

# THE SOFA PROJECT

England & Wales · Charity number 287088

## Details

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**Other names** REVAMP, SOFA, SOFA PROJECT

**Status** Registered

**Legal form** Charitable company

**Company number** [01697726](#)

**Registered** 1983-06-08

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

## Contact

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**Address** The Sofa Project  
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St. Philips  
Bristol  
BS2 0BL

**Phone** 0117 954 7808

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

## Activities

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**Objects:** 2.1(A) THE RELIEF OF POVERTY BY RENOVATING AND SUPPLYING FURNITURE, HOUSEHOLD GOODS AND DOMESTIC AND ELECTRICAL EQUIPMENT TO PERSONS WHO ARE IN CONDITIONS OF NEED HARDSHIP OR DISTRESS.2.1(B) TO PROMOTE SOCIAL INCLUSION FOR THE PUBLIC BENEFIT BY PREVENTING PEOPLE BECOMING SOCIALLY EXCLUDED, RELIEVING THE NEEDS OF THOSE PEOPLE WHO ARE SOCIALLY EXCLUDED AND ASSISTING THEM TO INTEGRATE INTO SOCIETY INCLUDING BUT NOT LIMITED TO THE PROVISION OF TRAINING, EDUCATION, REHABILITATION AND EMPLOYMENT AND VOLUNTEERING OPPORTUNITIES.FOR THE PURPOSE OF THIS ARTICLE "SOCIALLY EXCLUDED" MEANS BEING EXCLUDED FROM SOCIETY, OR PARTS OF SOCIETY, AS A RESULT OF ONE OR MORE OF THE FOLLOWING FACTORS: UNEMPLOYMENT; FINANCIAL HARDSHIP; YOUTH OR OLD AGE; ILL HEALTH (PHYSICAL OR MENTAL); SUBSTANCE ABUSE OR DEPENDENCY INCLUDING ALCOHOL AND DRUGS; DISCRIMINATION ON THE GROUNDS OF SEX, RACE, DISABILITY, ETHNIC ORIGIN, RELIGION, BELIEF, CREED, SEXUAL ORIENTATION OR GENDER RE-ASSIGNMENT; POOR EDUCATION OR SKILLS ATTAINMENT; RELATIONSHIP AND FAMILY BREAKDOWN; POOR HOUSING (THAT IS HOUSING THAT DOES NOT MEET BASIC HABITABLE STANDARDS); CRIME (EITHER AS A VICTIM OF CRIME OR AS AN OFFENDER REHABILITATING INTO SOCIETY).2.1(C) TO PROTECT AND PRESERVE THE ENVIRONMENT BY RECYCLING AND RE-USING MANUFACTURED GOODS AND CHATTELS.

**Activities:** SOFA PROJECT IS A SOCIAL ENTERPRISE WITH THE CHARITABLE AIMS OF SUPPORTING THE REHABILITATION OF PRISONERS THROUGH WORK OPPORTUNITIES IN THE ORGANISATION. THESE ACTIVITIES MAINLY COMPRISE THE RE-USE OF UNWANTED/DONATED FURNITURE AND DOMESTIC APPLIANCES BY REFURBISHING THEM AND SUPPLYING THEM AT LOW PRICES TO PEOPLE ON LOW INCOMES.

## Classification

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- **How:** Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Defined Groups, The General Public/mankind

## Geography

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- Bath And North East Somerset
- Bristol City
- North Somerset
- South Gloucestershire

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£676,035	£685,940	£-2,806	20
2024-03-31	£642,411	£658,077	£7,099	21
2023-03-31	£593,734	£662,625	£22,765	21
2022-03-31	£584,742	£570,502	£91,656	21
2021-03-31	£698,763	£638,400	£77,416	21

## Trustees

Name	Role	Appointed
Chris Williamson		2024-06-06
Colin Smart		2021-07-29
Keith Hicks		2019-07-25
Lucy Woods		2024-11-28
Moira Booth		2021-05-27
Mr C Neild		2016-10-28
Olufunmilola Buraimoh-Ademuyewo		2023-07-27
Peter Templeton		2020-01-30
Shelley Sturdy		2023-04-28

**THE SOFA PROJECT**

England & Wales - Charity number 287088

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# Accounts

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Charity Registration No. 287088

Company Registration No. 01697726 (England and Wales)

**SOFA PROJECT (THE)**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**



Ground Floor  
Wessex House  
Pixash Lane  
Keynsham  
Bristol  
United Kingdom  
BS31 1TP

## SOFA PROJECT (THE)

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## SOFA PROJECT (THE)

### COMPANY INFORMATION

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<b>Trustees</b>	Olufunmilola Buraimoh-Ademuyewo Shelley Sturdy Colin Smart Moira Booth Peter Templeton Keith Hicks Chris Neild Chris Williamson Lucy Woods	(Appointed 6 June 2024) (Appointed 28 November 2024)
<b>Secretary</b>	Ms N Peck	
<b>Charity number</b>	287088	
<b>Company number</b>	01697726	
<b>Registered office</b>	48-54 West Street St Phillips Bristol BS2 0BL	
<b>Independent examiner</b>	TC Group Ground Floor Wessex House Pixash Lane Keynsham Bristol United Kingdom BS31 1TP	

## **SOFA PROJECT (THE)**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2025**

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The trustees present their annual report and financial statements for the year ended 31 March 2025.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

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 Companies Act 2006 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)" (effective 1 January 2019).

#### **Objectives and activities**

Our charitable objects as defined in the charity's Articles of Association are:

- The relief of poverty by renovating and supplying furniture, household goods and domestic and electrical equipment to persons who are in conditions of need, hardship or distress.
- To promote social inclusion for the public benefit by preventing people becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society, including but not limited to, the provision of training, education, rehabilitation and employment and volunteering opportunities.
- To protect and preserve the environment by recycling and re-using manufactured goods and chattels.

SOFA, the charity is a company limited by guarantee and is governed by its Articles of Association.

The management of the Charity is under the guidance of the CEO Nicci Peck, who oversees all the operational and executive matters and executes the governance decisions made by the board at their bimonthly trustee meetings. Extraordinary meetings may be called by the Chair or at the request of board members. This was done so in the last financial year to support strategic initiatives to boost income generation. The CEO has regular meetings with the Chair and Vice-chair and keeps board members informed of the charities position by email. She asks for responses if they are necessary.

As before, the charity continues to regularly provide support to the Local Crisis Prevention Fund operated by Bristol City Council and currently operates a contract with them to supply good quality reconditioned electrical household goods and good quality furniture to those identified as being in need by Bristol City Council. The Charity works with an excellent and very supportive local company, Furnished Homes as our partner to fulfil this contract.

## **SOFA PROJECT (THE)**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2025**

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We offer training and employment to serving prisoners from and in prisons local to Bristol, HMP Leyhill and HMP Bristol. Prisoners from Leyhill (an open prison) come to our warehouse to work in our operations and we also take furniture for upcycling into our workshop within HMP Bristol. Our CEO has a good relationship with the women's prison HMP Eastwood Park, and we were delighted this year to open a workshop there for up to 10 women prisoners. The upcycling work there has been most impressive (see picture below). This will be very valuable to the prisoners in teaching them skills which will enable them to find work after their sentences are complete. Upcycling and practical skills will be particularly valuable to women post release who often end up in self-employment or part-time work.

SOFA Project is a charity and social enterprise business which was established over 45 years ago for the purpose of supplying good quality used furniture to those in need in the Bristol area. The acronym stands for "Shifting Old Furniture Around." The project continues to operate successfully under the dynamic leadership of our CEO Nicci Peck. Furniture and white goods are collected from the general public and local businesses and the white goods are refurbished, furniture is checked, repaired and upcycled to a high standard and prepared for sale in our warehouse. Items are sold in our shops or distributed to people in need when requested by Bristol City Council. We also donate furniture and paint to local organisations in particular supporting homeless people into accommodation.

We have three retail shops selling good quality used furniture, refurbished electrical goods and unused paint, all at very reasonable cost, to those who cannot afford new products or those who wish to purchase pre-used items. The charity has also opened a retail space in our existing warehouse to the general public where goods could be sold to them directly, as well as developed our online sales.

SOFA Project is licensed by the Environmental Agency to fully refurbish white goods. It is quite unusual for a charity to hold such a license. White goods are refurbished which prevents them being sent to landfill thereby fulfilling one of our charitable objectives. All our refurbished white goods are sold with a minimum of six-month warranties and customer satisfaction is high.

SOFA Project is an active and founder member of the Reuse Network. This is a national charity which negotiates contracts with large companies on behalf of smaller charities, and which lobbies on behalf of Reuse charities in the sector. The contract that they negotiated for example with the local John Lewis Store is very valuable to us as they donate goods directly to us for sale in our shops.

Our CEO appoints staff and with support from our external HR consultants decides upon their remuneration, the board decides upon the salary of the CEO and senior staff. All staff and board members work hard to support the aims and objectives of this charity that was set out earlier in this report. A number of former prisoners are employed upon release from prison.

The charity maintains a detailed risk log. This is regularly reviewed and updated under the guidance of the CEO and by two of our experienced Trustees.

The Trustees confirmed that they have referred to the guidance contained in the charity commission and general guidance on public benefit when reviewing the charities aims and objectives.

#### *Public benefit*

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

## SOFA PROJECT (THE)

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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#### Achievements and performance

##### *Significant activities and achievements against objectives*

SOFA Project is a long-established local charity and is very active in the Bristol area. This year:

- SOFA Project has prevented some 12,000 household goods and furniture items going to landfill, bringing the total to date to about 562,000. The majority of these items have been reused and the remainder fully recycled.
- Many thousands of families this year have benefitted from the low-cost resources this provides to help them build themselves more comfortable homes. Through our flagship shop in Old Market, the Charity has been particularly successful in supporting families and individuals in Lawrence Hill one of the most deprived areas in the UK. Specifically, over 500 families in social housing have been supplied with free cookers and washing machines, as well as furniture through our partnership with Bristol City Council's Crisis Prevention Fund.
- The repair, upcycling and recycling of these household goods provides meaningful opportunities for work, training and rehabilitation for prisoners and others who find it difficult to find work. Last year we celebrated our 200th successfully rehabilitated prisoner from our partners HMP Leyhill. Our work with HMP Bristol has also proved productive with many furniture items being upcycled successfully at the workshops there. We have now developed similar successful support for the regional women's prison HMP Eastwood Park, where the need for self-employment skills is greater. The Charity has also supported younger people into employment.
- During the year, SOFA Project has also been able to support a number of Bristol charities with free furniture and paint.
- The Charity is a very active member of the Community Repaint Scheme where we have supported the redistribution of 30,000 litres of paint within Bristol and prevented it going to disposal. The only charity able to offer this in the greater Bristol area.
- Our upcycling has been very skillfully supported by five very able volunteers who have worked wonders.

## SOFA PROJECT (THE)

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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#### Financial review

Our CEO, together with our accountant Nathan Brady of Stepping Stones Accountancy, provide the board with monthly financial statements and both attend the bimonthly Trustee meetings where the financial position is discussed and plans for the future formed. We are grateful to board members, especially Chris Neild and Colin Smart (Treasurer) for their financial and business advice.

The last few years have proved challenging, but we have shown our ability to adjust to new market forces while continuing to adhere to our social objectives, in particular maintaining low-cost furniture and household goods for the community we serve.

The external environment was tough again this year with costs still rising at 4% and grant donations from funders down some 10%. It has meant the charity has ended the year just slightly in deficit with no reserves.

Thankfully we have a great team who have offset these challenges and prevented a bigger deficit. Nicci Peck, the CEO launched two major business initiatives in the previous year which have still proved highly successful. The first was an overhaul of the charity's Electronic Point of Sale System (EPOS). This has streamlined administration and provided additional management information. Importantly it has facilitated introducing Gift Aid which now delivers an additional income of around £2,000 a month. The other initiative was to open a retail outlet at the Warehouse. This has proved very popular for donors and customers who drop off and purchase goods. This new outlet is continuing to grow and now contributing up to £4,000 in income each month. The charity also continues to develop its online and social media capability, but it recognises that this requires an injection of investment to be a success.

SOFA Project is immensely grateful to all the Charitable Trusts and Foundations, including the David Family Foundation who kindly support us by donating funds to us. The total amount donated can be seen in our accounts. Whilst funding the Charity largely through its own activities is the stated aim, it could not continue to operate and fulfil its social objectives if it does not receive these valuable donations.

The staffing level for the year ending March 2025 was 16 part-time and full time employees (2024: 16).

The board would like to achieve a reserve of £70,000 to cover two months underlying expenditure is a realistic level as we are a social enterprise and a charity whose main income comes from trading.

The majority of our trading income comes from retail trading and a local government contract. This way the charity is able to fund its charitable work a great deal from its own resources. The Charity funds 80% of its own work from income it generates from upcycling and recycling items that would otherwise go the landfill. In addition, however, we rely upon generous grants and donations from our funders in order to support our social enterprise aims and balance the bottom line.

Despite the current deficit, we continue to strive to operate with a monthly surplus so the reserves can be built to the required level. The trustees have noted that the target for the reserves has not been met in 2024/25 and that it is important to take measures to restore the required level of financial stability.

#### *Reserves policy*

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. 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. This level of reserves has been maintained throughout the year.

## SOFA PROJECT (THE)

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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#### Plans for future periods

We are an ambitious Charity. We have excellent staff and volunteers who contribute enormously to our organisation. The current rehabilitation programmes are running very well with HMP Bristol and HMP Leyhill albeit at reduced numbers due to funding. However the new arrangements for the rehabilitation of female prisoners with HMP Eastwood Park for skilled upcycling training in the region are a real breakthrough and producing excellent results. They will however need more support given the current climate within the prison sector.

The partnership with Bristol City Council and Furnished Homes is working well. However pressures on the local council has led to a 25% reduction in the contract meaning people in the Bristol area are going without support. This and a further £30,000 in costs from the increase in National Minimum wage and NI will mean we will have to reduce costs as a Charity and redundancies were implemented in the Charity earlier this year. Furniture donations for reuse and upcycling are also high, although the potential is even higher since 50% of items in the UK are still sent to landfill.

The potential for further charitable work is enormous as well as potential for further reuse donations. Specifically we see further mileage in our current initiatives to encourage donations and sales including through our new charity outlet at the warehouse and online.

Whilst the funding climate for the charity is very challenging, SOFA Project strives to achieve funding as much as possible through its own means and a more stable inflationary climate will help us control costs.

We are indebted and extremely grateful to all those who help us make these things happen.

#### Structure, governance and management

SOFA Project has a Board of nine trustees at the end of the financial year 2025. There is good stability within the Board with two new appointments. Chris Williamson who comes with wide business and charity experience was appointed earlier in the year. Lucy Woods was appointed in November and has current charity experience and a good knowledge of Bristol. I am grateful to all the Trustees who give their time and energy to supporting Nicci Peck, the CEO and her team in the success of the Charity.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Olufunmilola Buraimoh-Ademuyewo

Shelley Sturdy

Colin Smart

Moir Booth

Peter Templeton

Keith Hicks

Chris Neild

Chris Williamson

(Appointed 6 June 2024)

Lucy Woods

(Appointed 28 November 2024)

#### *Recruitment and appointment of trustees*

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

**SOFA PROJECT (THE)**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2025***

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

.....

Keith Hicks

**Trustee**

Date: .....

## **SOFA PROJECT (THE)**

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

***FOR THE YEAR ENDED 31 MARCH 2025***

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The trustees, who are also the directors of Sofa Project (The) for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company 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; 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 adequate 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 Companies Act 2006. 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.

