average number of employees for the year ended 31 March 2024 was 8 (2023: 8), being an average of 4 full time equivalent (2023: 4). The amounts paid to employees were:

	2024	2023
	£	£
Gross Pay	119,600	111,509
Social Security costs	3,453	2,862
Pension Payments	2,912	2,236

### Key Management Personnel

In the year ended 31 March 2024 key management personnel were paid remuneration of £ **66,971** (2023: £36,994).

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024 (continued)

### 6. TOTAL EXPENDITURE

	Furniture Store 2024 £	Governance 2024 £	Total 2024 £	Total 2023 £
Cost of Beds Sold	25,542	-	25,542	15,089
Salaries & National Insurance	123,053	-	123,053	114,371
Pension Contributions	2,912	-	2,912	2,236
Volunteer & Staff Expenses	384	-	384	325
Uniform	751	-	751	-
Training	273	-	273	350
Rent & Rates	19,229	-	19,229	17,932
Insurance	4,006	-	4,006	3,684
Electricity, Gas & Water	2,674	-	2,674	2,594
Maintenance & cleaning	1,158	-	1,158	20,577
Appliance Testing & Workshop	909	-	909	1,484
Van Repairs	4,462	-	4,462	1,732
Van Fuel	2,231	-	2,231	2,550
Telephone & Broadband	814	-	814	712
Card Machine	3,329	-	3,329	2,724
Computer	1,725	-	1,725	1,635
Postage	30	-	30	24
Stationery	487	-	487	925
Bank & Card charges	24	-	24	25
Marketing	271	-	271	-
Membership & Conference	110	-	110	335
Sundry	901	-	901	930
Equipment <£250	208	-	208	-
Depreciation	947	-	947	1,065
Support costs	528	1,150	1,678	1,637
<b>Total Expenditure</b>	<b>196,958</b>	<b>1,150</b>	<b>198,108</b>	<b>192,936</b>

### 7. SUPPORT COSTS

	2024 £	2023 £
Independent Examination	750	743
Other Professional Fees	400	750
Recruitment & Payroll Bureau	528	144
	<b>1,678</b>	<b>1,637</b>

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024 (continued)

### 8. TANGIBLE ASSETS

	Leasehold Improvements	Plant & Equipment	Van	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2023	10,413	16,372	22,414	49,199
Additions	-	-	-	-
	-----	-----	-----	-----
<b>At 31 March 2024</b>	<b>10,413</b>	<b>16,372</b>	<b>22,414</b>	<b>49,199</b>
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 April 2023	10,083	15,833	20,029	45,945
Charge for the Year	83	268	596	947
	-----	-----	-----	-----
<b>At 31 March 2024</b>	<b>10,166</b>	<b>16,101</b>	<b>20,625</b>	<b>46,892</b>
	-----	-----	-----	-----
<b>Net Book Value</b>				
<b>As at 31 March 2024</b>	<b>247</b>	<b>271</b>	<b>1,789</b>	<b>2,307</b>
As at 31 March 2023	330	539	2,385	3,254

### 9. DEBTORS

	2024	2023
	£	£
Trade Debtors	583	225
Prepayment & Accrued Income	23,927	28,241
Other Debtors	-	82
	-----	-----
<b>Total</b>	<b>24,510</b>	<b>28,548</b>
	-----	-----

### 10. CREDITORS (amounts falling due within one year)

	2024	2023
	£	£
Trade Creditors	1,088	2,745
Accrual & Other Creditors	3,887	2,274
Other Taxation & Social Security	2,667	1,637
	-----	-----
	<b>7,642</b>	<b>6,656</b>
	-----	-----

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024 (continued)

### 11. MOVEMENTS IN CHARITY FUNDS

#### Unrestricted Funds

2024 Unrestricted Funds	B/f 1 April 2023	Income Received	Expenditure	Transfers In / (Out)	Balance C/f 31 March 2024
	£	£	£	£	£
<b>Designated Funds</b>					
Free Beds for Children	-	-	-	7,000	<b>7,000</b>
Additional 50% Discount	-	-	-	6,500	<b>6,500</b>
Van Hire	-	-	-	4,420	<b>4,420</b>
Additional Salaries	-	-	-	26,080	<b>26,080</b>
Marketing	-	-	-	5,000	<b>5,000</b>
	-----	-----	-----	-----	-----
<b>Total Designated Funds</b>	-	-	-	<b>49,000</b>	<b>49,000</b>
<b>Unrestricted General Fund</b>	<b>106,455</b>	<b>224,316</b>	<b>(196,923)</b>	<b>(47,937)</b>	<b>85,911</b>
	-----	-----	-----	-----	-----
<b>Total Unrestricted Funds</b>	<b>106,455</b>	-	-	<b>1,063</b>	<b>134,911</b>
	-----	-----	-----	-----	-----

2023 Unrestricted Funds	B/f 1 April 2022	Income Received	Expenditure	Transfers In / (Out)	Balance C/f 31 March 2023
	£	£	£	£	£
<b>Designated Funds</b>	-	-	-	-	-
	-----	-----	-----	-----	-----
<b>Total Designated Funds</b>	-	-	-	-	-
<b>Unrestricted General Fund</b>	<b>88,043</b>	<b>196,398</b>	<b>(182,936)</b>	<b>4,950</b>	<b>106,455</b>
	-----	-----	-----	-----	-----
<b>Total Unrestricted Funds</b>	<b>88,043</b>	<b>196,398</b>	<b>(182,936)</b>	<b>4,950</b>	<b>106,455</b>
	-----	-----	-----	-----	-----

**Cost of Free Beds £7,000** - Further to a recent Barnado's report that over 800,000 children in England do not have their own bed to sleep in, it was decided to provide 75 beds for any such children in the Harrogate district in the 2024/25 year. The children are referred to the Charity by schools, GP's, Harrogate Homeless and other organisations with whom we work.

**Additional 50% discount £6,500** - Partner organisation including IDAS Women's Refuge and Harrogate Homeless can refer families in extreme poverty to the Charity to obtain essential items and a further discount of 50% is applied. It has become apparent that there are other organisations (e.g. YMCA, New Beginnings and Lifeline Harrogate) that could benefit from this scheme; the £6,500 has been designated for that purpose.

**Van hire £4,420** - Alongside the introduction of free beds for some children, the overall demand for good quality, low cost beds has increased by over 60% on last year. Storage space is limited at the store and so a second van will be hired one day per week in order to deliver the new beds to customers as soon as they arrive. When empty, the van will collect donations, thereby increasing our stock levels in Store.

**Additional Salary Costs £26,080** – In addition to as a requirement for a second driver plus co-driver/in store furniture handler, the above schemes require more administration.

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024 (continued)

**Marketing £5,000** - It was decided that to ensure these schemes are promoted to the relevant beneficiaries, possible supporters and to the general public on whom the Charity is reliant for donations, a marketing initiative should be put in place.

### RESTRICTED FUNDS

2024 Restricted Funds	B/f 1 April 2023	Income Received	Expenditure	Transfers In / (Out)	Balance C/f 31 March 2024
	£	£	£	£	£
Charles & Elsie Sykes Trust	1,000	-	-	(1,000)	-
North Yorkshire CC	-	1,233	(1,185)	-	48
Rotary	-	1,000	-	(63)	937
	-----	-----	-----	-----	-----
<b>Total Restricted Fund</b>	<b>106,455</b>	<b>2,233</b>	<b>(1,185)</b>	<b>(1,063)</b>	<b>985</b>
	-----	-----	-----	-----	-----

2023 Restricted Funds	B/f 1 April 2022	Income Received	Expenditure	Transfers In / (Out)	Balance C/f 31 March 2023
	£	£	£	£	£
Charles & Elsie Sykes Trust	-	5,000	-	(4,000)	1,000
North Yorkshire CC	5,550	-	(5,000)	(550)	-
Terry Bramall Trust	-	5,000	(5,000)	-	-
Waitrose	-	400	-	(400)	-
	-----	-----	-----	-----	-----
<b>Total Restricted Fund</b>	<b>5,550</b>	<b>10,400</b>	<b>(10,000)</b>	<b>(4,950)</b>	<b>1,000</b>
	-----	-----	-----	-----	-----

**Rotary** – Rotary donated £1,000 to help fund free items for Ukrainian families settling in the local area, either in their own homes or with host families. The Charity matches the funding from this grant.

**North Yorkshire CC** – In 2023-24, North Yorkshire County Council paid two grants, which have been largely spent in the financial year. The purpose of the grants were as follows:

- A grant of £750 for staff and volunteer uniforms
- A grant of £483 for a new printer and printing for a marketing campaign.

In 2021-22, North Yorkshire County Council paid two grants, which were fully spent in the last financial year. The purpose of the grants were as follows:

- A grant of £550 to replace a PC in the office.
- A grant of £5,000 to upgrade the lighting in the Store and also for some remedial electrical work following a review of the electrical installations.

**Terry Bramall Trust** – this grant was made as a contribution to the costs of Store re-decoration and remedial work on the flooring. This fund was fully spent in the previous financial year.

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024 (continued)

**Charles & Elsie Sykes Trust** – this grant was given to help the Charity further support those in need. £1,000 of this grant was applied in this financial year (2022-23 £4,000) to provide items to those most in need, for no charge or at a higher than usual discount. This £5,000 represents 50% of the total original ticketed price. In line with the agreed conditions of the grant, the Charity bore the remaining 50% additional discount value of these items.

**Waitrose** – the Charity agreed with Waitrose that this grant would be used to help provide items to help those in need, to keep warm in the winter months, given the challenges of rising fuel prices. Such items included donated heaters, duvets and blankets. All these items were given without charge or at much reduced prices during the 2022-23 financial year.

### 12. NET ASSET SUMMARY

Balance at 31 March 2024	Unrestricted Funds			Total Funds at 31 March 2024
	General Fund	Designated Funds	Restricted Fund	
	£	£	£	£
Tangible Fixed Assets	2,307	-	-	2,307
Current Assets	25,142	-	-	25,142
Cash at Bank/In Hand	66,104	49,000	985	116,089
Current Liabilities	(7,642)	-	-	(7,642)
	-----	-----	-----	-----
<b>Total Net Assets</b>	<b>85,911</b>	<b>49,000</b>	<b>985</b>	<b>135,896</b>
	-----	-----	-----	-----

Balance at 31 March 2023	Unrestricted Funds			Total Funds at 31 March 2023
	General Fund	Designated Funds	Restricted Fund	
	£	£	£	£
Tangible Fixed Assets	3,254	-	-	3,254
Current Assets	29,564	-	-	29,564
Cash at Bank/In Hand	80,293	-	1,000	81,293
Current Liabilities	(6,656)	-	-	(6,656)
	-----	-----	-----	-----
<b>Total Net Assets</b>	<b>106,455</b>	<b>-</b>	<b>1,000</b>	<b>107,455</b>
	-----	-----	-----	-----

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2024 (continued)

### 13. OPERATING LEASES

The Charity entered into a new 5-year lease agreement on 1 October 2022. This agreement has a built-in annual rent increase, from £15,000 to £20,000, commencing 1 October 2023. Buildings Insurance is also payable to the landlord under the terms of the lease.

