

**RESTORE (CUMBRIA)**  
**COMPANY LIMITED BY GUARANTEE**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 AUGUST 2019**  
**31 DECEMBER 2020**

**Company Number: 08146662**

**Charity Number: 1187078**

**RESTORE (CUMBRIA)  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**PERIOD ENDED 31 DECEMBER 2020**

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**RESTORE (CUMBRIA)  
COMPANY LIMITED BY GUARANTEE**

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

**The Board of Trustees**

Mr B M Gray (Chairman) (appointed 25/4/19)  
Mr J Edwards (appointed 27/3/19)  
Ms D A Earl (appointed 6/6/19)  
Revd E M Hancock (appointed 27/3/19)  
Revd J R Libby (appointed 27/3/19)  
Mrs K L Parr (appointed 27/3/19)  
Ms S T Parr (appointed 1/7/20)

**Registered Office**

Unit 3 Coleridge House  
The Maltings  
Carlisle  
Cumbria  
CA2 5TU

**Independent Examiner**

Dodd & Co  
Montgomery Way  
FIFTEEN  
Rosehill Industrial Estate  
Carlisle  
CA1 2RW

**Bankers**

HSBC UK  
1 Market Square  
Penrith  
Cumbria  
CA11 7SN

# **RESTORE (CUMBRIA) COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

### **PERIOD ENDED 31 DECEMBER 2020**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Restore (Cumbria) (the company) for the period 1<sup>st</sup> August 2019 to 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Legal Status**

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 17/07/2012, originally as Opshops (Helping Communities Grow), changing its name to Restore (Cumbria) on 6/02/2020. Restore (Cumbria) became a registered charity on 20/12/19 number 1187078.

The company began trading on 1<sup>st</sup> July 2020, prior to this it was dormant.

##### **Trustees**

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. All trustees give their time voluntarily and receive no benefits from the charitable company. Any expense reclaimed from the charitable company are detailed in the accounts.

The trustees have attempted to ensure that the board of trustees represent as wide a cross section of the local community as possible and, in particular, that the trustees have appropriate experience to assist the charitable company with its objectives. Traditional business skills as well as community skills are well represented within the board of trustees. The trustees and the chairman are working on an ongoing basis to improve the make-up and constitution of the board of trustees and bring in appropriate skills where necessary.

The names of serving Trustees during the year are disclosed on page 1 to the financial statements.

#### **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

##### **Trustee induction and training**

Most trustees are already familiar with the work of the charitable company before becoming trustees. New trustees are familiarised by the Chairman on its working and the context within which it operates and with visits to our charity shops. The main documents which set out the operational framework for the

# **RESTORE (CUMBRIA) COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

### **PERIOD ENDED 31 DECEMBER 2020**

charitable company include the Memorandum and Articles of Association which are present at induction. In addition aspirant trustees are required to attend a number of board meetings in order to confirm their willingness to serve and before a decision on them becoming a Trustee is taken by the existing Trustees.

#### **Organisational structure**

The Board of Trustees meet monthly with the Operations Manager & the Pioneer Minister and are responsible for the strategic direction and policies of the charitable company. The present Board of Trustees currently has members from a variety of professional backgrounds relevant to the work of the charitable company.

The staff team within the charitable company comprises the Operations Manager (Senior Manager) plus four shop managers and three other staff members. The Operations Manager is responsible for ensuring the charitable company delivers the relevant services in accordance with the strategic business plan of the charitable company and that key performance indicators are met. The Operations Manager also has overall line management responsibility for all staff and day to day responsibility for the operational management of the charitable company.

The Charity relies on its pool of volunteers for delivery of areas of work, particularly for the work of our shops and community activities.

The practical support of volunteers is essential to delivery of the Charities work and the Charity is extremely grateful for their help.

#### **Related Parties**

The charity has a Memorandum of Understand with the Carlisle Diocesan Board of Finance (CDBF) dated 01/07/2020. The services which the CDBF provide to Restore (Cumbria) are Finance, HR, Property and Communications, with each party having their respective responsibilities.