## SOFA PROJECT (THE)

### INDEPENDENT EXAMINER'S REPORT

#### TO THE TRUSTEES OF SOFA PROJECT (THE)

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I report to the trustees on my examination of the financial statements of Sofa Project (The) (the charity) for the year ended 31 March 2025.

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

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

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

#### **Independent examiner's statement**

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

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

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

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

*K Edenborough*

**Kevin Edenborough**

Ground Floor  
Wessex House  
Pixash Lane  
Keynsham  
Bristol  
BS31 1TP  
United Kingdom

Dated: 19th December 2025

**SOFA PROJECT (THE)**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2025**

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	<b>Notes</b>	<b>Unrestricted funds 2025 £</b>	<b>Unrestricted funds 2024 £</b>
<b>Income from:</b>			
Donations and legacies	<b>3</b>	135,959	151,266
Charitable activities	<b>4</b>	491,691	443,478
Investments	<b>5</b>	48,385	47,667
		<hr/>	<hr/>
<b>Total income</b>		<b>676,035</b>	<b>642,411</b>
		<hr/>	<hr/>
<b>Expenditure on:</b>			
Raising funds	<b>6</b>	13,014	12,561
Charitable activities	<b>7</b>	672,926	645,516
		<hr/>	<hr/>
<b>Total expenditure</b>		<b>685,940</b>	<b>658,077</b>
		<hr/>	<hr/>
<b>Net expenditure and movement in funds</b>		<b>(9,905)</b>	<b>(15,666)</b>
<b>Reconciliation of funds:</b>			
Fund balances at 1 April 2024		7,099	22,765
		<hr/>	<hr/>
<b>Fund balances at 31 March 2025</b>		<b>(2,806)</b>	<b>7,099</b>
		<hr/>	<hr/>

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

**SOFA PROJECT (THE)****BALANCE SHEET****AS AT 31 MARCH 2025**

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		2025		2024	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		6,025		7,754
Investments	14		1		1
			<u>6,026</u>		<u>7,755</u>
<b>Current assets</b>					
Stocks	15	2,086		6,923	
Debtors	16	72,897		117,882	
Cash at bank and in hand		34,873		3,505	
		<u>109,856</u>		<u>128,310</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(94,984)</u>		<u>(99,707)</u>	
<b>Net current assets</b>			<u>14,872</u>		<u>28,603</u>
<b>Total assets less current liabilities</b>			<u>20,898</u>		<u>36,358</u>
<b>Creditors: amounts falling due after more than one year</b>	19		<u>(23,704)</u>		<u>(29,259)</u>
<b>Net (liabilities)/assets</b>			<u>(2,806)</u>		<u>7,099</u>
<b>The funds of the charity</b>					
Unrestricted funds	21		<u>(2,806)</u>		<u>7,099</u>
			<u>(2,806)</u>		<u>7,099</u>

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**SOFA PROJECT (THE)**

**BALANCE SHEET (CONTINUED)**

***AS AT 31 MARCH 2025***

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on .....

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Keith Hicks

**Trustee**

Company registration number 01697726 (England and Wales)

**SOFA PROJECT (THE)****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2025**

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	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	23		23,167		(73,741)
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(6,582)	
Proceeds from disposal of tangible fixed assets		-		510	
Investment income received		48,385		47,667	
<b>Net cash generated from investing activities</b>			48,385		41,595
<b>Financing activities</b>					
Repayment of bank loans		(5,555)		(5,555)	
<b>Net cash used in financing activities</b>			(5,555)		(5,555)
<b>Net increase/(decrease) in cash and cash equivalents</b>			65,997		(37,701)
Cash and cash equivalents at beginning of year			(31,124)		6,577
<b>Cash and cash equivalents at end of year</b>			34,873		(31,124)
<b>Relating to:</b>					
Cash at bank and in hand			34,873		3,505
Bank overdrafts included in creditors payable within one year			-		(34,629)

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## SOFA PROJECT (THE)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2025

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## 1 Accounting policies

### Charity information

Sofa Project (The) is a private company limited by guarantee incorporated in England and Wales. The registered office is 48-54 West Street, St Phillips, Bristol, BS2 0BL.

### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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 or grantors 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.

## SOFA PROJECT (THE)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

(Continued)

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.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 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:

Plant and equipment	20% Straight Line
Motor vehicles	15% 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 the statement of financial activities.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 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).

## SOFA PROJECT (THE)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

(Continued)

##### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### 1.10 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.

##### 1.11 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.

##### ***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.

## SOFA PROJECT (THE)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

#### 1 Accounting policies

(Continued)

##### *Derecognition of financial liabilities*

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

##### 1.12 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.

#### 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.

#### 3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	135,959	151,266

#### 4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Sale of goods	491,691	443,478

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	48,376	47,631
Interest receivable	9	36
	<u>48,385</u>	<u>47,667</u>

6 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
<b>Fundraising and publicity</b>		
Seeking donations, grants and legacies	13,014	12,561
	<u>13,014</u>	<u>12,561</u>

7 Expenditure on charitable activities

	2025 £	2024 £
<b>Direct costs</b>		
Charitable Expenditure	140,319	114,548
<b>Share of support and governance costs (see note 8)</b>		
Support	532,607	530,968
	<u>672,926</u>	<u>645,516</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>672,926</u>	<u>645,516</u>

**SOFA PROJECT (THE)****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****8 Support costs allocated to activities**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Depreciation	1,729	1,171
Staff Costs	299,768	290,969
Other Costs	6,986	8,332
Legal and Professional Costs	48,856	48,881
Establishment Costs	91,880	91,633
Finance Costs	3,116	5,169
Office Expenses	26,984	28,945
Production Costs	26,722	25,274
Transport Costs	24,677	27,527
Bank Charges	1,889	3,067
	<u>532,607</u>	<u>530,968</u>
<b>Analysed between:</b>		
Fundraising	13,014	12,561
Support	532,607	530,968
	<u>545,621</u>	<u>543,529</u>

**9 Net movement in funds**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	1,729	1,171
	<u>1,729</u>	<u>1,171</u>

**10 Trustees**

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

**11 Employees**

The average monthly number of employees during the year was:

<b>2025</b>	<b>2024</b>
<b>Number</b>	<b>Number</b>
20	21
<u>20</u>	<u>21</u>

## SOFA PROJECT (THE)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

#### 11 Employees

(Continued)

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the Operations Manager. The total employee benefits of the key management personnel of the charity were £57,816 (2024: £55,978). None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. No trustee expenses have been incurred during the period.

There were no employees whose annual remuneration was more than £60,000.

#### 12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

#### 13 Tangible fixed assets

	Plant and equipment	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 April 2024	74,690	55,247	129,937
At 31 March 2025	74,690	55,247	129,937
<b>Depreciation and impairment</b>			
At 1 April 2024	68,461	53,722	122,183
Depreciation charged in the year	1,500	229	1,729
At 31 March 2025	69,961	53,951	123,912
<b>Carrying amount</b>			
At 31 March 2025	4,729	1,296	6,025
At 31 March 2024	6,229	1,525	7,754

**SOFA PROJECT (THE)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2025**

**14 Fixed asset investments**

	<b>Other investments £</b>
<b>Cost or valuation</b>	
At 1 April 2024 & 31 March 2025	1
	<hr/>
<b>Carrying amount</b>	
At 31 March 2025	1
	<hr/> <hr/>
At 31 March 2024	1
	<hr/> <hr/>

	<b>Notes</b>	<b>2025 £</b>	<b>2024 £</b>
Other investments comprise:			
Investments in subsidiaries		1	1
		<hr/> <hr/>	<hr/> <hr/>

**15 Stocks**

	<b>2025 £</b>	<b>2024 £</b>
Finished goods and goods for resale	2,086	6,923
	<hr/> <hr/>	<hr/> <hr/>

**16 Debtors**

	<b>2025 £</b>	<b>2024 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,206	7,870
Other debtors	27,000	29,264
Prepayments and accrued income	44,180	76,882
	<hr/> <hr/>	<hr/> <hr/>
	72,386	114,016
	<hr/> <hr/>	<hr/> <hr/>

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

<b>16 Debtors</b>		<b>(Continued)</b>	
		<b>2025</b>	<b>2024</b>
		<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>			
Prepayments and accrued income		511	3,866
		<u>511</u>	<u>3,866</u>
<b>Total debtors</b>		<u>72,897</u>	<u>117,882</u>
<b>17 Loans and overdrafts</b>		<b>2025</b>	<b>2024</b>
		<b>£</b>	<b>£</b>
Bank overdrafts		-	34,629
Bank loans		28,704	34,259
		<u>28,704</u>	<u>68,888</u>
Payable within one year		5,000	39,629
Payable after one year		23,704	29,259
		<u>28,704</u>	<u>68,888</u>
<b>18 Creditors: amounts falling due within one year</b>		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>17</b>	5,000	39,629
Other taxation and social security		5,926	6,209
Deferred income	<b>20</b>	18,607	9,083
Trade creditors		4,590	-
Other creditors		1,773	698
Accruals		59,088	44,088
		<u>94,984</u>	<u>99,707</u>

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Bank loans	17	23,704	29,259
		<u>          </u>	<u>          </u>

20 Deferred income

	2025 £	2024 £
Other deferred income	18,607	9,083
	<u>          </u>	<u>          </u>

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	18,607	9,083
	<u>          </u>	<u>          </u>

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Designated Funds	7,755	-	(1,729)	-	6,026
General Funds	(656)	676,035	(684,211)	-	(8,832)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	7,099	676,035	(685,940)	-	(2,806)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

(Continued)					
21 Unrestricted funds	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
Previous year:	£	£	£	£	£
Designated Funds	2,344	-	-	5,411	7,755
General Funds	20,421	-	-	(21,077)	(656)
General funds	-	642,411	(658,077)	15,666	-
	<u>22,765</u>	<u>642,411</u>	<u>658,077</u>	<u>-</u>	<u>7,099</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

23 Cash generated from operations	2025	2024
	£	£
Deficit for the year	(9,905)	(15,666)
Adjustments for:		
Investment income recognised in statement of financial activities	(48,385)	(47,667)
Depreciation and impairment of tangible fixed assets	1,729	1,171
Movements in working capital:		
Decrease in stocks	4,837	6,689
Decrease in debtors	44,985	4,589
Increase in creditors	20,382	3,666
Increase in deferred income	9,524	-
<b>Cash generated from/(absorbed by) operations</b>	<u>23,167</u>	<u>(47,218)</u>

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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24 Analysis of changes in net funds/(debt)

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	3,505	31,368	34,873
Bank overdrafts	(34,629)	34,629	-
	<u>(31,124)</u>	<u>65,997</u>	<u>34,873</u>
Loans falling due within one year	(5,000)	-	(5,000)
Loans falling due after more than one year	(29,259)	5,555	(23,704)
	<u>(65,383)</u>	<u>71,552</u>	<u>6,169</u>

**THE SOFA PROJECT**

England & Wales - Charity number 287088

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# Accounts

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Company no. 01697726  
Charity no. 287088

**The Sofa Project**  
**Report and Financial Statements**  
**31 March 2024**

# The Sofa Project

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For the year ended 31 March 2024

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## The Sofa Project

### Reference and administrative details

For the year ended 31 March 2024

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**Company number** 01697726

**Charity number** 287088

**Registered office and operational address** 48-54 West Street  
St Philips  
Bristol  
BS2 0BL

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Keith Hicks	Chair
Peter Templeton	Vice chair
Colin Smart	Treasurer
Ruth Snary	Resigned 30/11/23
Chris Neild	
Marianne Reed	Resigned 12/09/23
Caroline Turner-Inskip	Resigned 04/05/23
Moira Booth	
Shelley Sturdy	Appointed 28/04/23
Olufunmilola	Appointed 27/07/23
Buraimoh-Ademuyewo	
Chris Williamson	Appointed 06/06/24

**Company secretary and chief executive officer** Nicola Peck

**Bankers** Lloyds Bank  
102 Regent's Street  
Kingswood  
Bristol  
BS15 2HT

**Solicitors** Osborne Clarke  
2 Temple Back East  
Temple Quay  
Bristol  
BS1 6EG

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2024**

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Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice- Accounting and Reporting by Charities (effective from January 2015).

#### **Structure, governance and management**

SOFA Project has a board of seven Trustees as at 31st March 2024. During the year Marianne Reed and Caroline Turner-Inskip resigned due to the pressure of their daily work, but have kindly offered to help the charity as alumni. Ruth Snary retired as Chair following some 10 years as a Trustee. We would like to thank them for their work whilst board members. They will be very much missed.

We are grateful to Chris Neild, former Vice-Chair, for staying on to support us given his business experience. Shelley Sturdy and Olufunmilola Buraimoh-Ademuyewo joined us during the financial year adding some excellent in-depth retail experience and breadth to the team. Chris Williamson, again with useful business and charity experience has been recently appointed in July bringing the number of Trustees to a current total of eight.

I am grateful to all the Trustees who give of their time and expertise to assist our CEO Nicci Peck in the administration of the SOFA Project.

#### **Objectives and Activities**

Our charitable objects as defined in the charity's Articles of Association are:

- (a) The relief of poverty by renovating and supplying furniture, household goods and domestic and electrical equipment to persons who are in conditions of need, hardship or distress.
- (b) To promote social inclusion for the public benefit by preventing people becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society, including but not limited to, the provision of training, education, rehabilitation and employment and volunteering opportunities.
- (c) To protect and preserve the environment by recycling and re-using manufactured goods and chattels.

The Sofa Project, the charity is a company limited by guarantee and is governed by its Articles of Association.

The management of the charity is under the guidance of the CEO Nicci Peck, who oversees all the operational and executive matters and executes the governance decisions made by the board at their bimonthly trustee meetings. Extraordinary meetings may be called by the Chair or at the request of board members. This was done so in the last financial year to support strategic initiatives to boost income generation. The CEO has regular meetings with the Chair and Vice-Chair and keeps board members regularly informed of the charity's position by email. She asks for responses if they are necessary.

As before, the charity continues to regularly provide support to the Local Crisis Prevention Fund operated by Bristol City Council and currently operates a contract with them to supply good quality reconditioned electrical household goods and good quality furniture to those identified as being in need by Bristol City Council. The charity works with an excellent and very supportive local company, Furnished Homes as our partner to fulfil this contract.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2024**

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We offer training and employment to serving prisoners from and in prisons local to Bristol, HMP Leyhill and HMP Bristol. Prisoners from Leyhill (an open prison) come to our warehouse to work in our operations and we also take furniture for upcycling into our workshop within HMP Bristol. Our CEO has a good relationship with the women's prison HMP Eastwood Park, and we very much hope after a delay last year to finally be able to take work into the women's prison. This will be very valuable to the prisoners in teaching them skills which will enable them to find work after their sentences are complete. Upcycling and practical skills will be particularly valuable to women post release who often end up in self-employment or part-time work.

SOFA Project is a charity and social enterprise business which was established over 44 years ago for the purpose of supplying good quality used furniture to those in need in the Bristol area. The acronym stands for "Shifting Old Furniture Around." The project continues to operate successfully under the dynamic leadership of our CEO Nicci Peck. Furniture and white goods are collected from the general public and local businesses and the white goods are refurbished, furniture is checked, repaired and upcycled to a high standard and prepared for sale in our warehouse. Items are sold in our shops or distributed to people in need when requested by Bristol City Council. We also donate furniture and paint to local organisations supporting homeless people into accommodation.

We have three retail shops selling good quality used furniture, refurbished electrical goods and unused paint, all at very reasonable cost, to those who cannot afford new products or those who wish to purchase pre-used items. The charity has also opened a retail space in our existing warehouse to the general public where goods could be sold to them directly, as well as developed our online sales.

