

**REGISTERED COMPANY NUMBER: 02587766 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1002980**

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2018  
FOR**

**SOFA  
(A COMPANY LIMITED BY GUARANTEE)**

SOFA

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FOR THE YEAR ENDED 31 MARCH 2018

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**SOFA**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 MARCH 2018**

<b>TRUSTEES</b>	Mrs V Brooke (Trustee) B D Granger (Chairperson) Mrs C Hardisty (Corporate Adviser) (appointed 1/9/2017) (resigned 22/1/2018) F Hassoun (Trustee) Mrs J Hopper (Trustee) Mrs E C Lowe (Vice-Chair) Mrs J Marriott (Trustee) C Peaty (Volunteer Driver) (resigned 2/11/2017) B J Tetley (Trustee) W E Webster (Trustee) (appointed 18/3/2018)
<b>COMPANY SECRETARY</b>	J S F Pacheco
<b>REGISTERED OFFICE</b>	31 Clarence Street Loughborough Leicestershire LE11 1DY
<b>REGISTERED COMPANY NUMBER</b>	02587766 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1002980
<b>INDEPENDENT EXAMINER</b>	Smith Emmerson Chartered Accountants H5 Ash Tree Court Nottingham Business Park Nottingham Nottinghamshire NG8 6PY
<b>STAFF</b>	Tony Warren - Warehouse/Vehicle Manager/Joint Acting CEO Julio Pacheco - Administration Manager/Joint Acting CEO Stewart Turner - Portable Appliance Tester Linda Urquhart - Finance Administrator Salim Nagdi - Administration Assistant Jonothan Goode - Warehouse/Van Assistant Kerry Wood-May - Cleaner Gillian Spoor - Resources Co-ordinator Christopher Peaty - Van/Warehouse Assistant
<b>BANKERS</b>	The Co-operative Bank PLC, Business Customer Service Centre, PO Box 250, Delf House, Skelmersdale, WN8 6WT.

## SOFA

### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 MARCH 2018

#### Chairpersons Annual Report

It's always important to ensure that everyone understand exactly what the charity does and how the public benefits from its activity. While manufacturing new products drains our limited natural resources, and disposing of unwanted materials pollutes our environment, many householders also face difficulties getting the affordable goods they need to furnish their homes. Sofa seeks to combine resolution to these challenges by taking useful goods no longer needed by their owners and making them available for reuse at affordable prices, with additional discounts to individuals referred to us by helping agencies. Although Sofa has a core group of paid staff we rely heavily on volunteers to carry out these activities. Amongst these volunteers are many who are donating their time to support the important work we do as a charity, but we also provide opportunities for volunteers to improve their life skills to enhance their journey into further training or full time employment.

Sofa has had a very challenging year. Although we have continued to provide relief of hardship through the supply of furniture to households referred by helping agencies as being in need, the number helped has slightly reduced to 2,904 households with 8,871 items supplied a drop of 9% compared to the previous year. We supported a total of 34 volunteers of which 3 moved into employment or full time education. This is also a reduction compared to the previous year which may reflect the improving overall employment figures. Our contribution to saving the environment is that we diverted 138 tonnes of goods from landfill and redirected those goods to reuse. Again this figure is lower than in the previous year although it is still a significant achievement. Our overall sales to the public and our contract work with the Leicestershire & Rutland Reuse Network have also fallen.

As would be expected the reduction in activity has had a significant impact on our financial situation. Although the total expenditure was very similar to the previous financial year, an increase of only £436, the reduction in sales has resulted in expenditure exceeding income by £27,909. The trustees have taken action to reduce expenditure and we have planned for a balanced budget in the following financial year. However, Sofa still remains in an uncertain situation due to the current economic conditions, the short lease which we have been unable to extend and the imminent redevelopment of the surrounding area where our building is located. Any unforeseen increase in our cost base may significantly impact on our financial situation although we currently slightly exceed the Charity Commission recommended level of reserves.

Sofa goes forward with every expectation that we will be able to continue to provide the services for which the charity was established. Fortunately we are well known within our community as being the local resource that will receive donations of all types of household goods for reuse and the community continue to be very generous with their donations. Our volunteer group may be smaller but they give so much of their time and energy to keep Sofa working for which they have our sincere thanks. Sofa's paid employees are the foundation of our day to day operation and they have given many hours extra to the charity as well as contributing the highest level of commitment.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**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, person's 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.

Increasingly important for the charity is our environmental role in diverting items from landfill and ensuring their reuse.

