

The Registered Company Number is:- 05312941

The Charity Registration Number is :- 1108046

Essential Needs

Report and Accounts

31 March 2016

**Essential Needs
Report and accounts**

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Essential Needs

Registered company number:- 05312941

Trustees' Annual Report for the year ended 31 March 2016

The Trustees present their Report and Accounts for the year ended 31 March 2016, which also

Reference and administrative details

The charity name.

The legal name of the charity is:-Essential Needs

The charity's areas of operation and UK charitable registration.

The charity is registered in England & Wales with charity number 1108046

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts. and its governing document is a Memorandum and Articles of Association under company legislation.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The trustees are all individuals.

The principal operating address, telephone number and email and web addresses of the charity are:-

Back Gladstone Street
Harrogate
HG2 HDF
Telephone 01423 870040

The registered office of the charity for Companies Act purposes is the same as the operating address shown above

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

Nicholas Anderson
Pat Bulmer
Lesley Davis
John Hopkins
Paul Jackson
David Siddans
David Redhouse

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Trustees' Annual Report for the year ended 31 March 2016

The Trustees in office during the year were:-

The trustees who served as a trustee in the reporting period, and, if applicable, their dates of appointment or resignation during the year.

Name	Appointed	Resigned/Retired
Nicholas Anderson		
Pat Bulmer		
Lesley Davis		
John Hopkins		
Paul Jackson		
Sue Campagna		24 August 2015
David Siddans		
David Redhouse	24 August 2015	
Peter Smith		24 August 2015

One third of the members (or the number nearest one third) retire each year but are eligible for re-election. Nick Anderson and Pat Bulmer will stand down at our next AGM but have offered themselves for re-election. Sue Campagna and Peter Smith stood down at the 2015 AGM.

Members of the Board of Essential Needs are directors for the purpose of company law and trustees for the purposes of charity law.

All the trustees are also members of the charity.

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Trustees' Annual Report for the year ended 31 March 2016

Objects and activities of the charity

The purposes of the charity as set out in its governing document.

The charity sets out to achieve its charitable objects through the objects given below.

The objects of the charity, as set out in its Memorandum of Association, are:

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.

In addition, by agreement with the Charity Commission, the following object has been established:

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.

The Board have reviewed these objectives following the implementation of the 2011 Charities Act and agreed that no changes were necessary.

The main activities undertaken in relation to those purposes during the year.

The trustees' policy is to offer all of our beneficiaries the chance to turn their house into a home, by the provision of as wide a choice of donated furniture and furnishings as is possible, all items being available at low cost. The charity is staffed by one full-time, and one part-time employee. We rely on the contribution of volunteers to collect, sort and deliver the furniture, and help with the office administration.

The main activities undertaken during the year to further the charity's purpose for the public benefit.

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

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Trustees' Annual Report for the year ended 31 March 2016

The contribution of volunteers during the year.

The charity currently has a governing board of 7 trustees, all of whom are volunteers.

There are currently 19 volunteers who assist with the running of Essential Needs on a regular basis, both in the office and on the van. Office work, which involves the booking of collections and deliveries, the registration of new clients, stock control and the sale of furniture to clients. Van work involves the viewing and collection of furniture of donated goods and the delivery of goods to clients. Much of the work previously undertaken by the Project Manager has been carried out by volunteers during part of the year. Without this significant input from volunteers our costs would be greatly increased. Whilst detailed records are not kept, we estimate that around 350 hours of time per month are donated by volunteers which amounts to a value in the region of £30,000 if they had been paid the minimum wage

The main achievements and performance of the charity during the year.

The most significant occurrence during the year, was the tragic illness of our manager, Martin Brassington, who sadly has died, subsequent to the end of the financial year.

The other staff and many volunteers have kept Essential Needs operating, but our ability to examine the wellbeing of the organisation have been significantly restricted during the latter part of the reporting period.

Nor has it been possible to develop new relationships with other charities and organisations in the area.

We have calculated that we sold 2816 items during the year, and estimate that 53,184kg of material were diverted from landfill as a result of our efforts, with a consequent saving on raw material use. We had over 5,135kgs of Domestic Electrical White Goods (WEEE) donated to us, this is a significant reduction from last year. 108 of these types of goods were re-used which was a significant decrease from last year.

