

SOFA
ANNUAL REPORT
AND
FINANCIAL STATEMENTS

For the Year Ended
31 March 2011

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 2011

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2011.

Chairpersons Annual Report

The last year may have passed very quickly but the world economy seems to have stalled completely. The exchange rate of the Euro and the cost of borrowing by governments may not have had an immediate effect on SOFA, but the ongoing austerity measures in our society have. Any reduction in the purchasing power of the public is quickly reflected in lower sales of furniture and appliances, many sales become distress replacements rather than improvements with the reduced possibility of re-use. An increase in unemployment gives us an increase in the number of potential volunteers, but to give them greater skills to compete for jobs needs more resources. As the numbers of those in need increase, so does the demand for our discounted furniture scheme. At the same time our key funder, Leicestershire County Council, faces a year on year reduction of budgets and the need for savings. We also need to save the planet by ensuring as much reuse of our scarce resources possible.

A bleak picture indeed but the volunteers and staff of SOFA were not overwhelmed at all. Just visit our nerve centre and meet the willing, happy and courteous staff serving in our warehouse or take a ride on one of the vans as they collect and deliver furniture. Any organisation's strength is in the commitment and hard work of its staff and their "can do" attitude. That is why they have managed to overcome all in the last year including the hardest of winters which literally froze the building solid, cracked our windows and left everyone feeling that they were on the set of an Antarctic adventure story.

So roll the cameras and enjoy the success of our volunteers and staff in maintaining SOFA as the number one furniture reuse resource in Charnwood. You want to find out more about SOFA? Just visit our website at www.sofareuse.org , roam at your leisure and admire the skills of one of our volunteers who built the site for us.

Brian Granger

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011
(Continued)

REFERENCE AND ADMINISTRATIVE INFORMATION

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

Board of Trustees/Directors

Brian Granger
Chris Muris
Val Brooke
Jane Hopper
Ellie Lowe
Fadhil Hassoun
Brian Tetley
Julio Pacheco (From 3 November 2010)

Company Secretary and Chief Executive

Jane Hammond (From 17 May 2010)

Staff

Nicola Hutton	-Training Officer (Until 12 May 2010)
Suzanne Holland	-Training Administrator
Stewart Turner	-Electrical Tester
Alex Ellis	-Customer Service Administrator
Gill Ford	-Saturday Sales
Linda Urquhart	-Finance Administrator
Charles Moodie	-Cleaner

Registered Office and Operational Address

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

Auditors

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

Leicestershire County Council Support Officer

Sinder Mahil

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011
(Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Recruitment and Appointment of Trustees

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

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

Trustee Induction and Training

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

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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(Continued)

OBJECTIVES AND ACTIVITIES

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

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

To meet the charitable 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

SOFA saw a lot of change and upheaval at the start of the year with several members of staff (including the CEO) leaving almost simultaneously at the end of March 2010 for pastures new. A new Driver/Warehouse Supervisor and CEO were recruited and started in April and May respectively. We decided not to replace the Training Officer. A small grant from Loughborough University Donations Fund (Education) enabled an existing member of staff to complete a 'Training for Trainers' course, develop her training skills and take on some aspects of the role.

Volunteers and Trainees

A total of 72 volunteers worked with us for varying hours and over varying periods in 2010-2011. (We began the year with 23 volunteers and went on to recruit and train a further 49 during the course of the year). 15 volunteers moved into employment.

In addition to gaining useful workplace skills, volunteers often say they gain in confidence through working with us:

"I don't recognise myself compared to how I was before. I've snapped out of depression, lost weight and feel better in general. I have more confidence in a work situation and also in other areas of my life."

One volunteer continued studying for an NVQ Level 3 in Business Administration.

We received Future Jobs Fund monies to support two trainees for six months, both of whom completed an NVQ Level 1 in Customer Service in partnership with Loughborough College, and one of whom found work when the placements ended.

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(Continued)

Our volunteer counsellor continued to offer a counselling service to volunteers connected to the project who sought support for a variety of issues including depression, anxiety and bereavement.

