

SOFEA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SOFEA

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--------------------------|---|------------------------------|
| Trustees | A Camoenie | (Appointed 8 October 2020) |
| | R Fielding | |
| | B Grenville-Jones | |
| | G S John | (Appointed 19 November 2020) |
| | E Paris | |
| | B Threadgold | |
| Charity number | 1155783 | |
| Registered office | Unit 1E Trident Business Park Didcot Oxfordshire OX11 7HJ | |
| Auditor | Richardsons 30 Upper High Street Thame Oxfordshire OX9 3EZ | |
| Bankers | National Westminster Bank Plc. 11 Market Place Abigdon Oxfordshire OX14 3HH | |

SOFEA

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 9 |
| Statement of trustees' responsibilities | 10 |
| Independent auditor's report | 11 - 13 |
| Statement of financial activities | 14 |
| Balance sheet | 15 |
| Statement of cash flows | 16 |
| Notes to the financial statements | 17 - 25 |

SOFEA

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The trustees present their report and financial statements for the year ended 30 June 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objectives are the relief of poverty and need in particular by the provision of food and the advancement of education and training, the relief of unemployment in particular by providing training and resources for those seeking work and by working with employers to address recruitment and unemployment issues. There has been no change in these during the year.

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

1. An education programme, for young people aged between 16 and 25, with three strands:

- An employability pathway building from work experience to full time employment, through our purpose projects including our FareShare operation.
- A study programme building from entry level to level three qualifications, and including GCSEs in Maths and English.
- A wellbeing programme incorporating profound behavioural change, mental health support, physical exercise, healthy relationships, extra curricular activities and working with families.

2. Employability programmes for those most marginalised in the labour market:

Programmes designed to develop the generic employability skills of communication, teamwork and self management, with additional practical and behavioural support, in order to better equip people of all ages who are marginalised in the labour market to get and retain work.

3. Mental health support and social prescribing:

Non clinical programmes of support for people of all ages, with Oxford Health and Didcot Primary Care Network, including Children and Adolescents Mental Health Services for young people aged up to 18, Mental Wealth Academy for young people aged between 16 and 25 and Social Prescribing for all ages.

4. Intervention Programmes

Working with Thames Valley Police to provide intervention programmes which reduce the risk of exclusion and engage young people aged up to 25 in positive activities.

5. Provision of food to partner organisations

Working with our partners at FareShare UK, SOFEA redistributes surplus food to not for profit organisations serving vulnerable people.

6. Community Larders

Using surplus food, SOFEA runs 24 Community Larders, providing food to individuals and families for a subscription fee. Food acts as the hook, bringing people to a community setting once a week, at which they are able to access a range of other services, such as digital literacy, debt advice, social prescribing and cooking skills.

SOFEA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Activities to further the purpose for the public benefit

Throughout the year we have made adjustments to our activities as rules relating to the pandemic changed.

In September we began our education programme at offsite locations in order to maintain bubbles while we adapted our own facilities. We brought young people back onto site in November having made the adjustments and then switched to online learning and telephone support through the lockdown period between January and March, with learners finally returning to site in March for the end of the academic year.

We maintained our wellbeing, mental health and social prescribing activities online, returning to face to face provision, or a mixed model as restrictions eased.

Some of our employability provision continued face to face, but with limited numbers.

As the need for emergency food provision subsided following the initial lockdown in early 2020, we adapted our model, providing food to communities on a more sustainable basis. For much of the year we were assisted by access to food purchased through DEFRA, to supplement the surplus food.

We ceased providing emergency food boxes on September 1st 2020, returning to our model with two main strands. Providing food to other organisations who support vulnerable people, as these services opened back up and our Community Larder model.

The trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity.

Short term and long term aims and objectives

SOFEA will bring together what we have learnt into a coherent whole, which aims to enable the transformation of people's lives, and their communities, being more than the sum of our parts and using the convening power of food as a means to bigger ends – the cornerstone in providing physical and emotional nourishment, transformation opportunities and community connections.

Long term strategy and objectives

SOFEA's long term strategy is to build robust programmes, with demonstrable outcomes, that can be pitched to grant makers, local authorities and others to support the organisation's theory of change by taking an early intervention approach to:

Empowering people to mitigate the effects of poverty – through:

- the development of the larder model and by supporting more organisations with food
- by providing people (especially young people) with the skills and strategies they need to navigate the world successfully.