We made 2071 visits across the district, to collect and deliver furniture and other household items.

We had 4,881 clients on our database at 31 March 2016, of which 265 were new clients.

We have around 120 agencies across the Harrogate District referring clients to us.

Over 208 people donated furniture using Gift Aid, emphasising the importance of this method of giving to us, although this is a reduction compared with the previous year.

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Trustees' Annual Report for the year ended 31 March 2016

Financial review

The charity's financial position at the end of the year ended 31 March 2016

The financial position of the charity at 31 March 2016 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2016	2015
	£	£
Net income	(4,217)	28,513
Unrestricted Revenue Funds available for the general purposes of the charity	87,742	91,959
Total Funds	87,742	91,959

Financial review of the position at the reporting date, 31 March 2016 .

The board of trustees are satisfied with the performance of the charity during the year and the position at 31st March 2016 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations.

The Statement of Financial Activities shows gross incoming resources for the year of a revenue nature of £72,139 (Prior year - £97,540), with net incoming resources of a revenue nature, that is those funds used within the year on revenue activities, of £76,356 (prior year £69,027). The net incoming resources of a capital nature were £nil (Prior year £19,000).

The total reserves at the end of the year stand at £87,742 (prior year £91,959).

Free unrestricted liquid reserves, that exclude fixed assets purchased for the delivery of the Charity's aims, amounted to £69,793 (Prior year - £68,005).

Specific changes in fixed assets are detailed in the notes to the accounts.

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Trustees' Annual Report for the year ended 31 March 2016

Before reviewing the figures for the year, it is important to understand the consequences of the absence of the project manager for a significant period of time. It was necessary to put in place emergency measures to enable day to day activities such as recording of income and expenditure onto the SAGE accounting system and dealing with the payment of accounts in a timely fashion. Whilst the help of all volunteers in this activity is hereby acknowledged, it was not practical to prepare management accounts on a regular basis. Over a period of time our ability to manage the process improved, and we are pleased to report that the hiring of a book keeper has enabled us to regain a position where we can be more confident of our financial situation.

The main assumption in the 2015/16 budget was to maintain core income at the level of the previous year. However, with the continuing uncertainty around, and changes to benefits, core income reduced by around 7%. Sales of furniture were £62,760 this year with overall unrestricted free income of £72,139

We were grateful to a variety of donors during the year. Principal in these were the Charles and Elsie Sykes trust, the Mangoletsi Foundation and the Harrogate Brigantes. These generous donations contributed towards our ongoing activities.

It was not possible to keep to our proposed budget, for the year, as additional salaries had to be paid to maintain our activities. However, despite this, when depreciation is excluded, expenditure at £70351 was held at some 7% higher than the previous year. Now we have a new van, expenditure on its maintenance shows a significant reduction, but many other items were similar to the previous year. The rent we pay for our warehouse was reviewed and we are faced with stepped increase in the amount we pay, a process which started in October 2015.

Policies on reserves.

The Trustees have studied in detail the Charity Commission guidance on reserves and, as part of the management of risk, Essential Needs sets aside some of its income to form a reserve to cover any future shortfall in funding. Our income from furniture sales to fund ongoing activity cannot be guaranteed nor can the project funding that we receive for one off items of expenditure from various grant making organisations. The directors have considered the risks to income and believe that a reserve of 50% of annual budgeted expenditure would be adequate to enable the charity to review its operation should income significantly reduce. This would allow time to seek alternative sources of funding or look at alternative methods of operation as well as meet our obligations under the terms of the lease on our premises.

As at 31st March 2016 unrestricted funds, excluding fixed assets, were £87,744 and our bank balance was £63,210 enabling us to meet our obligations should they arise. Although this balance is above our target of 50% of expenditure, £35,000 this year, Trustees consider that maintaining a higher level this year will give us some flexibility with the further changes to client benefits in 2016, the stopping of the payment of reuse credits, an increase in the agreed rent and the significant uncertainty presented by the loss of the Project Manager. A balanced budget was therefore put forward for 2016/17. This level will be subject to ongoing review throughout the year.

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Trustees' Annual Report for the year ended 31 March 2016

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Risks and uncertainties facing the charity.

During this financial year, the directors have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be provided so that the necessary steps can be taken to lessen these risks.

