

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

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
Moir 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

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

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

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

	Note	Unrestricted £	2021 Total £	2020 Total £
Income from:				
Donations and legacies	3	298,801	298,801	99,959
Charitable activities	4	359,376	359,376	500,633
Investments	5	40,586	40,586	40,987
Total income		<u>698,763</u>	<u>698,763</u>	<u>641,579</u>
Expenditure on:				
Raising funds		9,760	9,760	9,286
Charitable activities		628,640	628,640	631,475
Total expenditure	6	<u>638,400</u>	<u>638,400</u>	<u>640,761</u>
Net income / (expenditure) and net movement in funds	7	60,363	60,363	818
Reconciliation of funds:				
Total funds brought forward		<u>17,053</u>	<u>17,053</u>	<u>16,235</u>
Total funds carried forward		<u><u>77,416</u></u>	<u><u>77,416</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 £
Fixed assets				
Tangible fixed assets	10		3,148	4,399
Investments	11		<u>1</u>	<u>1</u>
			3,149	4,400
Current assets				
Stocks		26,122		19,094
Debtors	12	79,329		54,630
Cash at bank and in hand		<u>60,098</u>		<u>-</u>
		165,549		73,724
Current liabilities				
Creditors: amounts falling due within 1 year	13	46,953		56,387
Bank overdraft		<u>-</u>		<u>4,685</u>
		46,953		61,072
Net current assets			<u>118,596</u>	<u>12,652</u>
Total assets less current liabilities			121,745	17,052
Creditors: amounts falling due after more than 1 year			<u>(44,329)</u>	<u>-</u>
Net assets	15		<u><u>77,416</u></u>	<u><u>17,052</u></u>
Funds	16			
Unrestricted funds:				
Designated funds			3,149	4,400
General funds			<u>74,267</u>	<u>12,653</u>
Total charity funds			<u><u>77,416</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 £
Cash used in operating activities:			
Net cash provided by / (used in) operating activities	17	<u>(20,132)</u>	<u>(32,458)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		40,586	40,987
Purchase of tangible fixed assets		<u>-</u>	<u>-</u>
Net cash provided by / (used in) investing activities		<u>40,586</u>	<u>40,987</u>
Cash flows from financing activities:			
Proceeds from long-term borrowings		<u>44,329</u>	<u>-</u>
Net cash provided by / (used in) financing activities		<u>44,329</u>	<u>-</u>
Increase / (decrease) in cash and cash equivalents in the year		64,783	8,529
Cash and cash equivalents at the beginning of the year		<u>(4,685)</u>	<u>(13,214)</u>
Cash and cash equivalents at the end of the year		<u>60,098</u>	<u>(4,685)</u>

The Sofa Project

Notes to the financial statements

For the year ended 31 March 2021

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

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

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

3. Donations and legacies

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

4. Income from charitable activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Sale of donated furniture	-	76,282	76,282	198,832
Sale of new furniture	-	1,950	1,950	9,308
Sale of used domestic appliances	-	28,009	28,009	53,440
Sale of new domestic appliances	-	150,747	150,747	80,011
Sale of graded domestic appliances	-	1,568	1,568	24,727
Sale of used clothing	-	4,742	4,742	16,530
Revenue from transport and logistics	-	96,078	96,078	117,785
Total income from charitable activities	-	359,376	359,376	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	40,570	40,983
Bank interest	-	16	16	4
Total investment income	<u>-</u>	<u>40,586</u>	<u>40,586</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	216,874	235,893
Cost of goods sold	-	136,439	-	136,439	140,541
Production costs	-	25,538	-	25,538	43,946
Transport costs	-	17,087	-	17,087	31,297
Establishment costs	-	85,541	-	85,541	105,538
Office expenses	-	24,765	-	24,765	31,095
Legal & professional	-	32,099	-	32,099	37,612
Audit fee	-	-	-	-	-
Independent examiner	-	-	750	750	750
Depreciation	-	1,251	-	1,251	1,339
Bad debts	-	88,899	-	88,899	3,438
Protective & safety equipment	-	3,235	-	3,235	-
Bank charges	-	2,430	-	2,430	4,372
Other costs	-	3,492	-	3,492	4,940
Sub-total	7,811	581,862	48,727	638,400	640,761
Allocation of governance and support	<u>1,949</u>	<u>46,778</u>	<u>(48,727)</u>	<u>-</u>	<u>-</u>
Total expenditure	<u>9,760</u>	<u>628,640</u>	<u>-</u>	<u>638,400</u>	<u>640,761</u>

The Sofa Project

Notes to the financial statements

For the year ended 31 March 2021

7. Net movement in funds

This is stated after charging:

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

8. Staff costs and numbers

Staff costs were as follows:

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

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

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

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

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	32,272	31,117
	<u>79,329</u>	<u>54,630</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	1,377	3,479
	<u>46,953</u>	<u>56,387</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	185,000	175,000
	<u>(32,654)</u>	<u>10,772</u>
Balance at 31 March		

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	3,148
Investments	-	1	1
Current assets	-	165,549	165,549
Current liabilities	-	(46,953)	(46,953)
Non-current liabilities	-	(44,329)	(44,329)
Net assets at 31 March 2021	-	77,415	77,415

16. Movements in funds

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

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

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

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

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	60,000
within two to five years	200,000	200,000
Greater than five years	40,000	40,000
	<u>300,000</u>	<u>300,000</u>