Influencing the policy environment, so that fewer people are left behind – through:

- Using the power of our networks
- Influencing decision makers

SOFEA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Key objectives for the next 12 months

Food

- Grow the larder programme to 50 larders before June 2022 (currently 24)
- Grow the number of organisations receiving food to 200 (currently 140)
- Ensure food supply to deliver the above

Education/ Employability/ Wellbeing

- Develop our education programme in Milton Keynes.
- Engage Thames Valley Police in a long term strategic partnership.
- Successfully build the employability programme through the delivery of Kickstart, DWP Flexible Support Fund and Active Inclusion.

Partnerships

- Lead a strategic local approach to social prescribing/ mental wealth/ mental health support in Thames Valley and explore possible replication in South Midlands.
- Actively build networks, to form movements, that enable shifts in thinking and policy.

Internal

- Further develop an integrated framework for measuring impact.
- Review and complete the internal organisation overhaul by ensuring that performance management, quality assurance, accountability and training programmes are robust.
- Explore the options to open a further site.

Strategies to achieve the aims and objectives in the future

The strategies that we deploy ensure that we enable and support people to make a deep connection with themselves and their community so that they can fulfil their potential, these include:

- Working with education partners to increase the capacity and range of the provision we offer, so that it is suitable for people who have been disadvantaged or disengaged by other education provision. Developing our partnership with Activate Learning, Oxford City Council, EMBS and TCHC to provide a range of educational opportunities.
- Working with Health partners to ensure that we focus on the physical, mental and emotional well being of the people we work with, so that they are able to take advantage of the educational opportunities. Our work with Oxford Health, Didcot Primary Care Network and Response enable us to provide this support.
- Developing Community Larders, so that people can meet their basic needs for food, and access a wider range of services and support through the wraparound services provided by our network of partner organisations, such as debt relief, housing support, employability and health support.
- Working with local authority partners as part of their post pandemic response/ anti poverty strategies.
- Partnership with Thames Valley Police, to ensure that both our food and education programmes are targeted at the people who can most benefit from them, for example by taking referrals from the Police to work with those at risk of becoming involved in the criminal justice system.

SOFEA

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

- Developing both our sites in Milton Keynes and Didcot to provide breadth and depth of services in high quality aspirational environments.
- Deepening our relationship with FareShare to access more better quality food and to share our approach to employability with the rest of the network.
- Working alongside the Didcot Community Partnership, which we helped to found, to provide a suite of services for the community of Didcot.

Activities contributing to the achievement of aims in the year

The development of our programmes in Milton Keynes, which opened in October 2019, has enabled us to achieve much more in 2020/21. The food operation now distributes 100 tonnes of food a month, the local authority is supporting the growth of the Community Larder, programmes for young people continue to develop and expand.

The Didcot site has undergone significant redevelopment. The food operation has moved into a bigger unit, with increased storage and chiller capacity. We are in the process of developing the original unit as a learning and wellbeing hub, to enable us to develop our programmes and work with more people.

Our strategic partnership with Thames Valley Police has developed in the year, with SOFEA as a lead partner in the 'hub' created to triage the needs of high risk young people. This is an approach the problem solving team in South Oxfordshire have picked up and we are now developing the same model.

We have begun working with partners on the Getting Oxfordshire Online project, aiming to close the digital divide, by providing those without access refurbished devices, support and training.

Contribution of volunteers

Through the year, 200 volunteers have supported us, many initially on the furlough scheme were supporting our emergency food box scheme. Many of those volunteers have stayed on and become regular volunteers.

We have also provided many volunteering opportunities for job seekers; improving their work experience and confidence before reengaging with the labour market.

Volunteers have given up their time to provide a great deal of support in functions such as delivery driving, administration, marketing, logistics support and social media.

The roles that volunteers have contributed to include:

Trustees, Van drivers, Warehouse operatives, Administrative operatives, Fundraising, Marketing, Classroom support, Volunteer coordination.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Achievements and performance

Fundraising activities

Our fundraising team, consisting of a strategic fundraising manager and a small grants fundraising officer have worked hard throughout the year to ensure that funds applied for and received meet the strategic needs of the organisations and its beneficiaries.

Difference made to beneficiaries

The education, training and wellbeing programmes have had a profound effect on the people participating, not withstanding the impact of Covid.

