

Company no. 01697726  
Charity no. 287088

**The Sofa Project**

**Report and Financial Statements**

**31 March 2020**

# **The Sofa Project**

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**For the year ended 31 March 2020**

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## The Sofa Project

### Reference and administrative details

For the year ended 31 March 2020

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**Company number** 01697726

**Charity number** 287088

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

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

Ruth Snary	Chair
Chris Neild	Vice chair
Lynn Maxwell	Resigned 29/11/19
Edward Porter	
Marianne Reed	
Katherine Clifford	
Glenda Hagger	Resigned 07/10/20
Eddie Piper	
Caroline Turner-Inskip	
Keith Hicks	Appointed 25/07/19
Peter Templeton	Appointed 30/01/20

**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 2020**

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

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

The Board of Trustees has remained largely stable during the year 2019/20 but we were delighted to welcome Keith Hicks to the Board. His expertise with the media will be invaluable. We also welcomed Peter Templeton to the board, whose contributions have been most welcome. We would like to thank Lynn Maxwell, who resigned, for her contribution to The SOFA Project during her time on the Board. All Board members have contributed and supported The SOFA Project hugely during the year, giving their time, expertise and talents in many ways in support of the management team. The Board hopes to appoint another trustee with appropriate expertise in the next financial year to bring the total number of Board members to 10.

#### **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 day to day management of the Charity is undertaken by the CEO and policy decisions are made at board meetings held every two months, or in exceptional circumstances, by extraordinary meetings that can be called by the Chair. The CEO keeps board members informed by email and requests responses when necessary.

The charity has close links with local councils, with whom we operate business contracts, the Reuse Network, commercial companies such as IKEA and John Lewis together with other charities and housing associations and local prison HMP Leyhill employing and training serving prisoners either at our premises or in the prison.

The CEO, assisted by her Retail & Operations Manager, is responsible for appointing and setting the rates of pay of staff. The Board determines the remuneration of the CEO and senior staff.

SOFA continues to be very active in Bristol and helps the local community by providing, at reasonable cost, goods that are of excellent quality to those who for various reasons, cannot afford to purchase new goods. It also assists those who have not been able to find regular, rewarding employment. We continue to receive letters, emails and social media comments from our customers and other members of our community thanking us for support that has been received.

The dedicated team led by our indefatigable CEO work tirelessly to further our aims at SOFA with the support of the very active Board. We have been able to continue to employ some of those who find difficulty in finding other placements and work and we also provide work experience to those wishing to improve their skills as they seek to enter or re-enter the workplace.

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

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2020**

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##### **Achievements and Performance**

Our CEO continues to lead SOFA Project very successfully. It was especially challenging for her after the operations manager left in February 2019 as she had to take on his role in addition to that of CEO for 9 months until Adrian White was appointed. The Trustees would like to commend and thank her for her work in overseeing SOFA Project through this difficult period.

Our CEO is always mindful of the Charity's social and charitable aims and continues to support other charities and organisations, donating furniture and paint to needy local causes. She is a skilled negotiator and networker, always relishing a challenge. She organises and reviews contracts regularly in order to ensure that the Charity runs efficiently and effectively. She continually checks that the premises are safe and attractive places for both employees and the general public.

The Operations Manager post was first advertised in April due to the resignation of the incumbent operational manager in February 2019 and again in September as the original advertisement did not attract the right calibre of applicants. The role was reassessed, adjusted to include a Retail remit and the new advertisement attracted a field of candidates who were well qualified. Adrian White was appointed and began working for SOFA Project in December 2019. Adrian has brought expertise, knowledge of the charity and retail business, business experience and enthusiasm for SOFA Project to the task and is proving to be a good asset for the Project. He and the CEO, Nicci Peck, work closely together.

Our partnership with Furnished Homes continues successfully, furthering our connection with Bristol City Council, enabling SOFA Project to supply goods to needy households within the city. The association with the Community RePaint Network continues to flourish and paint is sold in our shops, garnering a profit and saving waste paint from landfill sites.