Restore is deemed a subsidiary of the Carlisle Diocesan Board of Finance Limited – because it appoints the Board members and is deemed to have full ‘ultimate control’. The CDBF is the sole member.

#### **OBJECTIVES AND ACTIVITIES OF RESTORE (CUMBRIA)**

##### **Objectives of the Charity**

- to advance the Christian religion in the area of benefit for the benefit of the public;
- to protect and preserve the environment for the public benefit and relieve financial hardship in the area of benefit by the recycling and provision of furniture, clothes and other household items;

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**PERIOD ENDED 31 DECEMBER 2020**

- to prevent or relieve poverty in the area of benefit by (but without prejudice to the generality of the foregoing) providing items and services to individuals in need;
- to relieve unemployment for the benefit of the public in the area of benefit in such ways as may be thought fit, including (but without prejudice to the generality of the foregoing) by the provision of opportunities to enable unemployed people to develop their skills, experience and capabilities in a retail environment;
- the provision and maintenance of a facility for the use of the inhabitants of the area of benefit without distinction of political, religious or other opinions, including use for:
  - meetings, lectures and classes; and
  - other forms of recreation and leisure-time occupation, with the object of improving the conditions of life for the inhabitants;
- to promote social inclusion for the public benefit in the area of benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society. for the purpose of this clause 'socially excluded' means being excluded from society, or parts of society, as a result of one of more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; discrimination on the grounds of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender re-assignment; poor educational or skills attainment; relationship and family breakdown; poor housing (that is housing that does not meet basic habitable standards; crime (either as a victim of crime or as an offender rehabilitating into society);
- such other exclusively charitable purposes as the trustees in their absolute discretion determine from time to time.

## **History**

Ten years ago, the Diocese of Carlisle established OpShops ('Opportunity Shops', an Australian name) in Carlisle, and later in Penrith. They fulfilled a need, providing clothes and furniture to people on the margins of society. They were successful but limited in scope and lacked resources to develop. The Diocese recognised, that they needed new momentum and independence.

So a new, independent charity was formed and we now have a team of trustees with the skills and determination to achieve our vision. We changed our name to RESTORE to say more clearly what we do. We are a small charity, but we have a big vision. We believe there could be a RESTORE presence in every town in Cumbria, 'owned' by the local community.

# **RESTORE (CUMBRIA) COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

**PERIOD ENDED 31 DECEMBER 2020**

### **Our Activities 2019/2020**

A summary of our main activities in relation to the charity objectives.

“We help RESTORE faith, hope and happiness in our community”

### **Operation of Charity Shops**

RESTORE is a charity shop with a difference. We have 4 shops located in Morton, Harraby, Penrith and at our Warehouse premises in The Maltings in Carlisle. The shops must operate profitably to provide funds to support our community projects. We employ shop managers but otherwise operate with volunteers, who themselves can be vulnerable. We provide pre-owned goods for people who cannot afford to shop elsewhere, and we have a growing on-line presence. We support people but also support the environment (Re-use, Re-cycle, Re-pair). We create a safe place for people to chat, meet, and be valued.

Our shops have also become community support hubs:

- we offer job clubs and help people applying for housing.
- we provide space for a community chef to provide breakfasts to the homeless.
- we work with social services providing kitchen starter packs for young vulnerable adults leaving care and clothing and other essentials for the homeless.
- we provide items for a local project resettling refugee families from the Middle East.
- we signpost customers to appropriate agencies, sometimes making phone calls for those who struggle to understand how to deal with a support agency.

### **Men in Sheds**

Our Men's Shed creates a safe space for vulnerable men to gather, support each other and learn making and carpentry skills. People are referred to us by Health & Well Being council teams, Back to Work training teams, hostels and the probation service. We welcome people struggling with poor mental health or addiction issues or who are lonely and isolated. We create impact through building a supportive community, encouraging people to contribute positively by learning to 'make stuff' to help others. We rely on discarded or donated materials and tools and we repair and up-cycle items for use in our shops and on the allotment.

### **Community allotment**

The allotment project works with people struggling with similar issues as Men in Sheds. The allotment work on our 'Feed our community' initiative – unlocking the power of local people to grow food, share skills and build a supportive community as well as transforming the site using upcycled items that would otherwise end up in landfill. The food we grow we share with others in need in the community.