Plans For the Future

Summary of plans for the future and the trustees' perspective of the future direction of the charity.

Following the demise of the project manager it is the intention of the Board to appoint a new manager. This will provide the opportunity to review our activities. This will include the hours worked by our paid staff, our visibility in the Community and the consequence of changes to the benefit system and the impact on our clients. We will keep under review the entry requirements we set in an attempt to lower the barriers that needy people have to pass to access the warehouse. We continue to aim to contain our costs as far as possible and increase our income. Careful planning of jobs is used to reduce the mileage covered by the van and hence its running costs. More significantly, aiming to better utilise the van to respond as promptly as we are able to donors and clients should be of benefit to us.

We will seek to raise our profile whenever the opportunity arises to ensure anyone who meets our objectives knows about us, and that the donation of goods from donors continues, to allow us to meet the needs of our clients.

We will seek to work with other local organisations with similar objectives to ours for the mutual benefits of our clients.

The board reviews the on-going activities of Essential Needs against a background of changes to the laws governing recycling and re-use, and with changes in the policies of Local Authorities. Thus it is essential that we work in tandem with Harrogate Borough Council and North Yorkshire County Council to ensure the continued ability of the charity to meet the needs of our clients.

Details of The Independent Examiner

Peter Brown FCCA, FCIE
Member of Chartered Certified Accountant
Acomb Grange
Grange Lane
York YO23 3QZ

Essential Needs

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Trustees' Annual Report for the year ended 31 March 2016

Statement of Directors' and Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRSSSE SORP 2015.

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business: and
- 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 law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

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. 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.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

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Trustees' Annual Report for the year ended 31 March 2016

Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 13 to 27.

The financial statements have been prepared implementing the Statement of Recommended Practice for Accounting and Reporting by Charities 2015 and in accordance with the Financial Reporting Standard for Smaller Entities 2015.

These accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 19 September 2016.

JOHN HOPKINS - CHAIRMAN

Director and Trustee

Essential Needs

Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 31 March 2016

I report on the financial statements of the charitable company on pages 13 to 27 for the year ended 31 March 2016 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2015, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales, effective January 2015 (The SORP), under the historical cost convention and the accounting policies set out on page 18.

Respective responsibilities of Trustees and Independent Examiner

As described on page 9, the charitable company's Trustees, who are also the Directors of the Company for the purposes of Company law, are responsible for the preparation of the financial statements.

The Trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the memorandum and articles of the charity for the conducting of an audit, and that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006 and that no member or members have requested an audit pursuant to section 476 of the Companies Act 2006. As a consequence, the Trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the charity is not subject to audit under any legal provision, or otherwise, and is eligible for independent examination, it is my responsibility to:-

- a) examine the accounts under section 145 of the Act;
- b) follow the procedures in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and;
- c) state whether particular matters have come to my attention.

Basis of Examiner's Statement and scope of work undertaken

I conducted my examination in accordance with the General Directions issued by the Charity Commission for England & Wales, under section 145(5)(b) of the Act, setting out the duties of an Independent Examiner in relation to the conducting of an Independent Examination. An Independent Examination includes a review of the accounting records kept by the charitable company and of the accounting systems employed by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you, as Trustees, concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of charity legislation and that the financial statements comply with the SORP, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the Trustees in the course of the examination is not subjected to audit tests or enquiries, and consequently I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the Independent Examination are achieved and before finalising the report I obtained written assurances from the Trustees of all material matters.

Subject to the limitations upon the scope of my work as detailed above, in connection with my examination, I can confirm that :-

In accordance with Regulation 31 of The Charities (Accounts and Reports) Regulations 2008, (The Regulations) the accounts of this charitable company are not required to be audited under Part 16 of the Companies Act 2006;

Essential Needs

Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 31 March 2016

This is a report in respect of an examination carried out under section 145 of the Act and in accordance with any directions given by the Commission under subsection (5)(b) of that section which are applicable;

and that no matter has come to my attention in connection with my examination which gives me reasonable cause to believe that in any material respect the requirements :-

to keep accounting records in accordance with section 386 of the Companies Act 2006 and section 130 of the Charities Act 2011;

to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and The Charities Act 2011 and;

that the financial statements be prepared in accordance with the methods and principles set out in the Statement of Recommended Practice - Accounting and Reporting by Charities (effective January 2015)

have not been met or to which, in my opinion, attention should be drawn in my report in order to enable a proper understanding of the accounts to be reached;