We have continued to work successfully with HMP Leyhill, but due to the COVID-19 pandemic, prisoners from Leyhill were unable to come to our workshop when the lockdown began in March 2020. We very much hope that they will be able to resume work in the near future. The resumption is vital to both the prisoners and to SOFA Project's business. The prisoners benefit in numerous ways, helping them gain self confidence, self esteem as well as honing their work skills. This is invaluable to those who have spent a long time away from society, and who will be free, after completing their sentences, to rejoin the world outside of prison. SOFA Project gains from the work they undertake in helping to prepare goods for sale.

We continue our connection with IKEA, even though our trustee who was an employee of IKEA left the Board as her work took her away from Bristol. We are grateful that she continues to show an interest and support for SOFA Project. The result of this successful cooperation enables us to sell furniture of a high quality in our shops at a reasonable cost, and also saves much wood going to landfill sites. We are very grateful to IKEA, and hope that our association will long continue.

A more formal process of risk assessment was implemented and trustees must be thanked for their work in assisting our CEO with this very thorough review.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2020**

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##### **Financial review**

Since the end of the year the financial situation has of course changed dramatically as a result of the COVID pandemic. This will be reported in detail in next year's report, however it should be noted that at least for the first part of the current year the financial situation has remained stable as a result of the assistance provided by the government and cost saving measures introduced within the organisation.

The organisation reported a small surplus for the reporting year, confirming the pattern of recent years of operating close to break even. This is a welcome result as March's operations were considerably impacted by the pandemic & lockdown. Reserves at the end of the year were below target. The aim is to strengthen this position over the next year

Nicci Peck, our CEO and our accountant Nathan Brady of Stepping Stones Accountancy, continue to provide effective reporting of the organisation's financial performance.

Costs are constantly closely monitored and contracts regularly reviewed. Records are meticulously kept on all aspects of the business and this ensures that the retail side of the business is closely monitored and changed when necessary. In addition the weekly sales are now reported to the Board. The warehouse operations are reviewed regularly to maximise efficiency.

Our two shops, in West Street and Gloucester Road, have traded very successfully over the year until March 2020 when, due to the pandemic, trading ceased.

We are grateful to trusts and individuals who have donated grants and gifts to us during the year. This shows how much the work of SOFA Project is valued. These donations represent some 16% of our total income, and have proven vital over the years to bridge the gap between our trading revenue and our outgoings. Effective fundraising remains an important part of our activity.

The Board considers that a reserve policy of £90,000 is adequate as we are a social enterprise charity which trades. The majority of our income arises from trading, rental income and contracts and while a large amount of our income is earned from our activities, we do rely upon the generous grants and donations from our funders. We will continue to strive to accumulate a surplus so that reserves can be built to the required level.

The trustees have noted that the target for the reserves has not been met and that work has to be done to meet this goal.

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

2020 has seen SOFA Project's 40th anniversary and much was planned for the year. I am writing this report in November 2020 when plans for the future are now very difficult to make. The pandemic has caused many businesses to look at and reassess their strategies, and to try to plan how to best react to the new environment. SOFA Project is no exception.

We had plans to look for another store and this might still be feasible but the store must be in the right location and of the right size. It is possible that, with other businesses failing due to pandemic, we may be able to locate suitable premises. The continued need for good quality furniture at reasonable prices may fulfill a need. Our CEO will be considering the possibilities.

Our CEO decided that our vans, which were hired by the month, were not up to the standards required in a modern, efficient operation so negotiated a cost effective contract for two brand new vans with van leasing company CVC. This will make collections of donated furniture and deliveries to our shops much more efficient as well as help us with our environmental goals.

We know that HMP Leyhill really value their partnership with SOFA Project and we are grateful and glad that the prisoners placed with us are shortly returning to work with us. Our CEO has worked hard to make all of our premises COVID-19 secure environments for all our staff and visitors and HMP Leyhill are very satisfied with the new arrangements.

## **The Sofa Project**

### **Report of the trustees**

#### **For the year ended 31 March 2020**

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Our CEO is still hoping that a relationship can be built with HMP Eastwood Park, but the pandemic has put this on hold for the foreseeable future. It is still our ambition to be able to work with women prisoners there, to help with their rehabilitation.