A total of over 350 people have been supported through one or more of our programmes this year. A further 40 staff (20 on the Kickstart programme) who have faced barriers to their employment continue to receive support related to their learning difficulties, mental health or personal circumstances.

54 young people completed our Study Programme, passing 119 qualifications including English and Maths, with a success rate of over 85%.

42 have progressed to education or employment, we continue to support the rest to do so.

The biggest impact of the training programme however is in the attitudes and mindsets of participants. Our feedback suggests we have a major and lasting impact on the participants. They report a 33% rise in their general wellbeing and anecdotal evidence suggests profound change in individuals.

We have redistributed 2,000 tonnes of food during the year to over 200 organisations, including many as an emergency response to Covid.

Organisations we work with report reduced costs and improved quality of food, enabling them to continue and improve their service to their users.

Our Community Larders have 1,700 members receiving food and other support each week.

Benefit to wider society

- 2,000 tonnes of food has been redistributed, much of which would have gone to waste, reducing the environmental impact.

- People, especially young people, in the local community have been enabled to gain employment benefiting themselves and their community as well as providing a workforce in a labour market, which remains tight.

- Tens of thousands of the most vulnerable and disadvantaged people in the local community have been able to access high quality nutritious food, improving their lives and enabling them to participate more fully in their own communities.

- Our community larder programme has 1,700 members, 85% of whom are on low income and therefore improving their circumstances. The additional membership benefits of this programme such as the access to other services is also making a difference.

- Our work with Thames Valley Police has meant that the risk of exclusion to the young people participating is much lower.

- Our social prescribers have supported 54 people, reducing their reliance on their GP and other health provision.

- Our CAMHS and Mental Wealth Academy work have helped to reduce waiting lists for mental health services and prevented some young people from entering these services.

- Our in work support programme has enabled a high number of vulnerable staff to sustain their employment in the face of difficulties.

SOFEA

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

The wider benefit of society is to enable people to transform their lives, by helping secure their basic needs, then enabling them to move forward and ultimately to self actualise through access to work and education.

The cost savings to statutory services, the contributions made through the tax system and the benefits to community cohesion are all evident.

An illustration of this is the work done by our food operations team of 27 young people throughout the pandemic. Our food operations team has an average age of 22, all came to SOFEA facing barriers to their progression and participated in our education, employability and wellbeing programmes. They progressed into employment with SOFEA and have been instrumental in ensuring that 2,000 tonnes of food was distributed to those in need.

Financial review

It is the policy of the charity to move to a position where unrestricted funds which have not been designated for a specific use should be maintained at a level sufficient to ensure that the charity can continue to operate should some or all of its income cease, or to properly discharge its duties in closing the charity.

The sum set aside for this purpose is £225,000. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised, or operations changed to manage the shortfall.

The charity, SOFEA, recognises the need for a Reserves Policy to ensure the stability of the mission, programmes, employment, and ongoing operations of the organisation. The Reserve is intended to provide an internal source of funds for situations such as one-time unbudgeted expenses, unanticipated loss or delays in funding or uninsured losses. In addition to the sum set aside to ensure continued operations, additional funds have been set aside as a reserve for one-time, non-recurring expenses that will build long term capacity, such as investment in infrastructure or staff development. The Reserve Policy will be implemented in conjunction with the other governance and financial policies of SOFEA and is intended to support the strategies and goals contained in related policies.

Definitions and Goals:

The Reserve Fund is defined as a designated fund set aside by action of the Board of Trustees. The minimum amount to be designated as Reserve, will be established in an amount sufficient to maintain ongoing operations and programmes for a set period. The Reserve serves a dynamic and changing role and will be reviewed and adjusted in response to internal and external changes. The target minimum Reserve Fund includes all recurring, predictable expenses such as salaries, occupancy, administration and running costs of motor vehicles. Depreciation and other non-cash expenses are not included in the calculation. The amount of the Reserve Fund target minimum will be calculated each year after approval of the annual budgets.

Funding of Reserves:

The Reserve Fund will be funded with surplus unrestricted operating funds. The Board of Trustees may from time to time direct that a specific source of revenue may be set aside for Operating Reserves, such as one-time gifts, special grants, or special appeals.