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.

**ACHIEVEMENT AND PERFORMANCE**

**Staff**

Sofa's paid employees are the foundation of our day to day operation and they have given many hours extra to the charity as well as contributing the highest level of commitment.

**Volunteers**

Over the year we worked with 34 volunteers. We began with 19 volunteers and went on to recruit another 15. A total of 3 volunteers have moved into employment. We ended the year with 23 active volunteers.

During the year we continued to work with and provide training for those with disabilities, learning difficulties, and mental health issues, making up 38% of our cohort.

Our annual event for volunteers, a Christmas lunch, was hugely successful after a disappointing loss of the arranged Christmas meal after the restaurant ceased trading having taken our deposit. We also arranged a Halloween event where volunteers also received a number of raffle prizes.

**Divya - Volunteer**

"As a volunteer my experience was very good, I worked in SOFA almost for one year. My work was taking pictures of furniture and putting advertisement on different websites as shpock, gumtree, Facebook etc.

As a digital marketing assistant I enjoyed my work a lot.

SOFA is a very good organisation, it was a fun to work here. all colleagues were very cooperative.

My manager, Mr Pacheco was very helping to me. I learned so many things here.

I wish good luck to SOFA & it's employee for the bright future."

**Andrew - Volunteer**

"At the time I started volunteering at sofa I was long term unemployed due to ill health and being a stay at home parent. I initially volunteered to give myself experience of work again, I started work within the office for a few hours each week and I progressed to working in the warehouse and deliveries.

At this time I was unemployed for over 15 years and due to ill health, I had lost confidence in my abilities and due to the disabilities I have, I was unsure of how much I can do and for how long I could do it.

Within a short period of time with the help of all the friendly people at sofa I begun getting more confident, I got fitter and more able to endure working and I progressed into a full time job."

**Referred Customers and Referral Agencies**

A total of 2,904 individual orders of furniture and appliances were sold to people who had been referred to us as being in genuine need of reduced price furniture. This represents 9% decrease compared to last year's figures with a total of 8,871 individual items.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018**

**ACHIEVEMENT AND PERFORMANCE**

Although anyone can shop with us one of our key charitable aims 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 assess those they consider to be in need and then to refer them to SOFA where they can then buy from us at a discount, currently 30%, valid for 12 months.

Through this referral process we continue to support a wide range of individuals and families in need who are in contact with statutory and voluntary resources including homeless households, people being resettled from hostels, hospitals and prisons, refugees and new migrants, people fleeing domestic violence and other vulnerable people.

We 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 1,438 items of furniture and appliances were sold to the general public at sensible prices, with income from these sales being used to further our charitable aims. This was an decrease of 248 sales compared with previous year a 15% decrease. The sale of goods to the general public is now essential income to ensure the future of SOFA and is of course furthering reuse by which we can reduce the impact of climate change.

**Donations and Diversion from Landfill**

We gratefully received help from 2,045 households and collected 8,137 reusable items during this year and further 1,362 reusable items were donated at our door. This year we diverted 138 tonnes of furniture and electrical appliances from landfill representing a 19 % decrease which is still a significant help to the targets set for Leicestershire County Council and a considerable boost to the environment. This decrease in part has been due to a shortage of volunteers to operate a more frequent collection service for our donations.

**Improvements to Service, Operational Systems and Partnerships**

During the course of the year we:

- \* Increased the choice for electrical goods by rebalancing new, graded and reused stock
- \* Have reviewed and are now GDPR compliant.
- \* Improved our stock control system and now claim Gift Aid.
- \* Increased the training opportunities of volunteers by the introduction of on-line courses.
- \* Improved the security of the building by fitting guards to external risk points.
- \* Implemented a new phone system.

**Organisations that have supported SOFA**

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

- \* Leicestershire County Council Waste Management
- \* Leicester City Council
- \* Charnwood Borough Council Environmental Services
- \* Leicestershire & Rutland Reuse Network
- \* Voluntary Action Leicestershire
- \* Cuttlefish

**FINANCIAL REVIEW**

**Financial position**

The Statement of Financial Activities for the year shows a deficit of £27,909 (2017: surplus of £16,214).

Total Incoming Resources in the year decreased to £210,092 (2017: £253,777), primarily due to a decrease in furniture and new electrical equipment sales.

