

SOFA

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**For the Year Ended
31 March 2009**

**Company Registration Number: 2587766
Registered Charity Number: 1002980**

SOFA

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SOFA

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2009.

Chairpersons Annual Report

When SOFA first opened its doors in Leicester climate change was an unknown factor in our modern world and the provision of furniture to those in need, at a price that could be afforded was the main concern. Starting with a small store and a man with a van, SOFA set up a reasonably sized store, with better transport, a core of paid staff and volunteers who wanted work experience to get them back to the labour market to collect and supply furniture and associated goods. Strangely it was the volunteers who attracted the funding from the statutory authorities rather than the assistance to families and this has remained the case right until today. However, now the reuse and recycling of furniture, electrical goods and other household items is considered as important as the provision of furniture to those in need and the opportunity of individuals to volunteer and gain new skills.

SOFA has responded to these changes by trying to engage with a wider group of users. We have a well established brand name in Leicestershire and receive a lot of donations from either previous donors or their friends and families who have heard from them of our work. In the last year we have broadened our volunteer base having many more volunteers who have contacted us direct rather than being placed by training agencies. In addition we have broadened our customer base by having a two tier system of payment so that we can still provide furniture at a lower price to those referred to us but we can also supply the needs of those looking to save the goods from landfill when they still have a useful life. We have also entered into discussions with SERCO who now have the contract to collect bulky waste in Charnwood with the aim of diverting even more usable furniture into our reuse facility by taking goods that they have collected from householders who didn't know about us or were mainly disposing of unusable items.

Attracting new trustees is proving difficult for most charities, but we have succeeded in the last year in recruiting new trustees with a range of differing specialist background knowledge. It is easy to forget that the trustees are also volunteers who give up their time to ensure that SOFA has effective governance and leadership.

The trustees offer governance and leadership but we depend heavily on the small staff group to put our vision for SOFA into practice and I would like to congratulate them on their effective contribution in achieving growth in our outputs and the positive, supportive atmosphere that they have created. We would also offer our thanks to the volunteers who bring a variety of skills and knowledge to SOFA but hopefully leave with more. It is also absolutely essential that we continue to receive donations of furniture and associated goods and we are committed to reuse or recycle as much as we can.

Leicestershire County Council's Service Level Agreement with SOFA is our most important financial support and without their continued involvement we would find it very difficult to continue to operate. We all know that there are very hard times coming for the County Council and that Elected Members are going to look very hard at how effectively their taxes are being used, but we hope that they will appreciate all aspects of SOFA's work and will continue to support us.

Brian Granger

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REPORT OF THE BOARD OF TRUSTEES
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(Continued)

Chief Executive Officer's Report

I am delighted to be writing for an expanded Annual Report. My early days at SOFA were in 2007 shortly after the charity moved from Leicester to Loughborough. Many staff had left and others were off sick. I found myself running the sales office with the support of one ex-volunteer, Suzanne Holland, who was quickly given temporary employment with us. We relied on one temp worker to drive the van.

I've been working for SOFA for 3 years now and we've come a long way. We have become well known as a Loughborough charity. Sales and donations increase every year. In 2009 we employed our own portable appliance tester which allows us to process donated electrical goods much more quickly. We decided to open on Saturdays and this gave our customers a more convenient time to browse furniture and provided others with an ideal day to drop off their unwanted furniture at our doors.

We've increased the number of volunteers working for us. We have also improved what we offer volunteers by reintroducing training towards NVQs. Suzanne has trained to offer Information, Advice and Guidance sessions to help volunteers to find work and we established a counselling service. All this has allowed us to provide a supportive atmosphere for people who are re-entering the world of work.

In fact SOFA has been changing so rapidly that our systems have had to change to keep up with them. We now have a Linux networked computer system, a welcoming website and an efficient sales database.

Most recently we started partnership working with Serco who have the Charnwood Borough Council waste management contract. They have offered to contribute funding towards re-vitalising the lift at our premises which will mean that we have a further 2 enormous floors available for use.

I am proud of SOFA staff who have a can-do attitude and see change as a challenge to be welcomed. All our staff are willing to take on several roles, but there comes a point where rapid growth indicates that we need more staff so that we can specialise.

This has begun this year as a dedicated Training Officer was recruited and I'm pleased to welcome Nic Hutton who started in that role in September. We are looking forward to a structured series of training sessions for both warehouse and office staff and to new sessions to help volunteers in their search for jobs.