Peter Brown FCCA, FCIE - Independent Examiner

Chartered Certified Accountant

Acomb Grange

Grange Lane

York

YO23 3QZ

This report was signed on 19 September 2016

Essential Needs - Statement of Financial Activities for the year ended 31 March 2016

Statement of Financial Activities for the year ended 31 March 2016

	SORP Ref	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2016 £	2016 £	2016 £	2015 £
Income & Endowments					
Donations & Legacies	A1	9,246	-	9,246	26,946
Income from charitable activities	A2	62,760	-	62,760	67,362
Investment income	A4	133	-	133	167
Other income	A5	-	-	-	3,065
Total income	A	72,139	-	72,139	97,540
Expenditure					
Expenditure on charitable activities	B2	76,356	-	76,356	69,027
Total expenditure	B	76,356	-	76,356	69,027
Net income for the year	A-B	(4,217)	-	(4,217)	28,513
Net income after transfers	A-B-C	(4,217)	-	(4,217)	28,513
Net movement in funds		(4,217)	-	(4,217)	28,513
Reconciliation of funds:-	E				
Total funds brought forward		91,959	-	91,959	63,446
Total funds carried forward		87,742	-	87,742	91,959

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A Statement of Total Recognised Gains and Losses is included in these accounts as a separate primary statement

All the prior year transactions were unrestricted items, and no further analysis is required

All activities derive from continuing operations

The notes attached on pages 18 to 27 form an integral part of these accounts.

Essential Needs - Statement of Financial Activities for the year ended 31 March 2016

Statement of Total Recognised Gains and Losses for the year ended 31 March 2016

	2016 £	2015 £
Surplus for the year :-		
Net excess of income over expenditure from operations before tax	(4,217)	10,513
Income from operations before tax in the Statement of Financial Activities	<u>(4,217)</u>	<u>10,513</u>
Surplus as shown in the Income and Expenditure account	<u>(4,217)</u>	<u>10,513</u>
<i>Add/(deduct) non income and expenditure items:-</i>		
Grants for the acquisition of fixed assets	-	18,000
Net Movement in funds before taxation	<u>(4,217)</u>	<u>28,513</u>
Funds generated in the year as shown on Statement of Financial Activities	<u>(4,217)</u>	<u>28,513</u>

Resources applied in the year ended 31 March 2016 towards fixed assets for Charity use:-

	2016 £	2015 £
Funds generated in the year as detailed in the SOFA	(4,217)	28,513
Net resources available to fund charitable activities	<u>(4,217)</u>	<u>28,513</u>

The resources applied on fixed assets for charity use represents the cost of additions less proceeds of any disposals.

The notes attached on pages 18 to 27 form an integral part of these accounts.

Essential Needs - Statement of Financial Activities for the year ended 31 March 2016

Movements in revenue and capital funds for the year ended 31 March 2016

Revenue accumulated funds

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Last year Total Funds 2015 £
Accumulated funds brought forward	91,959	-	91,959	63,446
Recognised gains and losses before transfers	(4,217)	-	(4,217)	28,513
	87,742	-	87,742	91,959
Closing revenue funds	87,742	-	87,742	91,959

Summary of funds

	Unrestricted and Designated funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Last Year Total Funds 2015 £
Revenue accumulated funds	87,742	-	87,742	91,959

The notes attached on pages 18 to 27 form an integral part of these accounts.

Essential Needs - Statement of Financial Activities for the year ended 31 March 2016

Income and Expenditure Account for the year ended 31 March 2016 as required by the Companies Act 2006

	2016	2015
	£	£
Income		
Income from operations	72,006	76,308
Investment income		
Interest receivable	133	167
Gross income in the year before exceptional items	72,139	76,475
Exceptional items:		
Realised gains on disposals of tangible fixed assets held for the charity's own use	-	3,065
Gross income in the year including exceptional items	72,139	79,540
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	69,801	67,310
Depreciation and amortisation	6,005	1,167
Governance costs	550	550
#REF!	-	-
Total expenditure in the year	76,356	69,027
Net income before tax in the financial year	(4,217)	10,513
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	(4,217)	10,513
Retained surplus for the financial year	(4,217)	10,513
All activities derive from continuing operations		

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 18 to 27 form an integral part of these accounts.