SOFA Project is licensed by the Environmental Agency to fully refurbish white goods. It is quite unusual for a charity to hold such a license. White goods are refurbished which prevents them being sent to landfill thereby fulfilling one of our charitable objectives. All our refurbished white goods are sold with a minimum of six-month warranties and customer satisfaction is high.

SOFA Project is an active and founder member of the Reuse Network. This is a national charity which negotiates contracts with large companies on behalf of smaller charities, and which lobbies on behalf of Reuse charities in the sector. The contract that they negotiated for example with the local John Lewis Store is very valuable to us as they donate goods directly to us for sale in our shops.

Our CEO appoints staff and with support from our external HR consultants decides upon their remuneration, the board decides upon the salary of the CEO and senior staff. All staff and board members work hard to support the aims and objectives of this charity that was set out earlier in this report. A number of former prisoners are employed upon release from prison.

The charity maintains a detailed risk log. This is regularly reviewed and updated under the guidance of the CEO and by two of our experienced Trustees.

The Trustees confirmed that they have referred to the guidance contained in the charity commission and general guidance on public benefit when reviewing the charities aims and objectives.

## The Sofa Project

### Report of the trustees

#### For the year ended 31 March 2024

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#### Achievements and Performance

SOFA Project is a long-established local charity and is very active in the Bristol area. This year:

- SOFA Project has prevented some 12,000 household goods and furniture items going to landfill, bringing the total to date to about 550,000. The majority of these items have been reused and the remainder fully recycled.
- Many thousands of families this year have benefitted from the low-cost resources this provides to help them build themselves more comfortable homes. Through our flagship shop in Old Market, the charity has been particularly successful in supporting families and individuals in Lawrence Hill one of the most deprived areas in the UK. Specifically, over 500 families in social housing have been supplied with free cookers and washing machines, as well as furniture through our partnership with Bristol City Council's Crisis Prevention Fund.
- The repair, upcycling and recycling of these household goods provides meaningful opportunities for work, training and rehabilitation for prisoners and others who find it difficult to find work. This year we celebrated our 200th successfully rehabilitated prisoner from our partners HMP Leyhill. Our work with HMP Bristol has also proved productive with many furniture items being upcycled successfully at the workshops there. We are keen to develop similar successful support for the regional women's prison HMP Eastwood Park, where the need for self-employment skills is greater. The charity's apprentice scheme is running well.
- During the year, SOFA Project has also been able to support a number of Bristol charities with free furniture and paint.
- The charity is a very active member of the Community Repaint Scheme where we have supported the redistribution of 30,000 litres of paint within Bristol and prevented it going to disposal.



Our upcycling has been very skilfully supported by five very able volunteers.

## The Sofa Project

### Report of the trustees

#### For the year ended 31 March 2024

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##### Financial review

Our CEO, together with our accountant Nathan Brady of Stepping Stones Accountancy, provide the board with monthly financial statements and both attend the bimonthly Trustee meetings where the financial position is discussed and plans for the future formed. We are grateful to board members, especially Chris Neild and Colin Smart (Treasurer) for their financial and business advice.

The last few years have proved challenging, but we have shown our ability to adjust to new market forces while continuing to adhere to our social objectives, in particular maintaining low-cost furniture and household goods for the community we serve.

It was a tough year with income offsetting costs. Costs in the year rose enormously, with increases in wage costs (around 14% with the minimum and living wage costs), the cost of spare parts for white goods and energy being the main contributors.

To offset this, Nicci Peck, the CEO launched two major business initiatives in the year which have proved highly successful. The first was an overhaul of the charity's Electronic Point of Sale System (EPOS). This has streamlined administration and provided additional management information. Importantly it has facilitated introducing Gift Aid which now delivers an additional income of around £2,000 a month. The other has been to open a retail outlet at the Warehouse. This has proved very popular for donors and customers who drop off and purchase goods. This new outlet is now contributing in excess of £2,000 in income each month. The charity also continues to develop its online and social media capability.



## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2024**

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SOFA Project is immensely grateful to all the Charitable Trusts and Foundations, including the David Family Foundation who kindly support our work by donating funds to us. The total amount donated can be seen in our accounts. Whilst funding the charity largely through its own activities is the stated aim, it could not continue to operate and fulfil its social objectives if it does not receive these valuable donations.

The staffing level for the year ending March 2024 was 16 employees (2023: 16).

The board considers that a reserve of £70,000 to cover two months underlying expenditure is a realistic level as we are a social enterprise and a charity whose main income comes from trading.

The majority of our trading income comes from retail trading and a local government contract. This way the charity is able to fund its charitable work a great deal from its own resources. In addition, however, we rely upon generous grants and donations from our funders in order to support our social enterprise aims and balance the bottom line.

We continue to strive to operate with a monthly surplus so the reserves can be built to the required level. The trustees have noted that the target for the reserves has not been met in 2023/24 and that it is important to take measures to restore the required level of financial stability.

#### **Plans for the future**

We are excited about the future. We have excellent staff and volunteers who contribute enormously to our organisation. The current rehabilitation programmes are running very well with HMP Bristol and HMP Leyhill and the new arrangements for the rehabilitation of female prisoners with HMP Eastwood Park for skilled upcycling training in the region are looking promising.



## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2024**

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The partnership with Bristol City Council and Furnished Homes is working well and there is a groundswell of support for the charity and what it does. This was most evident with the support the charity received from Bristolians protecting our main shop during the summer unrest which centred on Old Market where we are based. Furniture donations for reuse and upcycling are also high.

The potential for further charitable work is enormous as well as potential for further reuse donations. Specifically we see further mileage in our current initiatives to encourage donations and sales including through our new charity outlet at the warehouse and online.

Whilst the funding climate for the charity is very challenging, SOFA Project strives to achieve funding as much as possible through its own means and a more stable inflationary climate will help us control costs.

We are indebted and extremely grateful to all those who help us make these things happen.

#### **Statement of responsibilities of the trustees**

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 and statements of recommended practice 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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 confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the Independent Examiners.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Approved by the trustees on 30 November 2024 and signed on their behalf by

Keith Hicks - Chair

## **Independent examiners report**

**To the members of**

**The Sofa Project**

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I report to the charity trustees on my examination of the accounts of the company for the year ended 31st March 2024 which are set out on pages 1 to 21.

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

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

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

### **Independent Examiner's Statement**

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

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principle of the Statement of Recommended Practice for accounting and reporting by charities.

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

Kevin Edenborough  
Chartered Accountant  
TC Group  
Ground Floor  
Wessex House  
Pixash Lane  
Keynsham  
Bristol  
BS31 1TP

Date: 30 November 2024

## The Sofa Project

### Statement of financial activities *(incorporating an income and expenditure account,*

**For the year ended 31 March 2024**

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	Note	Unrestricted £	<b>2024 Total £</b>	2023 Total £
<b>Income from:</b>				
Donations and legacies	3	151,266	<b>151,266</b>	102,775
Charitable activities	4	443,478	<b>443,478</b>	452,768
Investments	5	47,667	<b>47,667</b>	38,191
<b>Total income</b>		<u>642,411</u>	<u><b>642,411</b></u>	<u>593,734</u>
<b>Expenditure on:</b>				
Raising funds		12,561	<b>12,561</b>	11,323
Charitable activities		<u>645,516</u>	<u><b>645,516</b></u>	<u>651,302</u>
<b>Total expenditure</b>	6	<u>658,077</u>	<u><b>658,077</b></u>	<u>662,625</u>
<b>Net income / (expenditure) and net movement in funds</b>	7	(15,666)	<b>(15,666)</b>	(68,891)
<b>Reconciliation of funds:</b>				
Total funds brought forward		<u>22,765</u>	<u><b>22,765</b></u>	<u>91,656</u>
<b>Total funds carried forward</b>		<u><u>7,099</u></u>	<u><u><b>7,099</b></u></u>	<u><u>22,765</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the accounts.

## The Sofa Project

### Balance sheet

#### As at 31 March 2024

	Note	£	2024 £	2023 £
<b>Fixed assets</b>				
Tangible fixed assets	10		<b>7,754</b>	2,343
Investments	11		<u>1</u>	<u>1</u>
			<b>7,755</b>	2,344
<b>Current assets</b>				
Stocks		<b>6,923</b>		13,612
Debtors	12	<b>117,882</b>		112,538
Cash at bank and in hand		<u><b>3,505</b></u>		<u>11,195</u>
		<b>128,310</b>		137,345
<b>Current liabilities</b>				
Creditors: amounts falling due within 1 year	13	<b>65,078</b>		51,479
Bank overdraft		<u><b>34,629</b></u>		<u>30,630</u>
		<b>99,707</b>		82,109
<b>Net current assets</b>			<u><b>28,603</b></u>	<u>55,236</u>
<b>Total assets less current liabilities</b>			<b>36,358</b>	57,580
Creditors: amounts falling due after more than 1 year			<u><b>(29,259)</b></u>	<u>(34,815)</u>
<b>Net assets</b>	15		<u><u><b>7,099</b></u></u>	<u><u>22,765</u></u>
<b>Funds</b>				
Unrestricted funds:	16			
Designated funds			<b>7,755</b>	2,344
General funds			<u><b>(656)</b></u>	<u>20,421</u>
<b>Total charity funds</b>			<u><u><b>7,099</b></u></u>	<u><u>22,765</u></u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

Approved by the trustees on 30 November 2024 and signed on their behalf by

Keith Hicks - Chair

## The Sofa Project

### Statement of cash flows

For the year ended 31 March 2024

	Note	2024 £	2023 £
<b>Cash used in operating activities:</b>			
<b>Net cash provided by / (used in) operating activities</b>	17	<u>(47,218)</u>	<u>(73,741)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		47,667	38,191
Purchase of tangible fixed assets		(6,582)	-
Proceeds from disposal of tangible fixed assets		-	510
<b>Net cash provided by / (used in) investing activities</b>		<u>41,085</u>	<u>38,701</u>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term borrowings		-	-
Repayment of long-term borrowings		(5,556)	(5,555)
<b>Net cash provided by / (used in) financing activities</b>		<u>(5,556)</u>	<u>(5,555)</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>(11,689)</b>	<b>(40,595)</b>
Cash and cash equivalents at the beginning of the year		<u>(19,435)</u>	<u>21,160</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>(31,124)</b></u>	<u><b>(19,435)</b></u>

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2024

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#### 1. Accounting policies

##### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies

The Sofa Project meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having considered the charity's ability to generate its own income over the next twelve months.

##### c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. In line with the SORP FRS102, the value of services provided by volunteers has not been included.

Income from the charity's shops and investment income is included in the year in which it is receivable.

##### d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2024

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**e) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

**f) Funds accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the time employees have spent in each function and weighted by their salary and employer's national insurance contributions. The calculation produced the following split:

Raising funds	4%
Charitable activities	96%

**i) Tangible fixed assets**

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	15% reducing balance
Computer software and website	20% straight line

**j) Stock**

Donated goods are not valued as the volume and low value of items makes it impractical to measure the fair value of these goods.

Finished goods are valued at cost plus value added during refurbishment, where appropriate. Raw stock is valued at cost.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2024

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**k) Debtors**

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

**l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**m) Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

**n) Operating leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

**o) Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

**p) Termination benefits**

Where an employee receives a termination benefit the cost is recognised at the date the employee is notified.

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2024

#### 2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2023 Total £
<b>Income from:</b>			
Donations and legacies	-	102,775	<b>102,775</b>
Charitable activities	-	452,768	<b>452,768</b>
Investments	-	38,191	<b>38,191</b>
<b>Total income</b>	<b>-</b>	<b>593,734</b>	<b>593,734</b>
<b>Expenditure on:</b>			
Raising funds	-	11,323	<b>11,323</b>
Charitable activities	-	651,302	<b>651,302</b>
<b>Total expenditure</b>	<b>-</b>	<b>662,625</b>	<b>662,625</b>
<b>Net income / (expenditure)</b>	<b>-</b>	<b>(68,891)</b>	<b>(68,891)</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<b>-</b>	<b>(68,891)</b>	<b>(68,891)</b>

#### 3. Donations and legacies

	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Donations	-	147,425	<b>147,425</b>	102,775
Gift Aid	-	3,841	<b>3,841</b>	-
<b>Total donations and legacies</b>	<b>-</b>	<b>151,266</b>	<b>151,266</b>	<b>102,775</b>

#### 4. Income from charitable activities

	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Sale of donated furniture	-	230,948	<b>230,948</b>	193,228
Sale of new furniture	-	1,189	<b>1,189</b>	1,277
Sale of used domestic appliances	-	79,641	<b>79,641</b>	48,852
Sale of new domestic appliances	-	98,387	<b>98,387</b>	166,833
Sale of graded domestic appliances	-	214	<b>214</b>	8,693
Sale of paint	-	17,378	<b>17,378</b>	9,566
Revenue from transport and logistics	-	15,721	<b>15,721</b>	24,319
<b>Total income from charitable activities</b>	<b>-</b>	<b>443,478</b>	<b>443,478</b>	<b>452,768</b>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2024

#### 5. Investment income

	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Rent and management fees	-	47,631	<b>47,631</b>	38,177
Bank interest	-	11	<b>11</b>	14
Other interest	-	25	<b>25</b>	-
Total investment income	<u>-</u>	<u>47,667</u>	<u><b>47,667</b></u>	<u>38,191</u>

#### 6. Expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2024 Total £	2023 Total £
Staff costs	10,120	220,462	60,272	<b>290,854</b>	249,771
Cost of goods sold	-	127,109	-	<b>127,109</b>	171,049
Production costs	-	25,274	-	<b>25,274</b>	34,768
Transport costs	-	27,527	-	<b>27,527</b>	26,111
Establishment costs	-	91,633	-	<b>91,633</b>	87,491
Office expenses	-	28,945	-	<b>28,945</b>	32,429
Legal & professional	-	48,131	-	<b>48,131</b>	46,928
Independent examiner	-	-	750	<b>750</b>	750
Depreciation	-	1,171	-	<b>1,171</b>	571
Protective & safety equipment	-	115	-	<b>115</b>	1,325
Bank charges	-	3,067	-	<b>3,067</b>	2,763
Finance costs	-	5,169	-	<b>5,169</b>	3,147
(Profit)/Loss on disposal of fixed assets	-	-	-	<b>-</b>	(353)
Other costs	-	8,332	-	<b>8,332</b>	5,875
<b>Sub-total</b>	10,120	586,935	61,022	<b>658,077</b>	662,625
Allocation of governance and support	2,441	58,581	(61,022)	<b>-</b>	-
Total expenditure	<u>12,561</u>	<u>645,516</u>	<u>-</u>	<u><b>658,077</b></u>	<u>662,625</u>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2024

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#### 7. Net movement in funds

This is stated after charging:

	<b>2024</b>	2023
	<b>£</b>	£
Depreciation	<b>1,171</b>	571
Trustees' indemnity insurance	<b>Nil</b>	Nil
Trustees' reimbursed expenses	<b>Nil</b>	Nil
Amounts payable under operating leases		
▪ Property	<b>60,000</b>	60,000
▪ Equipment	<b>14,291</b>	16,450
Auditors'/Independent examiner remuneration:		
▪ Independent examiners fee	<b>750</b>	750
	<u><b>750</b></u>	<u>750</u>

#### 8. Staff costs and numbers

Staff costs were as follows:

	<b>2024</b>	2023
	<b>£</b>	£
Salaries and wages	<b>303,129</b>	265,254
Social security costs	<b>12,470</b>	10,845
Employer pensions	<b>4,570</b>	3,139
	<u><b>320,169</b></u>	<u>279,238</u>

No employee earned more than £60,000 during the year (2023: none).

	<b>2024</b>	2023
	<b>No.</b>	No.
Average number of employees	<u><b>21</b></u>	<u>21</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the Operations Manager. The total employee benefits of the key management personnel of the charity were £55,978 (2023: £50,043).