Reporting and Monitoring:

The CEO is responsible for ensuring that the Reserve Fund is maintained and used only as described in the policy. After approval if required on the use of the Reserve Fund, the CEO will maintain records of use and plan for replenishment. The CEO will provide regular reports to the Finance and Risk Committee of progress to restore the Fund to the target minimum amount.

Review of Policy:

This policy will be reviewed every year by the Finance and Risk Committee, or sooner if warranted by internal or external events or changes. Changes to the policy will be recommended by the Finance and Risk Committee to the Board of Trustees.

SOFEA

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Principal sources of funding

Contract Income - 666,176

Donations - 123,349

Grant Income - 890,042

Kickstart subsidy - 27,660

Other Revenue - 11,517

Community Food Members - 201,004

Community Larder - 173,398

Interest Income - 64

Total Income - 2,093,210

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Factors likely to affect future financial performance

SOFEA's Board has developed a detailed risk register, which highlights the potential risks to the organisation and the mitigating actions it is taking. We have highlighted the following areas as potential sources of risk:

Safeguarding

SOFEA works with vulnerable young people and at any particular time a number are likely to be involved in child protection/ safeguarding cases. In 2020/21 we had no safeguarding issues arising at SOFEA, but we were involved in the wider cases of several young people.

Going concern/Business Continuity

In the context of a growing organisation and the effects of the pandemic, we will need to have continued regard for business continuity and ensure that our financial controls are strong.

Compliance

We work in two highly regulated areas – with young people and with food. In addition, new data protection rules mean we need to ensure our compliance procedures continue to be robust.

Management Structure

As we grow our staffing requirements will change and we will need to ensure that the management capacity is matched to the size and complexity of the organisation.

SOFEA

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Plans For the Future

The strategy for the next 12 months

We will reconfigure the education and wellbeing programmes as an early intervention model, providing a complete service for people (especially young people).

We will place specific emphasis on wellbeing and employability, while maintaining a strong component of formal education.

We will grow the larders, including the quality of the service and the breadth of the offer.

We will build a network of members – Community Food Members, larder partners and members, to create a powerful movement capable of influencing and shaping local policy towards an inclusive economy.

We will build partnerships with other sectors, local authorities and businesses, to ensure that we can have the maximum reach in providing food and other services to those in need.

We will build new social enterprises– digital refurbishment, bicycle maintenance, catering to integrate our early intervention approach.

We will investigate the development of a further site.

We will focus internally on:

- improving accountability of middle managers
- Becoming a learning organisation
- Enhancing our capacity to collect and use data
- Ensuring structural liquidity

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

SOFEA is entering the third phase of its development, bringing together what we have learnt into a coherent whole, which aims to enable the transformation of people's lives, and their communities, being more than the sum of our parts and using the convening power of food as a means to bigger ends – the cornerstone in providing physical and emotional nourishment, transformation opportunities and community connections.

Our approach to education, employability and wellbeing is enabling us to work in partnership with schools, colleges, the police, local authorities and health services to benefit more people, win contracts and influence the way things are done.

The approach to the redistribution of surplus food to people in need enables us to work more closely with local authorities on their anti poverty agenda. Seeking to use food as a convening tool, meeting people's basic needs, then focusing on the causes of their need means that SOFEA can play a leading role in getting services to people, especially through our Community Larders.

From Didcot, developing the Getting Oxfordshire Online project to refurbish and distribute digital devices will begin to tackle digital poverty alongside food poverty. The addition of a catering kitchen will enable us to develop an approach to nutrition and diet to complement our other services.

From Milton Keynes we will continue to grow the capacity and will introduce larger scale education, employability and wellbeing programmes with local partners.

In 2020/21 we focused on consolidating the growth of previous years. 2021/22 will see the organisation embark on a growth plan to enable the transformation of more people's lives in more ways by growing our income by 25% to £2.7 million.

SOFEA

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Structure, governance and management

The charity is constituted as a Charitable Incorporated Organisation, registered under the Charity Commission in England & Wales and its governing document is a written constitution. The Governing Document is dated 3 December 2013 and was last amended on 16 January 2020.