Essential Needs - Balance Sheet as at 31 March 2016

	Notes	SORP Ref	2016 £	2015 £
Fixed assets		A		
Tangible assets	9	A2	17,949	23,954
Current assets		B		
Debtors	10	B2	9,054	7,200
Cash at bank and in hand		B4	<u>63,208</u>	<u>61,883</u>
			72,262	69,083
Creditors: amounts falling due within one year	11	C1	<u>(2,469)</u>	<u>(1,078)</u>
Net current assets			69,793	68,005
The total net assets of the charity			<u>87,742</u>	<u>91,959</u>

The total net assets of the charity are funded by the funds of the charity, as follows:-

Unrestricted Funds

Unrestricted Revenue Funds	16	D3	87,742	91,959
Total charity funds			<u>87,742</u>	<u>91,959</u>

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the examiner is on page 12.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

JOHN HOPKINS - CHAIRMAN

Trustee

Approved by the board of trustees on 19 September 2016

The notes attached on pages 18 to 27 form an integral part of these accounts.

Essential Needs

Notes to the Accounts for the year ended 31 March 2016

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities' (effective January 2015)) and 'The FRSSE Statement of Recommended Accounting Practice 2015', (The SORP 2015), and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRSSE SORP 2015 in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Policies relating to categories of income and income recognition.

Policies relating to expenditure on goods and services provided to the charity.

Recognition of liabilities and 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 include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Allocating costs to activities

Direct costs that are specifically related to an activity are allocated to that activity. Shared direct costs and support costs are apportioned between activities.

The basis for apportionment, which is consistently applied, and proportionate to the circumstances, is :-

Staffing - on the basis of time spent in connection with any particular activity.

Staffing - on a per capita basis, based on the number of people employed within any particular activity.

Premises related costs - on the proportion of floor area occupied by a particular activity.

Non specific support costs - on the basis of the usage of resources, in terms of time taken, capacity used, request made or other measures

Estimation techniques used in apportioning costs are done on a common sense basis.

Volunteers

Charities often rely on the contribution of unpaid general volunteers in carrying out their activities. However, placing a monetary value on their contribution presents significant difficulties and make it impractical for their contribution to be measured reliably for accounting purposes. Given the absence of a reliable measurement basis, the contribution of general volunteers is not included as income in the charity accounts.

Essential Needs

Notes to the Accounts for the year ended 31 March 2016

Policies relating to assets, liabilities and provisions and other matters.

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Leasehold premises	25 % reducing balance
Plant and machinery	25 % straight line
Motor vehicles	25 % reducing balance

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Creditors and provisions

Creditors and provisions are accounted for in accordance with normal accruals accounting conventions.

Financial instruments including cash and bank balances

Cash held by the charity is included at the amount actually held and counted at the year end. Bank balances, whether in credit or overdrawn, are shown at the amounts properly reconciled to the bank statements.

Leasing and hire purchase contracts and commitments

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

Pensions - defined contribution schemes

The company 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.

2 Liability to taxation

As a registered charity, the organisation is exempt from income and corporation tax to the extent that its income and gains are applied towards the charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Net surplus before tax in the financial year

	2016	2015
	£	£

The net surplus before tax in the financial year is stated after charging:-

Depreciation of owned fixed assets	6,005	1,167
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Essential Needs

Notes to the Accounts for the year ended 31 March 2016

5 The contribution of volunteers

The Charity currently has a governing board of seven Trustees all of whom are volunteers. There are also 19 volunteers who assist with the running of Essential Needs both in the office and on the van. We estimate that volunteers donate around 350 hours every month, the equivalent of £30,240 per year if calculated at minimum wage.

6 Staff costs and emoluments

<i>Salary costs</i>	2016	2015
	£	£
Gross Salaries excluding trustees	41,612	37,445
	<hr/>	<hr/>
Total salaries, wages and related costs	41,612	37,445
	<hr/>	<hr/>
<i>Numbers of full time employees or full time equivalents</i>	2016	2015
The average number of total staff employed in the year was	<hr/> 2	<hr/> 2

Neither the trustees nor any persons connected with them have received any remuneration from the charity or any related entity, either in the current or prior year.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

7 Defined contribution pension schemes

This company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,990 (2015 £2,764).

