

Restore (Cumbria)

(A company limited by guarantee)

Annual Report and Financial Statements

31 December 2023

Company registration number: 08146662

Charity registration number: 1187078



Restore (Cumbria)

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Restore (Cumbria)
Reference and Administrative Details

Charity name	Restore (Cumbria)
Charity registration number	1187078
Company registration number	08146662
Principal office	Unit 3 Coleridge House The Maltings Carlisle Cumbria CA2 5TU
Registered office	Unit 3 Coleridge House The Maltings Carlisle Cumbria CA2 5TU
Trustees	Mr B M Gray, Chairman Revd J R Libby Mr C W Bray Revd A Burrell Mr A R H Cook Ms A H Sharp-Walker Mr D G Walker Rt Revd R J Saner-Haigh (Resigned 28 July 2023)
Bankers	HSBC UK 1 Market Square Penrith Cumbria CA11 7SN
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

Restore (Cumbria)

Trustees' Report for the Year Ended 31 December 2023

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 2023. 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.

Summary

2023 saw a return to relative normality after the years of turmoil resulting from the Covid pandemic. Having said that, economic conditions were difficult due to high energy costs and price inflation which resulted in many people struggling to cope with the increasing cost of living. Against this background Restore performed well. Turnover was £362,448. Shop sales increased by 14.5% to £289,140. Over 50% of turnover is from our two newest shops: Petteril Bank Road in Carlisle and Penrith (our best performing shop).

Our two Chaplains/Pioneers worked hard to develop community spaces and activities on our shops and supported many people struggling with life's challenges.

The two Chaplains/Pioneers are developing strong community partnerships. Much effort has been expended to improve the operation of what is a small but complex enterprise. A Strategic Plan for 2022-2025 was approved by trustees and the DBF.

Progress Report

We have previously relied too heavily on trustees acting in an executive capacity, so we were delighted to appoint a General Manager (Finn Wildhill) in April. Finn has taken responsibility for all day to day operations and has already made a significant impact. Key points:

- Shop sales increased from £252k in 2022 to £289k, an increase of 14.5%. This includes a full year of Penrith trading offset by the closure of Morton for 8 weeks at the end of 2022 during which we carried out a major refurbishment.
- Shaddongate focussed on furniture and saw sales increase by 6%.
- Penrith is an exemplar of how we can work in partnership with the local community, churches and agencies. We are now applying the same focus to our other shops.
- The Community Shed and other activities at Shaddongate provide a welcoming environment where craft activities can take place.

Finances

Turnover was £362k (£307k net of grants), net surplus being £11k. Penrith performed strongly, our leading shop on top line sales, just ahead of Petteril Bank Road, with other shops improving year on year. This continues to give us confidence that our model of larger shops, improved merchandising and vibrant community space is successful. Previous uncertainty on energy costs has been covered by favourable new contracts, with good savings on Electricity.

The appointment of a General Manager in 2023, supported by a £35k grant from the DBF, has helped give capacity for a greater focus on sales, a much needed refurbishment at our Morton shop, together with planning for a Carlisle City Centre shop going forward.

Operations

Last year I highlighted the need for a General Manager. As noted above, we made such an appointment in April.

Our Mission

Our two Chaplains continue to provide much needed support to the communities in which we operate. We continue to work closely with Carlisle Diocese, Carlisle Cathedral and local churches.

It is recognised that we must generate sufficient surplus from our operations (probably supported by grants) to fund this fundamental aspect of our work.

Restore (Cumbria)

Trustees' Report for the Year Ended 31 December 2023

Governance

We could not operate without the support of our trustees who each contribute in different ways, using their skills and talents.

Safeguarding

There are no issues to report. We work with many vulnerable adults and operate in difficult situations – this is fundamental to our mission. We work closely with the Diocese to ensure that our policies and procedures are appropriate and robust.

The Future

Our Strategic Plan 2022-2025 was approved in 2022 and guides our priorities:

- Build on the good work of our existing shops and further develop community space and activities.
- Seek premises for a new shop in Carlisle city centre.
- Explore the 'franchise model' set out in the Strategic Plan i.e. supporting other communities to establish their own Restore presence.