We ran a pilot 'Ease into Volunteering Course' for people with severe mental health difficulties, the idea being to offer supported volunteering placements at SOFA at the end of the course. We employed a sessional worker using a grant from the European Social Fund to assist in facilitating the course alongside a member of staff. The course attracted six regular participants but no one came forward to volunteer as a result.

A summer coach trip to Skegness 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 second year running for "an outstanding contribution to the employment of people with disabilities."

Referred Customers and Referral Agencies

"I was made homeless and was in a mess after my marriage broke up. Then I was referred here. I don't know what I'd have done without SOFA. I can't fault the place. Nowhere else I've been to compares with it."

During the year 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 who refer regularly include Children and Young People's Services, Social Care and Health, Charnwood Independent Youth Action, Health Visitors, Housing Associations, Charnwood Racial Equality Council, Citizen's Advice, Enquire and Sure Start.

A total of 783 sales were made to people who had been referred to us as being in genuine need of reduced price furniture.

Other Sales

A total of 604 sales were made to the general public at higher, but still very reasonable prices, with income from these sales being used to further our charitable aims.

Donations and Diversion from Landfill

We supported 1,035 households by collecting 2,021 unwanted items, and over the course of the year we diverted 76.2 tonnes of furniture and electrical appliances from landfill.

Donations of furniture remained steady, but (in line with other furniture reuse organisations) we saw a marked reduction in the donation of white goods which remain in high demand by our customers.

We expanded into the upper floors of the building where we have a further supply of furniture on display.

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FOR THE YEAR ENDED 31 MARCH 2011
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Improvements to Operational Systems

During the course of the year we improved our:

- Financial procedures and budget monitoring systems
- Procedures for dealing with general business recycling, as well as items that turn out to be unfit for reuse
- Main office environment with newer chairs and new blinds
- Computer system with more up-to-date software and email
- Health and safety policy and risk assessments
- Website, which was completely redesigned by a volunteer

Unforeseen Circumstances

We had more than our fair share of bad luck and unforeseen circumstances during the year – a burglary in September and a variety of building-related issues including a roof leak and many burst water pipes over the winter months. Staff overcame these setbacks with great resilience and determination with virtually no disruption to the service.

Corporate Volunteering and Corporate Support

We approached 'Leicestershire Cares' for help to refurbish and decorate an area of the customer showroom. A staff team of 13 volunteers from Dunelm Mill volunteered to undertake the work in a Team Challenge in November. In addition SOFA benefitted from a fundraising raffle organised by the staff.

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 Team
- Charnwood Borough Council Environmental Services and Health and Safety Teams
- Furniture Reuse Network
- Serco
- Loughborough College
- RNIB College
- Loughborough University

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- Karen-Marie Morris – Volunteer Counsellor
- Leicestershire Cares
- Dunelm Mill
- Leicester City Council
- Communities in Partnership

FINANCIAL REVIEW

The Statement of Financial Activities for the year shows a surplus of £14,371 (2010: £4,779).

Total Incoming Resources in the year increased to £155,660 (2010: £152,061).

The Balance Sheet shows that SOFA has total funds of £139,290, of which £15,945 is invested in tangible fixed assets and £15,000 designated for asset improvement. At 31 March 2011 there were no restricted fund balances so the actual free reserves of SOFA stood at £108,345.

Relationships and Principal Funding Sources

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

Investment Policy

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

Reserves Policy

The Trustees have considered the requirement for free reserves, which are those unrestricted funds not invested in tangible fixed assets or designated for specific purposes or otherwise committed. The Trustees consider that free reserves should be sufficient to provide for a period of six months uninterrupted non-contract services, plus a further £25,000 to cover closure costs in the event of the service level agreements being ended.

Under this policy, the Trustees feel that the level of free reserves should be maintained at £75,000. This is satisfied by the current level of free reserves as at the 31 March 2011 amounting to £108,345.

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

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PLANS FOR FUTURE PERIODS

In the coming year we aim to:

- Keep going!
- Explore other ways of generating income that are compatible with furniture reuse
- Strengthen our links with other agencies and explore ways of working in closer partnership for mutual benefit
- Revamp and improve our overall marketing and publicity
- Attract more customers to shop with us, thereby enabling more families in need of reduced price furniture to benefit from our service
- Explore ways of increasing our stock of affordable white goods
- Streamline and improve our in-house training offer to volunteers

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

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

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

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

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

MEMBERS OF THE BOARD OF TRUSTEES

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3.