All of the above meets with our stated Charitable Objectives.

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

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

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

Approved by the trustees on 28 November 2020 and signed on their behalf by

Ruth Snary - Trustee

## **Independent examiners report**

### **To the members of**

#### **The Sofa Project**

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I report to the charity trustees on my examination of the accounts of the company for the year ended 31st March 2020 which are set out on pages 1 to 19.

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

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

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

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

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

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

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

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

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

Date:



# The Sofa Project

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

**For the year ended 31 March 2020**

	Note	Unrestricted £	2020 Total £	2019 Total £
<b>Income from:</b>				
Donations and legacies	3	99,959	<b>99,959</b>	105,746
Charitable activities	4	500,633	<b>500,633</b>	587,669
Investments	5	40,987	<b>40,987</b>	41,288
<b>Total income</b>		<u>641,579</u>	<u><b>641,579</b></u>	<u>734,703</u>
<b>Expenditure on:</b>				
Raising funds		9,286	<b>9,286</b>	11,021
Charitable activities		631,475	<b>631,475</b>	733,550
<b>Total expenditure</b>	6	<u>640,761</u>	<u><b>640,761</b></u>	<u>744,571</u>
<b>Net income / (expenditure) and net movement in funds</b>	7	818	<b>818</b>	(9,868)
<b>Reconciliation of funds:</b>				
Total funds brought forward		<u>16,235</u>	<u><b>16,235</b></u>	<u>26,103</u>
<b>Total funds carried forward</b>		<u><u>17,053</u></u>	<u><u><b>17,053</b></u></u>	<u><u>16,235</u></u>

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

## The Sofa Project

### Balance sheet

As at 31 March 2020

	Note	£	2020 £	2019 £
<b>Fixed assets</b>				
Tangible fixed assets	10		<b>4,400</b>	5,739
Investments	11		<u>1</u>	<u>1</u>
			<b>4,401</b>	5,740
<b>Current assets</b>				
Stocks		<b>19,094</b>		36,092
Debtors	12	<b>54,630</b>		63,558
Cash at bank and in hand		<u>-</u>		<u>-</u>
		<b>73,724</b>		99,650
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	13	<b>56,387</b>		75,941
Bank overdraft		<u>4,685</u>		<u>13,214</u>
		<b>61,072</b>		89,155
<b>Net current assets</b>			<u><b>12,652</b></u>	<u>10,495</u>
<b>Net assets</b>	15		<u><b>17,053</b></u>	<u>16,235</u>
<b>Funds</b>	16			
Unrestricted funds:				
Designated funds			<b>4,400</b>	5,739
General funds			<u><b>12,653</b></u>	<u>10,496</u>
<b>Total charity funds</b>			<u><b>17,053</b></u>	<u>16,235</u>

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

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

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

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

Approved by the trustees on 28 November 2020 and signed on their behalf by

Ruth Snary - Trustee

## The Sofa Project

### Statement of cash flows

For the year ended 31 March 2020

	Note	2020 £	2019 £
<b>Cash used in operating activities:</b>			
<b>Net cash provided by / (used in) operating activities</b>	17	<b><u>(32,458)</u></b>	<b><u>(64,098)</u></b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>40,987</b>	41,288
Purchase of tangible fixed assets		<b><u>-</u></b>	<b><u>(529)</u></b>
<b>Net cash provided by / (used in) investing activities</b>		<b><u>40,987</u></b>	<b><u>40,759</u></b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>8,529</b>	<b>(23,339)</b>
Cash and cash equivalents at the beginning of the year		<b><u>(13,214)</u></b>	<b><u>10,125</u></b>
<b>Cash and cash equivalents at the end of the year</b>		<b><u><u>(4,685)</u></u></b>	<b><u><u>(13,214)</u></u></b>

## **The Sofa Project**

### **Notes to the financial statements**

**For the year ended 31 March 2020**

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#### **1. Accounting policies**

