

RESTORE (CUMBRIA)
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2021

Company Number: 08146662

Charity Number: 1187078

RESTORE (CUMBRIA)
COMPANY LIMITED BY GUARANTEE
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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)
Mr J Edwards (resigned 27/3/22)
Ms D A Earl (resigned 1/11/21)
Revd E M Hancock
Revd J R Libby
Mrs K L Parr
Ms S T Parr
Mr C W Bray (appointed 1/2/22)
Revd A Burrell (appointed 18/5/22)
Mr A. R. H Cook (appointed 18/5/22)
Ms A. H Sharp-Walker (appointed 18/5/22)

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 2021

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 year ended 31 December 2021. 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 6/02/2021. Restore (Cumbria) became a registered charity on 20/12/19 number 1187078.

The company began trading on 1st 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 charitable company include the Memorandum and Articles of Association which are present at induction.

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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 Trustees meet regularly with staff and the Pioneer Ministers 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 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;
- 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:

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- 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.

Our Activities

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 five shops located in Morton, Harraby, Penrith, Petteril Bank and at our Warehouse premises at Shaddongate in Carlisle. (Our Penrith shop closed in 2021 but we hope to open a new shop in 2022.) The shops must operate profitably to provide funds to support our community projects. We employ shop managers but otherwise operate with volunteers, who

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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 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 and other areas of international conflict.
- we signpost customers to appropriate agencies, sometimes making phone calls for those who struggle to understand how to deal with a support agency.

Restore Community Shed

Restore Community Shed aims to empower those who have been disadvantaged or faced social exclusion due to crime, alcohol addiction, substance abuse, poor mental or physical health and unemployment. We work with individuals to help them make positive changes in their lives. The Shed provides some of the best opportunities for unlocking positive change in people's lives through getting them physically active using their hands to make things, belonging to a community, having a routine, and being cared for by people who will go the extra mile to help them. 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. We have also started a group to test electrical equipment before it can be sold in our shops.

Restore Community allotment

The allotment project works with people struggling with similar issues as Community Sheds. The allotment supports 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.

Community Activities

Further activities we do are the Knit and Natter group, praying together, sharing meals and going for walks. Many of our activities have been affected by the Covid pandemic, but we hope to re-start in 2022. 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.

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Ensuring the work delivers the aims

The Board of Trustees review the activities of the Trust at regular 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 its objectives.

ACHIEVEMENTS AND PERFORMANCE

Our priority in 2021 was to look after our staff and volunteers during the Covid pandemic. We did our best to keep shops open to support our communities despite sickness absences. There were shop closures due to lack of staff and volunteers which affected our income.

We were delighted to welcome Beth Honey as our new Pioneer Minister who will be based in Penrith.

Future Activities

- Attract more volunteers to support our work.
- Identify new premises in Penrith, working with the local community and our new Pioneer Minister.
- Increase sales at our Shaddongate shop with a focus on furniture sales.
- Expand our community activities.

Principal funding sources

Currently the principal funding sources are the income received from operating our Charity shops and a number of grants received for specific projects.

FINANCIAL REVIEW

Financial Results

The income for the year was £266,144, the major source being from the activities of the Charity Shops £167,494. The expenditure for the year was £319,898, leaving a deficit for the year of (£53,754)

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At the year end the total reserves of the charity which were £14,290, Restricted reserves £23,802 (2020-£nil) and unrestricted reserves of (£9,512) (2020 - £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 Shop Managers and Warehouse 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 £14,290 being restricted reserves of £23,802 and negative unrestricted reserves of £9,512. The Charity is supported by the Diocesan Board of Finance.

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.

The Trustees aim to maintain reserves at a level sufficient to meet working capital requirements of the charity for a period of three months. This has not been possible over the last year due to challenging environment resulting from the Covid pandemic. The Trustees are confident that the negative unrestricted reserves can be turned around to ensure that there are sufficient reserves to continue the current activities of the charity in the event of a significant drop in funding.

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Notwithstanding this the Trustees believe that every effort should be made to ensure that the unrestricted reserves are 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, and receiving support from the Carlisle Diocesan Board of Finance to support financial the activities of the Charity, 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.

During this financial year all shops were closed from 1st January to mid April 2021. During this period all staff were placed onto the furlough scheme for a period of time, other than our Warehouse staff who continued to run our on-line sales operation and accept donations. Staff remained supported by the furlough scheme until the final lockdown was eased and shops could be reopened.

The Trustees regularly updated 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.

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

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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 13th June 2022 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 2021

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 2021 which are set out on pages 12 to 25.