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(Continued)

MEMBERS OF THE BOARD OF TRUSTEES - CONTINUED

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 30th November 2011 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 2011 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 Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

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

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2011 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.

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

30 November 2011

SOFA

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) FOR THE YEAR ENDED 31 MARCH 2011

	<u>Note</u>	<u>Total Funds</u> <u>2011</u> £	<u>Total Funds</u> <u>2010</u> £
INCOMING RESOURCES			
Incoming Resources from Generated Funds :			
<i>Voluntary Income</i>	2	-	3,000
<i>Investment Income</i>		127	80
Incoming resources from Charitable Activities :			
<i>Service Level Agreements</i>	3	99,530	100,020
<i>Sales Revenues</i>	3	25,939	33,234
<i>Sundry Income</i>	3	30,064	15,727
Total Incoming Resources		155,660	152,061
RESOURCES EXPENDED			
Costs of generating funds		8,372	8,776
Charitable activities		112,351	117,105
Governance costs		20,566	21,401
Total Resources Expended	4	141,289	147,282
Net Incoming Resources		14,371	4,779
Transfers between Funds		-	-
Net movement on Funds		14,371	4,779
Total funds brought forward		124,919	120,140
Total funds carried forward		139,290	124,919

The notes on pages 14 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 2011

	<u>Note</u>	<u>2011</u> £	<u>2010</u> £
Fixed Assets	8	15,945	20,265
Current Assets			
Debtors	9	14,235	14,855
Cash at bank and in hand		<u>123,010</u>	<u>106,850</u>
		137,245	121,705
Creditors			
Amounts falling due within one year	10	(13,900)	(17,051)
Net Current Assets		<u>123,345</u>	<u>104,654</u>
Net Assets	12	<u>139,290</u>	<u>124,919</u>
Funds			
Restricted		-	-
General	13	<u>139,290</u>	<u>124,919</u>
Total Funds		<u>139,290</u>	<u>124,919</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 30 November 2011 and signed on its behalf by:

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

The notes on pages 14 to 20 form part of these financial statements.

SOFA

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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 June 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.

SOFA

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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 2011****2. VOLUNTARY INCOME**

	Total Funds 2011 £	Total Funds 2010 £
Government and other public authorities	-	3,000

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Total Funds 2011 £	Total Funds 2010 £
Service Level Agreements		
Leicestershire County Council	99,530	100,020
Sales Revenue		
Furniture sales	25,939	33,234
Sundry Income		
Miscellaneous income	30,064	15,727

SOFA
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

4. TOTAL RESOURCES EXPENDED

	<u>Staff Costs</u> £	<u>Other Costs</u> £	<u>Depreciation</u> £	<u>Total 2011</u> £	<u>Total 2010</u> £
Charitable Activities					
<i>Direct Costs</i>					
Staff Costs	36,641	-	-	36,641	37,579
Premises costs	-	20,290	201	20,491	20,962
Expenditure on projects	-	13,942	2,292	16,234	17,984
	<u>36,641</u>	<u>34,232</u>	<u>2,493</u>	<u>73,366</u>	<u>76,525</u>
<i>Support Costs</i>					
Staff Costs	21,984	-	-	21,984	22,548
Premises Costs	-	9,393	93	9,486	9,705
Expenditure on Projects	-	6,454	1,061	7,515	8,327
	<u>58,625</u>	<u>50,079</u>	<u>3,647</u>	<u>112,351</u>	<u>117,105</u>
Costs of Generating Funds					
Staff Costs	2,931	-	-	2,931	3,006
Premises Costs	-	3,006	30	3,036	3,106
Other Costs	-	2,065	340	2,405	2,664
	<u>2,931</u>	<u>5,071</u>	<u>370</u>	<u>8,372</u>	<u>8,776</u>
Governance					
Staff Costs	11,725	-	-	11,725	12,025
Premises Costs	-	4,885	48	4,933	5,046
Other Costs	-	3,356	552	3,908	4,330
	<u>11,725</u>	<u>8,241</u>	<u>600</u>	<u>20,566</u>	<u>21,401</u>
TOTAL RESOURCES EXPENDED	<u>73,281</u>	<u>63,391</u>	<u>4,617</u>	<u>141,289</u>	<u>147,282</u>