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## **TRUSTEES ANNUAL REPORT**

**PERIOD ENDED 31 DECEMBER 2020**

### **Community Activities**

Further activities we do are the Knit and Natter group, praying together, sharing meals and going for walks. We are learning what it means to truly share life with those on the margins. Being able to share meals is a massive part of building that community. When we share open community meals together, we use a short bit of liturgy to link those meals to the meals Jesus had with people, pointing out how they showed both then and now something of Gods dream for the world – a place of love, justice and mutuality.

### **Ensuring the work delivers the aims**

The Board of Trustees review the activities of the Trust at monthly board meetings. The Business Plan is also reviewed each year and looks at what has been achieved and the outcomes of the work in the previous 12 months. The review also helps to ensure the aims, objective and activities remain focused on the stated purposes.

### **Public benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit in reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees consider the planned activities will contribute to the aims and objectives they have set. The Trustees confirm that public benefit has been provided by the advancement of it objectives.

## **ACHIEVEMENTS AND PERFORMANCE**

The main achievements of the charity during the period:

- Built an excellent team of trustees, with the appropriate skills and with a clear vision.
- Re-branded to RESTORE and launched a new website
- Closed two shops which were too small, identified one new shop in Carlisle, moved into a new warehouse (our critical hub) with a shop, office space, meeting and training rooms, on-line sales, electrical testing and a 'Men in Sheds' presence.
- Purchased a new van to collect goods and move goods between shops and our warehouse.
- Established 'Men in Sheds' to support (mainly) men with mental health issues and a community allotment, to help to provide food for those in need in our local community.

### **Future Activities**

- To appoint an experienced new Operations Manager to bring new professional skills to the core team of part time shop managers and volunteers.
- Secure the lease on the new shop in Carlisle and refurbish this property.
- Identify a new base in Penrith to enable us to sell furniture and to establish more community activities including Men in Sheds.



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## **TRUSTEES ANNUAL REPORT**

**PERIOD ENDED 31 DECEMBER 2020**

### **Principal funding sources**

Currently the principal funding sources are the income received from operating our Charity shops and a grant from the Carlisle Board Diocesan of Finance (CDBF). During 2021 the charity will be applying for external grants to support specific projects and establish new charity shops

### **FINANCIAL REVIEW**

#### **Financial Results**

The income for the year was £205,170, the major source being from the activities of the Charity Shops £110,439. The expenditure for the year was £137,126, leaving a surplus for the year of £68,044

At the year end the total reserves of the charity which were unrestricted were £68,044.

#### **Risk Management**

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The Charitable Company carries appropriate employers' and public liability insurance as well as professional indemnity insurance at an appropriate level and directors insurance.

#### **Pay policy for Senior Staff**

The Board of Directors, who are the Charity's Trustees, and the Operations Manager comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give their time freely and no trustees received remuneration in the year.

Pay is reviewed annually by the Board of Trustees.

#### **Reserves**

The total reserves at 31 December 2021 were £68,044 being unrestricted reserves and these will be used to cover the expenditure of the charity during the next year. Free reserves stand at £48,256.

The Trustees have reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission.

The Trustees keep their reserves policy and level of reserves held under review, monitoring the level of reserves held throughout the year as part of the normal monitoring and budgetary process. The main risks to both income and expenditure are highlighted and the level of committed expenditure taken into account.

The Trustees reserve policy ensures that the reserves are maintained at a level which ensures that the Charity's core activities could continue during a period of unforeseen difficulty and that these are maintained in a readily realisable form.

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**PERIOD ENDED 31 DECEMBER 2020**

The Trustees aim to maintain reserves at a level sufficient to meet working capital requirements of the charity for a period of three months and the trustees are confident that the current funding and reserves policy is sufficient to continue the current activities of the charity in the event of a significant drop in funding.

Notwithstanding this the Trustees believe that every effort should be made to maintain unrestricted reserves to six month working capital requirement in order that the charity can continue to meet its current obligations and plan with confidence for the future.

