

SOFA
ANNUAL REPORT
AND
FINANCIAL STATEMENTS

For the Year Ended
31 March 2013

Company Registration Number: 02587766
Registered Charity Number: 1002980

SOFA
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SOFA

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2013.

Chairpersons Annual Report

I found it very difficult to think of an appropriate way to start this year's annual report. Should I start with the good news that we achieved a 50% increase in the number of volunteers who moved into employment, up from eight in the previous year to twelve? What about the 14% increase in our sales income? We also managed a modest increase in our net assets which gives us a better cushion against sudden changes in our circumstances.

However, it feels very difficult to be pleased about these improvements when as a charity working to relieve distress we know that there is so much more to do. We need to help more parents and carers to provide a better home for their families by provision of household goods. We want to help more of the unemployed, either short or long term, who need to maintain their self dignity as well as retain and improve their skills.

For those of you who are passionate about securing our climate for future generations Sofa can celebrate its work in reuse, saving the waste of raw materials and stopping usable goods going into landfill. We can even reassure the hard pressed tax payer (we receive substantial financial support from Leicestershire County Council), that we give very good value for money.

While you are reading this report, this is your chance to think about how you can help us. Just keep in mind that Sofa can collect the old furniture that you have just replaced, that fridge that doesn't fit into the kitchen any longer but still works. Do you know anyone who is unemployed and who needs to work/volunteer while they are looking for a permanent position? Do you have skills and time to volunteer to help Sofa maintain its operations? If you know someone who is looking for reuse furniture to buy for their home, send them along to Sofa. We have a good selection, are relatively central in Loughborough and have good parking. We can even help if you are setting up an office space as we stock office furniture as well. Don't forget that if you do know of someone in need, you can direct them to one of our referral partners for help.

To conclude I would like to thank all those who contribute to keeping Sofa in operation by their donations of household goods, our volunteers who work so hard, our small dedicated staff team, my fellow Trustees and those who buy their furniture from us.

Brian Granger

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2013
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REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name: SOFA
Charity Registration Number: 1002980
Company Registration Number: 02587766

Board of Trustees/Directors

Brian Granger	-Chairperson
Ellie Lowe	-Vice-Chair
Laura Phillips	-Treasurer (from 26 th September 2012)
Chris Peaty	-Volunteer Elected Representative (from 28 th March 2012)
Chris Muris	-Trustee
Val Brooke	-Trustee
Jane Hopper	-Trustee
Fadhil Hassoun	-Trustee
Brian Tetley	-Trustee
Jane Marriott	-Trustee

Company Secretary and Chief Executive

Jane Hammond

Staff

Suzanne Holland	-Volunteer Supervisor
Stewart Turner	-Electrical Tester
Gill Ford	-Saturday Sales
Linda Urquhart	-Finance Administrator
Charles Moodie	-Cleaner
Tony Warren	-Warehouse/Vehicle Supervisor
Julio Pacheco	-Administration Supervisor
Christine Barrell	-Temporary Volunteer Support Coordinator (from 18 th September 2012)

Registered Office and Operational Address

Towles Building, Clarence Street, Loughborough, Leicestershire, LE11 1DY

Auditors

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

Bankers

NatWest Bank Plc, 92 Queens Road, Leicester, LE2 1SY.

The Co-operative Bank PLC, Business Customer Service Centre, PO Box 250, Delf House, Skelmersdale, WN8 6WT.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee. The company was originally established under a Memorandum of Association that established the objects and powers of the charitable company and governance under its Articles of Association. Revised and updated Articles of Association were adopted by special resolution of the company on 23rd January 2013. 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 is 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.

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.

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REPORT OF THE BOARD OF TRUSTEES
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OBJECTIVES AND ACTIVITIES

The charitable objectives for which the company is established are stated in the Appendix to the Articles of Association. The objects continued to be to relieve either generally or individually, persons resident in Leicestershire 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 objectives the company operates a furniture reuse 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

Staff

Staffing remained consistent over the year. One member of staff had a prolonged period of sickness absence, part of which was covered on a temporary basis.

Volunteers

A total of 56 volunteers worked with us for varying hours and over varying periods in 2012-2013. We began the year with 27 volunteers and went on to recruit and train a further 29 during the course of the year. Staff sickness had a knock-on impact on volunteer recruitment, with overall numbers lower than in recent years.