We remain committed to producing a surplus sufficient to cover the costs of our two Chaplains which we consider to be fundamental to achieving our mission. We will achieve this in three ways: growing sales from existing shops (using the knowledge we have gained at Penrith and Petteril Bank Road across all shops), focussing the warehouse on furniture sales and using the space more effectively, and opening one further shop (with minimal impact on overheads). If considered necessary, we will also consider grant support.

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 06/02/2021. Restore (Cumbria) became a registered charity on 20/12/2019, 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 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.

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 familiarized by the Chairman on its working and the context within which it operates and with visits to our charity shops. The main documents set out the operational framework for the 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.

Restore (Cumbria)
Trustees' Report for the Year Ended 31 December 2023

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 charitable company 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 charitable company's work and the charitable company is extremely grateful for their help.

Related Parties

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

Restore (Cumbria) 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.

OBJECTIVE AND ACTIVITIES OF RESTORE (CUMBRIA)

Objectives of the Charitable Company

- To advance the Christian religion in the area of benefit for the benefit of the public;
- To protect and preserve the environment for the benefit of the public and relieve financial hardship in the area of benefit by the recycling and the 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: such other exclusively charitable purposes as the Trustees in their absolute discretion determine from time to time; 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 or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol or drugs; discrimination on the ground of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender re-assignment; poor educational or skills attainment; relationship or 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).

Restore (Cumbria)

Trustees' Report for the Year Ended 31 December 2023

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.

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. 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 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.

Restore (Cumbria)

Trustees' Report for the Year Ended 31 December 2023

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.

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 on 31 December 2023 were £104,465 being restricted reserves of £52,095 and unrestricted reserves of £52,370. Free reserves (unrestricted reserves less fixed assets) at the year end were £32,892. 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.

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.

Restore (Cumbria)

Trustees' Report for the Year Ended 31 December 2023

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.

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.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 9 May 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'B M Gray', written over a dotted line.

Mr B M Gray
Trustee

Restore (Cumbria)

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Restore (Cumbria) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

The trustees are responsible for keeping proper accounting records that 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 other irregularities.

**Independent Examiner's Report to the Trustees of
Restore (Cumbria)**

I report on the accounts of the company for the year ended 31 December 2023, which are set out on pages 10 to 22.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants of England and Wales.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- state whether particular matters have come to my attention.


Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


.....
Martin Borradaile ACA
Dodd & Co Limited
Chartered Accountants

9 May 2024

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Restore (Cumbria)

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31 December 2023

		Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	2,394	55,300	57,694	124,279
Charitable activities	4	304,754	-	304,754	268,158
Total income and endowments		<u>307,148</u>	<u>55,300</u>	<u>362,448</u>	<u>392,437</u>
Expenditure on:					
Charitable activities		313,765	37,244	351,009	313,701
Total expenditure		<u>313,765</u>	<u>37,244</u>	<u>351,009</u>	<u>313,701</u>
Net movements in funds		(6,617)	18,056	11,439	78,736
Reconciliation of funds					
Total funds brought forward		58,987	34,039	93,026	14,290
Total funds carried forward		<u>52,370</u>	<u>52,095</u>	<u>104,465</u>	<u>93,026</u>

All of the Charity's activities derive from continuing operations during the above periods.

The notes on pages 12 to 22 form an integral part of these financial statements.

Restore (Cumbria)
Company registration number: 08146662
Balance Sheet as at 31 December 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		19,478		27,224
Current assets					
Debtors	11	13,806		14,514	
Cash at bank and in hand		103,944		129,057	
		<u>117,750</u>		<u>143,571</u>	
Creditors: Amounts falling due within one year	12	<u>(32,763)</u>		<u>(77,769)</u>	
Net current assets			<u>84,987</u>		<u>65,802</u>
Net assets			<u>104,465</u>		<u>93,026</u>
The funds of the charity:					
Restricted funds			52,095		34,039
Unrestricted funds					
Unrestricted income funds			<u>52,370</u>		<u>58,987</u>
Total charity funds			<u>104,465</u>		<u>93,026</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).