The trustees who served during the year and up to the date of signature of the financial statements were:

| | |
|-------------------|------------------------------|
| A Camoenie | (Appointed 8 October 2020) |
| R Fielding | |
| B Grenville-Jones | |
| G S John | (Appointed 19 November 2020) |
| E Paris | |
| E H Prior | (Resigned 28 February 2022) |
| R Starer | (Resigned 20 January 2022) |
| B Threadgold | |
| A Twomey | (Resigned 1 October 2021) |
| D J Hunter FCA | (Resigned 4 July 2020) |

During the year, the Board of Trustees consisted of ten trustees – seven men and three women. We continue to review the skills we require and whether we need to add further to the Board, we are currently requesting a change in our constitution to allow us to expand the number of trustees further.

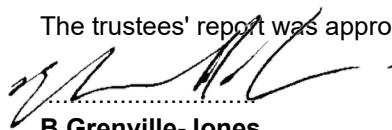
The organisation has grown significantly in the last twelve months. There are a significant number of new staff and the organisation structure has adapted to meet the current need.

The Board of Trustees has approved a delegated authority policy, which sets out the delegation of decisions to its committees and to the Chief Executive and his management team.

Policies are in place for the induction of new Trustees and opportunities are made available for Trustees to become involved in aspects of the Charity in which they have an interest.

The Trustees have approved a pay policy, pay and remuneration decisions are made in line with this policy.

The trustees' report was approved by the Board of Trustees.



B Grenville-Jones

Trustee

Dated: 21/04/2022.....

SOFEA

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2021

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

SOFEA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOFEA

Opinion

We have audited the financial statements of SOFEA (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SOFEA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SOFEA

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

SOFEA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SOFEA

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richardsons

Richardsons

21 April 2022

**Chartered Accountants
Statutory Auditor**

30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

Richardsons is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

SOFEA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

| | | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | | | | |
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | 329,131 | 684,261 | 1,013,392 | 592,507 | 487,502 | 1,080,009 |
| Charitable activities | 4 | 1,055,445 | 12,793 | 1,068,238 | 779,391 | - | 779,391 |
| Investments | 5 | 64 | - | 64 | 198 | - | 198 |
| Other income | 6 | 10,516 | 1,000 | 11,516 | 5,329 | - | 5,329 |
| Total income | | 1,395,156 | 698,054 | 2,093,210 | 1,377,425 | 487,502 | 1,864,927 |
| Expenditure on: | | | | | | | |
| Charitable activities | 7 | 1,376,527 | 727,446 | 2,103,973 | 1,079,128 | 412,563 | 1,491,691 |
| Net income/(expenditure) for the year/ Net movement in funds | | 18,629 | (29,392) | (10,763) | 298,297 | 74,939 | 373,236 |
| Fund balances at 1 July 2020 | | 412,251 | 282,454 | 694,705 | 113,954 | 207,515 | 321,469 |
| Fund balances at 30 June 2021 | | 430,880 | 253,062 | 683,942 | 412,251 | 282,454 | 694,705 |

The statement of financial activities includes all gains and losses recognised in the year.

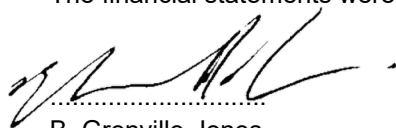
All income and expenditure derive from continuing activities.

SOFEA

BALANCE SHEET AS AT 30 JUNE 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|------------------|----------------|-----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 200,364 | | 51,260 |
| Current assets | | | | | |
| Debtors | 13 | 243,944 | | 96,929 | |
| Cash at bank and in hand | | 392,097 | | 610,059 | |
| | | <u>636,041</u> | | <u>706,988</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(152,463)</u> | | <u>(63,543)</u> | |
| Net current assets | | | 483,578 | | 643,445 |
| Total assets less current liabilities | | | <u>683,942</u> | | <u>694,705</u> |
| Income funds | | | | | |
| Restricted funds | | | 253,062 | | 282,454 |
| Unrestricted funds | | | 430,880 | | 412,251 |
| | | | <u>683,942</u> | | <u>694,705</u> |

The financial statements were approved by the Trustees on 21/04/2022.....