A snapshot in January 2013 (week 4) showed that we had 23 Active Volunteers attending for 246 hours per week. The value of services provided by this number of volunteers is calculated to be in the region of £76,137 (12,300 hours over 50 weeks at minimum wage of £6.19).

During the course of the year 12 volunteers moved into employment – up from 8 compared to the previous year. Those who move into paid work value the time spent and experience gained at Sofa:

“I just wanted to say thank you for giving me the opportunity to be at Sofa. Before I started, to say I was sceptical about voluntary work is an understatement. But I have loved my time at Sofa, and can't speak highly enough about the people and the project as a whole. I'm glad I could be a small part of it.”

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We continued to work directly with people who tend to be socially excluded from mainstream education and employment, for example long-term unemployed people, disabled people, people with learning difficulties and/or mental health issues. Working in the office and warehouse, or going out on the van can help people to gain in confidence:

"Thanks for all of the support that you have given to our trainees – they seem to have gained so much confidence from their time spent with you!"
(Marie Muir from RNIB College, Loughborough).

"I have been a volunteer since October 2011 in the warehouse and on the vans delivering furniture to customers' houses. I really enjoy it, but then I got asked to work in the office. I have never worked in an office or dealt with sales or customers before and I did not think I could do it. But I **can** do it and I enjoy meeting customers and helping them. I love working at Sofa as the people are friendly and helpful. I enjoy it so much I would do it full-time if I could!"

A summer coach trip to The Black Country Living Museum and a Christmas meal were enjoyed by 30+ volunteers and staff on each occasion.

We were awarded a Partnership for Employment Award by the RNIB College Loughborough for the fourth year running for "an outstanding contribution to the employment of people with disabilities."

Referred Customers and Referral Agencies

A total of 917 sales (63%) were made to people who had been referred to us as being in genuine need of reduced price furniture.

Although anyone can shop with us our key charitable aim is to relieve poverty by supplying individuals and households in need with furniture, white goods and other household items at affordable prices. We operate a scheme that enables agencies to refer people on low income or in need who can then buy from us at a discount for 12 months.

We support homeless households, people being resettled from hostels, hospitals and prisons, refugees and new migrants, people fleeing domestic violence and other vulnerable people, and contribute to improved security and well-being of individuals and families:

"Challenged with personal disaster I took the opportunity to become an ace recycler and shop with just a few hundred pounds at Sofa. The understanding, friendly staff and volunteers helped me put together a home that's individual to me. Thanks to them, and the people who donate, I am enabled to get on with my life."

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As in previous years we continued to receive customer referrals from a number of key local agencies, most notably Charnwood Neighbourhood Housing and The Bridge Project, a charity that offers support and advice to homeless and vulnerably housed people in Charnwood. Other agencies which refer regularly include Children and Young People's Services, Social Care and Health, Charnwood Independent Youth Action, Health Visitors, Housing Associations, Human Rights and Equalities Charnwood, Citizen's Advice, Enquire and Sure Start.

Sales to the General Public

A total of 542 sales (37%) were made to the general public at higher than discount, but still very reasonable prices, with income from these sales being used to further our charitable aims. We ran a successful stall at a Charity Fair in Loughborough Market Place at the end of November 2012 and handed out publicity to hundreds of people.

Donations and Diversion from Landfill

We supported 1018 households by collecting 3191 unwanted items, and over the course of the year we diverted 101.3 tonnes of furniture and electrical appliances from landfill, (84.1 tonnes in 2011-2012) an increase of 16% compared to the previous year.