<b>Buildings</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Due within one year	20,976	19,870
Due between two and five years	52,440	73,045
	-----	-----
<b>Total amount payable</b>	<b>73,416</b>	<b>92,915</b>
	-----	-----

### 14. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension charge represents the contributions payable by the Charity to the fund and amounted to £2,912 (2023: £2,236).

### 15. CONTROL RELATIONSHIPS

As the Charity is limited by guarantee without share capital, no individual has overall control of the Charity.

### 16. RELATED PARTY TRANSACTIONS

#### Trustee remuneration and benefits

During the year, no Trustee received any remuneration or benefits (2023: £nil).

#### Trustee Expenses

During the year, no Trustee was paid any expenses (2023: £nil).

#### Trustee Donations

During the year, no Trustee made a donation (2023: £nil).

There were no other related party transactions in the year ended 31 March 2024 (2023: £Nil).

**ESSENTIAL NEEDS**

England & Wales - Charity number 1108046

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# Accounts

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**Essential Needs**  
**Report and Accounts**  
**Year Ended 31 March 2023**

**Essential Needs**  
**Report and Accounts**  
**Year Ended 31 March 2023**

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## **Essentials Needs - Trustees report for the year ended 31 March 2023**

### **CHARITY INFORMATION**

**Company Name:** Essential Needs  
**Company Registration No:** 05312941  
**Charity Number:** 1108046

#### **Legal Structure and governing document of the Charity**

Essential Needs was constituted as a company limited by guarantee on 14 December 2004. It was registered as a charity on 11 February 2005.

The Trustees are directors under Companies legislation and are also Trustees under Charities legislation and have responsibilities, as such, under both company law and charity law.

The Trustees are all individuals.

The provisions regulating the purpose and administration of the Charity are contained in the Memorandum and Articles of Association which (as amended August 2008) are filed with the registrar of companies for England and Wales.

#### **The principal operating address, telephone number and email address of the Charity are:**

**Address:**

Back Gladstone Street  
Harrogate  
HG2 8DF

**Telephone** : 01423 870040

**Email** : manager.essentialneeds@gmail.com

#### **Details of the Independent Examiner**

Simon Bostrom FCIE  
West Yorkshire Community Accountancy Service CIO  
Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW  
Charity Number 1076962

#### **Bankers**

Leeds Building Society  
Holbeck House  
105 Albion Street  
Leeds  
LS1 5AS

Co-operative Bank plc  
P O Box 101  
1 Balloon Street  
Manchester

## **Essential Needs - Trustees report for the year ended 31 March 2023 (continued)**

**The Trustees in office on the date the report was approved were:**

Joy Allan  
Anthony Campbell  
Susan Donnelly  
John Ennis  
Lucy Hind  
Christine Norton  
Peter Rogers  
Adrian Holey

**The Trustees who served as a director in the reporting period, and if applicable, their dates of appointment or resignation during the year, were:**

<b>Name</b>	<b>Appointed</b>	<b>Resigned /Retired</b>
Joy Allan		
Anthony Campbell		
Susan Donnelly		
John Ennis		
Lucy Hind		
Martin Jobbings		27 September 2022
Christine Norton		
Peter Rogers		
Adrian Holey	7 March 2023	

Trustees are appointed to office by resolution of the members of the Charity in a general meeting. The trustees may appoint a new trustee but that person must retire at the next annual general meeting. No other person or external body is entitled to appoint new trustees. Recruitment of new trustees is by the existing trustees.

One third of the Trustees (or the number nearest to one third) retire each year. Lucy Hind and Adrian Holey will retire at the AGM.

All the Trustees are members of the Charity.

## **Essential Needs - Trustees report for the year ended 31 March 2023 (continued)**

### **TRUSTEES' ANNUAL REPORT**

#### **A - OBJECTS AND ACTIVITIES OF THE CHARITY**

The Charity has the following objectives:

1. To relieve either generally or individually persons resident in Harrogate and the surrounding area who are in conditions of need, hardship or distress by the provision of furniture and other household accessories calculated to reduce the need, hardship or distress of such persons.
2. To protect and preserve the environment for the benefit of the public, including (without limitation), the re-use and recycling of goods and their component parts and materials as a means of waste reduction.

#### **B - SUMMARY OF MAIN ACTIVITIES OF THE CHARITY IN RELATION TO ITS OBJECTS**

The Charity offers its beneficiaries the chance to turn their house into a home, by the provision of as wide a choice of furniture and household goods as is possible, all items being available at low cost. The Charity is staffed by full and part-time employees, assisted by volunteers to collect, sort and deliver the household goods, and to help with office administration.

#### **C - THE MAIN ACTIVITIES UNDERTAKEN DURING THE YEAR TO FURTHER THE CHARITY'S PURPOSE FOR PUBLIC BENEFIT**

In accordance with S17(5) of the Charities Act 2011, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit in planning future activities. In particular, the Trustees consider how planned activities will contribute to the objectives of the Charity.

#### **D - THE CONTRIBUTION OF VOLUNTEERS DURING THE YEAR**

The Charity currently has a governing board of 8 Trustees, 2 of whom also volunteer to assist with operational aspects.

A total of 24 volunteers have assisted with the running of the Charity on a regular basis, both in administration and collection/delivery work. The office work involved the organisation of collections and deliveries, the registration of new clients, stock control and the sale of furniture. Collection and delivery work involved the viewing and collection of household goods, predominantly furniture and white goods, collection of those goods from donors, and delivering items to clients. In addition, volunteers help with the PAT testing of electrical goods. The charity supports one volunteer with learning disabilities, whose regular afternoon at Essential Needs is a rewarding and enjoyable part of his week. We have seen his confidence and communication skills develop over the past year.

#### **E - THE MAIN ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY DURING THE YEAR**

The charity supported 549 registered customers during the year, not only with the regular in store low prices, but by saving them an extra £19,654 due to the additional discount for which they qualify. Over £8,000 worth of goods was donated free of charge to seriously deprived persons, e.g. homeless, refugees, etc, by way either of free delivery, matching funding from a partner organisation or a direct donation.

## **Essential Needs - Trustees report for the year ended 31 March 2023 (continued)**

Almost 9,000 household items and over 800 electrical items were sold in the period, as a result of which approximately 147 tonnes of items were diverted from landfill, electrical goods making up 14 tonnes of this.

Our volunteers contributed over 3,500 hours of unpaid work to the operation of the Charity.

The Charity supports other charities within its operating area which provide specific parts of the community with particular housing needs by prioritising the supply to them of items on preferential terms and at times operates a 'matched funding' programme so that those most in need receive extra value. The preferential discount is continually under review and delivery charges are waived for those customers in greatest need.

### **F - THE DIFFERENCE THE CHARITY'S PERFORMANCE HAS MADE TO ITS BENEFICIARIES AND TO WIDER SOCIETY**

The Charity benefits the public in the following ways.

Clients who receive low-cost goods from the Charity are helped to improve their lives, their health and wellbeing. These benefits result in a reduction in their needs being met from public resources.

Donors of goods to the Charity are contributing to reducing landfill and helping the public authorities to meet recycling targets. Recycling conserves energy, reduces air and water pollution, reduces greenhouse gases, and conserves natural resources. It also reduces the need for extracting, refining and processing raw materials.

The volunteers all make their personal contributions which are valued by the local community and wider society.

### **G - FINANCIAL REVIEW**

#### **Financial Position on 31 March 2023**

The financial position of the Charity on 31 March 2023 and the comparatives for the prior year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Unrestricted Revenue funds available for General purposes of the Charity	106,455	88,043
Liquid reserves (excluding fixed assets acquired for delivery of the Charity's aims)	103,201	84,381

#### **Financial Performance for the year to 31 March 2023**

The sales performance of the Charity continues to show an improvement on previous years and was consistent throughout the period, with sales of donated items being £140,017 and sales of new furniture £24,253, both figures being higher than the previous year. This additional income came partly from the increased needs of our customer base, through expanding our work with partners and also continually improving efficiencies. Gift Aid was a significant income source at £20,046. Total income including donations and grants for the year to 31 March 2023 was £206,798 and total expenditure was £192,936, giving a total net surplus for the period of £13,862. This figure is slightly down on the previous year due to £19,034 being spent on essential electrical and floor repairs, £10,000 of which was funded from grants.

## **Essential Needs - Trustees report for the year ended 31 March 2023 (continued)**

Unrestricted funds of the Charity at 31 March 2023 were £18,412 higher than the previous year and the Trustees are satisfied with the financial performance of the Charity during the year.

The Charity's budget for the year to 31 March 2024 indicates that a surplus can be expected. The charity is not significantly exposed to debtors or dependent on grant income. For these reasons the Trustees consider that there are no material uncertainties over the ongoing trading position.

Therefore, the Trustees consider that the Charity's assets are adequate to fulfil its obligations and its ability to continue to operate as a going concern.

Specific changes in fixed assets are detailed in the Notes to the Accounts.

### **H - RESERVES POLICY**

Following the Charity Commission guidance on risk, and as part of its management strategy, the Charity sets aside some of its income to form a reserve against any future shortfall in funds. Income from sales to fund ongoing trading cannot be guaranteed, and funding for major capital expenditure might need funding from reserves if grant funding cannot be secured.

In the past the Trustees have considered that a minimum reserve of 50% of annual budgeted expenditure would be adequate to enable the Charity to review its operation should revenue fall significantly. This would give time to review the method of operation and/or seek alternative sources of funding, as well as to meet obligations under the lease of the premises.

The Trustees also considered that the maximum figure to hold in reserves should be 100% of annual budgeted expenditure, as this would be adequate to cover deficits over an extended period. Furthermore, plans for future periods will potentially entail incurring higher expenditure in advance of higher income, with a consequential deficit in the short to medium term.

Budgeted expenditure for 2023/24 is £170,000. On 31 March 2023 Unrestricted Funds excluding Fixed Assets were £103,201 and the bank and cash balances stood at £81,293.

Having considered this position and the policy on reserves, the trustees feel that holding between 50% and 100% of annual outgoings remains appropriate for the year 2023/2024.

### **I - PLANS FOR THE FUTURE**

The Charity has successfully implemented a policy of increased opening hours and employing additional staff. It is considered that the needs of our customers are better served as a result, with improved sales. The surplus generated will be spent on increasing benefits to existing customers by way of free delivery of furniture and/or donations of essential items where possible.