**GOING CONCERN**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

**IMPACT OF COVID-19**

The Charity followed Government-issued guidance closely in March 2020 and immediately closed its shops.

All staff were placed onto the furlough scheme for a period of time, other than the Operations Manager who continued to work from home on charity activities. Staff remained supported by the furlough scheme until the various lockdowns were eased and shops could be reopened. During the December 2020 lockdown our Warehouse premises continued to operate with online sales.

The Operations Manager continues to work with the Trustees to create and regularly update our own Covid-19 Guidance and working regulations, in light of the pandemic, ensuring activities such as using the company vehicle, checking on the shops and general working practices are kept in line with the Government's advice and applicable laws.

The Operations Manager continues to provide regular updates to the Trustees regarding impacts of Covid-19 and how they are being managed, and ensuring the Charity is adhering fully to Government guidance including any changes and updates.

**INVESTMENT POLICY AND PERFORMANCE**

Aside from retaining a prudent amount in reserves each year, most of the charitable company's funds are to be spent in the short term on specific projects and so there are few funds available for long term investment. The Trustees have decided that, in this regard, the most appropriate course of action is to keep monies on deposit with their bankers.

**RESTORE (CUMBRIA)  
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**TRUSTEES ANNUAL REPORT**

**PERIOD ENDED 31 DECEMBER 2020**

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of Restore (Cumbria) for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 irregularities.

This report was approved by the Trustees' on *20<sup>th</sup> September* 2021 and signed on their behalf by:



B M Gray  
Trustee

**RESTORE (CUMBRIA)  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF  
RESTORE (CUMBRIA)**

**PERIOD ENDED 31 DECEMBER 2020**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RESTORE (CUMBRIA)**

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 14 to 23.

**Respective responsibilities of Trustees and examiner**

As the charity Trustees of Restore (Cumbria) (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 Restore (Cumbria) 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 Restore (Cumbria) 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)].

**RESTORE (CUMBRIA)  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF  
RESTORE (CUMBRIA)**

**PERIOD ENDED 31 DECEMBER 2020**

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.



.....  
Faye Armstrong FCA  
Institute of Chartered Accountants in England and Wales

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

**RESTORE (CUMBRIA)**  
**COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING  
INCOME AND EXPENDITURE ACCOUNT**

**PERIOD ENDED 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019
<b>INCOME AND ENDOWMENTS:</b>					
Donations	2	84,731	10,000	94,731	-
Other trading activities	3	110,439		110,439	-
<b>TOTAL INCOME</b>		<u>195,170</u>	<u>10,000</u>	<u>205,170</u>	<u>-</u>
<b>EXPENDITURE:</b>					
Other trading activities	4	137,126	-	137,126	-
<b>TOTAL EXPENDITURE</b>		<u>137,126</u>	<u>-</u>	<u>137,126</u>	<u>-</u>
<b>NET INCOME FOR THE PERIOD BEFORE TRANSFERS</b>		58,044	10,000	68,044	-
Transfers between funds		10,000	(10,000)	-	-
<b>NET MOVEMENT OF FUNDS</b>		<u>68,044</u>	<u>-</u>	<u>68,044</u>	<u>-</u>
Total funds brought forward		-	-	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>68,044</u>	<u>-</u>	<u>68,044</u>	<u>-</u>

The notes on pages 14 to 23 form part of these financial statements.

**RESTORE (CUMBRIA)  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**31 DECEMBER 2020**

	Note	31-Dec-20 £	£	31-Jul-19
<b>FIXED ASSETS</b>				
Tangible assets	8		19,788	-
<b>CURRENT ASSETS</b>				
Debtors	9	23,771		-
Cash at bank		<u>103,778</u>		-
		127,549		-
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(79,293)</u>		-
<b>NET CURRENT ASSETS</b>			48,256	-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>68,044</u>	-
<b>NET ASSETS</b>			<u>68,044</u>	-
<b>THE FUNDS OF THE CHARITY</b>				
Unrestricted: General	11		68,044	-
Restricted			-	-
<b>TOTAL CHARITY FUNDS</b>			<u>68,044</u>	-

The Trustees consider that the company is entitled to exemption from the requirements to have an audit under provisions of section 479A of the Companies Act 2006 (the Act) and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2020 and of its net resources expenses for the period in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the Financial Reporting Standard FRS 102 (effective 1 January 2019).