None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. No trustee expenses have been incurred during the period.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2024

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#### 9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 10. Tangible fixed assets

	Equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2023	68,108	55,247	<b>123,355</b>
Additions in year	6,582	-	<b>6,582</b>
Disposals at cost	-	-	-
	<u>74,690</u>	<u>55,247</u>	<u><b>129,937</b></u>
At 31 March 2024			
<b>Depreciation</b>			
At 1 April 2023	67,559	53,453	<b>121,012</b>
Charge for the year	902	269	<b>1,171</b>
Eliminated on disposal for the year	-	-	-
	<u>68,461</u>	<u>53,722</u>	<u><b>122,183</b></u>
At 31 March 2024			
<b>Net book value</b>			
<b>At 31 March 2024</b>	<u><b>6,229</b></u>	<u><b>1,525</b></u>	<u><b>7,754</b></u>
At 31 March 2023	<u>549</u>	<u>1,794</u>	<u>2,343</u>

#### 11. Investments

The charitable company owns 100% of the issued ordinary share capital of Sofa Environmental Services CIC, a company registered in England and Wales. The company has been dormant since incorporation. The investment is valued at historic cost (£1).

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2024

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#### 12. Debtors

	<b>2024</b>	2023
	£	£
Trade debtors	<b>1,245</b>	1,677
Other debtors - FH (note 14)	<b>6,625</b>	87,041
Prepayments	<b>76,882</b>	1,271
Other debtors	<b>33,130</b>	22,549
	<b><u>117,882</u></b>	<u>112,538</u>

#### 13. Creditors: amounts due within 1 year

	<b>2024</b>	2023
	£	£
Trade creditors	-	9,089
Accruals	<b>44,088</b>	22,211
Other taxation and social security	<b>3,648</b>	2,927
Bank loans	<b>5,000</b>	5,000
Other creditors	<b>12,342</b>	12,252
	<b><u>65,078</u></b>	<u>51,479</u>

#### 14. Deferred income - Furnished Homes

Deferred income comprises income received in advance from Furnished Homes Ltd under a joint contract to supply goods on behalf of Bristol City Council. Income is recognised in the statement of financial activities when the associated goods and services have been delivered.

	<b>2024</b>	2023
	£	£
Balance at 1 April	<b>(87,041)</b>	(50,914)
Amount released to income	<b>(90,973)</b>	(276,127)
Amount deferred in the year	<b>171,389</b>	240,000
	<b><u>(6,625)</u></b>	<u>(87,041)</u>

**The Sofa Project**

**Notes to the financial statements**

**For the year ended 31 March 2024**

**15. Analysis of net assets between funds**

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	7,754	7,754
Investments	-	1	1
Current assets	-	128,310	128,310
Current liabilities	-	(99,707)	(99,707)
Non-current liabilities	-	(29,259)	(29,259)
<b>Net assets at 31 March 2024</b>	<b>-</b>	<b>7,099</b>	<b>7,099</b>

**16. Movements in funds**

	At 1 April 2023 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2024 £
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Fixed asset fund	2,344	6,582	(1,171)	-	7,755
<i>Total designated funds</i>	2,344	6,582	(1,171)	-	7,755
General funds	20,421	635,829	(656,906)	-	(656)
<b>Total unrestricted funds</b>	22,765	642,411	(658,077)	-	7,099
<b>Total funds</b>	22,765	642,411	(658,077)	-	7,099

**Purpose of designated funds**

The designated fund represents the net book value of fixed assets held by the charity.

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2024

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#### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£	£
<b>Net movement in funds</b>	<b>(15,666)</b>	(68,891)
Adjustments for:		
Depreciation charges	1,171	571
Finance cost	5,169	3,147
Dividends, interest and rents from investments	(47,667)	(38,191)
Loss / (profit) on the sale of fixed assets	-	(353)
Decrease / (increase) in stock	6,689	9,003
Decrease / (increase) in debtors	(5,344)	29,342
Increase / (decrease) in creditors	<u>13,599</u>	<u>(5,222)</u>
<b>Cash generated from operations</b>	<b>(42,049)</b>	(70,594)
Interest paid	<u>(5,169)</u>	<u>(3,147)</u>
<b>Net cash provided by / (used in) operating activities</b>	<b><u>(47,218)</u></b>	<b><u>(73,741)</u></b>

#### 18. Related party transactions

There were no related party transactions during the period.

#### 19. Other financial commitments

At the year end the company had commitments under non-cancellable operating leases as set out below:

	Property	Total
	£	£
Operating leases which expire:		
within one year	60,000	<b>60,000</b>
within two to five years	<u>80,000</u>	<u><b>80,000</b></u>
	<u>140,000</u>	<u><b>140,000</b></u>

**THE SOFA PROJECT**

England & Wales - Charity number 287088

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# Accounts

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Company no. 01697726  
Charity no. 287088

**The Sofa Project**  
**Report and Financial Statements**  
**31 March 2023**

# The Sofa Project

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For the year ended 31 March 2023

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## The Sofa Project

### Reference and administrative details

#### For the year ended 31 March 2023

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**Company number** 01697726

**Charity number** 287088

**Registered office and operational address** 48-54 West Street  
St Philips  
Bristol  
BS2 0BL

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ruth Snary	Chair
Chris Neild	Vice chair
Marianne Reed	Resigned 12/09/23
Caroline Turner-Inskip	Resigned 04/05/23
Keith Hicks	
Peter Templeton	
David Wait	Resigned 30/01/23
Moira Booth	
Daniella Radice	Resigned 02/02/23
Colin Smart	
Shelley Sturdy	Appointed 28/04/23
Olufunmilola	Appointed 27/07/23
Buraimoh-Ademuyewo	

**Company secretary and chief executive officer** Nicola Peck

**Bankers** Lloyds Bank  
102 Regent's Street  
Kingswood  
Bristol  
BS15 2HT

**Solicitors** Osborne Clarke  
2 Temple Back East  
Temple Quay  
Bristol  
BS1 6EG

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

#### **Structure, governance and management**

SOFA Project has a board of eight Trustees at the end of the financial year 2023. During the year David Wait and Daniella Radice resigned due to the pressure of other work. I would like to thank them for their work whilst board members. They will be very much missed. We hope to appoint another Trustee in the coming year. I am grateful to all the Trustees who give of their time and expertise to assist to our CEO Nicci Peck in the administration of the SOFA Project.

#### **Objectives and Activities**

Our charitable objects as defined in the charity's Articles of Association are:

- (a) The relief of poverty by renovating and supplying furniture, household goods and domestic and electrical equipment to persons who are in conditions of need, hardship or distress.
- (b) To promote social inclusion for the public benefit by preventing people becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society, including but not limited to, the provision of training, education, rehabilitation and employment and volunteering opportunities.
- (c) To protect and preserve the environment by recycling and re-using manufactured goods and chattels.

SOFA, the charity is a company limited by guarantee and is governed by its Articles of Association.

The management of the Charity is under the guidance of the CEO Nicci Peck, who oversees all the operational and executive matters and executes the governance decisions made by the board at their bimonthly trustee meetings. Extraordinary meetings may be called by the Chair or at the request of board members. This was done so in the last financial year because of decisions that needed to be taken after the pandemic. The CEO has regular meetings with the Chair and Vice-chair and keeps board members informed of the charities position by email. She asks for responses if they are necessary.

As before, the charity continues to regularly provide support to the Local Crisis Prevention Fund operated by Bristol City Council and currently operates a contract with them to supply reconditioned electrical goods and good quality furniture to those identified as being in need by Bristol City Council. The Charity works with a local company, Furnished Homes to fulfil this contract.

We offer training and employment to serving prisoners from and in prisons local to Bristol, HMP Leyhill and HMP Bristol. Prisoners from Leyhill (an Open prison) come to our warehouse to work in our operations and we also take furniture for upcycling into our workshop within HMP Bristol. Our CEO has ongoing negotiations with the women's prison HMP Eastwood Park, and we very much hope in the coming year we will be able to take work into the women's prison. This will be very valuable to the prisoners in teaching them skills which will enable them to find work after their sentences are complete.

SOFA Project is a long-established local charity and is very active in the Bristol area. We currently have two retail shops selling very good quality used furniture, refurbished electrical goods and unused paint, all at very reasonable cost, to those who cannot afford new products or those who wish to purchase pre-used items. Plans to open another retail shop were discontinued as it was felt that the economic climate was not conducive at present to commit to another physical retail shop. Instead, plans were made to open a retail space in our existing warehouse to the general public where goods could be sold to them directly, as well as to further develop our online sales.

SOFA Project is licensed by the Environmental Agency to fully refurbish white goods. It is quite unusual for a charity to hold such a license. White goods are refurbished which prevents them being sent to landfill thereby fulfilling one of our charitable objectives. All our refurbished white goods are sold with a minimum of six-month warranties.

SOFA Project is an active member of the Reuse Network. This is a national charity which negotiates contracts with large companies on behalf of smaller charities. The contract that they negotiated for example with the local John Lewis Store is very valuable to us as they donate goods directly to us for sale in our shops. Other contracts with national firms are also negotiated.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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Our CEO appoints staff and decides upon their remuneration, the board decides upon the salary of the CEO and senior staff. All staff and board members work hard to support the aims and objectives of this charity that was set out earlier in this report. A number of former prisoners are employed upon release from prison. We have two members of staff who have now worked for the Charity for 20 years and the Board plan a small ceremony in order to acknowledge their achievements and commitment to our Charity.

The Charity maintains a detailed risk log. This is regularly reviewed and updated under the guidance of the CEO and by two of our experienced Trustees.

The Trustees confirmed that they have referred to the guidance contained in the charity commission and general guidance on public benefit when reviewing the charities aims and objectives.

#### **Achievements and Performance**

SOFA Project is a charity and social enterprise business which was established over 40 years ago for the purpose of supplying good quality used furniture to those in need in the Bristol area. The acronym stands for "Shifting Old Furniture Around." The project continues to operate successfully under the dynamic leadership of our CEO Nicci Peck. Our aims are broadly the same as before, running our shops and warehouse. Furniture and white goods are collected from the general public and the white goods are refurbished, furniture is checked and repaired where necessary and prepared for sale in our warehouse. Items are sold in our shops or distributed to people in need when requested to do so by Bristol City Council.

This year we have also been developing our on-line donation, shopping and social media capability. In the latter part of the year, we created an online sales capability through eBay.

Following the pandemic, conditions continue to be challenging, as it is for many small businesses and charities, but we continue to fulfil our charitable aims. We are able to supply people in Bristol with white goods and furniture which are desperately needed during the Cost of Living Crisis. Bristol City Council commissioned us for a further 4 years to use our services to provide people, whom they identify, who are in real need of the goods that we can supply. We share a contract with Furnished Homes in order to supply these goods. We are grateful to Bristol City Council for their support. The used paint scheme, operated under the administration of the Community RePaint network continues successfully and is used by members of the public who buy the paint from our shops at minimal cost. Paint is also donated free of charge to a wide range of other charities and organisations such as homeless charities, scout groups, schools, nurseries and community organisations. We are grateful once more to Bristol Waste for partnering with us in this venture. This scheme saves a large amount of paint being sent to landfill sites where it is classed as hazardous waste.

Our new vans, which were contracted last year, have proved very successful as they are now compliant with the new clean air zone introduced by Bristol City Council. The vans can travel all over Bristol without incurring additional costs.

SOFA Project continues to work with HMP Leyhill, giving serving prisoners who are nearing the end of their sentences training and work opportunities. They also experience life outside the prison before they leave custody. This work was curtailed during the pandemic, but we are pleased that it has now resumed as normal. We are now also taking work into HMP Bristol where prisoners "upcycle" items for sale in our shops. SOFA Project provides workshops in the prison in order to show prisoners how successful upcycling furniture can be achieved. The Prison Governors of Leyhill and Bristol Prison believe this work is invaluable to reduce re-offending.

Our CEO also offers work and opportunities to young people and others who have found difficulty in finding regular work. We employ apprentices in our administrative and operations as we strongly believe in supporting young people in order to develop their skills, confidence and abilities. Employing apprentices within the organisations bring fresh perspectives to our organisation. We are able to help develop their skills so as to fully benefit them in their future careers.

We continue to hold an AATF licence [Approved, Authorised Transfer Facility] with the Environmental Agency which is quite unusual for a charity. This license enables us to fully refurbish & test white goods to a high standard as well as to provide training opportunities for staff and HMP Leyhill prisoners who are placed with us. All electric appliances supplied to households are covered by a minimum of a full six-month warranty.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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##### **Financial review**

The pandemic affected the work of the Charity, but I am pleased to report that we have largely recovered from the effect of the pandemic and been able to continue with our valuable work in the Bristol community.

Our CEO, together with our accountant Nathan Brady of Stepping Stones Accountancy, furnish the board with monthly financial statements and both attend the bimonthly Trustee meetings where the financial position is discussed and plans for the future formed. We are grateful to board members, especially Chris Neild and Colin Smart for their financial and business advice.

The last few years have proved challenging, but we have shown our ability to adjust to new market forces while continuing to adhere to our social objectives. In a previous report it was suggested that we should open another retail outlet, but this has not proved to be viable. Instead, plans have been made to open up our warehouse to the public as a retail outlet and to develop our online capability.

We are developing our presence on social media with regular newsletters to inform the general public of our activities as well as regular posting on Instagram and Twitter. This is proving very popular with our supporters and widening our public profile.

SOFA Project is immensely grateful to all the Charitable Trusts and Foundations who continue to support us by donating funds to us. The total amount donated can be seen in our accounts. Whilst funding the Charity largely through its own activities is the stated aim, it could not continue to operate and fulfil its social objectives if it does not receive these valuable donations.

The staffing level for the year ending March 2023 was 16 Employees

The board considers that a reserve of £70,000 to cover two months underlying expenditure is a realistic level as we are a social enterprise and a charity whose main income comes from trading.

The majority of our trading income comes from retail trading and a local government contract. In addition, however, we rely upon generous grants and donations from our funders in order to support our social enterprise aims and balance the bottom line.

We continue to strive to operate with a monthly surplus so the reserves can be built to the required level. The trustees have noted that the target for the reserves has not been met in 2022/23 and that it is important to take measures to restore the required level of financial stability.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2023**

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##### **Plans for the future**

I have decided after seven years in the role of Chair of the Board of Trustees of SOFA Project to step down; Chris Neild has also decided to step down from his role as Vice-Chair. I am delighted that Keith Hicks has put his name forward for election as the new Chair and that Peter Templeton has offered to take the role as Vice-Chair. Both have considerable experience that will be invaluable to the Charity moving forward. I left the board after the Annual General Meeting in November, but Chris Neild will stay on as a Trustee. I am very confident that Keith Hicks and Peter Templeton will lead and guide the Board of Trustees and SOFA Project into a successful future.

The continuing difficult operating climate of greater demand on our services through the Cost of Living Crisis and pressure on high street sales calls for determined action to strengthen our financial position. A number of new initiatives were started towards the end of the financial year, these include exploring the re-introduction of Gift Aid, Sunday trading and opening our warehouse to the general public as a sales venue. Further measures will be explored in the coming months.

Plans are now well ahead at HMP Eastwood Park women's prison where our workshop will be established in order that the women can "upcycle furniture" for sale in our shops. We are currently seeking further funding to help us drive and support this great initiative.

I know that this will be a very valuable addition to the work of the prison service who continue to support and appreciate our work.

The furniture and white goods that that are for sale in our shops are very high quality and appreciated by the members of the public who continue donate and to buy from our shops.