Rosemary Blake

Training Administrator's Report

The Positive Steps service, offering information advice and guidance to Sofa volunteers was launched this summer. The take up rate has been encouraging with four of our volunteers enrolling on further training courses, for example, ECDL computer course, Sage line 50 computerised bookkeeping course, and two volunteers enrolling on NVQ level one in customer service. Sofa is on course to gain the Matrix accreditation, the quality standard for IAG, at the beginning of 2010.

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REPORT OF THE BOARD OF TRUSTEES
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(Continued)

Training Administrator's Report - continued

Sofa has improved the number of volunteers who attend the project. A lot of effort has gone into recruitment by networking with other agencies and leaflet campaigns within the wider area.

More of our volunteers are staying for longer because we have done a lot of quality improvement. We asked them what they wanted, this has included holding working lunch feedback events for our volunteers, where discussions have dealt with the induction process, health and safety, initial training and what improvements volunteers would like to see in the service we offer.

The induction process has now been improved and the induction packs have been redesigned to be more user friendly as a result of this feedback. Reviews of our health and safety procedures and the training our volunteers receive are ongoing.

Volunteer one to one sessions have also been a priority and we have seen an increase in the number of people entering the workplace, or going on to further training.

We are thrilled that this summer five of our volunteers have found employment in this very tough economic climate. For example, Wendy Richardson has gone to Experian and Andrew Pacheco has gone to TT Automotive as a warehouse assistant.

Congratulations go to Laura Parker and Stephen Millman who have completed their NVQ level 2 in Business administration and Lewis Brenchley who has gained an NVQ level 1 in Customer Service. Samantha Gallagher and Julio Pacheco have nearly completed their NVQ level 2 in Business Administration. All of these volunteers have worked very hard and showed a lot of commitment in gaining their qualifications.

Suzanne Holland

Customer Service Administrator's Report

Customer service is important to SOFA and we are always trying to meet our customer's needs. In the past year we have maintained a strong relationship with our regular customers as well as attracting new faces including a number of students. We have also had a card machine fitted to allow payments by debit or credit card and expanded the range of furniture and appliances for sale by accepting new items such as televisions and bicycles.

We continue to send out customer evaluation forms every quarter to help monitor and improve the service and to allow our customers to make suggestions. The responses appear to be getting more and more positive, so we're clearly on the right track. The majority of forms sent back tick "excellent" or "very good" for all fields and contain comments such as "lovely and very good quality furniture" and "I have always found SOFA to give excellent service in all departments".

As with any project, things do occasionally go wrong and so it is important to us to have a good complaints procedure in place to deal with complaints fairly and promptly and to monitor problems so we can avoid making the same mistakes twice.

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REPORT OF THE BOARD OF TRUSTEES
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(Continued)

Customer Service Administrator's Report - continued

I am currently looking into bar coding as a better way of tracking our furniture and reducing the possibility of furniture items being sold twice by mistake. It would also allow us to do gift aid and track where individual furniture items came from.

Alex Ellis

Driver-Supervisor's Report

There have been a number of changes in the operational side of the project in the last 12 months.

A workshop has been established for Portable Appliance Testing of electrical items, such as lamps, TV's, radios, vacuum cleaners, fridges, freezers and microwaves. This ensures that these items have passed tests for electrical safety before they are put on sale. It has been possible to re-deploy a part-time driver who was qualified in PAT to carry out this work.

In March it became necessary to replace a 14 year old Transit van with a new vehicle. After research we decided to purchase an Iveco Daily van with certain specifications for our operational requirements, such as a Luton body with tail lift to allow easy loading and also alterations to tie bars inside the van to secure loads. New sign writing for the van sides was designed to include the SOFA logo and to advertise that we work with volunteers.

Building and Fire Risk Assessments have been reviewed and updated this year and alterations have been made to the premises to make it as safe as possible for staff, visitors and customers. This is an ongoing process and is being continually reviewed.

The Project relies very much on volunteers to keep operational and we appreciate the help they give us, which enables us to carry out our service of delivering furniture and accepting donations. Good work is also done in keeping the sales area and warehouse tidy. This gives the volunteers a purpose and with individual monitoring and reviews helps them in their search for employment.

We are a happy band and are always looking for people who are able to help us by volunteering.

