

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

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

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

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 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

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

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 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

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

	Note	Unrestricted £	2023 Total £	2022 Total £
Income from:				
Donations and legacies	3	102,775	102,775	106,177
Charitable activities	4	452,768	452,768	446,299
Investments	5	38,191	38,191	32,266
Total income		<u>593,734</u>	<u>593,734</u>	<u>584,742</u>
Expenditure on:				
Raising funds		11,323	11,323	10,706
Charitable activities		651,302	651,302	559,796
Total expenditure	6	<u>662,625</u>	<u>662,625</u>	<u>570,502</u>
Net income / (expenditure) and net movement in funds	7	(68,891)	(68,891)	14,240
Reconciliation of funds:				
Total funds brought forward		91,656	91,656	77,416
Total funds carried forward		<u>22,765</u>	<u>22,765</u>	<u>91,656</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 £
Fixed assets				
Tangible fixed assets	10		2,343	3,071
Investments	11		<u>1</u>	<u>1</u>
			2,344	3,072
Current assets				
Stocks		13,612		22,615
Debtors	12	112,538		141,880
Cash at bank and in hand		<u>11,195</u>		<u>21,160</u>
		137,345		185,655
Current liabilities				
Creditors: amounts falling due within 1 year	13	51,479		56,701
Bank overdraft		<u>30,630</u>		<u>-</u>
		82,109		56,701
Net current assets			<u>55,236</u>	<u>128,954</u>
Total assets less current liabilities			57,580	132,026
Creditors: amounts falling due after more than 1 year			<u>(34,815)</u>	<u>(40,370)</u>
Net assets	15		<u>22,765</u>	<u>91,656</u>
Funds	16			
Unrestricted funds:				
Designated funds			2,344	3,072
General funds			<u>20,421</u>	<u>88,584</u>
Total charity funds			<u>22,765</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 £
Cash used in operating activities:			
Net cash provided by / (used in) operating activities	17	(73,741)	(66,330)
Cash flows from investing activities:			
Dividends, interest and rents from investments		38,191	32,266
Purchase of tangible fixed assets		-	(915)
Proceeds from disposal of tangible fixed assets		510	-
Net cash provided by / (used in) investing activities		38,701	31,351
Cash flows from financing activities:			
Proceeds from long-term borrowings		-	-
Repayment of long-term borrowings		(5,555)	(3,959)
Net cash provided by / (used in) financing activities		(5,555)	(3,959)
Increase / (decrease) in cash and cash equivalents in the year		(40,595)	(38,938)
Cash and cash equivalents at the beginning of the year		21,160	60,098
Cash and cash equivalents at the end of the year		(19,435)	21,160

The Sofa Project

Notes to the financial statements

For the year ended 31 March 2023

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

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

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

3. Donations and legacies

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

4. Income from charitable activities

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

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	38,177	32,261
Bank interest	-	14	14	5
Total investment income	<u>-</u>	<u>38,191</u>	<u>38,191</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	249,771	238,473
Cost of goods sold	-	171,049	-	171,049	163,256
Production costs	-	34,768	-	34,768	35,890
Transport costs	-	26,111	-	26,111	21,544
Establishment costs	-	87,491	-	87,491	89,336
Office expenses	-	32,429	-	32,429	29,154
Legal & professional	-	46,928	-	46,928	36,175
Independent examiner	-	-	750	750	750
Depreciation	-	571	-	571	992
Bad debts	-	-	-	-	(54,075)
Protective & safety equipment	-	1,325	-	1,325	1,141
Bank charges	-	2,763	-	2,763	2,553
Finance costs	-	3,147	-	3,147	1,257
(Profit)/Loss on disposal of fixed assets	-	(353)	-	(353)	-
Other costs	<u>-</u>	<u>5,875</u>	<u>-</u>	<u>5,875</u>	<u>4,056</u>
Sub-total	9,028	596,210	57,387	662,625	570,502
Allocation of governance and support	<u>2,295</u>	<u>55,092</u>	<u>(57,387)</u>	<u>-</u>	<u>-</u>
Total expenditure	<u>11,323</u>	<u>651,302</u>	<u>-</u>	<u>662,625</u>	<u>570,502</u>

The Sofa Project

Notes to the financial statements

For the year ended 31 March 2023

7. Net movement in funds

This is stated after charging:

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

8. Staff costs and numbers

Staff costs were as follows:

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

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

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

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

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Notes to the financial statements

For the year ended 31 March 2023

12. Debtors

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

13. Creditors: amounts due within 1 year

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

	2023 £	2022 £
Balance at 1 April	(50,914)	(32,654)
Amount released to income	(276,127)	(254,780)
Amount deferred in the year	240,000	236,520
	<u>(87,041)</u>	<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	2,343
Investments	-	1	1
Current assets	-	137,345	137,345
Current liabilities	-	(82,109)	(82,109)
Non-current liabilities	-	(34,815)	(34,815)
Net assets at 31 March 2023	-	22,765	22,765

16. Movements in funds

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

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

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

	2023 £	2022 £
Net movement in funds	(68,891)	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>
Cash generated from operations	(70,594)	(65,073)
Interest paid	<u>(3,147)</u>	<u>(1,257)</u>
Net cash provided by / (used in) operating activities	<u>(73,741)</u>	<u>(66,330)</u>

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	64,527
within two to five years	<u>120,000</u>	<u>120,000</u>
	<u>184,527</u>	<u>184,527</u>