In my last report I mentioned that we were looking at the possibility of engaging with BANES council to operate a Reuse shop on site at one of their HWRCs but after a more detailed exploration of the project it was decided that this was not a viable financial option for us. However, we are continuing to work with them in partnership in furthering the reuse of household furniture.

All of the above meet with the stated charitable objectives of SOFA Project.

##### **Statement of responsibilities of the trustees**

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 and statements of recommended practice 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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 confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Approved by the trustees on 30 November 2023 and signed on their behalf by

Ruth Snary - Trustee

## Independent examiners report

To the members of

### The Sofa Project

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I report to the charity trustees on my examination of the accounts of the company for the year ended 31st March 2023 which are set out on pages 1 to 19.

#### Responsibilities and basis of report

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

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

#### Independent Examiner's Statement

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

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principle of the Statement of Recommended Practice for accounting and reporting by charities.

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

*Kevin Edenborough*

Kevin Edenborough  
Chartered Accountant  
TC Group  
Ground Floor  
Wessex House  
Pixash Lane  
Keynsham  
Bristol  
BS31 1TP

Date:

## The Sofa Project

### Statement of financial activities *(incorporating an income and expenditure account,*

**For the year ended 31 March 2023**

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	Note	Unrestricted £	<b>2023 Total £</b>	2022 Total £
<b>Income from:</b>				
Donations and legacies	3	102,775	<b>102,775</b>	106,177
Charitable activities	4	452,768	<b>452,768</b>	446,299
Investments	5	38,191	<b>38,191</b>	32,266
<b>Total income</b>		<u>593,734</u>	<u><b>593,734</b></u>	<u>584,742</u>
<b>Expenditure on:</b>				
Raising funds		11,323	<b>11,323</b>	10,706
Charitable activities		<u>651,302</u>	<u><b>651,302</b></u>	<u>559,796</u>
<b>Total expenditure</b>	6	<u>662,625</u>	<u><b>662,625</b></u>	<u>570,502</u>
<b>Net income / (expenditure) and net movement in funds</b>	7	(68,891)	<b>(68,891)</b>	14,240
<b>Reconciliation of funds:</b>				
Total funds brought forward		<u>91,656</u>	<u><b>91,656</b></u>	<u>77,416</u>
<b>Total funds carried forward</b>		<u><u>22,765</u></u>	<u><u><b>22,765</b></u></u>	<u><u>91,656</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the accounts.

## The Sofa Project

### Balance sheet

#### As at 31 March 2023

	Note	£	2023 £	2022 £
<b>Fixed assets</b>				
Tangible fixed assets	10		<b>2,343</b>	3,071
Investments	11		<u>1</u>	<u>1</u>
			<b>2,344</b>	3,072
<b>Current assets</b>				
Stocks		<b>13,612</b>		22,615
Debtors	12	<b>112,538</b>		141,880
Cash at bank and in hand		<u><b>11,195</b></u>		<u>21,160</u>
		<b>137,345</b>		185,655
<b>Current liabilities</b>				
Creditors: amounts falling due within 1 year	13	<b>51,479</b>		56,701
Bank overdraft		<u><b>30,630</b></u>		<u>-</u>
		<b>82,109</b>		56,701
<b>Net current assets</b>			<u><b>55,236</b></u>	<u>128,954</u>
<b>Total assets less current liabilities</b>			<b>57,580</b>	132,026
Creditors: amounts falling due after more than 1 year			<u><b>(34,815)</b></u>	<u>(40,370)</u>
<b>Net assets</b>	15		<u><b>22,765</b></u>	<u>91,656</u>
<b>Funds</b>				
Unrestricted funds:	16			
Designated funds			<b>2,344</b>	3,072
General funds			<u><b>20,421</b></u>	<u>88,584</u>
<b>Total charity funds</b>			<u><b>22,765</b></u>	<u>91,656</u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

Approved by the trustees on 30 November 2023 and signed on their behalf by

Ruth Snary - Trustee

## The Sofa Project

### Statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	2022 £
<b>Cash used in operating activities:</b>			
<b>Net cash provided by / (used in) operating activities</b>	17	<u>(73,741)</u>	<u>(66,330)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		38,191	32,266
Purchase of tangible fixed assets		-	(915)
Proceeds from disposal of tangible fixed assets		<u>510</u>	<u>-</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>38,701</u>	<u>31,351</u>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term borrowings		-	-
Repayment of long-term borrowings		<u>(5,555)</u>	<u>(3,959)</u>
<b>Net cash provided by / (used in) financing activities</b>		<u>(5,555)</u>	<u>(3,959)</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<u>(40,595)</u>	<u>(38,938)</u>
Cash and cash equivalents at the beginning of the year		<u>21,160</u>	<u>60,098</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>(19,435)</u>	<u>21,160</u>

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 1. Accounting policies

##### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies

The Sofa Project meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having considered the charity's ability to generate its own income over the next twelve months.

##### c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. In line with the SORP FRS102, the value of services provided by volunteers has not been included.

Income from the charity's shops and investment income is included in the year in which it is receivable.

##### d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2023

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**e) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

**f) Funds accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the time employees have spent in each function and weighted by their salary and employer's national insurance contributions. The calculation produced the following split:

Raising funds	4%
Charitable activities	96%

**i) Tangible fixed assets**

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	15% reducing balance
Computer software and website	20% straight line

**j) Stock**

Donated goods are not valued as the volume and low value of items makes it impractical to measure the fair value of these goods.

Finished goods are valued at cost plus value added during refurbishment, where appropriate. Raw stock is valued at cost.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2023

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**k) Debtors**

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

**l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**m) Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

**n) Operating leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

**o) Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

**p) Termination benefits**

Where an employee receives a termination benefit the cost is recognised at the date the employee is notified.

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2023

#### 2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2022 Total £
<b>Income from:</b>			
Donations and legacies	-	106,177	<b>106,177</b>
Charitable activities	-	446,299	<b>446,299</b>
Investments	-	32,266	<b>32,266</b>
<b>Total income</b>	-	<b>584,742</b>	<b>584,742</b>
<b>Expenditure on:</b>			
Raising funds	-	10,706	<b>10,706</b>
Charitable activities	-	559,796	<b>559,796</b>
<b>Total expenditure</b>	-	<b>570,502</b>	<b>570,502</b>
<b>Net income / (expenditure)</b>	-	14,240	<b>14,240</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	-	<b>14,240</b>	<b>14,240</b>

#### 3. Donations and legacies

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Donations	-	102,775	<b>102,775</b>	92,764
Government grants	-	-	-	13,413
<b>Total donations and legacies</b>	-	<b>102,775</b>	<b>102,775</b>	<b>106,177</b>

#### 4. Income from charitable activities

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Sale of donated furniture	-	193,228	<b>193,228</b>	192,014
Sale of new furniture	-	1,277	<b>1,277</b>	3,104
Sale of used domestic appliances	-	48,852	<b>48,852</b>	48,067
Sale of new domestic appliances	-	166,833	<b>166,833</b>	171,595
Sale of graded domestic appliances	-	8,693	<b>8,693</b>	1,763
Sale of paint	-	9,566	<b>9,566</b>	11,601
Revenue from transport and logistics	-	24,319	<b>24,319</b>	18,155
<b>Total income from charitable activities</b>	-	<b>452,768</b>	<b>452,768</b>	<b>446,299</b>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2023

#### 5. Investment income

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Rent and management fees	-	38,177	<b>38,177</b>	32,261
Bank interest	-	14	<b>14</b>	5
Total investment income	<u>-</u>	<u>38,191</u>	<u><b>38,191</b></u>	<u>32,266</u>

#### 6. Expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £	2022 Total £
Staff costs	9,028	184,106	56,637	<b>249,771</b>	238,473
Cost of goods sold	-	171,049	-	<b>171,049</b>	163,256
Production costs	-	34,768	-	<b>34,768</b>	35,890
Transport costs	-	26,111	-	<b>26,111</b>	21,544
Establishment costs	-	87,491	-	<b>87,491</b>	89,336
Office expenses	-	32,429	-	<b>32,429</b>	29,154
Legal & professional	-	46,928	-	<b>46,928</b>	36,175
Independent examiner	-	-	750	<b>750</b>	750
Depreciation	-	571	-	<b>571</b>	992
Bad debts	-	-	-	-	(54,075)
Protective & safety equipment	-	1,325	-	<b>1,325</b>	1,141
Bank charges	-	2,763	-	<b>2,763</b>	2,553
Finance costs	-	3,147	-	<b>3,147</b>	1,257
(Profit)/Loss on disposal of fixed assets	-	(353)	-	<b>(353)</b>	-
Other costs	-	5,875	-	<b>5,875</b>	4,056
<b>Sub-total</b>	9,028	596,210	57,387	<b>662,625</b>	570,502
Allocation of governance and support	2,295	55,092	(57,387)	-	-
Total expenditure	<u>11,323</u>	<u>651,302</u>	<u>-</u>	<u><b>662,625</b></u>	<u>570,502</u>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2023

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#### 7. Net movement in funds

This is stated after charging:

	<b>2023</b>	2022
	<b>£</b>	£
Depreciation	<b>571</b>	992
Trustees' indemnity insurance	<b>Nil</b>	Nil
Trustees' reimbursed expenses	<b>Nil</b>	Nil
Amounts payable under operating leases		
▪ Property	<b>68,722</b>	68,722
▪ Equipment	<b>16,450</b>	17,982
Auditors'/Independent examiner remuneration:		
▪ Independent examiners fee	<b>750</b>	750
	<b><u>750</u></b>	<u>750</u>

#### 8. Staff costs and numbers

Staff costs were as follows:

	<b>2023</b>	2022
	<b>£</b>	£
Salaries and wages	<b>265,254</b>	256,320
Social security costs	<b>10,845</b>	15,589
Employer pensions	<b>3,139</b>	3,473
	<b><u>279,238</u></b>	<u>275,382</u>

No employee earned more than £60,000 during the year (2022: none).

	<b>2023</b>	2022
	<b>No.</b>	No.
Average number of employees	<b><u>21</u></b>	<u>21</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the Operations Manager. The total employee benefits of the key management personnel of the charity were £50,043 (2022: £47,417).

None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. No trustee expenses have been incurred during the period.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 10. Tangible fixed assets

	Equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2022	68,636	55,247	<b>123,883</b>
Additions in year	-	-	-
Disposals at cost	<u>(528)</u>	<u>-</u>	<u>(528)</u>
At 31 March 2023	<u>68,108</u>	<u>55,247</u>	<u><b>123,355</b></u>
<b>Depreciation</b>			
At 1 April 2022	67,677	53,135	<b>120,812</b>
Charge for the year	253	318	<b>571</b>
Eliminated on disposal for the year	<u>(371)</u>	<u>-</u>	<u>(371)</u>
At 31 March 2023	<u>67,559</u>	<u>53,453</u>	<u><b>121,012</b></u>
<b>Net book value</b>			
<b>At 31 March 2023</b>	<u><b>549</b></u>	<u><b>1,794</b></u>	<u><b>2,343</b></u>
At 31 March 2022	<u>959</u>	<u>2,112</u>	<u>3,071</u>

#### 11. Investments

The charitable company owns 100% of the issued ordinary share capital of Sofa Environmental Services CIC, a company registered in England and Wales. The company has been dormant since incorporation. The investment is valued at historic cost (£1).

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2023

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#### 12. Debtors

	<b>2023</b>	2022
	£	£
Trade debtors	<b>1,677</b>	63,827
Other debtors - FH (note 14)	<b>87,041</b>	50,914
Prepayments	<b>1,271</b>	2,146
Other debtors	<b>22,549</b>	24,993
	<b><u>112,538</u></b>	<u>141,880</u>

#### 13. Creditors: amounts due within 1 year

	<b>2023</b>	2022
	£	£
Trade creditors	<b>9,089</b>	23,415
Accruals	<b>22,211</b>	23,413
Other taxation and social security	<b>2,927</b>	3,227
Bank loans	<b>5,000</b>	5,000
Other creditors	<b>12,252</b>	1,646
	<b><u>51,479</u></b>	<u>56,701</u>

#### 14. Deferred income - Furnished Homes

Deferred income comprises income received in advance from Furnished Homes Ltd under a joint contract to supply goods on behalf of Bristol City Council. Income is recognised in the statement of financial activities when the associated goods and services have been delivered.

	<b>2023</b>	2022
	£	£
Balance at 1 April	<b>(50,914)</b>	(32,654)
Amount released to income	<b>(276,127)</b>	(254,780)
Amount deferred in the year	<b>240,000</b>	236,520
	<b><u>(87,041)</u></b>	<u>(50,914)</u>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2023

#### 15. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	2,343	<b>2,343</b>
Investments	-	1	<b>1</b>
Current assets	-	137,345	<b>137,345</b>
Current liabilities	-	(82,109)	<b>(82,109)</b>
Non-current liabilities	-	(34,815)	<b>(34,815)</b>
<b>Net assets at 31 March 2023</b>	<b>-</b>	<b>22,765</b>	<b>22,765</b>

#### 16. Movements in funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2023 £
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Fixed asset fund	3,072	-	(571)	(157)	<b>2,344</b>
<i>Total designated funds</i>	3,072	-	(571)	(157)	<b>2,344</b>
General funds	88,584	593,734	(662,054)	157	<b>20,421</b>
<b>Total unrestricted funds</b>	91,656	593,734	(662,625)	-	<b>22,765</b>
<b>Total funds</b>	91,656	593,734	(662,625)	-	<b>22,765</b>

#### Purpose of designated funds

The designated fund represents the net book value of fixed assets held by the charity.

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2023

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#### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
<b>Net movement in funds</b>	<b>(68,891)</b>	14,240
Adjustments for:		
Depreciation charges	571	992
Finance cost	3,147	1,257
Dividends, interest and rents from investments	(38,191)	(32,266)
Loss / (profit) on the sale of fixed assets	(353)	-
Decrease / (increase) in stock	9,003	3,507
Decrease / (increase) in debtors	29,342	(62,551)
Increase / (decrease) in creditors	<u>(5,222)</u>	<u>9,748</u>
<b>Cash generated from operations</b>	<b>(70,594)</b>	(65,073)
Interest paid	<u>(3,147)</u>	<u>(1,257)</u>
<b>Net cash provided by / (used in) operating activities</b>	<b><u>(73,741)</u></b>	<b><u>(66,330)</u></b>

#### 18. Related party transactions

There were no related party transactions during the period.

#### 19. Other financial commitments

At the year end the company had commitments under non-cancellable operating leases as set out below:

	Property £	Total £
Operating leases which expire:		
within one year	64,527	<b>64,527</b>
within two to five years	<u>120,000</u>	<b><u>120,000</u></b>
	<u>184,527</u>	<b><u>184,527</u></b>

**THE SOFA PROJECT**

England & Wales - Charity number 287088

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# Accounts

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Company no. 01697726  
Charity no. 287088

**The Sofa Project**  
**Report and Financial Statements**  
**31 March 2022**

# The Sofa Project

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**For the year ended 31 March 2022**

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## The Sofa Project

### Reference and administrative details

**For the year ended 31 March 2022**

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**Company number** 01697726

**Charity number** 287088

**Registered office and operational address** 48-54 West Street  
St Philips  
Bristol  
BS2 0BL

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ruth Snary	Chair
Chris Neild	Vice chair
Marianne Reed	
Caroline Turner-Inskip	
Keith Hicks	
Peter Templeton	
David Wait	
Moira Booth	Appointed 27/05/21
Daniella Radice	Appointed 29/07/21
Colin Smart	Appointed 29/07/21

**Company secretary and chief executive officer** Nicola Peck

**Bankers** Lloyds Bank  
102 Regent's Street  
Kingswood  
Bristol  
BS15 2HT

**Solicitors** Osborne Clarke  
2 Temple Back East  
Temple Quay  
Bristol  
BS1 6EG

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2022**

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Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

#### **Structure, governance and management**

SOFA Project has a board of 10 Trustees at the end of the financial year 2022. During the year 3 new board members were appointed, each with skills which will greatly enhance the Board. They are: Colin Smart, a recently retired banker, Moira Booth who has great experience working in prisons and Daniela Radice who has been a local councillor and is an active environmentalist. All will be invaluable to the Project and are keen to lend their collective experience to SOFA Project. We are delighted that they have all agreed to serve.