These financial statements were approved by the Trustees on 20<sup>th</sup> September 2021 and are signed on their behalf by:



Mr B M Gray, Trustee

The notes on pages 14 to 23 form part of these financial statements.

**RESTORE (CUMBRIA)**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with 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 2019) – (Charities SORP (FRS 102))), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the charity.

Restore (Cumbria) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Trustees consider, after making appropriate enquires that there are no material uncertainties and that the company has adequate resources to continue in operational existence for the foreseeable future and that the Company will continue as a going concern. The impacts of Covid since the charity shops reopened in April 2021 have been minimal with all shops being open and trading at above pre-covid trading levels.

**1.2 Company status**

The charitable company is a company limited by guarantee registered in England and Wales and a registered charity in England and Wales. The members of the charitable company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charitable company.

**1.3 Disclosure of long period**

The current reporting period is a long 17 month period in order to report the results to the same year end date as other charities within the group. The previous period was dormant and therefore there are no comparative figures to compare.

**1.4 Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires key management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



**RESTORE (CUMBRIA)  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES (*continued*)**

**Significant judgements**

The trustees consider there were no significant judgements made in preparing the financial statements.

**Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The trustees consider there are no key sources of estimation uncertainty.

**1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees' in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged to the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.6 Incoming resources**

All incoming resources are included in the statement of financial activities when the charitable company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the company being notified of an impending distribution or the legacy being received.

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.

**RESTORE (CUMBRIA)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES (*continued*)**

Income from donated goods (other than shop donations) is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

Income tax recoverable in relation to investment income is recognised at the time the investment income is received.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.7 Resources expended**

Expenditure is accounted for on an accruals basis and has been included under expenses categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

All resources expended are exclusive of VAT.

**1.8 Fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed asset, less their estimated residual value, over their expected useful lives on the following basis:

Motor vehicle	straight line over 5 years
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**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**RESTORE (CUMBRIA)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES (*continued*)**

**1.10 Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.11 Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

**1.12 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains applied exclusively to charitable purposes.

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**2. DONATIONS**

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Donations and similar income	1,052	-	1,052
CDBF	75,000	-	75,000
Private donation towards a van	-	10,000	10,000
HMRC Furlough Grants	4,677	-	4,677
Council Covid Grants	4,002	-	4,002
	<u>84,731</u>	<u>10,000</u>	<u>94,731</u>

**3. OTHER TRADING ACTIVITIES**

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Charity shop income	98,787	-	98,787
On-line income	8,195	-	8,195
Recycling income	3,457	-	3,457
	<u>110,439</u>	<u>-</u>	<u>110,439</u>

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**4. DIRECT COSTS**

	Other trading activities £	Governance £	Total Period ended 31 Dec 20 £
<b>Direct Costs</b>			
Cost of goods purchased	3,134	-	3,134
Rent & service charges	14,129	-	14,129
Rates & water	4,383	-	4,383
Heat, light & power	7,830	-	7,830
Repairs	9,153	-	9,153
Insurance	1,419	-	1,419
Telephone & internet	1,701	-	1,701
Wages and salaries	59,314	-	59,314
Employers' national insurance	3,168	-	3,168
Employers' pension	8,545	-	8,545
Vehicle costs	6,702	-	6,702
Computer/office costs	3,212	-	3,212
Refreshments	329	-	329
Volunteer expenses	803	-	803
Online selling fees	2,677	-	2,677
General expenses	377	-	377
VAT reclaim	(1,773)	-	(1,773)
Depreciation	682	-	682
	<u>125,785</u>	<u>-</u>	<u>125,785</u>
<b>Support costs</b>			
Bank & credit card charges	1,115	-	1,115
Legal costs	5,098	413	5,511
Agents fees	3,965	-	3,965
Independent examination fee	-	750	750
	<u>10,178</u>	<u>1,163</u>	<u>11,341</u>
	<u>135,963</u>	<u>1,163</u>	<u>137,126</u>

**5. STAFF COSTS**

The aggregate payroll costs were:

	<b>2020</b> £
Wages and salaries	59,314
Employers national insurance	3,168
Employers pension contributions	8,545
	<u>71,027</u>

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No employee received remuneration of more than £60,000. The trustees received no remuneration or reimbursement of expenses in the period.