##### **a) Basis of preparation**

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

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

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

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

##### **c) Income**

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

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

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

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

##### **d) Donated services and facilities**

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

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

## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2020

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**e) Interest receivable**

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

**f) Funds accounting**

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

**g) Expenditure and irrecoverable VAT**

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

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

**h) Allocation of support costs**

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

Raising funds	3%
Charitable activities	97%

**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 2020**

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**k) Debtors**

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

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

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

**m) Financial instruments**

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

**n) Operating leases**

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

**o) Pensions**

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

**p) Termination benefits**

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

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2020

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

	Restricted £	Unrestricted £	2019 Total £
<b>Income from:</b>			
Donations and legacies	-	105,746	<b>105,746</b>
Charitable activities	-	587,669	<b>587,669</b>
Investments	-	41,288	<b>41,288</b>
<b>Total income</b>	-	734,703	<b>734,703</b>
<b>Expenditure on:</b>			
Raising funds	-	11,021	<b>11,021</b>
Charitable activities	-	733,550	<b>733,550</b>
<b>Total expenditure</b>	-	744,571	<b>744,571</b>
<b>Net income / (expenditure)</b>	-	(9,868)	<b>(9,868)</b>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	-	(9,868)	<b>(9,868)</b>

#### 3. Donations and legacies

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
<b>Donations</b>	-	99,959	<b>99,959</b>	105,746
Total donations and legacies	-	99,959	<b>99,959</b>	105,746

The charitable company did not receive any government grants during the year (2019: £nil).

#### 4. Income from charitable activities

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Sale of donated furniture	-	198,832	<b>198,832</b>	205,284
Sale of new furniture	-	9,308	<b>9,308</b>	28,280
Sale of used domestic appliances	-	53,440	<b>53,440</b>	77,220
Sale of new domestic appliances	-	80,011	<b>80,011</b>	122,059
Sale of graded domestic appliances	-	24,727	<b>24,727</b>	20,614
Sale of used clothing	-	16,530	<b>16,530</b>	5,785
Revenue from transport and logistics	-	117,785	<b>117,785</b>	128,427
<b>Total income from charitable activities</b>	-	500,633	<b>500,633</b>	587,669

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2020

#### 5. Investment income

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Rent and management fees	-	40,983	<b>40,983</b>	41,276
Bank interest	-	4	<b>4</b>	12
Total investment income	<u>-</u>	<u>40,987</u>	<u><b>40,987</b></u>	<u>41,288</u>

#### 6. Expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £	2019 Total £
Staff costs	7,707	176,293	51,893	<b>235,893</b>	260,047
Cost of goods sold	-	140,541	-	<b>140,541</b>	207,000
Production costs	-	43,946	-	<b>43,946</b>	50,288
Transport costs	-	31,297	-	<b>31,297</b>	32,123
Establishment costs	-	105,538	-	<b>105,538</b>	112,294
Office expenses	-	31,095	-	<b>31,095</b>	28,137
Legal & professional	-	37,612	-	<b>37,612</b>	38,913
Audit fee	-	-	-	-	-
Independent examiner	-	-	750	<b>750</b>	750
Depreciation	-	1,339	-	<b>1,339</b>	2,622
Bad debts	-	3,438	-	<b>3,438</b>	-
Bank charges	-	4,372	-	<b>4,372</b>	3,964
(Profit)/Loss on disposal of fixed assets	-	-	-	-	-
Other costs	<u>-</u>	<u>4,940</u>	<u>-</u>	<u><b>4,940</b></u>	<u>8,433</u>
<b>Sub-total</b>	<b>7,707</b>	<b>580,411</b>	<b>52,643</b>	<b>640,761</b>	<b>744,571</b>
Allocation of governance and support	<u>1,579</u>	<u>51,064</u>	<u>(52,643)</u>	<u>-</u>	<u>-</u>
Total expenditure	<u><b>9,286</b></u>	<u><b>631,475</b></u>	<u><b>-</b></u>	<u><b>640,761</b></u>	<u><b>744,571</b></u>



## The Sofa Project

### Notes to the financial statements

#### For the year ended 31 March 2020

#### 7. Net movement in funds

This is stated after charging:

	2020 £	2019 £
Depreciation	1,339	2,622
(Profit)/Loss on disposal of fixed assets	-	-
Trustees' indemnity insurance	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Amounts payable under operating leases		
▪ Property	68,722	69,222
▪ Equipment	17,926	18,578
Auditors'/Independent examiner remuneration:		
▪ Statutory audit	-	-
▪ Independent examiners fee	750	750

#### 8. Staff costs and numbers

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	274,092	316,950
Social security costs	13,530	16,655
Redundancy	-	4,231
Employer pensions	3,249	2,910
	<u>290,871</u>	<u>340,746</u>

No employee earned more than £60,000 during the year (2019: none).