#### **Objectives and Activities**

Our charitable objects as defined in the charity's Articles of Association are:

- (a) The relief of poverty by renovating and supplying furniture, household goods and domestic and electrical equipment to persons who are in conditions of need, hardship or distress.
- (b) To promote social inclusion for the public benefit by preventing people becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society, including but not limited to, the provision of training, education, rehabilitation and employment and volunteering opportunities.
- (c) To protect and preserve the environment by recycling and re-using manufactured goods and chattels.

SOFA, the charity is a company limited by guarantee and is governed by its Articles of Association.

The management of the Charity is under the guidance of the CEO, Nicci Peck, who oversees all operational and executive matters and executes the governance decisions made by the Board at their bimonthly trustee meetings. Extraordinary meetings can be called by the Chair or at the request of Board members and this was done so in this financial year due to the decisions that needed to be taken during the pandemic. The CEO has regular meetings with the Chair and Vice Chair and keeps Board members informed of the charity's position by email and asks for responses when necessary.

The charity continues to regularly provide support to the Local Crisis Prevention Fund operated by Bristol City Council and currently operates the contract with them to supply reconditioned electrical goods and good quality used furniture to those identified as being in need by Bristol City Council.

We offer training and employment to serving prisoners from and in prisons local to Bristol

SOFA Project is a local charity and is very active in the Bristol area. We currently have two retail shops selling very good quality used furniture, refurbished electrical goods and usable paint, all at a reasonable cost to those who cannot afford new products, or, who wish to choose to purchase pre-used items.

SOFA Project is also licensed by the Environmental Agency to fully refurbish white goods which stops many items from unnecessarily going to landfill, thereby fulfilling one of our charitable objectives.

Our CEO appoints staff and decides upon their remuneration. The Board decides upon the salary of the CEO and senior staff. The CEO enlists the support of the experienced Board members to assist her when called upon. All, staff and Board members, work hard to support the aims and objectives of the charity as set out earlier in this report.

A detailed risk log is maintained by the charity. This is regularly reviewed and updated under the guidance of the CEO and two experienced trustee's.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2022**

#### **Achievements and Performance**

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SOFA Project is a Charity and Social Enterprise Business which was established over 40 years ago with the purpose of supplying good quality used furniture to those in need in the Bristol area. The acronym stands for "Shifting Old Furniture Around". The Project has since developed hugely, and continues to do so, and is now under the dynamic leadership of our CEO Nicci Peck. Our aims have also broadened, we now run two shops and a warehouse where white goods are refurbished, furniture checked and prepared for sale in the shops or for distribution to people in need as directed by Bristol City Council.

Last year was, during the pandemic, particularly challenging as it was for many small businesses and charities, but we managed to continue to fulfil our charitable aims and were able to supply people in Bristol with white goods and furniture that were desperately needed. This was completed under the auspices of Bristol City Council who continue to use our services to provide these goods to the people whom they identify. To supply these services we are in partnership with Furnished Homes with whom we share a contract. We are grateful to the council for their support.

SOFA Project has extensive contacts with the charity sector and is active in supporting their work. We regularly donate furniture, paint and kitchen supplies to other charities such as The Salvation Army, One25 and St Mungos in order to help them and their service users.

We continue our membership with the Reuse Network (RN) which is a national organisation connecting reuse charities nationwide. They promote business contacts and broker contracts with companies such as John Lewis that can be of help to charities. We have an annual RN audit which ensure that all our systems, management and governance adhere to the highest standard in the charity sector.

An interesting continual development has been involvement in the "used paint scheme" brokered by the Community RePaint Network. They have contacts with local painters and retailers who donate partly used pots of paint to us and we sell it to the public at a very reasonable cost or we donate it free of charge to organisations such as scout groups, boys clubs, schools and nurseries. We are grateful to Bristol Waste for partnering with us in this venture. The scheme saves a large amount of paint being sent to landfill sites as it is very difficult to dispose of unused paint because it is classed a hazardous waste.

SOFA Project continues to work with HMP Leyhill, giving serving prisoners who are nearing the end of their sentences training and the opportunity to work and experience life outside of the prison before they leave custody. During the pandemic this work was obviously curtailed for a period, but during the last year we have been able to welcome them back to our warehouse.

Our CEO employs apprentices in our Administration and Operational functions as we strongly believe in supporting young local people to develop their skills and abilities. One of our current apprentices had recently been made homeless before joining us and we have been able to support him with his accommodation needs as well as training and developing him in customer service, warehouse operations and appliance installations. Employing apprentices within the organisation brings fresh perspectives and an eagerness to contribute to us and our charitable aims, and also ensures we are able to develop their skills so as to fully benefit them in their future careers.

Our licence with the Environmental Agency continues and this is quite an unusual licence for a charity to hold. The licence enables us to fully refurbish white goods to a very high standard as well as to provide training opportunities for staff and HMP Leyhill prisoners placed with us. All electrical appliances supplied to households are covered by guarantee.

A strategic review was undertaken by a working group of trustees which was invaluable in crystallising our thinking about the way forward for our charity.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2022**

---

##### **Financial review**

This review is still very much affected by the Pandemic, but due to the support of the government during the year ending March 2021, the charity has been able to operate successfully during this financial year. The shops and warehouse were able to become fully operational and gradually build up their work.

Before the pandemic the charity held a contract to conduct house clearances on behalf of Bristol City Council. Work on this contract was largely put on hold due to the pandemic though some reduced services were provided. The charity had attempted for some time to recover amounts on this contract and a settlement has now been agreed. An amount of £61,837 was owed to the charity and this remained outstanding at the year end. Post year end the council has settled the amount in full.

During the pandemic the charity took the opportunity to apply for a loan under the government backed Bounce Back Scheme. The option to extend the loan to a ten year period was taken by the charity and repayments have started in this year.

Our CEO, Nicci Peck together with our accountant Nathan Brady of Stepping Stones Accountancy, furnish the Board with monthly financial statements and both attend the bimonthly Trustee meetings where the financial position is discussed and plans for the future are formed.

Our CEO keeps meticulous records of all costs and contracts and informs the board member's regularly by email and at the board meetings of the financial position.

The new vans which were contracted during the last financial year have proved very successful and are compliant with the Clean Air Zone due to be introduced by Bristol City Council in the latter part of 2022.

SOFA Project has proved that over the last 2 very difficult years of trading, we have shown adaptability and a surefootedness in being able to adjust to the new market forces whilst continuing to adhere to our social objectives.

As part of the Strategic Review carried out during the year it was decided not to open another retail outlet, but instead, to concentrate on developing our "online" footprint in recognition of general retail trends and because of the greater efficiency that this should bring.

The Project is immensely grateful to all the charitable trusts who continue to support us by donating funds to us. The total amount donated can be seen in our accounts. While funding itself through its own activities to a significant extent, the charity could not continue to operate and fulfil its social objectives as it does without these valued donations.

The staffing level for the year ending March 2022 was 16 employees

The trustees are pleased to report that reserves slightly exceed the reserves policy of £70,000. There is only a small excess and with reserves expected to decline in the following year no action was deemed necessary to actively reduce reserves.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2022**

---

##### **Plans for the future**

we are hopeful that the next year will be calmer and that our CEO will now have time to plan ahead with confidence. The planning and operation of our online sales is progressing well under the guidance of our CEO Nicci Peck and board member Keith Hicks.

We want to expand our work with prisoners by taking work into closed prisons such as HMP Bristol and HMP Eastwood Park women's prison, as we are convinced that giving prisoners meaningful work is invaluable. It is noted that the government has promoted work in prisons. Due to the pandemic this aspect of our work was necessarily curtailed but we very much hope to be able now to resume developing it.

The sale of quality used furniture, paint and upcycled and repaired furniture is welcomed and appreciated by our many customers and we want to continue to supply goods to them.

We are keenly focusing on further developing our online retail sales operations and in 2022-23 are investing in resources and developing our website to achieve our aims

We are also exploring the possibility of engaging with BANES Council to operate a Tip Shop on site at one of their HWRCS.

All of the above meet with the stated charitable objectives of SOFA Project.

##### **Statement of responsibilities of the trustees**

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 and statements of recommended practice 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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 confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Approved by the trustees on 24 November 2022 and signed on their behalf by

Ruth Snary - Trustee

## **Independent examiners report**

**To the members of**

### **The Sofa Project**

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I report to the charity trustees on my examination of the accounts of the company for the year ended 31st March 2022 which are set out on pages 1 to 19.

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

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

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

#### **Independent Examiner's Statement**

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

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principle of the Statement of Recommended Practice for accounting and reporting by charities.

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

Kevin Edenborough  
Chartered Accountant  
TC Group  
Ground Floor  
Wessex House  
Pixash Lane  
Keynsham  
Bristol  
BS31 1TP

Date:

## The Sofa Project

### Statement of financial activities *(incorporating an income and expenditure account)*

#### For the year ended 31 March 2022

	Note	Unrestricted £	2022 Total £	2021 Total £
<b>Income from:</b>				
Donations and legacies	3	106,177	<b>106,177</b>	298,801
Charitable activities	4	446,299	<b>446,299</b>	359,376
Investments	5	<u>32,266</u>	<b><u>32,266</u></b>	<u>40,586</u>
<b>Total income</b>		<u>584,742</u>	<b><u>584,742</u></b>	<u>698,763</u>
<b>Expenditure on:</b>				
Raising funds		10,706	<b>10,706</b>	9,760
Charitable activities		<u>559,796</u>	<b><u>559,796</u></b>	<u>628,640</u>
<b>Total expenditure</b>	6	<u>570,502</u>	<b><u>570,502</u></b>	<u>638,400</u>
<b>Net income / (expenditure) and net movement in funds</b>	7	14,240	<b>14,240</b>	60,363
<b>Reconciliation of funds:</b>				
Total funds brought forward		<u>77,416</u>	<b><u>77,416</u></b>	<u>17,053</u>
<b>Total funds carried forward</b>		<u><u>91,656</u></u>	<b><u><u>91,656</u></u></b>	<u><u>77,416</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the accounts.

## The Sofa Project

### Balance sheet

As at 31 March 2022

	Note	£	2022 £	2021 £
<b>Fixed assets</b>				
Tangible fixed assets	10		<b>3,071</b>	3,148
Investments	11		<u>1</u>	<u>1</u>
			<b>3,072</b>	3,149
<b>Current assets</b>				
Stocks		<b>22,615</b>		26,122
Debtors	12	<b>141,880</b>		79,329
Cash at bank and in hand		<u><b>21,160</b></u>		<u>60,098</u>
		<b>185,655</b>		165,549
<b>Current liabilities</b>				
Creditors: amounts falling due within 1 year	13	<u><b>56,701</b></u>		<u>46,953</u>
		<b>56,701</b>		46,953
<b>Net current assets</b>			<u><b>128,954</b></u>	<u>118,596</u>
<b>Total assets less current liabilities</b>			<b>132,026</b>	121,745
Creditors: amounts falling due after more than 1 year			<u><b>(40,370)</b></u>	<u>(44,329)</u>
<b>Net assets</b>	15		<u><b>91,656</b></u>	<u>77,415</u>
<b>Funds</b>	16			
Unrestricted funds:				
Designated funds			<b>3,072</b>	3,149
General funds			<u><b>88,584</b></u>	<u>74,267</u>
<b>Total charity funds</b>			<u><b>91,656</b></u>	<u>77,416</u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

Approved by the trustees on 24 November 2022 and signed on their behalf by

Ruth Snary - Trustee

## The Sofa Project

### Statement of cash flows

For the year ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash used in operating activities:</b>			
<b>Net cash provided by / (used in) operating activities</b>	17	<u>(66,330)</u>	<u>(20,132)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		32,266	40,586
Purchase of tangible fixed assets		<u>(915)</u>	<u>-</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>31,351</u>	<u>40,586</u>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term borrowings		-	44,329
Repayment of long-term borrowings		<u>(3,959)</u>	<u>-</u>
<b>Net cash provided by / (used in) financing activities</b>		<u>(3,959)</u>	<u>44,329</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>(38,938)</b>	64,783
Cash and cash equivalents at the beginning of the year		<u>60,098</u>	<u>(4,685)</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><u>21,160</u></u>	<u><u>60,098</u></u>

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2022

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#### 1. Accounting policies

##### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Sofa Project meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having considered the charity's ability to generate its own income over the next twelve months.

##### c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. In line with the SORP FRS102, the value of services provided by volunteers has not been included.

Income from the charity's shops and investment income is included in the year in which it is receivable.

##### d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2022

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**e) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

**f) Funds accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the time employees have spent in each function and weighted by their salary and employer's national insurance contributions. The calculation produced the following split:

Raising funds	4%
Charitable activities	96%

**i) Tangible fixed assets**

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	15% reducing balance
Computer software and website	20% straight line

**j) Stock**

Donated goods are not valued as the volume and low value of items makes it impractical to measure the fair value of these goods.

Finished goods are valued at cost plus value added during refurbishment, where appropriate. Raw stock is valued at cost.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2022

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**k) Debtors**

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

**l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**m) Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

**n) Operating leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

**o) Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

**p) Termination benefits**

Where an employee receives a termination benefit the cost is recognised at the date the employee is notified.