Commitments under the scheme for the year ahead are shown in note 12

8 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

Essential Needs

Notes to the Accounts for the year ended 31 March 2016

9 Tangible fixed assets

	Land & Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 April 2015	9,816	9,046	22,414	41,276
At 31 March 2016	9,816	9,046	22,414	41,276
Depreciation				
At 1 April 2015	9,457	9,113	(1,248)	17,322
Charge for the year	90	115	5,800	6,005
At 31 March 2016	9,547	9,228	4,552	23,327
Net book value				
At 31 March 2016	269	(182)	17,862	17,949
At 31 March 2015	359	(67)	23,662	23,954

10 Debtors

	2016	2015
	£	£
Prepayments and accrued income	3,699	3,876
Other debtors	5,355	3,324
	9,054	7,200

11 Creditors: amounts falling due within one year

	2016	2015
	£	£
Accruals	2,141	1,078
PAYE, NIC VAT and other taxes	201	-
Other creditors	127	-
	2,469	1,078

12 Pension commitments

	2016	2015
	£	£
Pension commitments under defined benefit/defined contribution schemes		
within one year	2,990	2,764
	2,990	2,764

Essential Needs

Notes to the Accounts for the year ended 31 March 2016

13 Financial commitments under operating leases	2016	2015
	£	£
At the year end the charity had annual commitments under non-cancellable operating		
Operating leases which expire:		
within two to five years	12,750	12,500

14 Income and Expenditure account summary	2016	2015
	£	£
At 1 April 2015	73,959	63,446
Surplus after tax for the year	(4,217)	10,513
At 31 March 2016	69,742	73,959

15 Particulars of how particular funds are represented by assets and liabilities

At 31 March 2016	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	17,949	-	-	17,949
Investments at valuation:-	-			
Current Assets	72,262	-	-	72,262
Current Liabilities	(2,469)	-	-	(2,469)
	87,742	-	-	87,742

At 1 April 2015	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	23,954	-	-	23,954
Investments at valuation:-	-			
Current Assets	69,083	-	-	69,083
Current Liabilities	(1,078)	-	-	(1,078)
	91,959	-	-	91,959

16 Change in total funds over the year as shown in Note 15 , analysed by individual funds

	Funds brought forward from 2015	Movement in funds in 2016	Transfers between funds in 2016	Funds carried forward to 2017
	£	£	£	£
Unrestricted and designated funds:-		<i>See Note 17</i>	<i>See Note 0</i>	
Unrestricted revenue funds	91,959	(4,217)	-	87,742
Total unrestricted and designated funds	91,959	(4,217)	-	87,742
Total charity funds	91,959	(4,217)	-	87,742

Essential Needs

Notes to the Accounts for the year ended 31 March 2016

17 Analysis of movements in funds over the year as shown in Note 16

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2016	2016	2016	2016
	£	£	£	£
<i>Unrestricted and designated funds:-</i>				
Unrestricted revenue funds	72,139	(76,356)	-	(4,217)
	<u>72,139</u>	<u>(76,356)</u>	<u>-</u>	<u>(4,217)</u>

18 The purposes for which the funds as detailed in note 16 are held by the charity are:-

Unrestricted and designated funds:-

Unrestricted revenue funds

These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.

19 Ultimate controlling party

The charity is under the control of its legal members.

Essential Needs

Detailed analysis of income and expenditure for the year ended 31 March 2016 as required by the SORP 2015

This analysis is classified by conventional nominal descriptions and not by activity.