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 2021

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

13 June 2022

RESTORE (CUMBRIA)
COMPANY LIMITED BY GUARANTEE

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

PERIOD ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS:					
Donations	2	65,737	-	65,737	94,731
Charitable activities	3	-	32,913	32,913	-
Other trading activities	4	167,494	-	167,494	110,439
TOTAL INCOME		233,231	32,913	266,144	205,170
EXPENDITURE:					
Charitable activities	5	-	9,111	9,111	-
Other trading activities	5	310,787	-	310,787	137,126
TOTAL EXPENDITURE		310,787	9,111	319,898	137,126
NET INCOME FOR THE PERIOD BEFORE TRANSFERS		(77,556)	23,802	(53,754)	68,044
Transfers between funds		-	-	-	-
NET MOVEMENT OF FUNDS		(77,556)	23,802	(53,754)	68,044
Total funds brought forward		68,044	-	68,044	0
TOTAL FUNDS CARRIED FORWARD		(9,512)	23,802	14,290	68,044

The notes on pages 14 to 25 form part of these financial statements.

**RESTORE (CUMBRIA)
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BALANCE SHEET

31 DECEMBER 2021

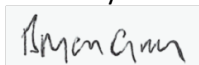
	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	9	25,305	19,788
CURRENT ASSETS			
Debtors	10	7,687	23,771
Cash at bank		42,173	103,778
		49,860	127,549
CREDITORS: Amounts falling due within one year	11	(60,875)	(79,293)
NET CURRENT ASSETS		(11,015)	48,256
TOTAL ASSETS LESS CURRENT LIABILITIES		14,290	68,044
NET ASSETS		14,290	68,044
THE FUNDS OF THE CHARITY			
Unrestricted: General	12	(9,512)	68,044
Restricted	12	23,802	-
TOTAL CHARITY FUNDS		14,290	68,044

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 2021 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 13th June 2022 and are signed on their behalf by:



Mr B M Gray, Trustee

The notes on pages 14 to 25 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

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 discussions with and receiving total support from the Carlisle Diocesan Board of Finance (CDBF) for the financial activities of the Company that there are no material uncertainties and that the company has the resources provided by the CDBF 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 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.

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.

**RESTORE (CUMBRIA)
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NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (*continued*)

1.4 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.

1.5 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.

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.

1.6 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.

**RESTORE (CUMBRIA)
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NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (*continued*)

1.7 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
Fixtures & Fittings	straight line over 5 years

1.8 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.

1.9 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.

1.10 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.

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES *(continued)*

1.11 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.

2. DONATIONS (Current Year)

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Donations and similar income	2,196	-	2,196
CDBF	18,090	-	18,090
HMRC Furlough Grants	15,111	-	15,111
Council Covid Grants	30,340	-	30,340
	<u>65,737</u>	<u>-</u>	<u>65,737</u>

DONATIONS (Prior Year)

	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>

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

3 GRANT FUNDERS – (Current Year)

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Cumbria Community Foundations	-	7,913	7,913
Cumbria County Council	-	5,000	5,000
Tudor Trust	-	20,000	20,000
	-	32,913	32,913

Grant Funders – (Prior Year) -None

4. OTHER TRADING ACTIVITIES (Current Year)

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Charity shop income	156,344	-	156,344
On-line income	898	-	898
Scrap metal	968	-	968
Recycling income	9,284	-	9,284
	167,494	-	167,494

OTHER TRADING ACTIVITIES (Prior Year)

	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
	110,439	-	110,439

RESTORE (CUMBRIA)
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

5. DIRECT COSTS – (Current Year)

	Other trading activities £	Governance £	Restricted Funds £	Total Period ended 31 Dec 21 £
Direct Costs				
Cost of goods purchased	555	-	-	555
Rent & service charges	52,018	-	300	52,318
Rates & water	8,153	-	-	8,153
Heat, light & power	21,792	-	-	21,792
Repairs	12,482	-	4,182	16,664
Tools	-	-	1,353	1,353
Insurance	4,811	-	-	4,811
Telephone & internet	2,071	-	-	2,071
Wages & salaries	160,104	-	2,268	162,372
Redundancy	3,341	-	-	3,341
Employers' national insurance	9,425	-	-	9,425
Employers' pension	13,100	-	-	13,100
Vehicle costs	3,536	-	-	3,536
Computer & office costs	816	-	75	891
Refreshments	236	-	-	236
Volunteer expenses	895	-	-	895
On-line selling fees	406	-	-	406
General expenses	1,245	-	933	2,178
Waste disposal	799	-	-	799
Equipment hire	415	-	-	415
Depreciation	5,630	-	-	5,630
	301,830	-	9,111	310,941
Support costs				
Bank & credit card charges	951	-	-	951
Legal costs	3,898	13	-	3,911
Agents fees	3,045	-	-	3,045
Independent examination fee	-	1,050	-	1,050
	7,894	1,063	-	8,957
	309,724	1,063	9,111	319,898

