

Charity Registration No. 287088

Company Registration No. 01697726 (England and Wales)

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



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

SOFA PROJECT (THE)

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SOFA PROJECT (THE)

COMPANY INFORMATION

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

SOFA PROJECT (THE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

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

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

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

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

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

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

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

SOFA PROJECT (THE)

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

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

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

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

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

Public benefit

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

SOFA PROJECT (THE)

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

FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

Significant activities and achievements against objectives

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

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

SOFA PROJECT (THE)

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

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

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

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

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

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

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

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

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

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

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

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

SOFA PROJECT (THE)

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

FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods

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

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

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

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

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

Structure, governance and management

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

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

Olufunmilola Buraimoh-Ademuyewo

Shelley Sturdy

Colin Smart

Moir Booth

Peter Templeton

Keith Hicks

Chris Neild

Chris Williamson

(Appointed 6 June 2024)

Lucy Woods

(Appointed 28 November 2024)

Recruitment and appointment of trustees

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

SOFA PROJECT (THE)

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

FOR THE YEAR ENDED 31 MARCH 2025

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

.....

Keith Hicks

Trustee

Date:

SOFA PROJECT (THE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of Sofa Project (The) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOFA PROJECT (THE)

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SOFA PROJECT (THE)

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

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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



Kevin Edenborough

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

Dated: 19th December 2025

SOFA PROJECT (THE)**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2025**

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

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

SOFA PROJECT (THE)

BALANCE SHEET

AS AT 31 MARCH 2025

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

SOFA PROJECT (THE)

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2025

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

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

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

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

The financial statements were approved by the trustees on

.....

Keith Hicks

Trustee

Company registration number 01697726 (England and Wales)

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

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

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

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

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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

1.5 Expenditure

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

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

1.6 Tangible fixed assets

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

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

Plant and equipment	20% Straight Line
Motor vehicles	15% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

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

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

1.8 Impairment of fixed assets

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

1 Accounting policies

(Continued)

1.9 Stocks

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

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.12 Employee benefits

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

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

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

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

4 Income from charitable activities

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

SOFA PROJECT (THE)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****5 Income from investments**

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

6 Expenditure on raising funds

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

7 Expenditure on charitable activities

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

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

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

9 Net movement in funds

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

10 Trustees

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

11 Employees

The average monthly number of employees during the year was:

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

SOFA PROJECT (THE)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****11 Employees****(Continued)**

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

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

12 Taxation

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

13 Tangible fixed assets

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

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

14 Fixed asset investments

	Other investments £
Cost or valuation	
At 1 April 2024 & 31 March 2025	1
Carrying amount	
At 31 March 2025	1
At 31 March 2024	1

	2025 £	2024 £
Other investments comprise:		
Investments in subsidiaries	1	1

15 Stocks

	2025 £	2024 £
Finished goods and goods for resale	2,086	6,923

16 Debtors

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

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 Creditors: amounts falling due after more than one year

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

20 Deferred income

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

Deferred income is included in the financial statements as follows:

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

21 Unrestricted funds

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

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

SOFA PROJECT (THE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

21 Unrestricted funds

(Continued)

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

22 Related party transactions

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

23 Cash generated from operations

2025
£

2024
£

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

SOFA PROJECT (THE)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2025****24 Analysis of changes in net funds/(debt)**

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