20 Donations and Legacies

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Donations and gifts from individuals				
Small donations individually £1000 or less	2,391	-	-	3,679
Charles & Elsie Sykes Trust see £1980.00 c	1,500	-	-	-
Total donations and gifts from individuals	3,891	-	-	3,679
Revenue grants & donations from non public bodies				
Gift Aid recovered on donations	5,355	-	5,355	5,267
Total private sector revenue grants	5,355	-	5,355	5,267
Grants for acquisitions of fixed assets from public bodies				
Harrogate Borough Council	-	-	-	6,000
Total public sector capital grants	-	-	-	6,000
Grants for acquisitions of fixed assets from non public bodies				
Harry Bolland Trust	-	-	-	6,000
Garfield Weston Foundation	-	-	-	6,000
Total private sector capital grants	-	-	-	12,000
Total Donations and Legacies	9,246	-	5,355	26,946

Essential Needs

Detailed analysis of income and expenditure for the year ended 31 March 2016 as required by the SORP 2015

21 Income from charitable activities - Trading Activities

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Primary purpose and ancillary trading				
Primary purpose trading - Sale of goods and services in accordance with the charity's objects	62,760	-	62,760	67,362
Total Primary purpose and ancillary trading	62,760	-	62,760	67,362

22 Total Income from charitable activities

	Current year Unrestricted Funds £ 2016	Current year Restricted Funds £ 2016	Current year Total Funds £ 2016	Prior Year Total Funds £ 2015
Total income from charitable trading	62,760	-	62,760	67,362
Total from charitable activities	62,760	-	62,760	67,362

23 Investment income

	Current year Unrestricted Funds £ 2016	Current year Restricted Funds £ 2016	Current year Total Funds £ 2016	Prior Year Total Funds £ 2015
Bank Interest Receivable	133	-	133	167
Total investment income	133	-	133	167

24 Other income and gains

	Current year Unrestricted Funds £ 2016	Current year Restricted Funds £ 2016	Current year Total Funds £ 2016	Prior Year Total Funds £ 2015
Summary of Realised Gains				
Realised gains on disposals of tangible fixed assets held for the charity's own use	-	-	-	3,065
Total other income	-	-	-	3,065

Essential Needs

Detailed analysis of income and expenditure for the year ended 31 March 2016 as required by the SORP 2015

25 Expenditure on charitable activities - direct costs - Direct spending

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Gross wages and salaries - charitable activities	41,612	-	41,612	37,445
Defined contribution pension costs - charitable activities	2,990	-	2,990	2,764
Total direct spending	44,602	-	44,602	40,209

B2a

26 Expenditure on charitable activities - direct costs - Charitable trading

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Reallocated from support costs	31,204	-	31,204	28,268
Total charitable trading costs	31,204	-	31,204	28,268

B2b

27 Support costs for charitable activities

	Current year Unrestricted Funds 2016 £	Current year Restricted Funds 2016 £	Current year Total Funds 2016 £	Prior Year Total Funds 2015 £
Employee costs not included in direct costs				
Training and welfare - staff	285	-	285	550
Volunteer costs				
Volunteers' expenses	892	-	892	685
Motor expenses - volunteers	1,708	-	1,708	3,104
Premises Expenses				
Rent payable under operating leases	13,559	-	13,559	13,290
Light heat and power	2,484	-	2,484	2,215
Premises repairs, renewals and	362	-	362	906
Property insurance	1,972	-	1,972	2,126

Essential Needs

Detailed analysis of income and expenditure for the year ended 31 March 2016 as required by the SORP 2015

Administrative overheads

Telephone, fax and internet	363	-	363	648
Stationery and printing	338	-	338	346
Equipment expenses	1,049	-	1,049	1,015
Advertising and marketing	230	-	230	-
Sundry expenses	356	-	356	334
PAT tests	1,262	-	1,262	1,087
Conference Costs	-	-	-	425

Financial costs

Bank charges	339	-	339	370
Depreciation & Amortisation in total for the period	6,005	-	6,005	1,167

Support costs before reallocation	31,204	-	31,204	28,268
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Less support costs reallocated to specific activities

To charitable trading costs	(31,204)	-	(31,204)	(28,268)
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Total support costs	-	-	-	-
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The basis of allocation of costs between activities is described under accounting policies

28 Other Expenditure - Governance costs

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2016	2016	2016	2015
	£	£	£	£
Independent Examiner's fees	550	-	550	550

29 Total Charitable expenditure

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2016	2016	2016	2015
		£	£	£	£
Total direct spending	B2a	44,602	-	44,602	40,209
Total charitable trading costs	B2b	31,204	-	31,204	28,268
Total Governance costs	B2e	550	-	550	550
Total charitable expenditure	B2	76,356	-	76,356	69,027