The Balance Sheet shows that SOFA has total unrestricted funds of £174,825, of which £9,708 is invested in tangible fixed assets and £50,000 is designated for asset improvement.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018**

**FINANCIAL REVIEW**

**Relationships and Principal Funding Sources**

Our principle funding source remains the sale of household items directly to the public and to statutory bodies such as Leicestershire County Council, and Leicester City Council via the Leicestershire & Rutland Reuse Network as well as Charnwood District Council. The charity works in partnership with a range of local organisations many of which are referral agents to us for individuals in need. SOFA is also a member of FRN which is the national support organisation for reuse charities.

**Investment policy and objectives**

Under the Memorandum and Articles of Association, SOFA (as a charity) has the power to invest in any way the Trustees see fit. However, the Trustees of SOFA have decided not to commit funds for long term investment, and therefore the charity has no investments of this kind.

**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 have reviewed their policy but continue to consider that it is necessary to hold reserves at a level that will ensure that the operational charitable objectives can continue to be met at a time that there is much fluidity in the economic situation. Trustees still consider that our short term lease agreement and potential operating difficulties result in a need for a maintained substantial level of reserves. For example SOFA continues to hold £20,000 in reserve to cover the expected cost of lift replacement which would be necessary to ensure effective goods access to two of the three floors in our warehouse. A further £25,000 is being held for replacement of one of our vans should repair costs be uneconomic. The balance of reserves against total resources expended gives just under seven months operating costs, which is a slightly more than the Charity Commission recommendation of holding a minimum of six months operating costs.

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

**FUTURE PLANS**

In the coming year we aim to:

- \* Ensure the ongoing implementation of GDPR
- \* Undertake a review of all policies and procedures
- \* Explore ways of increasing the type of donations suitable for reuse
- \* Look to work collaboratively with other local charities
- \* Search for additional income streams to ensure the project's sustainability

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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 new 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.

**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. Our joint Chief Executive Officers are responsible for the day-to-day organisation and delivery of services.

**Induction and training of new trustees**

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.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Sofa for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 5 December 2018 and signed on its behalf by:



B D Granger - Trustee



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
SOFA (REGISTERED NUMBER: 02587766)**

**Independent examiner's report to the trustees of Sofa ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2018.

**Responsibilities and basis of report**

As the charity's 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 charity'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**

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:

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 principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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



Paul Emmerson BSc(Hons) ACA  
Chartered Accountant  
Smith Emmerson  
Chartered Accountants  
H5 Ash Tree Court  
Nottingham Business Park  
Nottingham  
Nottinghamshire  
NG8 6PY

5 December 2018

**SOFA**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	31/3/18 Unrestricted funds £	31/3/17 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Sale of furniture and electrical goods		198,789	239,287
Miscellaneous Income		11,282	14,440
Investment income	2	21	52
<b>Total</b>		<u>210,092</u>	<u>253,779</u>
 <b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Sale of furniture and electrical goods		177,150	185,669
Miscellaneous Income		1,982	-
Support costs		478	-
Depreciation		7,818	2,729
Other		50,573	49,167
<b>Total</b>		<u>238,001</u>	<u>237,565</u>
<b>NET INCOME/(EXPENDITURE)</b>		<u>(27,909)</u>	<u>16,214</u>
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		202,734	186,520
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>174,825</u></u>	<u><u>202,734</u></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
AT 31 MARCH 2018

	Notes	31/3/18 Unrestricted funds £	31/3/17 Total funds £
<b>FIXED ASSETS</b>			
Tangible assets	7	7,358	9,708
<b>CURRENT ASSETS</b>			
Stocks	8	9,606	15,074
Debtors	9	71,765	64,894
Cash at bank and in hand		112,654	133,896
		<u>194,025</u>	<u>213,864</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	(26,558)	(20,838)
		<u>167,467</u>	<u>193,026</u>
<b>NET CURRENT ASSETS</b>			
		<u>174,825</u>	<u>202,734</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>174,825</u>	<u>202,734</u>
<b>NET ASSETS</b>			
		<u>174,825</u>	<u>202,734</u>
<b>FUNDS</b>	12		
Unrestricted funds		<u>174,825</u>	<u>202,734</u>
<b>TOTAL FUNDS</b>		<u>174,825</u>	<u>202,734</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 5 December 2018 and were signed on its behalf by:

B D Granger -Trustee

SOFA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

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.

**Expenditure**

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 professional fees and other costs linked to the strategic management of the charity.

**Allocation and apportionment of costs**

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.

