

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

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

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

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

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

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

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

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

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

| | | Unrestricted | 2024 Total £ | 2023 Total £ |
|---|------|---------------------|----------------------------|----------------------|
| | Note | £ | £ | £ |
| Income from: | | | | |
| Donations and legacies | 3 | 151,266 | 151,266 | 102,775 |
| Charitable activities | 4 | 443,478 | 443,478 | 452,768 |
| Investments | 5 | 47,667 | 47,667 | 38,191 |
| Total income | | <u>642,411</u> | <u>642,411</u> | <u>593,734</u> |
| Expenditure on: | | | | |
| Raising funds | | 12,561 | 12,561 | 11,323 |
| Charitable activities | | <u>645,516</u> | <u>645,516</u> | <u>651,302</u> |
| Total expenditure | 6 | <u>658,077</u> | <u>658,077</u> | <u>662,625</u> |
| Net income / (expenditure) and net movement in funds | 7 | (15,666) | (15,666) | (68,891) |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | <u>22,765</u> | <u>22,765</u> | <u>91,656</u> |
| Total funds carried forward | | <u><u>7,099</u></u> | <u><u>7,099</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 £ |
|---|------|----------------------|----------------------------|----------------------|
| Fixed assets | | | | |
| Tangible fixed assets | 10 | | 7,754 | 2,343 |
| Investments | 11 | | <u>1</u> | <u>1</u> |
| | | | 7,755 | 2,344 |
| Current assets | | | | |
| Stocks | | 6,923 | | 13,612 |
| Debtors | 12 | 117,882 | | 112,538 |
| Cash at bank and in hand | | <u>3,505</u> | | <u>11,195</u> |
| | | 128,310 | | 137,345 |
| Current liabilities | | | | |
| Creditors: amounts falling due within 1 year | 13 | 65,078 | | 51,479 |
| Bank overdraft | | <u>34,629</u> | | <u>30,630</u> |
| | | 99,707 | | 82,109 |
| Net current assets | | | <u>28,603</u> | <u>55,236</u> |
| Total assets less current liabilities | | | 36,358 | 57,580 |
| Creditors: amounts falling due after more than 1 year | | | <u>(29,259)</u> | <u>(34,815)</u> |
| Net assets | 15 | | <u><u>7,099</u></u> | <u><u>22,765</u></u> |
| Funds | 16 | | | |
| Unrestricted funds: | | | | |
| Designated funds | | | 7,755 | 2,344 |
| General funds | | | <u>(656)</u> | <u>20,421</u> |
| Total charity funds | | | <u><u>7,099</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 £ |
|---|------|-----------------|-----------------|
| Cash used in operating activities: | | | |
| Net cash provided by / (used in) operating activities | 17 | (47,218) | (73,741) |
| Cash flows from investing activities: | | | |
| 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 |
| Net cash provided by / (used in) investing activities | | 41,085 | 38,701 |
| Cash flows from financing activities: | | | |
| Proceeds from long-term borrowings | | - | - |
| Repayment of long-term borrowings | | (5,556) | (5,555) |
| Net cash provided by / (used in) financing activities | | (5,556) | (5,555) |
| Increase / (decrease) in cash and cash equivalents in the year | | (11,689) | (40,595) |
| Cash and cash equivalents at the beginning of the year | | (19,435) | 21,160 |
| Cash and cash equivalents at the end of the year | | (31,124) | (19,435) |

The Sofa Project

Notes to the financial statements

For the year ended 31 March 2024

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

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

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

3. Donations and legacies

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

4. Income from charitable activities

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

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 | 47,631 | 38,177 |
| Bank interest | - | 11 | 11 | 14 |
| Other interest | - | 25 | 25 | - |
| Total investment income | - | 47,667 | 47,667 | 38,191 |

6. Expenditure

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

The Sofa Project

Notes to the financial statements

For the year ended 31 March 2024

7. Net movement in funds

This is stated after charging:

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

8. Staff costs and numbers

Staff costs were as follows:

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

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

| | 2024 No. | 2023 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 £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

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

12. Debtors

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

13. Creditors: amounts due within 1 year

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

| | 2024 £ | 2023 £ |
|-----------------------------|----------------|-----------------|
| Balance at 1 April | (87,041) | (50,914) |
| Amount released to income | (90,973) | (276,127) |
| Amount deferred in the year | <u>171,389</u> | <u>240,000</u> |
| Balance at 31 March | <u>(6,625)</u> | <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) |
| Net assets at 31 March 2024 | - | 7,099 | 7,099 |

16. Movements in funds

| | At 1 April 2023 £ | Income £ | Expenditure £ | Transfers between funds £ | At 31 March 2024 £ |
|---------------------------------|-------------------------|-------------|------------------|------------------------------------|--------------------------|
| Unrestricted funds | | | | | |
| <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) |
| Total unrestricted funds | 22,765 | 642,411 | (658,077) | - | 7,099 |
| Total funds | 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

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

| | 2024 £ | 2023 £ |
|--|-----------------|-----------------|
| Net movement in funds | (15,666) | (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 | 13,599 | (5,222) |
| Cash generated from operations | (42,049) | (70,594) |
| Interest paid | (5,169) | (3,147) |
| Net cash provided by / (used in) operating activities | (47,218) | (73,741) |

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 | 80,000 | 80,000 |
| | 140,000 | 140,000 |