## **Essential Needs - Trustees report for the year ended 31 March 2023 (continued)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. The Trustees interpret this responsibility as requiring them to prepare the accounts according to the Charities SORP (FRS 102).

In particular, the Companies Act 2006 and charity law require the Trustees to prepare financial statements for each financial year and of the surplus or deficit of the Charity. In preparing those financial statements, the Trustees are required to:

- Prepare the accounts in accordance with UK Generally Accepted Accounting Practice
- Make judgement and estimates that are reasonable and prudent
  
- Prepare the financial statements on the going concern basis unless it is appropriate to assume that the Charity will not remain in business
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which are sufficient to show and explain the Charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **METHOD OF PREPARATION OF THE ACCOUNTS**

The financial statements are set out on pages 9 to 17.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102) (effective 1 January 2019)) and with the Charities Act 2011, and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 14 August 2023

J. R. Allan

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**Joy Allan**  
**Trustee**

## **INDEPENDENT EXAMINER'S REPORT to the trustees of Essential Needs**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2023, which are set out on pages 10 to 18.

### **Responsibilities and basis of report**

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

Having satisfied myself that the accounts of the charitable 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 your charity's accounts as carried out under section 145 of the Charities Act ('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**

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act;  
or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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)].

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.

Simon Bostrom FCIE

Date: 23 August 2023

West Yorkshire Community Accountancy Service CIO  
Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW

**Essential Needs - STATEMENT of FINANCIAL ACTIVITIES (including the summary Income and Expenditure account) for the year ended 31 March 2023**

		Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022
	<i>Notes</i>	£	£	£	£	£	£
<b>INCOME FROM</b>							
Donations & Grants	<b>2</b>	650	10,400	<b>11,050</b>	3,249	5,550	<b>8,799</b>
<b>Charitable Activities</b>							
Sale of Donated Furniture		140,017	-	<b>140,017</b>	109,942	-	<b>109,942</b>
Gift Aid on Sale of Donated Furniture		20,046	-	<b>20,046</b>	15,173	-	<b>15,173</b>
Sale of New Furniture		24,253	-	<b>24,253</b>	19,467	-	<b>19,467</b>
Delivery Charges		9,795	-	<b>9,795</b>	8,574	-	<b>8,574</b>
Commission Charges		900	-	<b>900</b>	769	-	<b>769</b>
Other Income		716	-	<b>716</b>	457	-	<b>457</b>
<b>Investments</b>							
Bank Interest		21	-	<b>21</b>	25	-	<b>25</b>
<b>Total Income</b>		<b>196,398</b>	<b>10,400</b>	<b>206,798</b>	<b>157,656</b>	<b>5,550</b>	<b>163,206</b>
<b>EXPENDITURE ON CHARITABLE ACTIVITIES</b>							
Direct Costs	<b>6 &amp; 7</b>	181,299	10,000	<b>191,299</b>	147,859	-	<b>147,859</b>
Support Cost	<b>6 &amp; 7</b>	1,637	-	<b>1,637</b>	692	-	<b>692</b>
<b>Total Expenditure</b>	<b>6 &amp; 7</b>	<b>182,936</b>	<b>10,000</b>	<b>192,936</b>	<b>148,551</b>	<b>-</b>	<b>148,551</b>
<b>Net Income / (Expenditure) before Transfers</b>		<b>13,462</b>	<b>400</b>	<b>13,862</b>	<b>9,105</b>	<b>5,550</b>	<b>14,655</b>
Transfers between Funds		4,950	(4,950)	-	-	-	-
<b>Net Income / (Expenditure) after Transfers</b>		<b>18,412</b>	<b>(4,550)</b>	<b>13,862</b>	<b>9,105</b>	<b>5,550</b>	<b>14,655</b>
Total Funds brought forward		88,043	5,550	<b>93,593</b>	78,938	-	<b>78,938</b>
<b>Balance at 31 March 2022</b>		<b>106,455</b>	<b>1,000</b>	<b>107,455</b>	<b>88,043</b>	<b>5,550</b>	<b>93,593</b>

The statement of financial activities includes all gains and losses recognised in the year. Incoming and outgoing resources arise from the Charity's continuing operations. No activities were acquired or discontinued during the year.

## Essential Needs - BALANCE SHEET as at 31 March 2023

	<i>Notes</i>	2023 £	2023 £	2022 £	2022 £
<b>FIXED ASSETS</b>					
Tangible Assets	8		3,254		3,662
<b>CURRENT ASSETS</b>					
Stock		1,016		1,001	
Debtors	9	307		846	
Prepayments & Accrued Income	9	28,241		23,112	
Cash at Bank/In Hand		81,293		79,130	
		-----		-----	
		<b>110,857</b>		<b>104,089</b>	
<b>LIABILITIES</b>					
Creditors falling due within One Year	10		(6,656)		(14,158)
<b>NET CURRENT ASSETS</b>					
			<b>104,201</b>		<b>89,931</b>
			-----		-----
<b>TOTAL NET ASSETS</b>					
	<b>12</b>		<b>107,455</b>		<b>93,593</b>
			-----		-----
<b>Charity Funds</b>					
Unrestricted Revenue Funds			106,455		88,043
Restricted Funds	11		1,000		5,550
			-----		-----
<b>TOTAL CHARITY FUNDS</b>					
	<b>12</b>		<b>107,455</b>		<b>93,593</b>
			-----		-----

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

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The Trustees (who are also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the FRS 102 (effective January 2019).

**Approved on behalf of the Trustees by:**

.....  
**Joy Allan**  
**Trustee**

Date: 14 August 2023

# Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2023

## 1. ACCOUNTING POLICIES

### **Basis of Accounting**

These financial statements have been prepared under the historical cost convention with the items recognised at cost or transaction unless otherwise stated in the relevant notes to the accounts.

The accounts have been prepared in accordance with the Companies Act 2006 relating to small charitable companies, the Statement of Recommended Practice: Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2019, and with the Charities Act 2011. There has been no change to the accounting policies since last year. No changes have been made to the accounts for previous years.

The Charity constitutes a public benefit entity as defined by FRS 102.

### **Going concern**

Given the position of the balance sheet and the level of liquid resources, the Trustees have identified no material uncertainties that may cast significant doubt over the ability of the Charity to continue as a going concern.

### **Cash Flow Statement**

Exemption has been claimed from preparing a Cash Flow Statement on the grounds that the Charity qualifies as a small company.

### **Donations**

Donations are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

### **Grants receivable**

Grants and donations are included in the SOFA when the Charity has unconditional entitlement to the resources.

### **Gift Aid**

Gift Aid is claimed on items donated to Essential Needs, where the donor has completed a Gift Aid declaration. Gift Aid due is recognised in the month in which the donated item is sold.

### **Investment income**

Income from investments is included in the SOFA in the year in which it is receivable.

### **Expenditure**

All expenditure is accounted for gross, and when incurred. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimated time or floor space basis, as appropriate.

Governance costs (see Note 6) include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the independent examination fees and costs linked to the strategic management of the Charity.

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2023 (continued)

### 1. ACCOUNTING POLICIES *(continued)*

#### **Taxation**

As a registered charity, Essential Needs is not liable to taxation on its investment income and gains, income and gains arising from trading in furtherance of its charitable objectives and charitable donations. Recovery of income tax is made on tax credits arising from receipts under deeds of covenant and gift aid payments. VAT deemed to be irrecoverable is written off in the Statement of Financial Activities in the period to which it relates.

#### **Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of a past event.

#### **Tangible fixed assets**

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following annual rates:

Leasehold Premises	-25% Reducing Balance
Plant and Equipment	-25% Straight Line
Motor Vehicles	-25% Reducing Balance

Items less than £250 are not capitalised and are written off in the year of purchase.

#### **Gifts in kind**

Assets and other gifts in kind given for use by the Charity are recognised as incoming resources at their estimated market value when receivable.

#### **Donated Goods**

The Trustees have carefully considered the practicality of, and the benefit due to the users of the accounts, from valuing the donated goods for resale at the year end. However, due to the large number of small items, and the considerable time it would take, as well as the difficulty in achieving a realistic valuation, it has been decided to continue to recognise donated goods at the point of sale. In addition, the Trustees have concluded that the small movement of the stock held between years would not add to the information presented to users of the accounts.

#### **Stock**

Finished goods bought for resale to the clients are valued at the lower of cost and net realisable value.

#### **Operating lease agreements**

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the period of the lease or to an earlier date if the lease can be determined without financial penalty.

#### **Pension costs**

The Charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### **Accounting for separate funds**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2023 (continued)

### 2. DONATIONS AND GRANTS

	2023 Unrestricted £	2023 Restricted £	<b>2023 Total £</b>	<b>2022 Total £</b>
Grants	-	10,400	10,400	8,217
Donations	650	-	650	582
	-----	-----	-----	-----
<b>Total</b>	<b>650</b>	<b>10,400</b>	<b>11,050</b>	<b>8,799</b>
	-----	-----	-----	-----

### 3. NET OUTGOING RESOURCES FOR THE YEAR

<b>This is stated after charging:</b>	<b>2023 £</b>	<b>2022 £</b>
Independent Examination Fee	743	500
Depreciation	1,065	2,804

### 4. TRUSTEES' REMUNERATION

No trustee was remunerated in the year (2022: £nil). No expenses were reimbursed to Trustees (2022: £nil)

### 5. STAFF COSTS

The staff costs shown in Note 6 relate to eight employees (2022: 8). No employee earned more than £60,000 (2022: nil).