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2022

#### 2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2021 Total £
<b>Income from:</b>			
Donations and legacies	-	298,801	<b>298,801</b>
Charitable activities	-	359,376	<b>359,376</b>
Investments	-	40,586	<b>40,586</b>
<b>Total income</b>	<b>-</b>	<b>698,763</b>	<b>698,763</b>
<b>Expenditure on:</b>			
Raising funds	-	9,760	<b>9,760</b>
Charitable activities	-	628,640	<b>628,640</b>
<b>Total expenditure</b>	<b>-</b>	<b>638,400</b>	<b>638,400</b>
<b>Net income / (expenditure)</b>	<b>-</b>	<b>60,363</b>	<b>60,363</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<b>-</b>	<b>60,363</b>	<b>60,363</b>

#### 3. Donations and legacies

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Donations	-	92,764	<b>92,764</b>	102,623
Government grants		13,413	<b>13,413</b>	196,178
<b>Total donations and legacies</b>	<b>-</b>	<b>106,177</b>	<b>106,177</b>	<b>298,801</b>

#### 4. Income from charitable activities

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Sale of donated furniture	-	192,014	<b>192,014</b>	76,282
Sale of new furniture	-	3,104	<b>3,104</b>	1,950
Sale of used domestic appliances	-	48,067	<b>48,067</b>	28,009
Sale of new domestic appliances	-	171,595	<b>171,595</b>	150,747
Sale of graded domestic appliances	-	1,763	<b>1,763</b>	1,568
Sale of paint	-	11,601	<b>11,601</b>	4,742
Revenue from transport and logistics	-	18,155	<b>18,155</b>	96,078
<b>Total income from charitable activities</b>	<b>-</b>	<b>446,299</b>	<b>446,299</b>	<b>359,376</b>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2022

#### 5. Investment income

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Rent and management fees	-	32,261	<b>32,261</b>	40,570
Bank interest	-	5	<b>5</b>	16
Total investment income	<u>-</u>	<u>32,266</u>	<u><b>32,266</b></u>	<u>40,586</u>

#### 6. Expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £	2021 Total £
Staff costs	8,600	177,979	51,894	<b>238,473</b>	216,874
Cost of goods sold	-	163,256	-	<b>163,256</b>	136,439
Production costs	-	35,890	-	<b>35,890</b>	25,538
Transport costs	-	21,544	-	<b>21,544</b>	17,087
Establishment costs	-	89,336	-	<b>89,336</b>	85,541
Office expenses	-	29,154	-	<b>29,154</b>	24,765
Legal & professional	-	36,175	-	<b>36,175</b>	32,099
Independent examiner	-	-	750	<b>750</b>	750
Depreciation	-	992	-	<b>992</b>	1,251
Bad debts	-	(54,075)	-	<b>(54,075)</b>	88,899
Protective & safety equipment	-	1,141	-	<b>1,141</b>	3,235
Bank charges	-	2,553	-	<b>2,553</b>	2,430
Finance costs	-	1,257	-	<b>1,257</b>	-
Other costs	-	4,056	-	<b>4,056</b>	3,492
<b>Sub-total</b>	<b>8,600</b>	<b>509,258</b>	<b>52,644</b>	<b>570,502</b>	638,400
Allocation of governance and support	<u>2,106</u>	<u>50,538</u>	<u>(52,644)</u>	<u>-</u>	<u>-</u>
Total expenditure	<u><b>10,706</b></u>	<u><b>559,796</b></u>	<u><b>-</b></u>	<u><b>570,502</b></u>	<u><b>638,400</b></u>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2022

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#### 7. Net movement in funds

This is stated after charging:

	<b>2022</b>	2021
	£	£
Depreciation	<b>992</b>	1,251
Trustees' indemnity insurance	<b>Nil</b>	Nil
Trustees' reimbursed expenses	<b>Nil</b>	Nil
Amounts payable under operating leases		
▪ Property	<b>68,722</b>	68,722
▪ Equipment	<b>17,982</b>	16,776
Auditors'/Independent examiner remuneration:		
▪ Independent examiners fee	<b>750</b>	750
	<u><b>750</b></u>	<u>750</u>

#### 8. Staff costs and numbers

Staff costs were as follows:

	<b>2022</b>	2021
	£	£
Salaries and wages	<b>256,320</b>	239,443
Social security costs	<b>15,589</b>	14,014
Redundancy	-	1,983
Employer pensions	<b>3,473</b>	4,027
	<u><b>275,382</b></u>	<u>259,467</u>

No employee earned more than £60,000 during the year (2021: none).

	<b>2022</b>	2021
	No.	No.
Average number of employees	<u><b>21</b></u>	<u>21</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the Operations Manager. The total employee benefits of the key management personnel of the charity were £47,417 (2021: £42,964).

None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. No trustee expenses have been incurred during the period.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2022

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#### 9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 10. Tangible fixed assets

	Equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2021	67,721	55,247	<b>122,968</b>
Additions in year	915	-	<b>915</b>
Disposals at cost	-	-	-
At 31 March 2022	<u>68,636</u>	<u>55,247</u>	<u><b>123,883</b></u>
<b>Depreciation</b>			
At 1 April 2021	67,057	52,763	<b>119,820</b>
Charge for the year	620	372	<b>992</b>
Eliminated on disposal for the year	-	-	-
At 31 March 2022	<u>67,677</u>	<u>53,135</u>	<u><b>120,812</b></u>
<b>Net book value At 31 March 2022</b>	<u><b>959</b></u>	<u><b>2,112</b></u>	<u><b>3,071</b></u>
At 31 March 2021	<u>664</u>	<u>2,484</u>	<u>3,148</u>

#### 11. Investments

The charitable company owns 100% of the issued ordinary share capital of Sofa Environmental Services CIC, a company registered in England and Wales. The company has been dormant since incorporation. The investment is valued at historic cost (£1).

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2022

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#### 12. Debtors

	2022	2021
	£	£
Trade debtors	63,827	101,131
Provision for doubtful debts	-	(97,573)
Other debtors - FH (note 14)	50,914	32,654
Prepayments	2,146	10,845
Other debtors	24,993	32,272
	<u>141,880</u>	<u>79,329</u>

#### 13. Creditors: amounts due within 1 year

	2022	2021
	£	£
Trade creditors	23,415	15,439
Accruals	23,413	13,239
Other taxation and social security	3,227	11,227
Bank loans	5,000	5,671
Other creditors	1,646	1,377
	<u>56,701</u>	<u>46,953</u>

#### 14. Deferred income - Furnished Homes

Deferred income comprises income received in advance from Furnished Homes Ltd under a joint contract to supply goods on behalf of Bristol City Council. Income is recognised in the statement of financial activities when the associated goods and services have been delivered.

	2022	2021
	£	£
Balance at 1 April	(32,654)	10,772
Amount released to income	(254,780)	(228,426)
Amount deferred in the year	236,520	185,000
	<u>(50,914)</u>	<u>(32,654)</u>

**The Sofa Project**

**Notes to the financial statements**

**For the year ended 31 March 2022**

**15. Analysis of net assets between funds**

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	3,071	<b>3,071</b>
Investments	-	1	<b>1</b>
Current assets	-	185,655	<b>185,655</b>
Current liabilities	-	(56,701)	<b>(56,701)</b>
Non-current liabilities	-	(40,370)	<b>(40,370)</b>
<b>Net assets at 31 March 2022</b>	<b>-</b>	<b>91,656</b>	<b>91,656</b>

**16. Movements in funds**

	At 1 April 2021 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2022 £
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Fixed asset fund	<u>3,149</u>	<u>915</u>	<u>(992)</u>	<u>-</u>	<u><b>3,072</b></u>
<i>Total designated funds</i>	<u>3,149</u>	<u>915</u>	<u>(992)</u>	<u>-</u>	<u><b>3,072</b></u>
General funds	<u>74,267</u>	<u>583,827</u>	<u>(569,510)</u>	<u>-</u>	<u><b>88,584</b></u>
<b>Total unrestricted funds</b>	<u>77,416</u>	<u>584,742</u>	<u>(570,502)</u>	<u>-</u>	<u><b>91,656</b></u>
<b>Total funds</b>	<u><u>77,416</u></u>	<u><u>584,742</u></u>	<u><u>(570,502)</u></u>	<u><u>-</u></u>	<u><u><b>91,656</b></u></u>

**Purpose of designated funds**

The designated fund represents the net book value of fixed assets held by the charity.

## The Sofa Project

### Notes to the financial statements

**For the year ended 31 March 2022**

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#### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
<b>Net movement in funds</b>	<b>14,240</b>	60,363
Adjustments for:		
Depreciation charges	<b>992</b>	1,251
Finance cost	<b>1,257</b>	-
Dividends, interest and rents from investments	<b>(32,266)</b>	(40,586)
Decrease / (increase) in stock	<b>3,507</b>	(7,028)
Decrease / (increase) in debtors	<b>(62,551)</b>	(24,699)
Increase / (decrease) in creditors	<b>9,748</b>	(9,433)
<b>Cash generated from operations</b>	<b>(65,073)</b>	(20,132)
Interest paid	<b>(1,257)</b>	-
<b>Net cash provided by / (used in) operating activities</b>	<b><u>(66,330)</u></b>	<b><u>(20,132)</u></b>

#### 18. Related party transactions

There were no related party transactions during the period.

#### 19. Other financial commitments

At the year end the company had commitments under non-cancellable operating leases as set out below:

	Property	Total
	£	£
Operating leases which expire:		
within one year	69,876	<b>69,876</b>
within two to five years	164,527	<b>164,527</b>
Greater than five years	20,000	<b>20,000</b>
	<b><u>254,403</u></b>	<b><u>254,403</u></b>

**THE SOFA PROJECT**

England & Wales - Charity number 287088

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# Accounts

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Company no. 01697726  
Charity no. 287088

**The Sofa Project**  
**Report and Financial Statements**  
**31 March 2021**

# The Sofa Project

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For the year ended 31 March 2021

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## The Sofa Project

### Reference and administrative details

#### For the year ended 31 March 2021

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**Company number** 01697726

**Charity number** 287088

**Registered office and operational address** 48-54 West Street  
St Philips  
Bristol  
BS2 0BL

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ruth Snary	Chair
Chris Neild	Vice chair
Edward Porter	Resigned 21/07/21
Marianne Reed	
Katherine Clifford	Resigned 29/07/21
Glenda Hagger	Resigned 07/10/20
Eddie Piper	Resigned 25/03/21
Caroline Turner-Inskip	
Keith Hicks	
Peter Templeton	
David Wait	Appointed 25/03/21
Moira Booth	Appointed 27/05/21
Daniella Radice	Appointed 29/07/21
Colin Smart	Appointed 29/07/21

**Company secretary and chief executive officer** Nicola Peck

**Bankers** Lloyds Bank  
102 Regent's Street  
Kingswood  
Bristol  
BS15 2HT

**Solicitors** Osborne Clarke  
2 Temple Back East  
Temple Quay  
Bristol  
BS1 6EG

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2021**

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Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

#### **Structure, governance and management**

The Board of Trustees had nine members serving at the end of the financial year March 2021. Glenda Hagger resigned due to other commitments: Eddie Piper had come to the end of his tenure and as he had moved away from the Bristol area did not renew his membership: The Board would like to thank them for their valued contribution to SOFA Project over the time of their service.

The Board was delighted to welcome David Wait to the Board. He has significant experience in management in the retail sector and has also worked with other charities before he relocated to the Bristol area; he will be a significant asset to the Board.

The Board is actively looking for trustees with financial expertise and are confident that appointments will be made early in the next financial year.

#### **Objectives and Activities**

Our charitable objects as defined in the charity's Articles of Association are:

- (a) The relief of poverty by renovating and supplying furniture, household goods and domestic and electrical equipment to persons who are in conditions of need, hardship or distress.
- (b) To promote social inclusion for the public benefit by preventing people becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society, including but not limited to, the provision of training, education, rehabilitation and employment and volunteering opportunities.
- © To protect and preserve the environment by recycling and re-using manufactured goods and chattels.

SOFA, the charity is a company limited by guarantee and is governed by its Articles of Association.

The management of the Charity is under the guidance of the CEO, Nicci Peck, who oversees all operational and executive matters and executes the governance decisions made by the Board at their bimonthly trustee meetings. Extraordinary meetings can be called by the Chair or at the request of Board members and this was done so in this financial year due to the decisions that needed to be taken during the pandemic. The CEO has regular meetings with the Chair and Vice Chair and keeps Board members informed of the charity's position by email and asks for responses when necessary.

The charity continues to regularly provide support to the Local Crisis Prevention Fund operated by Bristol City Council and currently operates the contract with them to supply reconditioned electrical goods and good quality used furniture to those identified as being in need by Bristol City Council.

During the year we helped other local charities by regularly donating furniture, household goods and paint. We have assisted St Mungos, who help homeless people to be rehoused, and One25, a charity which supports women trapped in sex work or who suffer from domestic violence.

We are members of the Reuse Network, which promotes business contracts with major companies such as IKEA, John Lewis and DHL. We undergo annual audits by RN to ensure that our management systems and governance meet the highest of the sector standards. We have strong links with other local charities and housing associations to whom we often make donations of furniture. We are also members of the Community RePaint network, a UK wide paint reuse network. This enables us to work with Bristol Waste as well as with local decorators and paint retailers to collect leftover paint, allowing us to redistribute it to individuals, families, other charities and community groups either free or at very affordable costs.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2021**

---

We offer training and employment to serving prisoners and other members of the public who find difficulty in entering the jobs market.

SOFA Project is a local charity and is very active in the Bristol area. We currently have two retail shops selling very good quality used furniture and refurbished electrical goods at a reasonable cost to those who cannot afford new products, or, who wish to choose to purchase pre-used items.

SOFA Project is also licensed by the Environmental Agency to fully refurbish white goods which stops many items from unnecessarily going to landfill which helps to further fulfill one of our charitable objectives.

The letters and emails that we receive regularly are testament to the high regard that is felt for the Project in the locality.

The CEO oversees the appointment of staff and their remuneration and the Board determines the salaries of the CEO and senior management. The CEO and her staff, supported by the very active Board, work hard to support the aims and objectives of the charity as set out earlier in this report.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

#### **Achievements and Performance**

This year has been extraordinarily challenging for the Charity, as indeed it has been for other charities and businesses during this disastrous pandemic and the Board wishes to formally thank our CEO for her leadership during this very difficult time. We continued to hold trustee meetings via Zoom and extraordinary trustee meetings were held in order to help our CEO. Most of our employees were furloughed during this time, work with the local prison was put on hold, and our shops were closed. Throughout this time SOFA Project continued to supply goods to those in need through Bristol City Councils Crisis Prevention Fund, and some employees were able to work in order to fulfil orders from the council.

Online sales were also trialled during this period and our Operations Manager, who was appointed in the last financial year, oversaw the management.

Reused furniture was donated to various charities in the area during this period.

We continued to work successfully with our partners, Furnished Homes, supplying goods to families in need as identified by Bristol City Council. This continued throughout the pandemic in often very challenging circumstances.

We are proud of developing our work in supplying and selling in our shops tins of used and leftover paint which provides income to the charity and saves the paint from going to landfill sites. Paint is also donated to other charities such as schools, nurseries, the Men's Shed organisation, Boys clubs, Scouts groups and the Salvation Army

Our successful relationship with HMP Leyhill continues but was necessarily curtailed during this period. We looked forward to welcoming the prisoners back to our warehouse in order to continue helping them to prepare for their release after completion of their sentences.

We are aware that our Risk Assessment Policy needs continual review, and a major piece of work was undertaken to review and update it by trustees Kate Clifford and Marianne Reed and the CEO, in order to ensure that the policy was fit for purpose. We would like to thank them for undertaking and overseeing this vital work.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2021**

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##### **Financial review**

The review is of course dominated by the pandemic, the partial closure of our workshop and the closure of our shops, which are a key source of income. Whilst closed during the lockdowns, the charity made use of the Coronavirus Job Retention Scheme to help fund employees' wages. Various grants paid by Bristol City Council to help cover fixed costs during the lockdown ensured that the charity could continue to meet its financial obligations during this difficult time.

Despite being a very challenging trading year, the charity has achieved a surplus in the year which greatly helps in securing the future financial position of the charity.

We are also tremendously grateful to all the Charitable Trusts, Funds and individuals who showed their confidence in SOFA Project by continuing to donate to the charity during the year. The total amount donated can be seen in our accounts. We continue to rely on these very valued donations in order to fulfil our social objectives.

The charity holds a contract to conduct house clearances on behalf of Bristol City Council. Work on this contract was temporarily put on hold though goods remained stored by the charity on behalf of the council. Work was sporadic throughout the year and lower levels than usual. It became increasingly difficult to communicate with the main point of contact at the council, until the point our communications went unanswered. A large debt on the contract built up and remained unpaid. Management and trustees have tried repetitively to contact the council to resolve the matter. At the date of the report we have not yet had a response from the council. The trustees feel there is enough uncertainty around the recovery of these funds to justify a provision against them. The total amount due at 31/03/21 was £97,573. The trustees and management continue to try and engage with the council and hope to recover these funds in the future.

The charity took the opportunity to apply for a loan under the government backed Bounce Back Scheme. This has allowed the charity to obtain a low interest loan to help to secure cash flow through the pandemic.

Our CEO, Nicci Peck and our accountant Nathan Brady of Stepping Stones Accountancy, provide the Board with monthly financial reports of the financial situation which are discussed in detail at the Board meetings.

Our CEO monitors costs and contracts, keeping meticulous records in order to report regularly to the Board at the Trustee meetings on the charity's performance in all aspects of our multiple aims and objectives.