Improvements to Service, Operational Systems and Partnerships

During the course of the year we:

- Finalised and adopted fully revised Articles of Association
- Introduced new signage on our vans
- Were recognised via a nomination in the "Business" section for a Don't Muck Around Award, organised by Charnwood Borough Council and sponsored by Serco
- Were closely involved in organising a Seminar on The Future of Re-use in Leicestershire alongside other Furniture Re-use Organisations in the county and Leicestershire County Council, and took part in ongoing meetings with WRAP (Waste Resource Action Programme) to progress partnership working
- Took part in the annual University Students Recycling Amnesty organised by Charnwood Borough Council and collected a number of items suitable for re-use
- Made links with the Dogs Trust in Wymeswold to ensure that any furniture unfit for re-use can be used by stressed dogs at the centre
- Revamped our website to include the new logo, improved wording and an updated colour scheme
- Reviewed policies and procedures relating to governance and produced a Handbook for Trustees

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- Started a process of thoroughly reviewing our IT and database recording systems
- Took part in filming and featured in a short DVD about reuse for use in local schools produced by Charnwood Borough Council
- Had success with 3 small grant applications (Loughborough Building Society, Rolls Royce and Round Table) and used the money to provide sweatshirts/ hats/ jackets etc with our new logo for volunteers.
- Reviewed and re-issued a number of organisational policies and procedures
- Produced a new Business Action Plan

Corporate Support

We continued to benefit from bulky waste items collected by Serco on behalf of Charnwood Borough Council.

Organisations that Support Us

Our thanks go to the following agencies, organisations and individuals that have supported us during the course of the year:

- Leicestershire County Council Adults and Communities
- Leicestershire County Council Waste Management
- Charnwood Borough Council Environmental Services
- Furniture Re-use Network
- Serco
- RNIB College
- Sean Barrett
- WRAP (Waste Resources Action Programme)
- Voluntary Action Leicestershire
- Martin Phillips
- Loughborough Round Table
- Loughborough Building Society
- Rolls Royce

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FINANCIAL REVIEW

The Statement of Financial Activities for the year shows a surplus of £11,450 (2012: £10,167).

Total Incoming Resources in the year increased to £166,552 (2012: £158,558).

The Balance Sheet shows that SOFA has total unrestricted funds of £160,907, of which £9,769 is designated to tangible fixed assets and £50,000 is designated for asset improvement.

Relationships and Principal Funding Sources

The Organisation mainly works in partnership with the Leicestershire County Council which is the main funder of the Charity. SOFA also works with other partners, including district councils, housing associations and advice agencies in pursuit of our objects.

Investment Policy

Under the Memorandum and Articles of Association, SOFA (as a charity) has the power to invest in any way the Trustees see fit. However, SOFA has little in the way of funds for long term investment, and therefore has no investments of this kind. SOFA operates an interest earning deposit account in which it holds the majority of its free reserves, however little is earned by way of interest in the current economic climate.

Reserves Policy

The Trustees have considered the requirement for free reserves (which are those unrestricted funds not invested in tangible assets or designated for specific purposes or otherwise committed).

The Trustees consider that reserves at a level of between three and six months of the unrestricted resources expended would provide an appropriate cushion against fluctuations in income and would enable SOFA to continue with its current activities whilst deploying a refocused business plan**.

The financial cost of the actions described above is satisfied by the current level of general reserves as at 31 March 2013 which amounts to £101,138.

SOFA has designated £50,000 of free reserves to asset improvement in order to implement the business plan, made up as follows: Replace one van (£25k), repair lift in case of fault (£17.5k), update/ replace IT equipment, photocopier and software (£7.5k). This amount was not spent and therefore it is the intention of SOFA to roll this forward into 2013-2014 to enable the plan to be fully implemented.

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

Footnote **The business plan for the operational aspects of the organisation is to increase our own self-generated income from the sale of furniture and electrical items. In the current economic climate our intention is to maintain our prices at affordable levels, and to continue to seek ways of operating more efficiently and effectively. There continue to be a number of difficult external factors in the current economic climate, which affect many charities and voluntary organisations, but also our partners from the public sector. However, as well as continuing to provide affordable furniture, we are confident that with our skilled and committed staff team, we will also continue to provide much needed, high quality and supported volunteering opportunities.

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PLANS FOR FUTURE PERIODS

In the coming year we aim to:

- continue to explore and develop other ways of generating income that are compatible with our charitable aims and furniture re-use
- continue to explore how we can develop ways of “upcycling” some of the goods donated in order to maximise their value, for example by cleaning, painting and renovating
- improve our efficiency by reviewing and improving our customer and donor database
- continue to review all management systems and operational guidance with a view to making them compatible with a recognised quality standard eg PQASSO
- increase our use of electronic marketing by use of e-mail and revision of our website
- work with other agencies and local Furniture Re-use Projects to continue the development of the Leicestershire & Rutland Reuse Network.