The average number of employees for the year ended 31 March 2023 was 8 (2022: 7), being an average of 4 full time equivalent (2022: 4). The amounts paid to employees were:

	<b>2023 £</b>	<b>2022 £</b>
Gross Pay	111,509	92,502
Social Security costs	2,862	2,069
Pension Payments	2,236	1,804

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2023 (continued)

### 6. TOTAL EXPENDITURE

	Furniture Store 2023 £	Governance 2023 £	Total 2023 £	Total 2022 £
Cost of Beds Sold	15,089		15,089	12,532
Salaries & National Insurance	114,371		114,371	94,572
Pension Contributions	2,236		2,236	1,804
Volunteer & Staff Expenses	325		325	430
Uniform	-		-	122
Training	350		350	-
Rent & Rates	17,932		17,932	14,972
Insurance	3,684		3,684	3,409
Electricity, Gas & Water	2,594		2,594	2,876
Maintenance & cleaning	20,514		20,514	2,145
Covid related Cleaning	63		63	208
Appliance Testing & Workshop	1,484		1,484	1,180
Van Repairs	1,732		1,732	2,379
Van Fuel	2,550		2,550	1,839
Telephone & Broadband	712		712	672
Card Machine	2,724		2,724	2,121
Computer	1,635		1,635	1,885
Postage	24		24	27
Stationery	925		925	225
Bank & Card charges	25		25	24
Marketing	-		-	18
Membership & Conference	335		335	874
Sundry	930		930	741
Equipment <£250	-		-	-
Depreciation	1,065		1,065	2,804
Support costs	144	1,493	1,637	692
<b>Total Expenditure</b>	<b>191,443</b>	<b>1,493</b>	<b>192,936</b>	<b>148,551</b>

### 7. SUPPORT COSTS

	2023 £ Store	2022 £ Store
Independent Examination	743	500
Other Professional Fees	750	-
Recruitment & Payroll Bureau	144	192
	<b>1,637</b>	<b>692</b>

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2023 (continued)

### 8. TANGIBLE ASSETS

	Leasehold Improvements £	Plant & Equipment £	Van £	Total £
<b>Cost</b>				
At 1 April 2022	10,413	15,715	22,414	48,542
Additions	-	657	-	657
<b>At 31 March 2023</b>	<b>10,413</b>	<b>16,372</b>	<b>22,414</b>	<b>49,199</b>
<b>Depreciation</b>				
At 1 April 2022	9,973	15,672	19,235	44,880
Charge for the Year	110	161	794	1,065
<b>At 31 March 2023</b>	<b>10,083</b>	<b>15,833</b>	<b>20,029</b>	<b>45,945</b>
<b>Net Book Value</b>				
As at 31 March 2023	330	539	2,385	3,254
As at 31 March 2022	440	43	3,179	3,662

### 9. DEBTORS

	2023 £	2022 £
Trade Debtors	225	737
Prepayment & Accrued Income	28,241	23,112
Other Debtors	82	109
<b>Total</b>	<b>28,548</b>	<b>23,598</b>

### 10. CREDITORS (amounts falling due within one year)

	2023 £	2022 £
Trade Creditors	2,745	7,669
Accrual & Other Creditors	2,274	1,438
Other Taxation & Social Security	1,637	5,051
	<b>6,656</b>	<b>14,158</b>

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2023 (continued)

### 11. RESTRICTED FUNDS

	At 1 April 2022	Incoming	Outgoing	Transfers	At 31 March 2023
	£	£	£	£	£
North Yorkshire CC	5,550		(5,000)	(550)	-
Terry Bramall Trust	-	5,000	(5,000)	-	-
Charles & Elsie Sykes Trust	-	5,000	-	(4,000)	1,000
Waitrose	-	400	-	(400)	-
	-----	-----	-----	-----	-----
<b>Total</b>	<b>5,550</b>	<b>10,400</b>	<b>(10,000)</b>	<b>(4,950)</b>	<b>1,000</b>
	-----	-----	-----	-----	-----

#### Purpose of Restricted funds

**North Yorkshire CC** - In 2021-22, North Yorkshire County Council paid two grants, which were fully spent in this financial year. The purpose of the grants was as follows:

- A grant of £550 to replace a PC in the office.
- A grant of £5,000 to upgrade the lighting in the Store and also for some remedial electrical work following a review of the electrical installations.

**Terry Bramall Trust** – this grant was made as a contribution to the costs of Store re-decoration and remedial work on the flooring. This fund was fully spent in this financial year.

**Charles & Elsie Sykes Trust** – this grant was given to help the Charity further support those in need. £4,000 of this grant has been applied in this financial year, to provide items to those most in need, for no charge or at a higher than usual discount. This £4,000 represents 50% of the total original ticketed price. In line with the agreed conditions of the grant, the Charity bore the remaining 50% additional discount value of these items.

**Waitrose** – the Charity agreed with Waitrose that this grant would be used to help provide items to help those in need, to keep warm in the winter months, given the challenges of rising fuel prices. Such items included donated heaters, duvets and blankets. All these items were given without charge or at much reduced prices.

### 12. NET ASSET SUMMARY

	Restricted Funds	Unrestricted Funds	Total Funds at 31 March 2023
	£	£	£
Tangible Fixed Assets	-	3,254	3,254
Current Assets	-	29,564	29,564
Cash at Bank/In Hand	1,000	80,293	81,293
Current Liabilities	-	(6,656)	(6,656)
	-----	-----	-----
<b>Total Net Assets</b>	<b>1,000</b>	<b>106,455</b>	<b>107,455</b>
	-----	-----	-----

## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2023 (continued)

### 13. OPERATING LEASES

The Charity entered into a new 3-year lease agreement on 1 October 2022. This agreement has a built-in annual rent increase, from £15,000 to £20,000, commencing 1 October 2023. Buildings Insurance is also payable to the landlord under the terms of the lease.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Due within one year	19,870	9,641
Due between two and five years	31,305	-
	-----	-----
<b>Total amount payable</b>	<b>51,175</b>	<b>9,641</b>
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### 14. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension charge represents the contributions payable by the Charity to the fund and amounted to £2,236 (2022: £1,804).

### 15. CONTROL RELATIONSHIPS

As the Charity is limited by guarantee without share capital no individual has overall control of the Charity.

### 16. RELATED PARTY TRANSACTIONS

#### Trustee remuneration and benefits

During the year, no Trustee received any remuneration or benefits (2022: £nil).

#### Trustee Expenses

During the year, no Trustee was paid any expenses (2022: £nil).

#### Trustee Donations

During the year, no Trustee made a donation (2022: £nil).

#### Key Management Personnel

In the year ended 31 March 2023 key management personnel were paid remuneration of £36,994 (2022: £35,010).

There were no other related party transactions in the year ended 31 March 2023 (2022: £Nil).

**ESSENTIAL NEEDS**

England & Wales - Charity number 1108046

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# Accounts

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**Essential Needs**  
**Report and Accounts**  
**Year Ended 31 March 2022**



**Company Number: 05312941**

**Charity Registration Number: 1108046**



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## **Essentials Needs - Trustees report for the year ended 31 March 2022**

### **CHARITY INFORMATION**

<b>Company Name:</b>	Essential Needs
<b>Company Registration No:</b>	05312941
<b>Charity Number:</b>	1108046

### **Legal Structure and governing document of the Charity**

Essential Needs was constituted as a company limited by guarantee on 14 December 2004. It was registered as a charity on 11 February 2005.

The Trustees are directors under Companies legislation and are also Trustees under Charities legislation and have responsibilities, as such, under both company law and charity law.

The Trustees are all individuals.

The provisions regulating the purpose and administration of the Charity are contained in the Memorandum and Articles of Association which (as amended August 2008) are filed with the registrar of companies for England and Wales.

### **The principal operating address, telephone number and email address of the Charity are:**

**Address:**

Back Gladstone Street  
Harrogate  
HG2 8DF

**Telephone** : 01423 870040

**Email** : manager.essentialneeds@gmail.com

### **Details of the Independent Examiner**

Claire Welling  
West Yorkshire Community Accountancy Service CIO  
Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW  
Charity Number 1076962

### **Bankers**

Leeds Building Society  
Holbeck House  
105 Albion Street  
Leeds  
LS1 5AS

Co-operative Bank plc  
P O Box 101  
1 Balloon Street  
Manchester



## **Essential Needs - Trustees report for the year ended 31 March 2022 (continued)**

**The Trustees in office on the date the report was approved were:**

Joy Allan  
Anthony Campbell  
Susan Donnelly  
John Ennis  
Lucy Hind  
Martin Jobbings  
Christine Norton  
Peter Rogers

**The Trustees who served as a director in the reporting period, and if applicable, their dates of appointment or resignation during the year, were:**

<b>Name</b>	<b>Appointed</b>	<b>Resigned /Retired</b>
Joy Allan		
Anthony Campbell	14 April 2021	
Susan Donnelly		
John Ennis		
Lucy Hind		
Martin Jobbings		
Christine Norton		
Peter Rogers	16 June 2021	

Trustees are appointed to office by resolution of the members of the Charity in a general meeting. The trustees may appoint a new trustee but that person must retire at the next annual general meeting. No other person or external body is entitled to appoint new trustees. Recruitment of new trustees is by the existing trustees.

One third of the Trustees (or the number nearest to one third) retire each year. Martin Jobbings, John Ennis and Susan Donnelly will retire at the AGM.

All the Trustees are members of the Charity.



## **Essential Needs - Trustees report for the year ended 31 March 2022 (continued)**

### **TRUSTEES' ANNUAL REPORT**

#### **A - OBJECTS AND ACTIVITIES OF THE CHARITY**

The Charity has the following objectives:

1. To relieve either generally or individually persons resident in Harrogate and the surrounding area who are in conditions of need, hardship or distress by the provision of furniture and other household accessories calculated to reduce the need, hardship or distress of such persons.
2. To protect and preserve the environment for the benefit of the public, including (without limitation), the re-use and recycling of goods and their component parts and materials as a means of waste reduction.

#### **B - SUMMARY OF MAIN ACTIVITIES OF THE CHARITY IN RELATION TO ITS OBJECTS**

The Charity offers its beneficiaries the chance to turn their house into a home, by the provision of as wide a choice of furniture and household goods as is possible, all items being available at low cost. The Charity is staffed by full and part-time employees, assisted by volunteers to collect, sort and deliver the household goods, and to help with office administration.

#### **C - THE MAIN ACTIVITIES UNDERTAKEN DURING THE YEAR TO FURTHER THE CHARITY'S PURPOSE FOR PUBLIC BENEFIT**

In accordance with S17(5) of the Charities Act 2011, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit in planning future activities. In particular, the Trustees consider how planned activities will contribute to the objectives of the Charity.

#### **D - THE CONTRIBUTION OF VOLUNTEERS DURING THE YEAR**

The Charity currently has a governing board of 8 Trustees, 5 of whom also volunteer to assist with operational aspects.

A total of 22 volunteers have assisted with the running of the Charity on a regular basis, both in administration and collection/delivery work. The office work involved the organisation of collections and deliveries, the registration of new clients, stock control and the sale of furniture. Collection and delivery work involved the viewing and collection of household goods, predominantly furniture and white goods, collection of those goods from donors, and delivering items to clients. In addition, volunteers help with the PAT testing of electrical goods.

#### **E - THE MAIN ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY DURING THE YEAR**

The pandemic regulations came to an end soon after the beginning of the period.

With the lifting of the restrictions there proved to be pent-up demand for household items which resulted in the Charity operating successfully throughout the remainder of the period. 498 customers who qualified for a discount made between them a total saving of over £17,000 on purchases of household items.



## **Essential Needs - Trustees report for the year ended 31 March 2022 (continued)**

Over 6,000 household items and over 500 electrical items were sold in the period, as a result of which approximately 100 tonnes of items were diverted from landfill.