Ken Toon

Training Officer's Introduction

I'm Nic Hutton and I am the new Training Officer for SOFA. I've been in post now for five weeks and I'm very excited about the opportunities that are available for both me as a trainer at SOFA and for our volunteers both old and new. My priority for training at the moment is to put together a more robust induction for new volunteers which starts with the interview. We have a new learning styles questionnaire to use. This will help us to adapt the training we provide to the individual volunteer's style of learning. It will mean that volunteers should feel happier about being in a learning environment and this should have a positive effect on the successes we see. This also helps us move forwards in ensuring we meet the quality standards set out in the Common Inspection Framework.

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2009
(Continued)

Training Officer's Introduction - continued

My plans for the actual induction training are that it will be delivered over a minimum of one and a half days. The first day all volunteers will attend and talk about topics such as:

- SOFA's ethos and history,
- Health & Safety,
- how to get an Information, Advice & Guidance interview,
- the role of the volunteer at SOFA and Basics to Customer Service.

The second part of the induction will be role specific and will depend on what area they have chosen to volunteer in. In this session they can learn the basics of the volunteering role they will be doing so that they are better prepared for their first day "on the job".

I also have plans to build on the established links SOFA already has with other Adult Education Providers in our community and hopefully use some of the other resources that are out there for volunteers. Each volunteer coming through SOFA will have their individual learning plan which will help us to identify their specific needs during their placement with us. We may not be able to meet all of those needs in-house so it is vital that we keep abreast of opportunities outside of the organisation.

I am looking forward to being part of SOFA as it develops over the coming months and would welcome any ideas that you may have for the training department in the future.

Please feel free to contact me on 01509 262557 or by e mail at nicola@sofareuse.org

Thank you for reading.

Nic Hutton

Volunteer Counsellors Report

The Counselling service at SOFA has been set up for just over a year and Rosemary's vision of having a counselling service for volunteers and staff really appealed to me and I have very much enjoyed being part of SOFA. Personally I have previously worked/volunteered as a counsellor in other voluntary sector agencies and at Leicester University.

Counselling provides time and space to explore meaningful issues in a respectful and confidential setting. People come to counselling for many different reasons. There might be specific issues they may wish to explore, such as:

- Low confidence
- Unsatisfactory relationships
- Low Mood/Depression
- Distress following Abuse/Trauma
- Stress/Anxiety/Bereavement

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(Continued)

Volunteer Counsellors Report – continued

- And many more not listed here

We currently offer up to twenty sessions of counselling. It is a confidential service and we are a member of the British Association for Counsellors and Psychotherapists, and adhere to their Code of Ethics.

The future plans for the counselling service are to expand the service to offer it to the people of Charnwood. I am in the process of making contact with the referral agencies to inform them of the service. I believe that this will be a very valuable service to the people of Charnwood and very much look forward to being part of the future developments.

Karen-Marie McPherson

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name : SOFA
Charity Registration Number : 1002980
Company Registration Number : 2587766

Board of Trustees

Brian Granger	-Chair of Trustees
Tabani Ndlovu	-Deputy Chair from 14 January 2009
Val Brooke	
Jane Hopper	
Ellie Lowe	-From 14 January 2009
Fadhil Hassoun	-Volunteer representative
Brian Tetley	-From 14 January 2009

Company Secretary and Chief Executive

Rosemary Blake

Staff

Nicola Hutton	-Training Officer	20 hours per week (from September 2009)
Suzanne Holland	-Training Administrator	20 hours per week
Ken Toon	-Driver/Supervision	22 hours per week
Stewart Turner	-Electrical Tester	5 hours per week
Alex Ellis	-Customer Service Administrator	20 hours per week
Gill Ford	-Saturday Sales	6 hours per month
Celeste Fettes	-Saturday Sales	6 hours per month
Nancy Chudasama	-Finance Administrator	4 hours per week (until July 2009)
Jean Campbell	-Cleaner	3 hours per week

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2009
(Continued)

REFERENCE AND ADMINISTRATIVE INFORMATION - CONTINUED

Registered Office and Operational Address

Ground Floor, Towles Building, Clarence Street, Nottingham Road, Loughborough, Leicestershire, LE11 1DY

Auditors

Smith Emmerson Limited, Ash Tree Court, Nottingham Business Park, NG8 6PY.