**6. STAFF NUMBERS**

The average number of staff employed by the charity during the financial period amounted to:

	<b>2020 No</b>
Management	1
Core staff	9
	<u>10</u>

**7. NET INCOMING/ (OUTGOING) RESOURCES**

This is stated after charging:

	<b>2020 £</b>
Depreciation	682
Independent examination fee	<u>750</u>

**8. TANGIBLE FIXED ASSETS**

	<b>Motor Vehicle £</b>	<b>Total £</b>
<b>COST</b>		
Additions	20,470	20,470
<b>At 31 December 2020</b>	<u>20,470</u>	<u>20,470</u>
<b>DEPRECIATION</b>		
Charge for the period	682	682
<b>At 31 December 2020</b>	<u>682</u>	<u>682</u>
<b>NET BOOK VALUE</b>		
<b>At 31 December 2020</b>	<u>19,788</u>	<u>19,788</u>

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**9. DEBTORS**

	2020 £	2019 £
VAT debtor	19,494	-
Prepayments	4,277	-
	<u>23,771</u>	<u>-</u>

**10. CREDITORS: Amounts falling due within one year**

	2020 £	2019 £
Inter-co	76,719	0
Accruals and deferred income	2,574	0
	<u>79,293</u>	<u>-</u>

**11. ANALYSIS OF FUNDS**

	Movement in resources: Incoming £	Outgoing £	Transfers £	Balance at 31 Dec 20 £
<b>General Funds</b>				
Unrestricted Income Fund	195,170	(137,126)	10,000	68,044
<b>Restricted funds</b>				
Donation towards van	10,000		(10,000)	-
	<u>205,170</u>	<u>(137,126)</u>	<u>-</u>	<u>68,044</u>

The general funds represent the free reserves of the charity.

The restricted fund was a donation towards the purchase cost of a new van. Van has been purchased by the charity therefore the restriction has been satisfied. A transfer to release the funds to unrestricted has been posted.

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**12. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)**

	Unrestricted funds	Restricted funds	Total Funds 2020
	£	£	£
Tangible fixed assets	19,788	-	19,788
Current assets	127,549	-	127,549
Current liabilities	(79,293)	-	(79,293)
	<u>68,044</u>	<u>-</u>	<u>68,044</u>

**13. COMPANY LIMITED BY GUARANTEE**

The Charity is a company limited by guarantee and does not have any share capital.

**14. COMMITMENTS**

**Operating Leases:**

As at 31<sup>st</sup> December 2020 the charity had annual commitments under non-cancellable operating leases as follows: Amounts relate to rent of our shops:

	2020 £
Operating lease payments due	
Within one year	37,000
In the second to fifth years inclusive	108,000
Over five years	<u>300,000</u>
	<u>445,000</u>

**Capital Commitments:**

At 31<sup>st</sup> December 2020, the amounts contracted but not provided for in the accounts amount to £nil.

**15. RELATED PARTIES**

**Controlling entity**

Restore is a subsidiary of the Carlisle Diocesan Board of Finance Limited (CDBF) (company number: 39625) (charity number: 251977). The principle objective of CDBF is to promote and assist the work, objectives and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Carlisle and elsewhere by acting as the finance executive of the Diocese.



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Restore is a subsidiary of CDBF because it appoints the Board members and is deemed to have full 'ultimate control'. The CDBF is the sole member. CDBF consolidated accounts as available on public record and can be downloaded from Companies House.

**Related party transactions**

During the period the charity received a grant from the CDBF  
All relationships are conducted at an arm's length basis, and where required a standard memorandum of understanding is negotiated. There have been no related party transactions in the period.

**16. PENSION COMMITMENTS**

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently advised funds. The pension cost charge represents the contributions payable by the charity to the fund and amounted to £8,545.