Our volunteers contributed over 3,000 hours of unpaid work to the operation of the Charity.

The Charity supports other charities within its operating area which provide specific parts of the community with particular housing needs by prioritising the supply to them of items on preferential terms.

### **F - THE DIFFERENCE THE CHARITY'S PERFORMANCE HAS MADE TO ITS BENEFICIARIES AND TO WIDER SOCIETY**

The Charity benefits the public in the following ways.

Clients who receive low-cost goods from the Charity are helped to improve their lives, their health and wellbeing. These benefits result in a reduction in their needs being met from public resources.

Donors of goods to the Charity are contributing to reducing landfill and helping the public authorities to meet recycling targets. Recycling conserves energy, reduces air and water pollution, reduces greenhouse gases, and conserves natural resources. It also reduces the need for extracting, refining and processing raw materials.

The volunteers all make their personal contributions which are valued by the local community and wider society.

### **G - FINANCIAL REVIEW**

#### **Financial Position on 31 March 2022**

The financial position of the Charity on 31 March 2022 and the comparatives for the prior year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Unrestricted Revenue funds available for General purposes of the Charity	88,043	78,938
Liquid reserves (excluding fixed assets acquired for delivery of the Charity's aims)	89,931	72,471

#### **Financial Performance**

The Charity reopened for business on 12<sup>th</sup> April 2021, so only a few days of the period were lost to lockdown.

The sales performance of the Charity showed an improvement on previous years and was consistent throughout the period, with sales of donated items being £109,942 and of new furniture £19,467. Improved performance came partly from the increased needs of our customer base, improved efficiencies and longer store opening hours (up from 4.5 day a week to 5.5 days). Gift Aid was a significant income source at £15,173. Total income including donations and grants was £163,206. Total expenditure was £148,551 giving a net income for the period of £14,655.

The Trustees are satisfied with the financial performance of the Charity during the year.

The position at 31 March 2022 was that the unrestricted funds of the Charity were £9,105 higher than the previous year. The Trustees are satisfied with this position.



## **Essential Needs - Trustees report for the year ended 31 March 2022 (continued)**

The Charity's budget for 2022/23 indicates that a surplus can be expected. The charity is not significantly exposed to debtors or dependent on grant income. For these reasons the Trustees consider that there are no material uncertainties over the ongoing trading position.

Therefore, the Trustees consider that the Charity's assets are adequate to fulfil its obligations and its ability to continue to operate as a going concern.

Specific changes in fixed assets are detailed in the Notes to the Accounts.

### **H - RESERVES POLICY**

Following the Charity Commission guidance on risk, and as part of its management strategy, the Charity sets aside some of its income to form a reserve against any future shortfall in funds. Income from sales to fund ongoing trading cannot be guaranteed, and funding for major capital expenditure might need funding from reserves if grant funding cannot be secured.

The Trustees consider that a minimum reserve of 50% of annual budgeted expenditure would be adequate to enable the Charity to review its operation should revenue fall significantly. This would give time to review the method of operation and/or seek alternative sources of funding, as well as to meet obligations under the lease of the premises.

The Trustees consider that the maximum figure to hold in reserves should be 100% of annual budgeted expenditure, as this would be adequate to cover deficits over an extended period. Furthermore, plans for future periods will potentially entail incurring higher expenditure in advance of higher income, with a consequential deficit in the short to medium term.

As a result, the policy is that reserves should be in the range of 50% to 100% of the annual budgeted expenditure.

Budgeted expenditure for 2022/23 is £151,992. On 31 March 2022 Unrestricted Funds excluding Fixed Assets were £84,381 and the bank and cash balances stood at £79,130.

The reserves fall within the range set out above and are considered to be adequate by the Trustees.

### **I - PLANS FOR THE FUTURE**

The Charity has successfully implemented a policy of increased opening hours and employing additional staff. It is considered that the needs of our customers are better served as a result, with improved sales, giving greater flexibility on supporting customers and other charitable organisations with overlapping aims.

It is considered that further sales can be generated by planning for and committing to a medium term occupancy of the existing premises, and investment in improving the store and its facilities. This will lead to an improved retail environment for customers and a better working space for staff and volunteers.



## **Essential Needs - Trustees report for the year ended 31 March 2022 (continued)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. The Trustees interpret this responsibility as requiring them to prepare the accounts according to the Charities SORP (FRS 102).

In particular, the Companies Act 2006 and charity law require the Trustees to prepare financial statements for each financial year and of the surplus or deficit of the Charity. In preparing those financial statements, the Trustees are required to:

- Prepare the accounts in accordance with UK Generally Accepted Accounting Practice
- Make judgement and estimates that are reasonable and prudent
  
- Prepare the financial statements on the going concern basis unless it is appropriate to assume that the Charity will not remain in business
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which are sufficient to show and explain the Charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **METHOD OF PREPARATION OF THE ACCOUNTS**

The financial statements are set out on pages 9 to 17.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102) (effective 1 January 2019)) and with the Charities Act 2011, and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 28 July 2022

M.H. Jobbings

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**Martin Jobbings**  
Trustee



## **INDEPENDENT EXAMINER'S REPORT to the trustees of Essential Needs**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2022, which are set out on pages 9 to 17.

### **Responsibilities and basis of report**

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

Having satisfied myself that the accounts of the charitable 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 your charity's accounts as carried out under section 145 of the Charities Act ('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**

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

- 1 accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts 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 accounts 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)].

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.

Signed: Claire Welling

29 July 2022

### **West Yorkshire Community Accountancy Service CIO**

Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW



**Essential Needs - STATEMENT of FINANCIAL ACTIVITIES (including the summary Income and Expenditure account) for the year ended 31 March 2022**

		Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021
	Notes	£	£	£	£	£	£
<b>INCOME FROM</b>							
Donations & Grants	2	3,249	5,550	8,799	19,592	15,686	35,278
<b>Charitable Activities</b>							
Sale of Donated Furniture		109,942	-	109,942	59,581	-	59,581
Gift Aid on Sale of Donated Furniture		15,173	-	15,173	8,424	-	8,424
Sale of New Furniture		19,467	-	19,467	13,111	-	13,111
Delivery Charges		8,574	-	8,574	4,503	-	4,503
Commission Charges		769	-	769	427	-	427
Other Income		457	-	457	300	-	300
<b>Investments</b>							
Bank Interest		25	-	25	23	-	23
<b>Total Income</b>		<b>157,656</b>	<b>5,550</b>	<b>163,206</b>	<b>105,961</b>	<b>15,686</b>	<b>121,647</b>
<b>EXPENDITURE ON CHARITABLE ACTIVITIES</b>							
Direct Costs	6 & 7	147,859	-	147,859	107,499	15,827	123,326
Support Cost	6 & 7	692	-	692	644	-	644
<b>Total Expenditure</b>	<b>6 &amp; 7</b>	<b>148,551</b>	<b>-</b>	<b>148,551</b>	<b>108,143</b>	<b>15,827</b>	<b>123,970</b>
<b>Net Income/(Expenditure)</b>		<b>9,105</b>	<b>5,550</b>	<b>14,655</b>	<b>(2,182)</b>	<b>(141)</b>	<b>(2,323)</b>
<b>Total Funds brought forward</b>		<b>78,938</b>	<b>-</b>	<b>78,938</b>	<b>81,120</b>	<b>141</b>	<b>81,261</b>
<b>Balance at 31 March 2022</b>		<b>88,043</b>	<b>5,550</b>	<b>93,593</b>	<b>78,938</b>	<b>-</b>	<b>78,938</b>

The statement of financial activities includes all gains and losses recognised in the year. Incoming and outgoing resources arise from the Charity's continuing operations. No activities were acquired or discontinued during the year.



## Essential Needs - BALANCE SHEET as at 31 March 2022

	<i>Notes</i>	2022 £	2022 £	2021 £	2021 £
<b>FIXED ASSETS</b>					
Tangible Assets	8		3,662		6,467
<b>CURRENT ASSETS</b>					
Stock		1,001		595	
Debtors	9	846		1,092	
Prepayments & Accrued Income	9	23,112		15,448	
Cash at Bank/In Hand		79,130		65,983	
		-----		-----	
		<b>104,089</b>		<b>83,118</b>	
<b>LIABILITIES</b>					
Creditors falling due within One Year	10		(14,158)		(10,647)
<b>NET CURRENT ASSETS</b>					
			<b>89,931</b>		<b>72,471</b>
			-----		-----
<b>TOTAL NET ASSETS</b>					
	<b>12</b>		<b>93,593</b>		<b>78,938</b>
			-----		-----
<b>Charity Funds</b>					
Unrestricted Revenue Funds			88,043		78,938
Restricted Funds	11		5,550		-
			-----		-----
<b>TOTAL CHARITY FUNDS</b>					
	<b>12</b>		<b>93,593</b>		<b>78.938</b>
			-----		-----

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

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The Trustees (who are also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the FRS 102 (effective January 2019).

**Approved on behalf of the Trustees by:**

.....  
**Martin Jobbings**  
 Trustee

Date: 28 July 2022



## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2022

### 1. ACCOUNTING POLICIES

#### **Basis of Accounting**

These financial statements have been prepared under the historical cost convention with the items recognised at cost or transaction unless otherwise stated in the relevant notes to the accounts.

The accounts have been prepared in accordance with the Companies Act 2006 relating to small charitable companies, the Statement of Recommended Practice: Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2019, and with the Charities Act 2011. There has been no change to the accounting policies since last year. No changes have been made to the accounts for previous years.

The Charity constitutes a public benefit entity as defined by FRS 102.

#### **Going concern**

Given the position of the balance sheet and the level of liquid resources, the Trustees have identified no material uncertainties that may cast significant doubt over the ability of the Charity to continue as a going concern.

#### **Cash Flow Statement**

Exemption has been claimed from preparing a Cash Flow Statement on the grounds that the Charity qualifies as a small company.

#### **Donations**

Donations are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

#### **Grants receivable**

Grants and donations are included in the SOFA when the Charity has unconditional entitlement to the resources.

#### **Gift Aid**

Gift Aid is claimed on items donated to Essential Needs, where the donor has completed a Gift Aid declaration. Gift Aid due is recognised in the month in which the donated item is sold.

#### **Investment income**

Income from investments is included in the SOFA in the year in which it is receivable

#### **Expenditure**

All expenditure is accounted for gross, and when incurred. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimated time or floor space basis, as appropriate.

Governance costs (see Note 6) include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the independent examination fees and costs linked to the strategic management of the Charity.



## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2022 (continued)

### 1. ACCOUNTING POLICIES *(continued)*

#### **Taxation**

As a registered charity, Essential Needs is not liable to taxation on its investment income and gains, income and gains arising from trading in furtherance of its charitable objectives and charitable donations. Recovery of income tax is made on tax credits arising from receipts under deeds of covenant and gift aid payments. VAT deemed to be irrecoverable is written off in the Statement of Financial Activities in the period to which it relates.