New contracts were signed for the leasing of replacement vans which are vital for the charity as goods have to be collected and delivered. The vans will meet the clean air standards which are being introduced by Bristol City Council in the near future. Smart logos were designed thanks to the good offices of our trustee Marianne Reed.

Despite all the difficulties over the year we have maintained our services and our support for clients of Bristol City Council and other charities during the lockdowns. We have proved that we are adept at responding to the need for change and have been able to adapt successfully to the new marketplace in order to maintain and grow our charitable objectives.

We necessarily had to suspend our plans for another retail outlet due to uncertainty and pressure on high street sales and the increased risk of such a venture during this period.

The staffing level for the year ending March 20/21 was 17 employees

The trustees have noted that the targets for the reserves has not been met though reserves have increased on last year making some progress to achieving the target.

##### **Plans for the future**

We are hopeful that we can now plan for the future with confidence after a turbulent year. Trustee Kate Clifford undertook another major project to identify and define the objectives of SOFA Project and suggest ways of realising them. A working group was formed from the trustees and the CEO with very fruitful discussions taking place which crystallised our thinking and planning for the future, culminating in a new Strategic Plan for the period 2021-2025.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2021**

We again began online sales and are now looking at opportunities for developing these and to possibly open another retail outlet; we also want to further our important work with prisoners. We still hope to build a relationship with HMP Eastwood Park, the local women's prison. We will be appointing a new trustee who has a great interest and experience in prisoner education and has good relationships at local prisons. We are hopeful that this will assist in building the charity's work in the prisons which we consider is of vital importance. Indeed, the government recognises the value of such work.

We are also appointing another trustee with financial expertise who will be able to assist the Board. This was one of the Boards stated aims in the report ending March 2020.

All of the above meet with the stated charitable objectives of SOFA Project.

#### **Statement of responsibilities of the trustees**

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 and statements of recommended practice 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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 confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Approved by the trustees on 28 November 2021 and signed on their behalf by

Ruth Snary - Trustee

## **Independent examiners report**

**To the members of**

**The Sofa Project**

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I report to the charity trustees on my examination of the accounts of the company for the year ended 31st March 2021 which are set out on pages 1 to 19.

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

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

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

### **Independent Examiner's Statement**

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

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principle of the Statement of Recommended Practice for accounting and reporting by charities.

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

Kevin Edenborough  
Chartered Accountant  
TC Group  
Redwood House  
65 Bristol Road  
Keynsham  
Bristol  
BS31 2WB

Date:

## The Sofa Project

### Statement of financial activities *(incorporating an income and expenditure account,*

**For the year ended 31 March 2021**

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	Note	Unrestricted £	2021 Total £	2020 Total £
<b>Income from:</b>				
Donations and legacies	3	298,801	<b>298,801</b>	99,959
Charitable activities	4	359,376	<b>359,376</b>	500,633
Investments	5	40,586	<b>40,586</b>	40,987
<b>Total income</b>		<u>698,763</u>	<u><b>698,763</b></u>	<u>641,579</u>
<b>Expenditure on:</b>				
Raising funds		9,760	<b>9,760</b>	9,286
Charitable activities		<u>628,640</u>	<u><b>628,640</b></u>	<u>631,475</u>
<b>Total expenditure</b>	6	<u>638,400</u>	<u><b>638,400</b></u>	<u>640,761</u>
<b>Net income / (expenditure) and net movement in funds</b>	7	60,363	<b>60,363</b>	818
<b>Reconciliation of funds:</b>				
Total funds brought forward		<u>17,053</u>	<u><b>17,053</b></u>	<u>16,235</u>
<b>Total funds carried forward</b>		<u><u>77,416</u></u>	<u><u><b>77,416</b></u></u>	<u><u>17,053</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the accounts.

## The Sofa Project

### Balance sheet

As at 31 March 2021

	Note	£	2021 £	2020 £
<b>Fixed assets</b>				
Tangible fixed assets	10		<b>3,148</b>	4,399
Investments	11		<u>1</u>	<u>1</u>
			<b>3,149</b>	4,400
<b>Current assets</b>				
Stocks		<b>26,122</b>		19,094
Debtors	12	<b>79,329</b>		54,630
Cash at bank and in hand		<u><b>60,098</b></u>		<u>-</u>
		<b>165,549</b>		73,724
<b>Current liabilities</b>				
Creditors: amounts falling due within 1 year	13	<b>46,953</b>		56,387
Bank overdraft		<u>-</u>		<u>4,685</u>
		<b>46,953</b>		61,072
<b>Net current assets</b>			<u><b>118,596</b></u>	<u>12,652</u>
<b>Total assets less current liabilities</b>			<b>121,745</b>	17,052
Creditors: amounts falling due after more than 1 year			<u><b>(44,329)</b></u>	<u>-</u>
<b>Net assets</b>	15		<u><u><b>77,416</b></u></u>	<u><u>17,052</u></u>
<b>Funds</b>				
Unrestricted funds:	16			
Designated funds			<b>3,149</b>	4,400
General funds			<u><b>74,267</b></u>	<u>12,653</u>
<b>Total charity funds</b>			<u><u><b>77,416</b></u></u>	<u><u>17,053</u></u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

Approved by the trustees on 28 November 2021 and signed on their behalf by

Ruth Snary - Trustee

## The Sofa Project

### Statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash used in operating activities:</b>			
<b>Net cash provided by / (used in) operating activities</b>	17	<u>(20,132)</u>	<u>(32,458)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>40,586</b>	40,987
Purchase of tangible fixed assets		<u>-</u>	<u>-</u>
<b>Net cash provided by / (used in) investing activities</b>		<u><b>40,586</b></u>	<u>40,987</u>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term borrowings		<u><b>44,329</b></u>	<u>-</u>
<b>Net cash provided by / (used in) financing activities</b>		<u><b>44,329</b></u>	<u>-</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>64,783</b>	8,529
Cash and cash equivalents at the beginning of the year		<u>(4,685)</u>	<u>(13,214)</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>60,098</b></u>	<u>(4,685)</u>

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2021

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#### 1. Accounting policies

##### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies

The Sofa Project meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having considered the charity's ability to generate its own income over the next twelve months.

##### c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. In line with the SORP FRS102, the value of services provided by volunteers has not been included.

Income from the charity's shops and investment income is included in the year in which it is receivable.

##### d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2021

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**e) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

**f) Funds accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the time employees have spent in each function and weighted by their salary and employer's national insurance contributions. The calculation produced the following split:

Raising funds	4%
Charitable activities	96%

**i) Tangible fixed assets**

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	15% reducing balance
Computer software and website	20% straight line

**j) Stock**

Donated goods are not valued as the volume and low value of items makes it impractical to measure the fair value of these goods.

Finished goods are valued at cost plus value added during refurbishment, where appropriate. Raw stock is valued at cost.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2021

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**k) Debtors**

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

**l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**m) Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

**n) Operating leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

**o) Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

**p) Termination benefits**

Where an employee receives a termination benefit the cost is recognised at the date the employee is notified.

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2021

#### 2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2020 Total £
<b>Income from:</b>			
Donations and legacies	-	99,959	<b>99,959</b>
Charitable activities	-	500,633	<b>500,633</b>
Investments	-	40,987	<b>40,987</b>
<b>Total income</b>	-	641,579	<b>641,579</b>
<b>Expenditure on:</b>			
Raising funds	-	9,286	<b>9,286</b>
Charitable activities	-	631,475	<b>631,475</b>
<b>Total expenditure</b>	-	640,761	<b>640,761</b>
<b>Net income / (expenditure)</b>	-	818	<b>818</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	-	818	<b>818</b>

#### 3. Donations and legacies

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
<b>Donations</b>	-	102,623	<b>102,623</b>	99,959
<b>Government grants</b>		196,178	<b>196,178</b>	-
Total donations and legacies	-	298,801	<b>298,801</b>	99,959

#### 4. Income from charitable activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Sale of donated furniture	-	76,282	<b>76,282</b>	198,832
Sale of new furniture	-	1,950	<b>1,950</b>	9,308
Sale of used domestic appliances	-	28,009	<b>28,009</b>	53,440
Sale of new domestic appliances	-	150,747	<b>150,747</b>	80,011
Sale of graded domestic appliances	-	1,568	<b>1,568</b>	24,727
Sale of used clothing	-	4,742	<b>4,742</b>	16,530
Revenue from transport and logistics	-	96,078	<b>96,078</b>	117,785
Total income from charitable activities	-	359,376	<b>359,376</b>	500,633

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2021

#### 5. Investment income

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Rent and management fees	-	40,570	<b>40,570</b>	40,983
Bank interest	-	16	<b>16</b>	4
Total investment income	<u>-</u>	<u>40,586</u>	<u><b>40,586</b></u>	<u>40,987</u>

#### 6. Expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £	2020 Total £
Staff costs	7,811	161,086	47,977	<b>216,874</b>	235,893
Cost of goods sold	-	136,439	-	<b>136,439</b>	140,541
Production costs	-	25,538	-	<b>25,538</b>	43,946
Transport costs	-	17,087	-	<b>17,087</b>	31,297
Establishment costs	-	85,541	-	<b>85,541</b>	105,538
Office expenses	-	24,765	-	<b>24,765</b>	31,095
Legal & professional	-	32,099	-	<b>32,099</b>	37,612
Audit fee	-	-	-	-	-
Independent examiner	-	-	750	<b>750</b>	750
Depreciation	-	1,251	-	<b>1,251</b>	1,339
Bad debts	-	88,899	-	<b>88,899</b>	3,438
Protective & safety equipment	-	3,235	-	<b>3,235</b>	-
Bank charges	-	2,430	-	<b>2,430</b>	4,372
Other costs	-	3,492	-	<b>3,492</b>	4,940
<b>Sub-total</b>	<u>7,811</u>	<u>581,862</u>	<u>48,727</u>	<u><b>638,400</b></u>	<u>640,761</u>
Allocation of governance and support	<u>1,949</u>	<u>46,778</u>	<u>(48,727)</u>	<u>-</u>	<u>-</u>
Total expenditure	<u><u>9,760</u></u>	<u><u>628,640</u></u>	<u><u>-</u></u>	<u><u><b>638,400</b></u></u>	<u><u>640,761</u></u>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2021

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#### 7. Net movement in funds

This is stated after charging:

	<b>2021</b>	2020
	<b>£</b>	£
Depreciation	<b>1,251</b>	1,339
Trustees' indemnity insurance	<b>Nil</b>	Nil
Trustees' reimbursed expenses	<b>Nil</b>	Nil
Amounts payable under operating leases		
▪ Property	<b>68,722</b>	68,722
▪ Equipment	<b>16,776</b>	17,926
Auditors'/Independent examiner remuneration:		
▪ Independent examiners fee	<b>750</b>	750
	<b><u>750</u></b>	<u>750</u>

#### 8. Staff costs and numbers

Staff costs were as follows:

	<b>2021</b>	2020
	<b>£</b>	£
Salaries and wages	<b>239,443</b>	274,092
Social security costs	<b>14,014</b>	13,530
Redundancy	<b>1,983</b>	-
Employer pensions	<b>4,027</b>	3,249
	<b><u>259,467</u></b>	<u>290,871</u>

No employee earned more than £60,000 during the year (2020: none).

	<b>2021</b>	2020
	<b>No.</b>	No.
Average number of employees	<b><u>21</u></b>	<u>28</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the Operations Manager. The total employee benefits of the key management personnel of the charity were £42,964 (2020: £42,397).

None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. No trustee expenses have been incurred during the period.

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2021

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#### 9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 10. Tangible fixed assets

	Equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2020	67,722	55,247	<b>122,969</b>
Additions in year	-	-	-
Disposals at cost	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2021	<b>67,722</b>	<b>55,247</b>	<b>122,969</b>
<b>Depreciation</b>			
At 1 April 2020	66,243	52,326	<b>118,569</b>
Charge for the year	813	438	<b>1,251</b>
Eliminated on disposal for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2021	<b>67,056</b>	<b>52,764</b>	<b>119,821</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>665</b>	<b>2,483</b>	<b>3,148</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2020	<b>1,478</b>	<b>2,921</b>	<b>4,399</b>

#### 11. Investments

The charitable company owns 100% of the issued ordinary share capital of Sofa Environmental Services CIC, a company registered in England and Wales. The company has been dormant since incorporation. The investment is valued at historic cost (£1).

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2021

#### 12. Debtors

	2021 £	2020 £
Trade debtors	101,131	16,345
Provision for doubtful debts	(97,573)	-
Other debtors - FH (note 14)	32,654	-
Prepayments	10,845	7,168
Other debtors	<u>32,272</u>	<u>31,117</u>
	<u><u>79,329</u></u>	<u><u>54,630</u></u>

#### 13. Creditors: amounts due within 1 year

	2021 £	2020 £
Trade creditors	15,439	26,161
Accruals	13,239	7,127
Other taxation and social security	11,227	8,825
Deferred income - FH (note 14)	-	10,772
Other deferred income	-	23
Bank loans	5,671	-
Other creditors	<u>1,377</u>	<u>3,479</u>
	<u><u>46,953</u></u>	<u><u>56,387</u></u>

#### 14. Deferred income - Furnished Homes

Deferred income comprises income received in advance from Furnished Homes Ltd under a joint contract to supply goods on behalf of Bristol City Council. Income is recognised in the statement of financial activities when the associated goods and services have been delivered.

	2021 £	2020 £
Balance at 1 April	10,772	992
Amount released to income	(228,426)	(165,220)
Amount deferred in the year	<u>185,000</u>	<u>175,000</u>
Balance at 31 March	<u><u>(32,654)</u></u>	<u><u>10,772</u></u>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2021

#### 15. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	3,148	<b>3,148</b>
Investments	-	1	<b>1</b>
Current assets	-	165,549	<b>165,549</b>
Current liabilities	-	(46,953)	<b>(46,953)</b>
Non-current liabilities	-	(44,329)	<b>(44,329)</b>
<b>Net assets at 31 March 2021</b>	<b>-</b>	<b>77,415</b>	<b>77,415</b>

#### 16. Movements in funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2021 £
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Fixed asset fund	4,400	-	(1,251)	-	<b>3,149</b>
<i>Total designated funds</i>	4,400	-	(1,251)	-	<b>3,149</b>
General funds	12,653	698,763	(637,149)	-	<b>74,267</b>
<b>Total unrestricted funds</b>	17,053	698,763	(638,400)	-	<b>77,416</b>
<b>Total funds</b>	17,053	698,763	(638,400)	-	<b>77,416</b>

#### Purpose of designated funds

The designated fund represents the net book value of fixed assets held by the charity.

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2021

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#### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
<b>Net movement in funds</b>	<b>60,363</b>	818
Adjustments for:		
Depreciation charges	1,251	1,339
Dividends, interest and rents from investments	<b>(40,586)</b>	(40,987)
Decrease / (increase) in stock	<b>(7,028)</b>	16,998
Decrease / (increase) in debtors	<b>(24,699)</b>	8,928
Increase / (decrease) in creditors	<b>(9,433)</b>	(19,554)
	<hr/>	<hr/>
<b>Net cash provided by / (used in) operating activities</b>	<b><u>(20,132)</u></b>	<b><u>(32,458)</u></b>

#### 18. Related party transactions

There were no related party transactions during the period.

#### 19. Other financial commitments

At the year end the company had commitments under non-cancellable operating leases as set out below:

	Property £	Total £
Operating leases which expire:		
within one year	60,000	<b>60,000</b>
within two to five years	200,000	<b>200,000</b>
Greater than five years	40,000	<b>40,000</b>
	<hr/>	<hr/>
	<b>300,000</b>	<b>300,000</b>
	<hr/>	<hr/>