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 9 May 2024 and signed on its behalf by:



Mr B M Gray
Trustee

The notes on pages 12 to 22 form an integral part of these financial statements.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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.

Basis of preparation

The charitable company 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 notes.

Going concern

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.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 17.

Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

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Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The Charity 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 Charity 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 are applied exclusively to charitable purposes.

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery including motor vehicles	20% straight line basis
Fixtures, fittings and equipment	20% straight line basis

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

3 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Donations and legacies				
Donations and similar income	2,394	300	2,694	5,353
Gift aid	-	-	-	2,526
	<u>2,394</u>	<u>300</u>	<u>2,694</u>	<u>7,879</u>
Grants				
CDBF	-	35,000	35,000	84,523
Cumbria Community Foundation	-	-	-	1,877
Tudor Trust	-	20,000	20,000	30,000
	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>116,400</u>
	<u>2,394</u>	<u>55,300</u>	<u>57,694</u>	<u>124,279</u>

Of the donations and legacies income in 2022, £82,527 general donations and grants related to unrestricted funds and £41,752 donations and grant funding related to restricted funds.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

..... *continued*

4 Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Charity shop income	289,140	-	289,140	252,511
On-line income	1,728	-	1,728	2,201
Scrap metal	1,113	-	1,113	621
Recycling income	12,773	-	12,773	12,825
	<u>304,754</u>	<u>-</u>	<u>304,754</u>	<u>268,158</u>

All income from charitable activities related to unrestricted funds in the prior year.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

5 Expenditure

	Other trading activities	Total 2023	Total 2022
	£	£	£
Direct costs			
Grants payable - individuals	-	-	2,964
Purchases	-	-	1,240
Wages and salaries	166,966	166,966	136,620
Staff NIC (Employers)	11,792	11,792	9,559
Staff pensions	2,085	2,085	3,338
Refreshments	1,109	1,109	822
Motor expenses	5,651	5,651	4,363
On-line selling fees	-	-	429
Sundry expenses	1,965	1,965	583
Rent and service charge	77,133	77,133	58,406
Rates and water	7,623	7,623	9,014
Light, heat and power	23,446	23,446	24,164
Insurance	6,923	6,923	6,490
Repairs and maintenance	15,935	15,935	8,054
Waste disposal	968	968	1,867
Volunteer expenses	716	716	522
Redundancy costs	43	43	19,704
Telephone and internet	3,214	3,214	2,016
Computer and office costs	454	454	1,874
Printing, postage and stationery	1,684	1,684	1,490
Health and safety	1,430	1,430	-
Advertising	100	100	-
Depreciation	8,145	8,145	7,188
	<u>337,382</u>	<u>337,382</u>	<u>300,707</u>
Support costs			
Accountancy fees	2,000	2,000	900
Independent examination	1,100	1,100	1,100
Legal and professional fees	6,077	6,077	8,422
Bank and credit card charges	4,450	4,450	2,572
	<u>13,627</u>	<u>13,627</u>	<u>12,994</u>
	<u><u>351,009</u></u>	<u><u>351,009</u></u>	<u><u>313,701</u></u>

Of the expenditure in 2022, £282,186 related to unrestricted funds and £31,515 related to restricted funds.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

..... continued

6 Governance costs

	2023	2022
	£	£
Accountancy fees	2,000	900
Independent examiner's fee	1,100	1,100
Legal and professional fees	6,077	8,400
	<u>16,477</u>	<u>15,500</u>

7 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year.

8 Net income

Net income is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	8,145	7,188
Independent examination	<u>1,100</u>	<u>1,100</u>

9 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year, analysed by category, was as follows:

	2023 No.	2022 No.
Managment	1	1
Staff	9	8
	<u>10</u>	<u>9</u>

The aggregate payroll costs of these persons were as follows:

	2023 £	2022 £
Wages and salaries	167,009	156,324
Social security	11,792	9,559
Other pension costs	2,085	3,338
	<u>180,886</u>	<u>169,221</u>

No employee received emoluments of more than £60,000 during the year.

Key management personnel comprise of the Board of Trustees. No employee benefits are paid to the Trustees (2022 - £nil).