Bankers

National Westminster Bank Plc, 92 Queens Road, Leicester, LE2 1SY

Leicestershire County Council Support Officer

Jane Marriot	-Project Officer ended December 2008
Hardip Gill	-June 2009
Alison Maullin	-June 2009 to date

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected annually at the AGM by the existing members of SOFA. All members are able to nominate one trustee to the board.

The Trustees acknowledge that the recruitment, selection and subsequent induction of new Trustees are an opportunity to improve the effectiveness of SOFA. Recruitment of Trustees will be focused on those with the right skills and experience from a wide range of ages and experience and social and economic backgrounds.

Trustee Induction and Training

Trustees are provided with sufficient information to ensure that they understand the charitable purposes of SOFA, the current financial position and the key current issues. New Trustees will be given the governing document, most recent accounts and recent minutes of Trustee meetings. Resources will be made available to meet training needs of Trustees.

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(Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT - CONTINUED

Risk Management

The Trustees actively review the major risks that the charity faces and formulate a reserves policy that would enable the charity to have sufficient resources in the event of adverse conditions.

The charity prepares an annual budget and strategic plan. Performance against budget is monitored by regular management reporting. A system of internal financial control is in place to govern day-to-day financial transactions.

The charity has in place appropriate policies of insurance to manage insurable risks.

Organisational Structure

The Board of Trustees is elected annually by members of SOFA at the Annual General Meeting. Nominations can be put forward by any member for appointment to the Board of Trustees. The Trustees act as directors of SOFA. The Chief Executive is responsible for the day to day organisation and delivery of services.

OBJECTIVES AND ACTIVITIES

The charitable objectives for which the company is established are stated in the memorandum of association. The objects continued to be to relieve either generally or individually, persons resident in the City of Leicester and contiguous area (Area of Benefit) who are in conditions of need, hardship or distress arising therefrom by:

1. The provision of furniture and other household accessories calculated to reduce the need , hardship or distress of such persons; and
2. The provision of vocational training, support and work experience for unemployed persons who volunteer at SOFA.

To meet the charitable objects the company operates a furniture recycling service targeted to clients on low income. The company also offers training, support and work experience to volunteers of SOFA. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our objectives and planned future activities.

ACHIEVEMENTS AND PERFORMANCE

In 2008-9 SOFA worked with 55 people. Of these 23 started helping SOFA as part of a New Deal scheme for people who are long term unemployed and many of them decided to stay on with us as volunteers.

During this year we concentrated on sourcing volunteers from a wider range of places. 9 were referred to us from support or advice agencies and 1 came to us to do mandatory work for the probation service. Delivering leaflets house to house to appeal for volunteers and installing a Volunteering board in the reception area of our building worked well as 22 people approached SOFA to offer to volunteer.

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(Continued)

ACHIEVEMENTS AND PERFORMANCE - CONTINUED

Work on the van has traditionally appealed to male volunteers but we have managed to increase the number of female volunteers to 12 and one of these worked on the van.

The ethnic mix of volunteers reflects the mix in Loughborough itself as 45 volunteers were white, 4 were Asian, 4 were from other ethnic minorities, and 2 were Black.

We offer real work placements for our volunteers and the chance to do NVQs in relevant areas or to train to do electrical testing. Almost all of our volunteers were long term unemployed and of those 10 were physically disabled, 6 had mental health problems and a further 6 had learning difficulties. We also worked with 4 volunteers who were classed as ex offenders and 3 people who had had drug or alcohol problems. They have gained confidence by working with us and have been offered advice interviews to help with their search for employment. 9 people found paid work and in all, 25% of our volunteers during that year moved onto employment, went into further volunteering or further education.

In the year 2008-9 1134 households in were helped by SOFA, which is an increase of 50% on the previous twelve month period. This is because SOFA is becoming better known in the Charnwood area and in particular sales on Saturdays have increased.

63% of all sales were reduced price sales made to people who have been referred from local support agencies because they are in need. 42 agencies worked with us by referring customers who would be eligible for lower priced furniture. Some of our most prolific referrers included.... Charnwood Neighbourhood Housing Services who referred 164 people, the Charnwood Independent Youth Action who referred 37 people and the Enquire Advice agency who referred 26 people. Other sales, made to the general public, are at a reasonable market price and income from those sales is used to further our charitable aims.