SOFA**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011****5. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:	<u>2011</u> £	<u>2010</u> £
Depreciation	4,616	8,162
Loss/(Profit) on disposal of assets	204	(475)
Operating lease rentals for land and buildings	24,128	24,122
Auditors' remuneration – audit services	1,950	2,650
Auditors' remuneration – other services	-	410
	<u> </u>	<u> </u>

Out of pocket expenses were reimbursed to members of the Board of Trustees amounting to £74 (2010 - £250). No member of the Board of Trustees received any remuneration during the year.

6. STAFF COSTS AND NUMBERS

Staff costs were as follows:	<u>2011</u> £	<u>2010</u> £
Salaries	68,686	69,258
Social security costs	4,043	4,257
Pension contributions	552	1,643
	<u>73,281</u>	<u>75,158</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 £552 (2010 - £1,643). No employee received emoluments of more than £60,000.

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

	<u>2011</u> No.	<u>2010</u> No.
Number of staff	<u>11</u>	<u>10</u>

7. TAXATION

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

SOFA

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

8. TANGIBLE FIXED ASSETS

	<u>Fixtures & Equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost			
At 1 April 2010	22,371	38,334	60,705
Additions	500	-	500
Disposals	(1,205)	-	(1,205)
	<u>21,666</u>	<u>38,334</u>	<u>60,000</u>
At 31 March 2011	<u>21,666</u>	<u>38,334</u>	<u>60,000</u>
Accumulated Depreciation			
At 1 April 2010	21,185	19,255	40,440
Charge for the year	801	3,815	4,616
Disposals	(1,001)	-	(1,001)
	<u>20,985</u>	<u>23,070</u>	<u>44,055</u>
At 31 March 2011	<u>20,985</u>	<u>23,070</u>	<u>44,055</u>
Net Book Values			
At 31 March 2011	<u>681</u>	<u>15,264</u>	<u>15,945</u>
At 31 March 2010	<u>1,186</u>	<u>19,079</u>	<u>20,265</u>

9. DEBTORS

	<u>2011</u> £	<u>2010</u> £
Trade debtors	182	392
Other debtors	14,053	14,463
	<u>14,235</u>	<u>14,855</u>

10. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>2011</u> £	<u>2010</u> £
Trade creditors	2,697	1,626
Taxation and social security	-	3,050
Other creditors	11,203	12,375
	<u>13,900</u>	<u>17,051</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

11. OPERATING LEASE COMMITMENTS

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

	<u>2011</u> £	<u>2010</u> £
Expiring:		
Between one and five years	<u>24,128</u>	<u>24,128</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u>
Tangible fixed assets	15,945	-	15,945
Net current assets	<u>123,345</u>	<u>-</u>	<u>123,345</u>
Net assets at 31 March 2011	<u>139,290</u>	<u>-</u>	<u>139,290</u>

13. UNRESTRICTED FUNDS

	<u>General</u> <u>Fund</u>	<u>Asset</u> <u>Improvement</u> <u>Fund</u>	<u>Tangible</u> <u>Fixed</u> <u>Assets Fund</u>	<u>Total</u>
Balance at 1 April 2010	89,654	15,000	20,265	124,919
Net incoming resources	14,371	-	-	14,371
Transfers	<u>4,320</u>	<u>-</u>	<u>(4,320)</u>	<u>-</u>
Balance at 31 March 2011	<u>108,345</u>	<u>15,000</u>	<u>15,945</u>	<u>139,290</u>

The asset improvement fund is a designated fund established by the charity to fund improvements to the charity's delivery fleet, extension to the sales office, new overhead lighting on the second floor of the warehouse and ensure that the technology within the charity reflects current practice in the workplace. During the year, the charity disposed of assets with a net book value of £204. The depreciation charge during the year was £4,616.

14. AUDITORS

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