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

DIRECT COSTS – (Prior Year)

	Other trading activities £	Governance £	Total Period ended 31 Dec 20 £
Direct Costs			
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 & 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
On-line 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>
Support costs			
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>

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

6. STAFF COSTS

The aggregate payroll costs were:

	2021	2020
	£	£
Wages and salaries	165,713	59,314
Employers national insurance	9,425	3,168
Employers pension contributions	13,100	8,545
	<u>188,238</u>	<u>71,027</u>

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

7. STAFF NUMBERS

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

	2021	2020
	No	No
Management	1	1
Core staff	9	9
	<u>10</u>	<u>10</u>

8. NET INCOMING/ (OUTGOING) RESOURCES

This is stated after charging:

	2021	2020
	£	£
Depreciation	5,630	682
Independent examination fee	<u>1,050</u>	<u>750</u>

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

9. TANGIBLE FIXED ASSETS

	Motor Vehicle £	Fixtures & Fittings	Total £
COST			
At 1 January 2021	20,470	-	20,470
Additions	-	11,147	11,147
At 31 December 2021	<u>20,470</u>	<u>11,147</u>	<u>31,617</u>
DEPRECIATION			
At 1 January 2021	682	-	682
Charge for the period	4,094	1,536	5,630
At 31 December 2021	<u>4,776</u>	<u>1,536</u>	<u>6,312</u>
NET BOOK VALUE			
At 31 December 2021	<u>15,694</u>	<u>9,611</u>	<u>25,305</u>
At 31 December 2020	<u>19,788</u>	<u>-</u>	<u>19,788</u>

10. DEBTORS

	2021 £	2020 £
VAT debtor	5,312	19,494
Prepayments	2,375	4,277
	<u>7,687</u>	<u>23,771</u>

11. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,994	-
Inter-co	31,779	76,719
Accruals and deferred income	23,102	2,574
	<u>60,875</u>	<u>79,293</u>

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

12. ANALYSIS OF FUNDS (Current Year)

	Balance at 01-Jan-21	Movement in resources:			Balance at 31 Dec 21
		Incoming £	Outgoing £	Transfers £	£
General Funds					
Unrestricted Income	68,044	215,141	(292,697)	-	(9,512)
Restricted Funds					
Cumbria Community Foundation	-	7,913	5,324		2,589
Cumbria County Council	-	5,000	2,157		2,843
Tudor Trust	-	20,000	1,630		18,370
	-	32,913	9,111	-	23,802

Cumbria Community Foundation

This funding has been provided for two projects at our Warehouse in Carlisle. £3,000 was provided towards the refurbishment repairs to the Warehouse. £4,913 was provided for tools and equipment for the Men in Sheds project and the community allotment.

Cumbria County Council

The local council provided £5,000 to be spent on the refurbishment repairs for our Warehouse in Carlisle.

Tudor Trust

The funding has been provided for Restore to employ an Administration and Finance assistant. Further funding is to come to employ the assistant for a further 2 years and for a grant towards the fitting out of a new shop.

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

ANALYSIS OF FUNDS (Prior Year)

	Movement in resources:			Balance at
	Incoming	Outgoing	Transfers	31 Dec 20
	£	£	£	£
General Funds				
Unrestricted Income Fund	195,170	(137,126)	10,000	68,044
Restricted Funds				
Donation	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 in 2020 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.

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

	Unrestricted funds	Restricted funds	Total Funds 2021
	£	£	£
Tangible fixed assets	25,305	-	25,305
Current assets	25,174	24,686	49,860
Current liabilities	(59,991)	(884)	(60,875)
	<u>(9,512)</u>	<u>23,802</u>	<u>14,290</u>

14. COMPANY LIMITED BY GUARANTEE

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

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

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2021

15. COMMITMENTS

Operating Leases:

As at 31st December 2021 the charity had annual commitments under non-cancellable operating leases as follows: Amounts relate to rent of our shops:

	2021	2020
	£	£
Operating lease payments due		
Within one year	54,500	37,000
In the second to fifth years inclusive	180,000	108,000
Over five years	270,000	300,000
	<u>504,500</u>	<u>445,000</u>

Capital Commitments:

At 31st December 2021, the amounts contracted but not provided for in the accounts amount to £nil (2020 - £nil).

16. RELATED PARTIES

Controlling entity

Restore is a subsidiary of the Carlisle Diocesan Board of Finance Limited (CDBF) (company number: 39625) (charity number: 251977). The principal 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.

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.

17. 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 £13,100 (2020 £8,545).