SOFA supported over 839 households by collecting their unwanted furniture and more people from the local area have been able to access SOFA by bringing their furniture to the premises on Saturdays. As a result of reusing this furniture we saved 76.9 tonnes of furniture and electrical appliances from going into landfill.

During this year we bought equipment to test electrical appliances ourselves.

Thanks to:

- Leicestershire County Council – main funders and provider of our project officer under their Department of Health and Social Care
- Charnwood Borough Council – part funded a new computer, partnership work with Waste management.
- Smartse – for providing a Mentor to the Chief Executive
- Stephenson College and Loughborough College – providing NVQ assessments
- 24 Hours IT of Leicester – providing Computer Consultancy

SOFA
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2009
(Continued)

FINANCIAL REVIEW

The Statement of Financial Activities for the year shows a surplus of £20,400.

Total Incoming Resources in the year increased to £149,540 (2008: £132,974).

The Balance Sheet shows that SOFA has total funds of £120,140, of which £29,187 is invested in tangible fixed assets and £15,000 designated for asset improvement. At 31 March 2009 there were no restricted fund balances so the actual free reserves of SOFA stood at £75,953.

Relationships and Principal Funding Sources

The Organisation mainly works in partnership with the Leicestershire County Council who are the main funders of the Charity. It also works with various other parties, including housing associations and advice agencies in pursuit of its objects.

Investment Policy

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees see fit. The Charity has little in the way of funds for long term investment. In order to provide flexibility, the Charity operates an interest earning deposit account in which it holds the majority of its free reserves.

Reserves Policy

The Trustees have considered the requirement for free reserves, which are those unrestricted funds not invested in tangible fixed assets or designated for specific purposes or otherwise committed. The Trustees consider that free reserves should be sufficient to provide for a period of one year's uninterrupted non-contract services, plus a further £15,000 to cover closure costs in the event of the service level agreements being ended.

Under this policy, the Trustees feel that the level of free reserves should be maintained at £65,000. This is satisfied by the current level of free reserves as at the 31 March 2009 amounting to £75,953.

The trustees will reassess the reserves policy on an annual basis.

PLANS FOR FUTURE PERIODS

Partnership with Serco has prompted SOFA to get the lift put back into action. This means that we will be able to make more use of the top two floors of the building. We expect to take donations of furniture that have been collected by Serco from Charnwood residents. The increase in the amount of furniture and appliances taken has allowed us to plan to expand our sales by advertising widely and we will consider the option of developing outreach sales. We will also increase our capacity to test electrical items.

In the longer term we hope to be able to train volunteers in some of the skills of furniture refurbishment. The resulting high quality, desirable items could be put onto Ebay to reach a wider audience.

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2009
(Continued)

PLANS FOR FUTURE PERIODS - CONTINUED

We also plan to extend our counselling service to include customers who live in the local area, while being mindful that places must be left available for our own volunteers. In addition to this support our training programme is being improved so that there will be a regular and varied programme of courses supplied to SOFA volunteers. In addition to training volunteers to work well with SOFA we will concentrate our focus on the skills they need to gain employment. Where we have excess capacity, we plan in the longer term to market opportunities to train with SOFA to volunteers and workers from other charities.

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

Charity and company law requires the Board of Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparing those financial statements, the Board of Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Board of Trustees are responsible for maintaining proper records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Board of Trustees are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEMBERS OF THE BOARD OF TRUSTEES

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 7.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

SOFA
REPORT OF THE BOARD OF TRUSTEES
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(Continued)

AUDITORS

A resolution to re-appoint Smith Emmerson Limited as auditor for the ensuing year will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Trustees on 28 October 2009 and signed on its behalf by:

..... **B D Granger (Trustee)**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOFA

We have audited the financial statements of SOFA for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees' (who are also the directors of SOFA for the purposes of company law) responsibilities for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Board of Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Board of Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available to Small Entities, in the circumstances set out in note thirteen to the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Board of Trustees is consistent with the financial statements.