**Tangible 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:

Asset	%	Basis
Fixtures and equipment	20	Straight line
Motor vehicles	25	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 market value at the date of receipt.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

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

SOFA

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - continued

**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.

**Leasing commitments**

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. INVESTMENT INCOME

	31/3/18 Unrestricted funds £	31/3/17 Total funds £
Deposit account interest	21	52

3. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31/3/18 £	31/3/17 £
Depreciation - owned assets	2,350	2,729
Other operating leases	24,266	24,128

Other operating leases is in respect of rent for the land and buildings.

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

**Trustees' expenses**

	31/3/18 £	31/3/17 £
Trustees' expenses	54	122

SOFA

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

**5. STAFF COSTS**

	31/3/18	31/3/17
	£	£
Wages and salaries	94,273	72,966
Social security costs	1,815	1,186
Other pension costs	493	238
	<u>96,581</u>	<u>74,390</u>

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

	31/3/18	31/3/17
Number of staff	<u>10</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

**6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £
<b>INCOME AND ENDOWMENTS FROM</b>	
Charitable activities	
Sale of furniture and electrical goods	239,287
Miscellaneous Income	14,440
Investment income	52
<b>Total</b>	<u>253,779</u>
<b>EXPENDITURE ON</b>	
Charitable activities	
Sale of furniture and electrical goods	185,669
Depreciation	2,729
Other	49,167
<b>Total</b>	<u>237,565</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>16,214</u>
<b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	186,520
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>202,734</u>

SOFA

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

<b>7. TANGIBLE FIXED ASSETS</b>	Fixtures and equipment £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2017 and 31 March 2018	<u>23,291</u>	<u>42,833</u>	<u>66,124</u>
<b>DEPRECIATION</b>			
At 1 April 2017	21,184	35,232	56,416
Charge for year	<u>829</u>	<u>1,521</u>	<u>2,350</u>
At 31 March 2018	<u>22,013</u>	<u>36,753</u>	<u>58,766</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>1,278</u>	<u>6,080</u>	<u>7,358</u>
At 31 March 2017	<u>2,107</u>	<u>7,601</u>	<u>9,708</u>
<b>8. STOCKS</b>			
		31/3/18	31/3/17
		£	£
Stocks		<u>9,606</u>	<u>15,074</u>
<b>9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
		31/3/18	31/3/17
		£	£
Trade debtors		55,075	49,076
Other debtors		-	385
Prepayments and accrued income		<u>16,690</u>	<u>15,433</u>
		<u>71,765</u>	<u>64,894</u>
<b>10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
		31/3/18	31/3/17
		£	£
Trade creditors		6,023	1,656
Social security and other taxes		1,235	1,090
VAT		7,007	8,087
Other creditors		26	165
Pension liability		73	70
Accrued expenses		<u>12,194</u>	<u>9,770</u>
		<u>26,558</u>	<u>20,838</u>
<b>11. LEASING AGREEMENTS</b>			
Minimum lease payments under non-cancellable operating leases fall due as follows:			
		31/3/18	31/3/17
		£	£
Within one year		<u>8,043</u>	<u>8,043</u>

## SOFA

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018

## 12. MOVEMENT IN FUNDS

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
<b>Unrestricted funds</b>				
General Fund	143,026	(27,909)	2,350	117,467
Asset Improvement Fund	50,000	-	-	50,000
Tangible Fixed Assets Fund	9,708	-	(2,350)	7,358
	<u>202,734</u>	<u>(27,909)</u>	<u>-</u>	<u>174,825</u>
<b>TOTAL FUNDS</b>	<u>202,734</u>	<u>(27,909)</u>	<u>-</u>	<u>174,825</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General Fund	210,092	(238,001)	(27,909)
<b>TOTAL FUNDS</b>	<u>210,092</u>	<u>(238,001)</u>	<u>(27,909)</u>

## Comparatives for movement in funds

	At 1/4/16 £	Net movement in funds £	Transfers between funds £	At 31/3/17 £
<b>Unrestricted Funds</b>				
General Fund	128,582	16,214	(1,770)	143,026
Asset Improvement Fund	50,000	-	-	50,000
Tangible Fixed Assets Fund	7,938	-	1,770	9,708
	<u>186,520</u>	<u>16,214</u>	<u>-</u>	<u>202,734</u>
<b>TOTAL FUNDS</b>	<u>186,520</u>	<u>16,214</u>	<u>-</u>	<u>202,734</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General Fund	253,779	(237,565)	16,214
<b>TOTAL FUNDS</b>	<u>253,779</u>	<u>(237,565)</u>	<u>16,214</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.

## 13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2018.