#### **Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of a past event.

#### **Tangible fixed assets**

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following annual rates:

Leasehold Premises	-25% Reducing Balance
Plant and Equipment	-25% Straight Line
Motor Vehicles	-25% Reducing Balance

Items less than £250 are not capitalised and are written off in the year of purchase.

#### **Gifts in kind**

Assets and other gifts in kind given for use by the Charity are recognised as incoming resources at their estimated market value when receivable.

#### **Donated Goods**

The Trustees have carefully considered the practicality of, and the benefit due to the users of the accounts, from valuing the donated goods for resale at the year end. However, due to the large number of small items, and the considerable time it would take, as well as the difficulty in achieving a realistic valuation, it has been decided to continue to recognise donated goods at the point of sale. In addition, the Trustees have concluded that the small movement of the stock held between years would not add to the information presented to users of the accounts.

#### **Stock**

Finished goods bought for resale to the clients are valued at the lower of cost and net realisable value.

#### **Operating lease agreements**

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the period of the lease or to an earlier date if the lease can be determined without financial penalty.

#### **Pension costs**

The Charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### **Accounting for separate funds**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.



## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2022 (continued)

### 2. DONATIONS AND GRANTS

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Grants	2,667	5,550	8,217	35,117
Donations	582	-	582	161
<b>Total</b>	<b>3,249</b>	<b>5,550</b>	<b>8,799</b>	<b>35,278</b>

### 3. NET OUTGOING RESOURCES FOR THE YEAR

<b>This is stated after charging:</b>	<b>2022</b> £	<b>2021</b> £
Independent Examination Fee	500	500
Depreciation	2,804	3,107

### 4. TRUSTEES' REMUNERATION

No trustee was remunerated in the year (2021: £nil). No expenses were reimbursed to Trustees (2021: £nil)

### 5. STAFF COSTS

The staff costs shown in Note 6 relate to nine employees (2021: 6). No employee earned more than £60,000 (2021: nil).

The average number of employees for the year ended 31 March 2022 was 7 (2021: 5), being an average of 4 full time equivalent (2021: 3). The amounts paid to employees were:

	<b>2022</b> £	<b>2021</b> £
Gross Pay	92,502	75,169
Social Security costs	2,069	979
Pension Payments	1,804	1,434



## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2022 (continued)

### 6. TOTAL EXPENDITURE

	Furniture Store 2022 £	Governance 2022 £	Total 2022 £	Total 2021 £
Cost of Beds Sold	12,532		12,532	8,092
Salaries & National Insurance	94,572		94,572	76,148
Pension Contributions	1,804		1,804	1,434
Volunteer & Staff Expenses	430		430	171
Uniform	122		122	635
Training	-		-	450
Rent & Rates	14,972		14,972	16,000
Insurance	3,409		3,409	4,620
Electricity, Gas & Water	2,876		2,876	2,443
Maintenance & cleaning	2,145		2,145	2,416
Covid related Cleaning	208		208	1,116
Appliance Testing & Workshop	1,180		1,180	835
Van Repairs	2,379		2,379	864
Van Fuel	1,839		1,839	925
Telephone & Broadband	672		672	649
Card Machine	2,121		2,121	1,161
Computer	1,885		1,885	1,324
Postage	27		27	64
Stationery	225		225	288
Bank & Card charges	24		24	24
Marketing	18		18	60
Membership & Conference	874		874	(310)
Sundry	741		741	259
Equipment <£250	-		-	551
Depreciation	2,804		2,804	3,107
Support costs	192	500	692	644
<b>Total Expenditure</b>	<b>148,051</b>	<b>500</b>	<b>148,551</b>	<b>123,970</b>

### 7. SUPPORT COSTS

	2022 £ Store	2021 £ Store
Independent Examination	500	500
Recruitment & Payroll Bureau	192	144
	<b>692</b>	<b>644</b>



## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2022 (continued)

### 8. TANGIBLE ASSETS

	Leasehold Improvements	Plant & Equipment	Van	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	10,413	15,715	22,414	48,542
Additions	-	-	-	-
<b>At 31 March 2022</b>	<b>10,413</b>	<b>15,715</b>	<b>22,414</b>	<b>48,542</b>
<b>Depreciation</b>				
At 1 April 2021	9,827	14,073	18,175	42,075
Charge for the Year	147	1,598	1,059	2,805
<b>At 31 March 2022</b>	<b>9,873</b>	<b>15,672</b>	<b>19,235</b>	<b>44,880</b>
<b>Net Book Value</b>				
As at 31 March 2022	439	44	3,179	3,662
As at 31 March 2021	586	1,642	4,239	6,467

### 9. DEBTORS

	2022	2021
	£	£
Trade Debtors	737	485
Prepayment & Accrued Income	23,112	15,448
Other Debtors	109	607
<b>Total</b>	<b>23,598</b>	<b>16,540</b>

### 10. CREDITORS (amounts falling due within one year)

	2022	2021
	£	£
Trade Creditors	7,669	5,910
Accrual & Other Creditors	1,438	1,492
Other Taxation & Social Security	5,051	3,245
<b>Total</b>	<b>14,158</b>	<b>10,647</b>



## Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2022 (continued)

### 11. RESTRICTED FUNDS

	At 1 April 2021	Incoming	Outgoing	Transfers	At 31 March 2022
	£	£	£	£	£
North Yorkshire CC	-	5,550	-	-	5,550
<b>Total</b>	-	<b>5,550</b>	-	-	<b>5,550</b>

### Purpose of Restricted funds

In 2021-22, North Yorkshire County Council paid two grants as follows:

- A grant of £550 to replace a PC in the office.
- A grant of £5,000 to upgrade the lighting in the Store and also for some remedial electrical work following a review of the electrical installations.

The expenditure relating to these funds is expected to take place early in the 22-23 year, following the receipt of quotes from contractors, and as such they remain unspent at 31 March 2022.

### 12. NET ASSET SUMMARY

	Restricted Funds	Unrestricted Funds	Total Funds at 31 March 2022
	£	£	£
Tangible Fixed Assets	-	3,662	<b>3,662</b>
Current Assets	-	24,959	<b>24,959</b>
Cash at Bank/In Hand	5,550	73,580	<b>79,130</b>
Current Liabilities	-	(14,158)	<b>(14,158)</b>
<b>Total Net Assets</b>	<b>5,550</b>	<b>88,043</b>	<b>93,593</b>

### 13. OPERATING LEASES

The Charity took up a three-year lease for the Back Gladstone Street premises, from 1 October 2019 with an annual rent at £16,000 and annual buildings insurance of £673 in the first year. In April 2021 the landlord agreed to defer 50% of the rent due for the quarter April 2021 to June 2021. The deferred rent for that quarter was added to the quarterly rental for the remainder of the lease, which expires on 30 September 2022.

	2022	2021
	£	£
Due within one year	9,641	15,543
Due between two and five years	-	9,602
<b>Total amount payable</b>	<b>9,641</b>	<b>25,055</b>



## **Essential Needs - NOTES to the Financial Statements for the Year ended 31 March 2022 (continued)**

### **14. PENSION COMMITMENTS**

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension charge represents the contributions payable by the Charity to the fund and amounted to £1,804 (2021: £1,434).

### **15. CONTROL RELATIONSHIPS**

As the Charity is limited by guarantee without share capital no individual has overall control of the Charity.

### **16. RELATED PARTY TRANSACTIONS**

#### **Trustee remuneration and benefits**

During the year, no Trustee received any remuneration or benefits (2021: £nil).

#### **Trustee Expenses**

During the year, no Trustee was paid any expenses (2021: £nil).

#### **Key Management Personnel**

In the year ended 31 March 2022 key management personnel were paid remuneration of £35,010 (2021: £31,797).

There were no other related party transactions in the year ended 31 March 2022 (2021: £Nil).

**ESSENTIAL NEEDS**

England & Wales - Charity number 1108046

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# Accounts

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**Essential Needs**  
**Report and Accounts**  
**31 March 2021**





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## CHARITY INFORMATION

**Company Name:** Essential Needs  
**Company Registration No:** 05312941  
**Charity Number:** 1108046

### Legal Structure and governing document of the Charity

Essential Needs was constituted as a company limited by guarantee on 14 December 2004. It was registered as a charity on 11 February 2005.

The Trustees are directors under Companies legislation and are also Trustees under Charities legislation and have responsibilities, as such, under both company law and charity law.

The Trustees are all individuals.

The provisions regulating the purpose and administration of the Charity are contained in the Memorandum and Articles of Association which (as amended August 2008) are filed with the registrar of companies for England and Wales.

### The principal operating address, telephone number and email address of the Charity are:

**Address:**

Back Gladstone Street  
Harrogate  
HG2 8DF

**Telephone** : 01423 870040

**Email** : manager.essentialneeds@gmail.com

### Details of the Independent Examiner

Claire Welling  
West Yorkshire Community Accounting Service  
Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW  
Charity Number 1076962

### Bankers

Leeds Building Society  
Holbeck House  
105 Albion Street  
Leeds  
LS1 5AS

Co-operative Bank plc  
P O Box 101  
1 Balloon Street  
Manchester  
M60 4EP



**The Trustees in office on the date the report was approved were:**

Joy Allan  
Anthony Campbell  
Susan Donnelly  
John Ennis  
Lucy Hind  
Martin Jobbings  
Christine Norton  
Peter Rogers

**The Trustees who served as a director in the reporting period, and if applicable, their dates of appointment or resignation during the year, were:**

<b>Name</b>	<b>Appointed</b>	<b>Resigned /Retired</b>
Joy Allan		
Susannah Creeley		25 March 2021
Susan Donnelly	12 November 2020	
Lesley Davis		8 October 2020
John Ennis		
Lucy Hind	12 November 2020	
Martin Jobbings		
Christine Norton		
David Siddans		8 October 2020

One third of the Trustees (or the number nearest to one third) retire each year. Joy Allan and Christine Norton will retire at the AGM.

All the Trustees are members of the Charity.



## **TRUSTEES' ANNUAL REPORT**

### **A - OBJECTS AND ACTIVITIES OF THE CHARITY**

The Charity has the following objectives:

1. To relieve either generally or individually persons resident in Harrogate and the surrounding area who are in conditions of need, hardship or stress by the provision of furniture and other household accessories calculated to reduce the need, hardship or distress of such persons.
2. To protect and preserve the environment for the benefit of the public, including (without limitation), the re-use and recycling of goods and their component parts and materials as a means of waste reduction.