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 is 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 2006. The Board of Trustees is 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 3.

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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.

AUDITORS

A resolution to re-appoint Smith Emmerson Audit 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 2006 relating to small companies.

Approved by the Board of Trustees on 6th November 2013 and signed on its behalf by:

 **B D Granger (Chair of Trustees)**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOFA

We have audited the financial statements of SOFA for the year ended 31 March 2013 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 April 2008).

This report is made solely to the charitable company's members as a body, in accordance with Section 235 of the Companies Act 2006. 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 2006. 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 International Auditing and Assurance Standards Board (IAASB). 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 IAASB Ethical Standards including Ethical Standard – Provisions Available to Small Entities.

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 2013 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 2006; and
- the information given in the Report of the Board of Trustees is consistent with the financial statements.



Paul Emmerson BSc ACA (Senior Statutory Auditor)
For and on behalf of Smith Emmerson Audit Limited
H5 Ash Tree Court
Nottingham Business Park
Nottingham
NG8 6PY

6 November 2013

SOFA

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) FOR
THE YEAR ENDED 31 MARCH 2013

	<u>Note</u>	Total Funds <u>2013</u> £	Total Funds <u>2012</u> £
INCOMING RESOURCES			
Incoming Resources from Generated Funds :			
<i>Investment Income</i>		173	162
Incoming resources from Charitable Activities :			
<i>Service Level Agreements</i>	2	99,530	99,530
<i>Sales Revenues</i>	2	58,026	50,244
<i>Sundry Income</i>	2	8,823	8,622
Total Incoming Resources		166,552	158,558
RESOURCES EXPENDED			
Costs of generating funds		9,133	9,010
Charitable activities		123,349	117,944
Governance costs		22,620	21,437
Total Resources Expended	3	155,102	148,391
Net Incoming Resources		11,450	10,167
Transfers between Funds		-	-
Net movement on Funds		11,450	10,167
Total funds brought forward		149,457	139,290
Total funds carried forward		160,907	149,457

The notes on pages 15 to 20 form part of these financial statements.

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

SOFA

BALANCE SHEET AS AT 31 MARCH 2013

	<u>Note</u>	<u>2013</u> £	<u>2012</u> £
Fixed Assets	7	9,769	12,579
Current Assets			
Debtors	8	15,623	16,741
Cash at bank and in hand		151,042	136,754
		<u>166,665</u>	<u>153,495</u>
Creditors			
Amounts falling due within one year	9	(15,527)	(16,617)
Net Current Assets		<u>151,138</u>	<u>136,878</u>
Net Assets		<u>160,907</u>	<u>149,457</u>
Funds			
Restricted		-	-
General	11	160,907	149,457
Total Funds		<u>160,907</u>	<u>149,457</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on 6th November 2013 and signed on its behalf by:

.....  **B D Granger (Chair of Trustees)**

The notes on pages 15 to 20 form part of these financial statements.

SOFA

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

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 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) 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 2013

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 £500 and over 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 2013

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	<u>Total Funds</u> <u>2013</u> £	<u>Total Funds</u> <u>2012</u> £
Service Level Agreements Leicestershire County Council	<u>99,530</u>	<u>99,530</u>
Sales Revenue Furniture sales	<u>58,026</u>	<u>50,244</u>
Sundry Income Miscellaneous income	<u>8,823</u>	<u>8,622</u>

