

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 2024
FOR
SOFA
(A COMPANY LIMITED BY GUARANTEE)

SOFA

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FOR THE YEAR ENDED 31 MARCH 2024

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SOFA

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2024**

TRUSTEES	Mrs V Brooke (Trustee) B D Granger (Chairperson) Mrs E C Lowe (Vice-Chair) B J Tetley (Trustee) Stephanie E Day (Trustee) Diego Neyra Lopez (Trustee)
COMPANY SECRETARY	J S F Pacheco
REGISTERED OFFICE	Towles Building 31 Clarence Street Loughborough Leicestershire LE11 1DY
REGISTERED COMPANY NUMBER	02587766 (England and Wales)
REGISTERED CHARITY NUMBER	1002980
INDEPENDENT EXAMINER	TCP (GB) Group Ltd 10 The Triangle NG2 Business Park Nottingham Nottinghamshire NG2 1AE
STAFF	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 Kerry Wood-May - Cleaner Christopher Peaty - Van/Warehouse Assistant
BANKERS	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 2024**

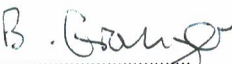
The year began with Sofa in a very difficult financial situation awaiting the outcome of a Covid Recovery Grant application to the Big Lottery. Fortunately, this application was successful, and Sofa was awarded a grant of £10,000 a quarter for three years with an additional amount of £13,400 for consultancy fees. The strategic plan was to review all the operations of the charity while the grant provided some financial stability by supporting a proportion of the ongoing staff costs. This would empower Sofa to progress to a position where income would exceed expenditure and thereby guarantee the long-term viability of the charity. The grant was momentous enough to result in some significant media coverage including an appearance by staff on the BBC's East Midlands Today news program.

Following the appointment of a management consultant a detailed review was undertaken of the staffing and operation of the charity. The consultant recommended that the organisational structure be improved by removing some duplication in staff roles and these modifications were introduced in October 2023. With numerous other changes initiated by the new CEO, the financial performance of the charity began to improve from October with typical daily income matching expenditure. Progress for the remainder of the year has been such that the grant strategy is being realised at a time when the High Street retail market for home goods has been stagnant or declining. Sofa is now able to look forward to a position in the next two years where it will be able to again meet the Charity Commissions recommendation that it should hold at least six months operating costs in reserve.

Looking forward to the future is a key goal of the Charnwood Eco Hub, a Community Interest Company, who approached Sofa to explore whether we were able to support them in establishing an Eco Hub in Loughborough. Their plans were to open a Tool Library, a Makespace and a Scrap Store in the community with very similar goals to Sofa, that is to make a positive impact on the environment by ensuring reuse of all types of goods thereby diverting those items from landfill. After numerous meetings and discussion the Trustees of Sofa and the Directors of Loughborough Eco Hub decided that the way forward was to agree a Collaboration Agreement between the two incorporated bodies by which Sofa provided space to host these activities. Although we have yet to approve a formal written collaboration agreement we look forward to a very positive working relationship with Charnwood Eco Hub.

Having completed the previous financial year with a feeling of gloom and despondency the charity is now thriving and has hope for the future. We continue to be supported by our community with their plentiful donation of items for reuse that ensures diversion of these items from landfill making effective reuse of the world's natural resources. We are able to help families by providing low cost household items and support those in need through our referral and discount scheme. We have been fortunate in maintaining a team of dedicated volunteers who give their time and life skills in support of our objectives. Lastly Sofa has a small staff team who sustain our very existence every day by their hard work and commitment.

Signed by:


.....
B D Granger – Chairperson
Date: 27/11/24

SOFA (REGISTERED NUMBER: 02587766)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

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 2022. 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 started with 15 volunteers and recruited further 27 volunteers which totals 42. We ended the year with 16 active volunteers. Some Volunteers moved on, some to further education and three to paid employment.

"My experience with SOFA has been amazing, it's so rewarding helping the community. It's the best volunteering job I've had, the team here made me feel so welcome and from day one I felt like part of the family. I recommend this shop to anyone, it's made my confidence go sky high.

LP

Referred Customers and Referral Agencies

A total of 1,625 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 representing a total of 4,030 individual items.

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 20%, valid for 12 months.

We have assisted over 2,300 people in need, including flood victims, and supported over 6,000 community members during the first year of the COVID recovery fund.

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 Chamwood 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

SOFA (REGISTERED NUMBER: 02587766)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

A total of 1335 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. The sale of goods to the general public is now essential income to ensure the future of SOFA. Including our referral sales, we totalled 6,009 of individual sales over the year where 9,101 items were sold. This is of course furthering reuse by which we can reduce the impact of climate change.

ACHIEVEMENT AND PERFORMANCE (Continued)

Donations and Diversion from Landfill

We gratefully received help from 649 households and collected 2,810 items of furniture and appliances during this year and a further 1,480 reusable items were donated at our door. This year we diverted 112 tons of furniture from landfill. Due to the collection and sales of items and the help of our online sales with click and collect. This is a significant help to the targets set for Leicestershire County Council and a considerable boost to the environment.

Improvements to Service, Operational Systems and Partnerships

During the course of the year we:

- * Made improvements including health & safety measures to all showrooms
- * Commenced preparations on 1st floor to work in collaboration with the Echo Hub
- * SOFA was awarded a National Lottery Grant over three years of £134,000
- * Changed most of our lighting to LED's
- * Implemented the new organisational structure
- * Recruited two new members to join our board of trustees.