### **B - SUMMARY OF MAIN ACTIVITIES OF THE CHARITY IN RELATION TO ITS OBJECTS**

The Charity offers its beneficiaries the chance to turn their house into a home, by the provision of as wide a choice of furniture and household goods as is possible, all items being available at low cost. The Charity is staffed by part-time employees, assisted by volunteers to collect, sort and deliver the household goods, and to help with office administration.

### **C - THE MAIN ACTIVITIES UNDERTAKEN DURING THE YEAR TO FURTHER THE CHARITY'S PURPOSE FOR PUBLIC BENEFIT**

In accordance with S17(5) of the Charities Act 2011, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit in planning future activities. In particular, the Trustees consider how planned activities will contribute to the objectives of the Charity.

### **D - THE CONTRIBUTION OF VOLUNTEERS DURING THE YEAR**

The Charity currently has a governing board of 8 Trustees, 5 of whom also volunteer to assist with operational aspects.

A total of 25 volunteers have assisted with the running of the Charity on a regular basis, both in administration and collection/delivery work. Office work involves the organising of collections and deliveries, the registration of new clients, stock control and the sale of furniture to clients. Collection/delivery work involves the viewing and collection of household goods, predominantly furniture and white goods, and the delivery of such items to clients. In addition, all electrical goods must be PAT tested, which is done by volunteers.

### **E - THE MAIN ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY DURING THE YEAR**

Performance during the period was constrained by the series of mandatory closures under the pandemic regulations. Although it was possible during part of the lockdown periods to operate a skeleton service to support local charities and people in severe need, in effect the Charity was unable to operate normally for half the year.

As a result the trading level was down but nonetheless we sold two-thirds of the number of items that we had sold in the whole of the previous year.

New items of furniture are now sourced and are in demand from our clients and constitute nearly 20% of sales.

Several of our volunteers were unable to be involved even during the 6 months of operating, because of individual vulnerability and the need for shielding throughout the period of the Covid pandemic. Nonetheless the volunteers contributed over 1,500 hours of unpaid work.



Our activities resulted in approximately 50 tonnes of material being diverted from landfill.

Over 6 tonnes of electrical equipment were donated of which 298 items were reused.

The Charity has identified other charities within its operating area which provide for specific parts of the community with particular housing needs, and the need to furnish and equip such housing. Schemes were initiated to assist those charities by prioritising the supply of items on preferential terms. This has proved successful.

## **F - THE DIFFERENCE THE CHARITY'S PERFORMANCE HAS MADE TO ITS BENEFICIARIES AND TO WIDER SOCIETY**

The Charity benefits the public in the following ways.

Clients who receive low-cost goods from the Charity are helped to improve their lives, their health and wellbeing. These benefits result in a reduction in their needs being met from public resources.

Donors of goods to the Charity are contributing to reducing landfill and helping the public authorities to meet recycling targets. Recycling conserves energy, reduces air and water pollution, reduces greenhouse gases, and conserves natural resources. It also reduces the need for extracting refining and processing raw materials.

The volunteers all make their personal contributions which are valued by the local community and wider society.

## **G - FINANCIAL REVIEW**

### **Financial Position on 31 March 2021**

The financial position of the Charity on 31 March 2021 and the comparatives for the prior year were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Unrestricted Revenue funds available for General purposes of the Charity	78,938	81,261
Liquid reserves (excluding fixed assets acquired for delivery of the Charity's aims)	72,471	72,284

### **Financial Performance**

At the beginning of the year the Charity was one week into the enforced closure brought on by the public health emergency caused by the Covid pandemic. As a result the store was closed, and the trading operation was suspended. Over the course of the year the Charity was only able to operate normally for 6 months. During those 6 months the sales performance was highly successful, partly because of the pent-up demand in the customer base which drove greater sales, and partly because of the improved systems that had been put in place over the previous 2 years.

Coupled with the improved sales performance the Charity benefited from Government financial support of some £32,000. This went a long way towards compensating for the income lost through the suspension of trading.

The resulting financial performance was close to break-even, with expenditure exceeding net income by £2,323. In the circumstances, the Trustees are satisfied with the financial performance of the Charity during the year.

The position at 31 March 2021 was that the unrestricted funds of the Charity were marginally lower than the previous year although cash balances were over £4,000 higher. The Trustees are satisfied with this position.



The Trustees note the trading success of the Charity during that part of the year when it was permitted to operate, and also the sustained high level of trading after reopening in April 2021. The Charity's budget for 2021/22 indicates that a surplus can be expected. The charity is not significantly exposed to debtors or dependent on grant income.

For these reasons the Trustees consider that there are no material uncertainties over the ongoing trading position. Whilst there exists the possibility of a return of the Covid issue and consequential lockdown, the experience of the last year shows that Government financial support can reasonably be expected if restrictions on operating are imposed.

Therefore, the Trustees consider that the Charity's assets are adequate to fulfil its obligations and its ability to continue to operate as a going concern.

Specific changes in fixed assets are detailed in the Notes to the Accounts.

## **H - RESERVES POLICY**

Following the Charity Commission guidance on risk, and as part of its management strategy, the Charity sets aside some of its income to form a reserve against any future shortfall in funds. Income from sales to fund ongoing trading cannot be guaranteed, and funding for major capital expenditure might need funding from reserves if grant funding cannot be secured.

The Trustees consider that a minimum reserve of 50% of annual budgeted expenditure would be adequate to enable the Charity to review its operation should revenue fall significantly. This would give time to review the method of operation and/or seek alternative sources of funding, as well as to meet obligations under the lease of the premises.

The Trustees consider that the maximum figure to hold in reserves should be 100% of annual budgeted expenditure, as this would be adequate to cover deficits over an extended period. Furthermore, plans for future periods will potentially entail incurring higher expenditure in advance of higher income, with a consequential deficit in the short to medium term.

As a result, the policy is that reserves should be in the range of 50% to 100% of the annual budgeted expenditure.

Budgeted expenditure for 2021/22 is £128,761. On 31 March 2021 Unrestricted Funds excluding Fixed Assets were £72,471 (2020: £72,143) and the bank and cash balances stood at £65,983 (2020: £61,771).

The reserves fall within the range set out above and are considered to be adequate by the Trustees.

## **I - PLANS FOR THE FUTURE**

Steps to implement the strategy for improving the efficiency and effectiveness of the Charity, and for the improved delivery of its aims, were deferred due to the prevailing uncertainty caused by the public health emergency.

With the emergence from lockdown in April 2021 it was soon apparent that economic conditions were favourable for the strategy to restart. This entails increasing opening hours and recruiting additional staff. Based on an understanding of our clients' needs and their shopping routines we anticipate that the additional sales that will be generated by longer opening hours will cover the costs incurred. Nonetheless the longer opening hours will be assessed after 6 months to ascertain the success of the plan, and steps will be taken as appropriate.



## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. The Trustees interpret this responsibility as requiring them to prepare the accounts according to the Charities SORP (FRS 102).

In particular, the Companies Act 2006 and charity law require the Trustees to prepare financial statements for each financial year and of the surplus or deficit of the Charity. In preparing those financial statements, the Trustees are required to:

- Prepare the accounts in accordance with UK Generally Accepted Accounting Practice
- Make judgement and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is appropriate to assume that the Charity will not remain in business
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which are sufficient to show and explain the Charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### METHOD OF PREPARATION OF THE ACCOUNTS

The financial statements are set out on pages 9 to 17.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102) (effective 1 January 2019)) and with the Charities Act 2011, and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 6 August 2021

M.H. Jobbings

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**Martin Jobbings**  
Trustee

## INDEPENDENT EXAMINER'S REPORT

### Independent examiner's report to the trustees of Essential Needs

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2021, which are set out on pages 9 to 16.

#### Responsibilities and basis of report

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

Having satisfied myself that the accounts of the charitable 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 your charity's accounts as carried out under section 145 of the Charities Act ('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

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

- 1 accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts 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 accounts 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)].

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.

Signed: Claire Welling

9 August 2021

#### West Yorkshire Community Accounting Service

Stringer House  
34 Lupton Street  
Leeds  
LS10 2QW

## STATEMENT OF FINANCIAL ACTIVITIES

		Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £
<b>INCOME FROM</b>							
Donations & Grants	<b>2</b>	15,686	19,592	<b>35,278</b>	1,248	421	<b>1,669</b>
Gift Aid		-	8,424	<b>8,424</b>	-	10,841	<b>10,841</b>
<b>Charitable Activities</b>							
Sales of Donated Furniture		-	59,581	<b>59,581</b>	-	75,427	<b>75,427</b>
<b>Sale of New Furniture</b>		-	13,111	<b>13,111</b>	-	17,027	<b>17,027</b>
<b>Delivery Charges</b>		-	4,503	<b>4,503</b>	-	6,269	<b>6,269</b>
<b>Commission Charges</b>		-	427	<b>427</b>	-	529	<b>529</b>
<b>Other Income</b>		-	300	<b>300</b>	-	376	<b>376</b>
<b>Investments</b>							
Bank Interest		-	23	<b>23</b>	-	24	<b>24</b>
<b>Total Income</b>		<b>15,686</b>	<b>105,961</b>	<b>121,647</b>	<b>1,248</b>	<b>110,914</b>	<b>112,162</b>
<b>EXPENDITURE</b>							
Charitable Activities	<b>3</b>	15,827	108,143	<b>123,970</b>	831	98,886	<b>99,717</b>
<b>Total Expenditure</b>	<b>6 &amp; 7</b>	<b>15,827</b>	<b>108,143</b>	<b>123,970</b>	<b>831</b>	<b>98,886</b>	<b>99,717</b>
Net Income/(Expenditure) before Transfers		(141)	(2,182)	<b>(2,323)</b>	417	12,028	<b>12,445</b>
<b>Transfers between Funds</b>		-	-	-	<b>(417)</b>	<b>417</b>	-
<b>Net Income/(Expenditure) for the Year</b>		<b>(141)</b>	<b>(2,182)</b>	<b>(2,323)</b>	-	<b>12,445</b>	<b>12,445</b>
<b>Total Funds brought forward</b>		141	81,120	<b>81,261</b>	141	68,675	<b>68,816</b>
<b>Balance at 31 March 2021</b>		-	<b>78,938</b>	<b>78,938</b>	<b>141</b>	<b>81,120</b>	<b>81,261</b>

The statement of financial activities includes all gains and losses recognised in the year. Incoming and outgoing resources arise from the Charity's continuing operations. No activities were acquired or discontinued during the year.