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

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10 Tangible fixed assets

	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost			
As at 1 January 2023	20,470	20,254	40,724
Additions	-	399	399
As at 31 December 2023	<u>20,470</u>	<u>20,653</u>	<u>41,123</u>
Depreciation			
As at 1 January 2023	8,870	4,630	13,500
Charge for the year	4,094	4,051	8,145
As at 31 December 2023	<u>12,964</u>	<u>8,681</u>	<u>21,645</u>
Net book value			
As at 31 December 2023	<u>7,506</u>	<u>11,972</u>	<u>19,478</u>
As at 31 December 2022	<u>11,600</u>	<u>15,624</u>	<u>27,224</u>

11 Debtors

	2023 £	2022 £
Other debtors	11,626	11,694
Prepayments and accrued income	2,180	2,820
	<u>13,806</u>	<u>14,514</u>

12 Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	8,258	5,342
Taxation and social security	2,323	2,562
Other creditors	5,413	23,184
Accruals and deferred income	16,769	46,681
	<u>32,763</u>	<u>77,769</u>

13 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

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14 Operating lease commitments

As at 31 December 2023 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings	
	2023	2022
	£	£
Within one year	69,473	69,512
Within two and five years	165,000	207,000
Over five years	129,000	156,000
	<u>363,473</u>	<u>432,512</u>

15 Pension scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £2,085 (2022 - £3,338).

Contributions totalling £413 (2022 - £1,631) were payable to the scheme at the end of the period and are included in creditors.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

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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 grants from the CDBF totalling £35,000 (2022 - £84,523).

All relationships are conducted at an arm's length basis, and where required a standard memorandum of understanding is negotiated.

17 Analysis of funds

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General Funds				
Unrestricted income fund	58,987	307,148	(313,765)	52,370
Restricted Funds				
Cumbria Community Foundation	430	-	(430)	-
Cumbria County Council	1,975	-	(1,199)	776
Tudor Trust Admin	23,904	20,000	(18,468)	25,436
Community Sheds	331	-	(331)	-
Diocese Growth Fund	5,860	-	(169)	5,691
Tudor Trust Penrith	-	-	-	-
CCF Warm Spots	1,539	-	(1,539)	-
Other restricted income fund	-	-	-	-
Carlisle Diocese Board of Finance	-	35,000	(15,108)	19,892
Restore on the Road	-	300	-	300
	<u>34,039</u>	<u>55,300</u>	<u>(37,244)</u>	<u>52,095</u>
	<u>93,026</u>	<u>362,448</u>	<u>(351,009)</u>	<u>104,465</u>

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.

Carlisle Diocese Board of Finance - This funding has been provided to cover the costs associated with the General Manager position over the next 2 years.

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

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Prior period

	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General Funds		-		
Unrestricted income fund	(9,512)	350,685	(282,186)	58,987
Restricted Funds				
Cumbria Community Foundation	2,589		(2,159)	430
Cumbria County Council	2,843		(868)	1,975
Tudor Trust admin	18,370	20,000	(14,466)	23,904
Community Sheds	-	3,295	(2,964)	331
Diocese Growth Fund	-	6,580	(720)	5,860
Tudor Trust Penrith	-	10,000	(10,000)	-
Warm Spots Shaddongate	-	1,877	(338)	1,539
Other restricted income fund	-	-	-	-
	23,802	41,752	(31,515)	34,039
	14,290	392,437	(313,701)	93,026

Restore (Cumbria)

Notes to the Financial Statements for the Year Ended 31 December 2023

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18 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Tangible assets	19,478	-	19,478	27,224
Current assets	65,655	52,095	117,750	143,571
Creditors: Amounts falling due within one year	(32,763)	-	(32,763)	(77,769)
Net assets	<u>52,370</u>	<u>52,095</u>	<u>104,465</u>	<u>93,026</u>

Prior period

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Tangible assets	27,224	-	27,224
Current assets	109,532	34,039	143,571
Creditors: Amounts falling due within one year	(77,769)	-	(77,769)
Net assets	<u>58,987</u>	<u>34,039</u>	<u>93,026</u>