Smith Emmerson Limited
Chartered Accountants and Registered Auditors
Ash Tree Court
Nottingham Business Park
Nottinghamshire
NG8 6PY

28 October 2009

SOFA

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) FOR
THE YEAR ENDED 31 MARCH 2009

	<u>Notes</u>	<u>Total Funds</u> <u>2009</u> £	<u>Total Funds</u> <u>2008</u> £
INCOMING RESOURCES			
Incoming Resources from Generated Funds :			
<i>Voluntary Income</i>	2	8,500	9,438
<i>Investment Income</i>		609	1,252
Incoming resources from Charitable Activities :			
<i>Service Level Agreements</i>	3	97,580	89,448
<i>Sales Revenues</i>	3	38,229	27,222
<i>Sundry Income</i>	3	4,622	5,614
Total Incoming Resources		149,540	132,974
RESOURCES EXPENDED			
Costs of generating funds		7,836	7,312
Charitable activities		102,645	102,193
Governance costs		18,659	18,915
Total Resources Expended	4	129,140	128,420
Net Incoming Resources		20,400	4,554
Transfers between Funds		-	-
Net movement on Funds		20,400	4,554
Total funds brought forward		99,740	95,186
Total funds carried forward		120,140	99,740

The notes on pages 17 to 23 form part of these financial statements.

All of the charity's funds are of an unrestricted nature.

SOFA**BALANCE SHEET AS AT 31 MARCH 2009**

	<u>Note</u>	<u>2009</u> £	<u>2008</u> £
Fixed Assets	8	29,187	15,113
Current Assets			
Debtors	9	17,306	13,301
Cash at bank and in hand		87,963	90,389
		<u>105,269</u>	<u>103,690</u>
Creditors			
Amounts falling due within one year	10	(14,316)	(19,063)
Net Current Assets		<u>90,953</u>	<u>84,627</u>
Net Assets	11	<u>120,140</u>	<u>99,740</u>
Funds			
Restricted		-	-
General	12	<u>120,140</u>	<u>99,740</u>
Total Funds		<u>120,140</u>	<u>99,740</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board of Trustees on 28 October 2009 and signed on its behalf by:

..... **B D Granger (Trustee)**

The notes on pages 17 to 23 form part of these financial statements.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, the Financial Reporting Standard for Smaller Entities (effective January 2007) and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

(b) Fund Accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Board of Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

(c) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and grants and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES (Continued)

(d) Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising purposes.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis to reflect the use of the resource. Costs relating to a particular activity are allocated directly. The resources expended in the operation of the Charity's central services system and central office which cannot be directly allocated are apportioned between the expenditure categories on the basis of the estimated amount of staff time involved in each activity.

(e) Fixed Assets

Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life, at varying rates:

Item	%	Basis
Fixtures and equipment	20	Straight line
Motor vehicles	20	Reducing balance

All fixed assets costing more than £500 are capitalised and initially recorded at cost.

Donated assets are brought in at their second hand value at the date of receipt.

(f) Pensions

The charitable company participates in a defined contribution pension scheme for the benefit of the employees, the regular costs of which are expended in the Statement of Financial Activities as and when incurred.

(g) Leases

All leases are regarded as operating leases and payments made under them are expended in the Statement of Financial Activities over the term of the lease.

SOFA
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

2. VOLUNTARY INCOME

	Total Funds 2009 £	Total Funds 2008 £
Government and other public authorities	8,500	9,350
Sundry donations	-	88
	<u>8,500</u>	<u>9,438</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Total Funds 2009 £	Total Funds 2008 £
Service Level Agreements		
Leicestershire County Council	97,580	89,448
	<u>97,580</u>	<u>89,448</u>
Sales Revenue		
Furniture sales	38,229	27,222
	<u>38,229</u>	<u>27,222</u>
Sundry Income		
Miscellaneous income	4,622	5,614
	<u>4,622</u>	<u>5,614</u>

SOFA
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

4. TOTAL RESOURCES EXPENDED

	<u>Staff Costs</u> £	<u>Other Costs</u> £	<u>Depreciation</u> £	<u>Total 2009</u> £	<u>Total 2008</u> £
Charitable Activities					
<i>Direct Costs</i>					
Staff Costs	31,185	-	-	31,185	37,017
Premises costs	-	18,969	446	19,415	18,704
Expenditure on projects	-	14,106	2,534	16,640	10,665
	<u>31,185</u>	<u>33,075</u>	<u>2,980</u>	<u>67,240</u>	<u>66,386</u>
<i>Support Costs</i>					
Staff Costs	18,711	-	-	18,711	22,211
Premises Costs	-	8,782	207	8,989	8,659
Expenditure on Projects	-	6,531	1,174	7,705	4,937
	<u>49,896</u>	<u>48,388</u>	<u>4,361</u>	<u>102,645</u>	<u>102,193</u>
Costs of Generating Funds					
Staff Costs	2,495	-	-	2,495	2,961
Premises Costs	-	2,810	66	2,876	2,771
Other Costs	-	2,090	376	2,466	1,580
	<u>2,495</u>	<u>4,900</u>	<u>442</u>	<u>7,837</u>	<u>7,312</u>
Governance					
Staff Costs	9,979	-	-	9,979	11,845
Premises Costs	-	4,566	107	4,673	4,503
Other Costs	-	3,396	610	4,006	2,567
	<u>9,979</u>	<u>7,962</u>	<u>717</u>	<u>18,658</u>	<u>18,915</u>
TOTAL RESOURCES EXPENDED	<u>62,370</u>	<u>61,250</u>	<u>5,520</u>	<u>129,140</u>	<u>128,420</u>