	2020 No.	2019 No.
Average number of employees	<u>28</u>	<u>34</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the Operations Manager. The total employee benefits of the key management personnel of the charity were £42,397 (2019: £63,902).

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 2020

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#### 9. Taxation

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

#### 10. Tangible fixed assets

	Equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2019	67,722	55,247	<b>122,969</b>
Additions in year	-	-	-
Disposals at cost	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2020	<b>67,722</b>	<b>55,247</b>	<b>122,969</b>
<b>Depreciation</b>			
At 1 April 2019	65,419	51,811	<b>117,229</b>
Charge for the year	824	515	<b>1,339</b>
Eliminated on disposal for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2020	<b>66,243</b>	<b>52,326</b>	<b>118,569</b>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b><u>1,479</u></b>	<b><u>2,921</u></b>	<b><u>4,400</u></b>
At 31 March 2019	<u>2,303</u>	<u>3,436</u>	<u>5,739</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 2020

#### 12. Debtors

	2020 £	2019 £
Trade debtors	16,345	25,893
Prepayments	7,168	5,807
Other debtors	31,117	31,858
	<u>54,630</u>	<u>63,558</u>

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

	2020 £	2019 £
Trade creditors	26,161	16,777
Accruals	7,127	16,600
Other taxation and social security	8,825	11,016
Deferred income - FH (note 14)	10,772	992
Other deferred income	23	26,023
Other creditors	3,479	4,533
	<u>56,387</u>	<u>75,941</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.

	2020 £	2019 £
Balance at 1 April	992	-
Amount released to income	(165,220)	(48,635)
Amount deferred in the year	175,000	49,627
	<u>10,772</u>	<u>992</u>

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2020

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

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	4,400	<b>4,400</b>
Investments	-	1	<b>1</b>
Current assets	-	73,724	<b>73,724</b>
Current liabilities	-	(61,072)	<b>(61,072)</b>
<b>Net assets at 31 March 2020</b>	<b>-</b>	<b>17,053</b>	<b>17,053</b>

#### 16. Movements in funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2020 £
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Fixed asset fund	5,739	-	(1,339)	-	<b>4,400</b>
<i>Total designated funds</i>	5,739	-	(1,339)	-	<b>4,400</b>
General funds	10,496	641,579	(639,422)	-	<b>12,653</b>
<b>Total unrestricted funds</b>	16,235	641,579	(640,761)	-	<b>17,053</b>
<b>Total funds</b>	16,235	641,579	(640,761)	-	<b>17,053</b>

#### Purpose of designated funds

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

## The Sofa Project

### Notes to the financial statements

For the year ended 31 March 2020

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

	2020 £	2019 £
<b>Net movement in funds</b>	<b>818</b>	<b>(9,868)</b>
Adjustments for:		
Depreciation charges	<b>1,339</b>	2,622
Dividends, interest and rents from investments	<b>(40,987)</b>	(41,288)
Decrease / (increase) in stock	<b>16,998</b>	(4,704)
Decrease / (increase) in debtors	<b>8,928</b>	4,517
Increase / (decrease) in creditors	<b>(19,554)</b>	(15,377)
<b>Net cash provided by / (used in) operating activities</b>	<b><u>(32,458)</u></b>	<b><u>(64,098)</u></b>

#### 18. Related party transactions

There were no related party transactions during the period.

#### 19. Other financial commitments

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

	Property £	Total £
Operating leases which expire:		
within one year	60,000	<b>60,000</b>
within two to five years	200,000	<b>200,000</b>
Greater than five years	60,000	<b>60,000</b>
	<b><u>320,000</u></b>	<b><u>320,000</u></b>