## BALANCE SHEET

	<i>Notes</i>	<b>2021</b> £	<b>2021</b> £	<b>2020</b> £	<b>2020</b> £
<b>FIXED ASSETS</b>					
Tangible Assets	8		6,467		8,977
<b>CURRENT ASSETS</b>					
Stock		595		470	
Debtors	9	1,092		131	
Prepayments & Accrued Income	9	15,448		14,453	
Cash at Bank/In Hand		65,983		61,771	
		-----		-----	
		<b>83,118</b>		<b>76,825</b>	
<b>LIABILITIES</b>					
Creditors falling due within One Year	10		(10,647)		(4,541)
<b>NET CURRENT ASSETS</b>					
			<b>72,471</b>		<b>72,284</b>
<b>TOTAL NET ASSETS</b>					
	<b>12</b>		<b>78,938</b>		<b>81,261</b>
<b>Charity Funds</b>					
Unrestricted Revenue Funds			78,938		81,120
Restricted Funds	11		-		141
			-----		-----
<b>TOTAL CHARITY FUNDS</b>	<b>12</b>		<b>78,938</b>		<b>81,261</b>
			-----		-----

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

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476. The Trustees (who are also the directors for the purposes of company law) acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the FRS 102 (effective January 2019).

**Approved on behalf of the Trustees by:**

**Martin Jobbings**  
Trustee

6 August 2021

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### **Basis of Accounting**

These financial statements have been prepared under the historical cost convention with the items recognised at cost or transaction unless otherwise stated in the relevant notes to the accounts.

The accounts have been prepared in accordance with the Companies Act 2006 relating to small charitable companies, the Statement of Recommended Practice: Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2019, and with the Charities Act 2011.

There has been no change to the accounting policies since last year.

No changes have been made to the accounts for previous years.

The Charity constitutes a public benefit entity as defined by FRS 102.

#### **Going concern**

Given the position of the balance sheet and the level of liquid resources, the Trustees have identified no material uncertainties that may cast significant doubt over the ability of the Charity to continue as a going concern.

#### **Cash Flow Statement**

Exemption has been claimed from preparing a Cash Flow Statement on the grounds that the Charity qualifies as a small company.

#### **Donations**

Donations are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

#### **Grants receivable**

Grants and donations are included in the SOFA when the Charity has unconditional entitlement to the resources.

#### **Investment income**

Income from investments is included in the SOFA in the year in which it is receivable

#### **Expenditure**

All expenditure is accounted for gross, and when incurred. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimated time or floor space basis, as appropriate.

Governance costs (see Note 6) include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the independent examination fees and costs linked to the strategic management of the Charity.

#### **Taxation**

As a registered charity, Essential Needs is not liable to taxation on its investment income and gains, income and gains arising from trading in furtherance of its charitable objectives and charitable donations. Recovery of income tax is made on tax credits arising from receipts under deeds of covenant and gift aid payments. VAT deemed to be irrecoverable is written off in the Statement of Financial Activities in the period to which it relates.

#### **Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of a past event.

## 1. ACCOUNTING POLICIES *(continued)*

### **Tangible fixed assets**

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following annual rates:

Leasehold Premises	-25% Reducing Balance
Plant and Equipment	-25% Straight Line
Motor Vehicles	-25% Reducing Balance

Items less than £250 are not capitalised and are written off in the year of purchase.

### **Gifts in kind**

Assets and other gifts in kind given for use by the Charity are recognised as incoming resources at their estimated market value when receivable.

### **Donated Goods**

The Trustees have carefully considered the practicality of, and the benefit due to the users of the accounts, from valuing the donated goods for resale at the year end. However, due to the large number of small items, and the considerable time it would take, as well as the difficulty in achieving a realistic valuation, it has been decided to continue to recognise donated goods at the point of sale. In addition, the Trustees have concluded that the small movement of the stock held between years would not add to the information presented to users of the accounts.

### **Stock**

Finished goods bought for resale to the clients are valued at the lower of cost and net realisable value.

### **Operating lease agreements**

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the period of the lease.

### **Pension costs**

The Charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### **Accounting for separate funds**

The financial statements of a charity must differentiate between Restricted and Unrestricted funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

Unrestricted funds are all the other funds of the charity.

## 2. DONATIONS AND GRANTS

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Grants	19,431	15,686	35,117	1,248
Donations	161	-	161	421
<b>Total</b>	<b>19,592</b>	<b>15,686</b>	<b>35,278</b>	<b>1,669</b>

## 3. NET OUTGOING RESOURCES FOR THE YEAR

<b>This is stated after charging:</b>	2021 £	2020 £
Independent Examination Fee	500	500
Depreciation	3,107	3,476

## 4. TRUSTEES' REMUNERATION

No trustee was remunerated in the year (2020: £nil). No expenses were reimbursed to Trustees (2020: £nil)

## 5. STAFF COSTS

The staff costs shown in Note 6 relate to six employees (2020: 5). No employee earned more than £60,000 (2020: nil).

The average number of employees for the year ended 31 March 2021 was 5 (2020: 5), being an average of 3 full time equivalent (2020: 2). The amounts paid to employees were:

	2021 £	2020 £
Gross Pay	75,169	51,552
Social Security costs	979	-
Pension Payments	1,434	1,155

## 6. TOTAL EXPENDITURE

	Furniture Store 2021 £	Governance 2021 £	Total 2021 £	Total 2020 £
Cost of Beds Sold	8,092		8,092	10,037
Salaries & National Insurance	76,148		76,148	51,836
Pension Contributions	1,434		1,434	1,155
Volunteer & Staff Expenses	171		171	323
Uniform	635		635	-
Training	450		450	-

Rent & Rates	16,000		<b>16,000</b>	15,857
Insurance	4,620		<b>4,620</b>	3,245
Electricity, Gas & Water	2,443		<b>2,443</b>	2,777
Maintenance & cleaning	2,416		<b>2,416</b>	458
Covid related Cleaning	1,116		<b>1,116</b>	-
Appliance Testing & Workshop	835		<b>835</b>	1,228
Van Repairs	864		<b>864</b>	1,310
Van Fuel	925		<b>925</b>	1,534
Telephone & Broadband	649		<b>649</b>	601
Card Machine	1,161		<b>1,161</b>	1,005
Computer	1,324		<b>1,324</b>	1,505
Postage	64		<b>64</b>	128
Stationery	288		<b>288</b>	262
Bank & Card charges	24		<b>24</b>	1
Marketing	60		<b>60</b>	225
Membership & Conference	(310)		<b>(310)</b>	606
Sundry	259		<b>259</b>	883
Equipment <£250	551		<b>551</b>	543
Depreciation	3,107		<b>3,107</b>	3,476
Support costs	144	500	<b>644</b>	722
	-----	-----	-----	-----
<b>Total Expenditure</b>	<b>123,470</b>	<b>500</b>	<b>123,970</b>	<b>99,717</b>
	-----	-----	-----	-----

## 7. SUPPORT COSTS

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
	<b>Store</b>	<b>Store</b>
Independent Examination	500	500
Recruitment & Payroll Bureau	144	222
	-----	-----
	<b>644</b>	<b>722</b>
	-----	-----

## 8. TANGIBLE ASSETS

	<b>Leasehold Improvements</b>	<b>Plant &amp; Equipment</b>	<b>Van</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2020	9,816	15,715	22,414	<b>47,945</b>
Additions	597	-	-	<b>597</b>
<b>At 31 March 2021</b>	<b>10,413</b>	<b>15,715</b>	<b>22,414</b>	<b>48,542</b>
<b>Depreciation</b>				
At 1 April 2020	9,731	12,475	16,762	<b>38,968</b>
Charge for the Year	96	1,598	1,413	<b>3,107</b>
<b>At 31 March 2021</b>	<b>9,827</b>	<b>14,073</b>	<b>18,175</b>	<b>42,075</b>
<b>Net Book Value</b>				
As at 31 March 2021	586	1,642	4,239	<b>6,467</b>

As at 31 March 2020 86 3,239 5,652 **8,977**

## 9. DEBTORS

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade Debtors	485	131
Prepayment & Accrued Income	15,448	14,453
Other Debtors	607	-
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<b>Total</b>	<b>16,540</b>	<b>14,584</b>
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## 10. CREDITORS (amounts falling due within one year)

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade Creditors	5,910	1,461
Accrual & Other Creditors	1,492	963
Other Taxation & Social Security	3,245	2,117
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	<b>10,647</b>	<b>4,541</b>
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## 11. RESTRICTED FUNDS

	<b>At 1 April 2020</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>At 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
North Yorkshire CC	141	2,522	(2,663)	-	-
Job Retention Scheme	-	13,164	(13,164)	-	-
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<b>Total</b>	<b>141</b>	<b>15,686</b>	<b>(15,827)</b>	<b>-</b>	<b>-</b>
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### Purpose of Restricted funds

In 2018-19, North Yorkshire County Council offered a grant of £1,000 towards the purchase of desks, office equipment and carpet tiles for the offices of Essential Needs. The balance of £141 was spent during 20-21. NYCC granted £822 towards the cost of staff uniforms and display racking in Store. In addition, NYCC granted £1,700 towards First Aid training for key staff and the cost of three Health & Safety reports. All these funds were fully spent in the year to 31 March 2021.

In 2020-21 the Charity received grants of £13,164 from HMRC to assist with salary costs during the Store closure, due to national Lockdown restrictions for non-essential shops. All these funds were spent in the year.

## 12. NET ASSET SUMMARY

	Restricted Funds	Unrestricted Funds	Total Funds at 31 March 2021
	£	£	£
Tangible Fixed Assets	-	6,467	<b>6,467</b>
Current Assets	2,016	15,119	<b>17,135</b>
Cash at Bank/In Hand	(2,016)	67,999	<b>65,983</b>
Current Liabilities	-	(10,647)	<b>(10,647)</b>
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<b>Total Net Assets</b>	-	<b>78,938</b>	<b>78,938</b>
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## 13. FINANCIAL COMMITMENTS

The Charity took up three-year lease for the Back Gladstone Street premises, from 1 October 2019 with annual rent at £16,000 and annual buildings insurance of £673

	2021	2020
	£	£
Due within one year	15,453	16,673
Due between two and five years	9,602	25,010
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<b>Total amount payable</b>	<b>25,055</b>	<b>41,683</b>
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## 14. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension charge represents the contributions payable by the Charity to the fund and amounted to £1,434 (2020: £1,155).

## 15. CONTROL RELATIONSHIPS

As the Charity is limited by guarantee without share capital no individual has overall control of the Charity.

## 16. RELATED PARTY TRANSACTIONS

### Trustee remuneration and benefits

During the year, no Trustee received any remuneration or benefits (2020: £nil).

### Trustee Expenses

During the year, no Trustee was paid any expenses (2020: £nil).

### Key Management Personnel

In the year ended 31 March 2020 key management personnel were paid remuneration of £31,797 (2020: £26,088).

There were no other related party transactions in the year ended 31 March 2021 (2020: £Nil).