SOFA**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009****5. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:	<u>2009</u> £	<u>2008</u> £
Depreciation	5,520	4,433
Operating Lease rentals for land and buildings	24,120	24,120
Auditors' remuneration – audit services	1,100	1,100
Auditors' remuneration – other services	900	700
	<u> </u>	<u> </u>

Out of pocket travel costs were reimbursed to members of the Board of Trustees amounting to £83 (2008 - £374). No member of the Board of Trustees received any remuneration during the year.

6. STAFF COSTS AND NUMBERS

Staff costs were as follows:	<u>2009</u> £	<u>2008</u> £
Salaries	57,972	68,245
Social security costs	3,730	4,662
Pension contributions	668	1,127
	<u>62,370</u>	<u>74,034</u>

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £668 (2008 - £1,127). Unpaid contributions at the balance sheet date amounted to £NIL (2008- Nil). No employee received emoluments of more than £60,000.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	<u>2009</u> No	<u>2008</u> No
Number of staff	<u>3</u>	<u>4</u>

7. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

SOFA
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

8. TANGIBLE FIXED ASSETS

	<u>Fixtures & Equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost			
At 1 April 2008	33,346	32,896	66,242
Additions	306	19,288	19,594
Disposals	(7,166)	-	(7,166)
	<hr/>	<hr/>	<hr/>
At 31 March 2009	26,486	52,184	78,670
Accumulated Depreciation			
At 1 April 2008	25,685	25,444	51,129
Charge for the year	3,388	2,132	5,520
Disposals	(7,166)	-	(7,166)
	<hr/>	<hr/>	<hr/>
At 31 March 2009	21,907	27,576	49,483
Net Book Values			
At 31 March 2009	<hr/>	<hr/>	<hr/>
	4,579	24,608	29,187
At 31 March 2008	<hr/>	<hr/>	<hr/>
	7,661	7,452	15,113

9. DEBTORS

	<u>2009</u> £	<u>2008</u> £
Trade debtors	605	27
Other debtors	3,333	93
Prepayments and accrued income	13,368	13,181
	<hr/>	<hr/>
	17,306	13,301

SOFA**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009****10. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)**

	<u>2009</u>	<u>2008</u>
	£	£
Trade creditors	3,523	8,184
Other taxation and social security	1,358	907
Accruals and deferred income	9,435	9,972
	<u>14,316</u>	<u>19,063</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	
Tangible fixed assets	29,187	-	29,187
Net current assets	90,953	-	90,953
	<u>120,140</u>	<u>-</u>	<u>120,140</u>

12. UNRESTRICTED FUNDS

	<u>General</u>	<u>Asset</u>	<u>Tangible</u>	<u>Total</u>
	<u>Fund</u>	<u>Improvement</u>	<u>Fixed Assets</u>	
		<u>Fund</u>	<u>Fund</u>	
Balance at 1 April 2008	60,000	24,627	15,113	99,740
Income	149,540	-	-	149,540
Expenditure	(129,140)	-	-	(129,140)
Transfers	(4,447)	(9,627)	14,074	-
	<u>75,953</u>	<u>15,000</u>	<u>29,187</u>	<u>120,140</u>

The asset improvement fund is a designated fund established by the charity to fund improvements to the charity's delivery fleet, extension to the sales office, new overhead lighting on the second floor of the warehouse and ensure that the technology within the charity reflects current practice in the workplace. During the year the charity purchased a new van.

13. AUDITORS

In common with many other organisations of our size and nature we use our auditors to assist with the preparation of the financial statements.