3. TOTAL RESOURCES EXPENDED

	<u>Staff</u> <u>Costs</u> £	<u>Other</u> <u>Costs</u> £	<u>Depreciation</u> £	<u>Total</u> <u>2013</u> £	<u>Total</u> <u>2012</u> £
Charitable Activities					
<i>Direct Costs</i>					
Staff Costs	40,946	-	-	40,946	35,755
Premises costs	-	20,916	71	20,987	26,496
Expenditure on projects	-	17,225	1,319	18,544	15,020
	<u>40,946</u>	<u>38,141</u>	<u>1,390</u>	<u>80,477</u>	<u>77,271</u>
<i>Support Costs</i>					
Staff Costs	24,567	-	-	24,567	21,453
Premises Costs	-	9,685	34	9,719	12,267
Expenditure on Projects	-	7,975	611	8,586	6,953
	<u>65,513</u>	<u>55,801</u>	<u>2,035</u>	<u>123,349</u>	<u>117,944</u>
Costs of Generating Funds					
Staff Costs	3,276	-	-	3,276	2,860
Premises Costs	-	3,099	11	3,110	3,925
Other Costs	-	2,552	195	2,747	2,225
	<u>3,276</u>	<u>5,651</u>	<u>206</u>	<u>9,133</u>	<u>9,010</u>
Governance					
Staff Costs	13,103	-	-	13,103	11,442
Premises Costs	-	5,035	18	5,053	6,379
Other Costs	-	4,146	318	4,464	3,616
	<u>13,103</u>	<u>9,181</u>	<u>336</u>	<u>22,620</u>	<u>21,437</u>
TOTAL RESOURCES EXPENDED	<u>81,892</u>	<u>70,633</u>	<u>2,577</u>	<u>155,102</u>	<u>148,391</u>

SOFA
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

4. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:	<u>2013</u> £	<u>2012</u> £
Depreciation	2,577	4,127
Loss on disposal of fixed assets	183	-
Operating lease rentals for land and buildings	24,128	24,128
Auditors' remuneration – audit services	<u>2,100</u>	<u>1,950</u>

There were no out of pocket expenses reimbursed to members of the Board of Trustees during the year to 31 March 2013, or in the previous year. No member of the Board of Trustees received any remuneration during the year.

5. STAFF COSTS AND NUMBERS

Staff costs were as follows:	<u>2013</u> £	<u>2012</u> £
Salaries	75,584	66,451
Social security costs	5,567	4,348
Pension contributions	741	711
	<u>81,892</u>	<u>71,510</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 £741 (2012 - £711). No employee received emoluments of more than £60,000.

The average number of employees during the year was as follows:

	<u>2013</u> No.	<u>2012</u> No.
Number of staff	<u>9</u>	<u>8</u>

6. TAXATION

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

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 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

7. TANGIBLE FIXED ASSETS

	<u>Fixtures & Equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost			
At 1 April 2012	19,648	38,334	57,982
Disposals	(500)	-	(500)
At 31 March 2013	<u>19,148</u>	<u>38,334</u>	<u>57,482</u>
Accumulated Depreciation			
At 1 April 2012	19,280	26,123	45,403
Charge for the year	135	2,442	2,577
Disposals	(267)	-	(267)
At 31 March 2013	<u>19,148</u>	<u>28,565</u>	<u>47,713</u>
Net Book Values			
At 31 March 2013	<u>-</u>	<u>9,769</u>	<u>9,769</u>
At 31 March 2012	<u>368</u>	<u>12,211</u>	<u>12,579</u>

8. DEBTORS

	<u>2013</u> £	<u>2012</u> £
Trade debtors	355	613
Other debtors	15,268	16,128
	<u>15,623</u>	<u>16,741</u>

9. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>2013</u> £	<u>2012</u> £
Trade creditors	1,830	2,791
Taxation and social security	2,698	1,275
Other creditors	10,999	12,551
	<u>15,527</u>	<u>16,617</u>

SOFA
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	<u>2013</u>	<u>2012</u>
	£	£
Expiring:		
Within one year	24,128	24,128

11. UNRESTRICTED FUNDS

	<u>General Fund</u>	<u>Asset Improvement Fund</u>	<u>Tangible Fixed Assets Fund</u>	<u>Total</u>
Balance at 1 April 2012	121,878	15,000	12,579	149,457
Net incoming resources	11,450	-	-	11,450
Transfer to asset improvement fund	(35,000)	35,000	-	-
Transfer from tangible fixed assets fund	2,810	-	(2,810)	-
Balance at 31 March 2013	<u>101,138</u>	<u>50,000</u>	<u>9,769</u>	<u>160,907</u>

The asset improvement fund is a designated fund established by the charity to fund improvements to the charity's delivery fleet, lift maintenance and updating IT equipment to ensure that the technology within the charity reflects current practice in the workplace. The depreciation charge during the year was £2,577.

12. AUDITORS

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