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:

- * The National Lottery Fund
- * Leicestershire County Council Waste Management
- * Charnwood Borough Council
- * Voluntary Action Leicestershire
- * Cuttlefish

FINANCIAL REVIEW

Financial position

The total income for this financial year was £191,308 and our total expenditure was £ 191,441 which resulted in expenditure exceeding income by £134. The end of year total of charity funds was £72,747 compared to £ 73,904 in the previous year, a reduction of £1,157. While the charity had a steady financial outcome due to the support of the Big Lottery Recovery Grant, there was some more hopeful news as our sales increased from £153,068 to £195,180, an increase of £42,112.

Relationships and Principal Funding Sources

Our principle funding source remains the sale of donated household items directly to the public and to statutory bodies such as Leicestershire County Council, and 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.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

FINANCIAL REVIEW – (Continued)

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 are currently working towards establishing reserves that will meet six months operating costs, which is the minimum that the Charity Commission recommends.

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

FUTURE PLANS

In the coming year we aim to:

- * Make effective use of the Big Lottery Covid Recovery Grant
- * Support the establishment of a Tool Library and Scrap store by Loughborough Eco Hub
- * Review and improve our website and social media presence
- * Look to work in collaboration with other local charities who share Sofa's objectives
- * 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 Chief Executive Officer is 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.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

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 in the future 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.

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 _____ and signed on its behalf by:


.....
B D Granger - Trustee

SOFA

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024

Financial Activities

April 2023 - March 2024

	Apr 2023 - Mar 2024	Apr 2022 - Mar 2023 (PY)	Total
INCOME			
Grant	54,000.00		4,884.00
Sales - C	195,179.51		153,068.00
Total Income	249,179.51		157,952.00
COST OF SALES			
Purchases	57,871.75		31,541.00
Total Cost of Sales	57,871.75		31,541.00
TOTAL	191,307.76		126,411.00
EXPENDITURES			
Accounting/Legal	3,612.20		1,600.00
Banking and interest	2,579.29		2,304.00
Computer software and maintenance	3,216.76		1,572.00
Electrical Testing Costs	1,311.60		107.00
Electricity expense	0.00		-1,643.25
Environment & Maintenance	2,196.57		
Equipment Repairs	0.00		177.00
Insurance	3,707.05		3,116.00
Legal and professional fees	4,311.48		2,963.00
Marketing and Sales	100.96		0.00
Motor running expenses	4,317.79		6,050.00
Payroll Expenses			
Pension	3,640.10		2,763.00
Taxes	2,139.08		308.00
Wages	93,702.10		88,323.00
Total Payroll Expenses	99,481.28		91,394.00
Postage and stationary	751.86		2,382.00
Rent and Rates	50,032.29		45,450.25
Repairs and maintenance (Buildings)	8,573.11		3,436.00
Staff Travel			35.00
Subscriptions	901.20		455.00
Sundries expenses	619.12		1,287.00
Telephone and IT	138.01		868.00
Volunteer Travel	4,603.71		1,775.00
Water rates	986.30		930.00
Total Expenditures	191,440.58		164,258.00
NET OPERATING INCOME	-132.82		-37,847.00
OTHER INCOME			
Reuse-Credits	0.00		
Total Other Income	0.00		0.00
OTHER EXPENDITURES			
Depreciation	1,024.00		1,024.00

SOFA

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024

	Apr 2023 - Mar 2024	Apr 2022 - Mar 2023 (PY)	Total
Total Other Expenditures	1,024.00		1,024.00
NET OTHER INCOME	-1,024.00		-1,024.00
NET INCOME/(EXPENDITURE)	£ -1,156.82		£ -38,871.00

SOFA

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF FINANCIAL POSITION

As of March 31, 2024

	As of Mar 31, 2024	Total As of Mar 31, 2023 (PY)
FIXED ASSET		
Tangible assets		
Accumulated Depn Fixtures and Fittings	-26,276.00	-25,545.00
Accumulated Depn Motor Vehicles	-22,666.00	-22,373.00
Fixtures and Fittings	26,946.00	26,946.00
Motor Vehicles	23,545.00	23,545.00
Total Tangible assets	1,549.00	2,573.00
Total Fixed Asset	1,549.00	2,573.00
CASH AT BANK AND IN HAND		
Paypal Account	348.60	2,398.71
Petty Cash	123.76	523.22
Sofa	46,653.62	47,339.07
Total Cash at bank and in hand	47,125.98	50,261.00
CURRENT ASSETS		
Prepayments & Accrued Income	0.00	18,359.00
Stock	23,861.06	6,428.00
Trade Debtors Opening	0.00	14,788.00
Total Current Assets	23,861.06	39,575.00
NET CURRENT ASSETS	70,987.04	89,836.00
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Current Liabilities		
Accruals	0.00	1,701.00
Paye Control Account	5,240.51	940.00
Pension control account	352.93	484.00
Trade Creditors Opening Balance	0.00	14,046.00
VAT Control	-6,661.88	1,334.00
Wages control account	857.29	
Total Current Liabilities	-211.15	18,505.00
Total Creditors: amounts falling due within one year	-211.14	18,505.00
NET CURRENT ASSETS (LIABILITIES)	71,198.18	71,331.00
TOTAL ASSETS LESS CURRENT LIABILITIES	72,747.18	73,904.00
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
TOTAL NET ASSETS (LIABILITIES)	£72,747.18	£73,904.00
CHARITY FUNDS		
Opening Balance Equity	73,904.00	112,775.00
Surplus/(Deficit)	-1,156.82	-38,871.00
Total Charity funds	£72,747.18	£73,904.00