B Grenville-Jones
Trustee

SOFEA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-----------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 18 | | (47,464) | | 397,819 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (170,562) | | (18,504) | |
| Investment income received | | 64 | | 198 | |
| Net cash used in investing activities | | | (170,498) | | (18,306) |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and cash equivalents | | | (217,962) | | 379,513 |
| Cash and cash equivalents at beginning of year | | | 610,059 | | 230,546 |
| Cash and cash equivalents at end of year | | | 392,097 | | 610,059 |

SOFEA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Charity information

SOFEA is a Charitable Incorporated Organisation. The principal address is 1E Trident Park Didcot OX11 7HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SOFEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs can not be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------|----------------------|
| Leasehold improvements | 20% reducing balance |
| Plant and equipment | 20% reducing balance |
| Fixtures and fittings | 20% reducing balance |
| Motor vehicles | 20% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SOFEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---|--------------------|------------------|------------------|--------------------|------------------|------------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ | 2020 £ | 2020 £ |
| Donations and gifts | 25,372 | - | 25,372 | 30,143 | - | 30,143 |
| Revenue grants | 303,759 | 684,261 | 988,020 | 562,364 | 487,502 | 1,049,866 |
| | <u>329,131</u> | <u>684,261</u> | <u>1,013,392</u> | <u>592,507</u> | <u>487,502</u> | <u>1,080,009</u> |
| Grants receivable for core activities | | | | | | |
| Revenue grants from government and public bodies | 31,990 | 124,126 | 156,116 | 126,500 | 109,000 | 235,500 |
| Revenue grants & donations from non public bodies | 271,769 | 560,135 | 831,904 | 435,864 | 378,502 | 814,366 |
| | <u>303,759</u> | <u>684,261</u> | <u>988,020</u> | <u>562,364</u> | <u>487,502</u> | <u>1,049,866</u> |

4 Charitable activities

| | 2021 £ | 2020 £ |
|--------------------------|------------------|----------------|
| Community Food Members | 201,004 | 123,870 |
| Woodworking Project | - | 170 |
| Community Larder Members | 173,398 | 22,342 |
| Contract Income | 666,176 | 633,009 |
| Kickstart | 27,660 | - |
| | <u>1,068,238</u> | <u>779,391</u> |
| Analysis by fund | | |
| Unrestricted funds | 1,055,445 | 779,391 |
| Restricted funds | 12,793 | - |
| | <u>1,068,238</u> | <u>779,391</u> |

SOFEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

5 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-------------------------------|-------------------------------|
| | 2021 | 2020 |
| | £ | £ |
| Interest receivable | 64 | 198 |
| | <u>64</u> | <u>198</u> |

6 Other income

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds |
|--------------|-------------------------------|-----------------------------|---------------|-------------------------------|
| | 2021 | 2021 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Other income | 10,516 | 1,000 | 11,516 | 5,329 |
| | <u>10,516</u> | <u>1,000</u> | <u>11,516</u> | <u>5,329</u> |

SOFEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

7 Charitable activities

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Staff costs | 1,249,593 | 792,389 |
| Depreciation and impairment | 21,457 | 12,037 |
| Cleaning and waste management | 8,816 | 9,765 |
| Interest and penalties | 1,094 | 1,791 |
| Insurance | 22,739 | 16,677 |
| Light heat and power | 24,912 | 19,502 |
| Motor expenses | 66,879 | 32,914 |
| Printing postage and stationary | 10,807 | 11,071 |
| IT Software | 15,548 | 6,020 |
| Rent and Rates | 152,549 | 136,672 |
| Premises repairs, renewals and maintenance | 46,825 | 55,192 |
| Equipment | 65,245 | 56,059 |
| Staff training and welfare | 315,296 | 253,085 |
| Subscriptions and licenses | 8,253 | 1,290 |
| Sundry expenses | 15,514 | 19,524 |
| Telephone, fax and internet | 8,534 | 5,351 |
| Travel and subsistence | 8,704 | 20,545 |
| Other charitable expenditure | 32,374 | 8,308 |
| | <u>2,075,139</u> | <u>1,458,192</u> |
| Share of governance costs (see note 8) | 28,834 | 33,499 |
| | <u>2,103,973</u> | <u>1,491,691</u> |
| Analysis by fund | | |
| Unrestricted funds | 1,376,527 | 1,079,128 |
| Restricted funds | 727,446 | 412,563 |
| | <u>2,103,973</u> | <u>1,491,691</u> |
| For the year ended 30 June 2020 | | |
| Unrestricted funds | 1,079,128 | |
| Restricted funds | 412,563 | |
| | <u>1,491,691</u> | |

SOFEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

8 Support costs

| | Support costs £ | Governance costs £ | 2021 £ | Support costs £ | Governance costs £ | 2020 £ |
|---|--------------------|-----------------------|-----------|--------------------|-----------------------|-----------|
| Audit fees | - | 6,050 | 6,050 | - | 5,000 | 5,000 |
| Legal and professional | - | 18,822 | 18,822 | - | 10,247 | 10,247 |
| Accountancy fees | - | 3,962 | 3,962 | - | 18,252 | 18,252 |
| | - | 28,834 | 28,834 | - | 33,499 | 33,499 |
| Analysed between Charitable activities | - | 28,834 | 28,834 | - | 33,499 | 33,499 |

Governance costs includes payments to the auditors of £6,050 (2020- £5,000) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|-------------------------|-------------------|-------------------|
| | 61 | 40 |
| Employment costs | 2021 £ | 2020 £ |
| Wages and salaries | 1,229,586 | 780,863 |
| Other pension costs | 20,007 | 11,526 |
| | 1,249,593 | 792,389 |

11 The contribution of volunteers

The charity had 20 (2020: 20) regular volunteers who donated one day a week (6 hour days) and 150 (2020: 150) corporate volunteer days (6 hour days). Therefore total volunteer hours were 7,140 (2020: 7,140).

In addition to this, in response to COVID-19, there were a further 200 volunteers committing on average one day per week for three months which equates to 14,400 volunteer hours.

SOFEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

12 Tangible fixed assets

| | Leasehold improvements £ | Plant and equipment £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------------------|--------------------------------|-----------------------------|-------------------------------|---------------------|------------|
| Cost | | | | | |
| At 1 July 2020 | - | 91,849 | - | 4,750 | 96,599 |
| Additions | 66,167 | 48,865 | 55,530 | - | 170,562 |
| At 30 June 2021 | 66,167 | 140,714 | 55,530 | 4,750 | 267,161 |
| Depreciation and impairment | | | | | |
| At 1 July 2020 | - | 42,818 | - | 2,522 | 45,340 |
| Depreciation charged in the year | 2,146 | 13,065 | 5,801 | 445 | 21,457 |
| At 30 June 2021 | 2,146 | 55,883 | 5,801 | 2,967 | 66,797 |
| Carrying amount | | | | | |
| At 30 June 2021 | 64,021 | 84,831 | 49,729 | 1,783 | 200,364 |
| At 30 June 2020 | - | 49,031 | - | 2,229 | 51,260 |

13 Debtors

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 57,083 | 28,024 |
| Other debtors | 76,709 | 53,093 |
| Prepayments and accrued income | 110,152 | 15,812 |
| | 243,944 | 96,929 |

14 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|-----------|-----------|
| Other taxation and social security | 26,042 | 15,350 |
| Trade creditors | 120,371 | 30,607 |
| Other creditors | - | 2,389 |
| Accruals and deferred income | 6,050 | 15,197 |
| | 152,463 | 63,543 |

SOFEA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

15 Analysis of net assets between funds

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|---|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 30 June 2021 are represented by: | | | | | | |
| Tangible assets | 95,073 | 105,291 | 200,364 | 51,260 | - | 51,260 |
| Current assets/ (liabilities) | 335,807 | 147,771 | 483,578 | 360,991 | 282,454 | 643,445 |
| | <u>430,880</u> | <u>253,062</u> | <u>683,942</u> | <u>412,251</u> | <u>282,454</u> | <u>694,705</u> |

16 Related party transactions

Bernard Grenville-Jones, a trustee, is an Executive Board member of Activate Learning. Contract income totalling £405,762 (2020: £407,182) was received during the year by SOFEA from Activate Learning.

Richard Fielding, a trustee, is a manager at ASDA. Grant income totalling £126,384 (2020: £263,309) was received during the year by SOFEA from ASDA.

17 Key Management Personnel

During the year, the Chief Executive Officer received remuneration of £63,492 (2020: £57,940).

| 18 Cash generated from operations | 2021 £ | 2020 £ |
|---|-----------------|----------------|
| (Deficit)/surplus for the year | (10,763) | 373,236 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (64) | (198) |
| Depreciation and impairment of tangible fixed assets | 21,457 | 12,036 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (147,014) | 455 |
| Increase in creditors | 88,920 | 12,290 |
| Cash (absorbed by)/generated from operations | <u>(47,464)</u> | <u>397,819</u> |

19 Analysis of changes in net funds

The charity had no debt during the year.