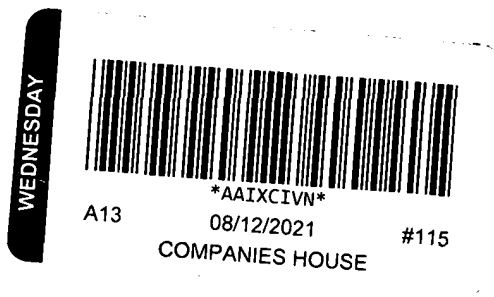


ExtraCare Retail Limited

Financial Statements

For the year ended 31 March 2021

Company Number: 2898050



ExtraCare Retail Limited
For the year ended 31 March 2021
Contents

	Page
Officers and Professional Advisors	1
Directors' Report	2
Independent Auditors Report	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Accounting Policies	11
Notes to the Financial Statements	13

ExtraCare Retail Limited
For the year ended 31 March 2021
Officers & Professional Advisors

Directors

		Date of Appointment	Date of Resignation
M Kerr	Chairman		
A Whittingham	Managing Director		
H Lyttle-Breukelaar			30th April 2021
C Skelton		21st June 2021	
J Hamilton	Non Executive Director		
M Gardner	Non Executive Director		15th January 2021
R Clarke	Non Executive Director	15th March 2021	21st June 2021
R Byrne	Non Executive Director	21st June 2021	
G Swabel	Non Executive Director	20th September 2021	

Secretary

G Duggan			26th March 2021
A Carpenter		26th March 2021	

Registered Office

7 Harry Weston Road
 Binley Business Park
 Binley
 Coventry
 CV3 2SN

Auditor

RSM UK Audit LLP
 Chartered Accountants
 St Philips Point
 Temple Row
 Birmingham
 B2 5AF

ExtraCare Retail Limited

For the year ended 31 March 2021

Directors' Report

The directors submit their report and financial statements of ExtraCare Retail Limited for the year ended 31 March 2021.

Principal Activities

The principal activity of the company during the year was the operation of charity shops, selling donated and bought-in goods.

Business Review

The results for the company show a £38,354 pre-tax loss (2020: £274,413 profit). The company operates across a network of charity shops. Sales include donated goods sold on behalf of its supporters who donate the net proceeds to The ExtraCare Charitable Trust, which attracts gift aid recovery from HMRC, as well as the sale of some bought in goods. The company charges a commission to supporters for this service and makes a donor procurement charge to The ExtraCare Charitable Trust in respect of the recruitment of these donors.

Covid-19 and Future Outlook

Our shops – alongside all other non-essential retail in the UK – were instructed to close down as part of the UK government's response to the Covid-19 pandemic. This resulted in an exceptional year. The company has mitigated this impact by accessing government support available as a result of the pandemic, including furloughing shop staff, seeking business rates relief, negotiating rent reductions and accessing the government's Retail, Hospitality and Leisure Grants Fund (RHLGF) scheme.

All of our shops have re-opened, now that the easing of government restrictions has allowed them to do so. Despite weaker consumer confidence and a changing retail landscape, our return to trading has been strong. Although it is clear there are further challenges, there is continued confidence in the future of the company.

We put in place comprehensive plans, which ensured our shops closed and re-opened in a compliant and organised manner, and will do so again in the event of future national or local lockdown restrictions. The company continues to review and consolidate its business operations, involving the closure of a small number of poor-performing shops in the 2020/21 financial year, and is exploring ways to grow its online trading channels - all encompassed within a new Retail Strategy that will help shape the future growth of the company.

Directors

Except where stated the following directors have held office since 1 April 2020.

M Kerr

A Whittingham

J Hamilton

R Clarke (Appointed 15th March 2021 and resigned 21st June 2021)

R Byrne (Appointed 21st June 2021)

C Skelton (Appointed 21st June 2021)

G Swabel (Appointed 20th September 2021)

H Lyttle-Breukelaar (Resigned 30th April 2021)

M Gardner (Resigned 15th January 2021)

ExtraCare Retail Limited
For the year ended 31 March 2021
Directors' Report

Principal Risks and Uncertainties

The Covid-19 pandemic has introduced new risks and increased existing risks in the management of the business and the execution of the company's strategy: the main risk being a reduction in sales income due to a drop in customer footfall.

Other principal risks relate to competition from both other charity shops and high street retailers, employee and volunteer retention and the supply of good quality donated goods for sale.

All risks are reviewed by the Board to ensure appropriate mitigations are applied.

Volunteers

Each shop is supported by a team of volunteers who freely give their time to improve the shopping experience of our customers and to support our paid staff in the day to day running of our shops. The Directors would like to take this opportunity to thank all of our volunteers for their valuable contribution to the business.

Key Performance Indicators

The business measures itself against both budget and previous performance. Annual budgets which reflect the strategic forward plans of the business are prepared for all revenue and cost categories by operational cost centre. Financial and operational performance is reported to the Board on a quarterly basis.

Small Companies Exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the Board



A Whittingham
Director

8th October 2021

ExtraCare Retail Limited

For the year ended 31 March 2021

Directors' responsibilities in the preparation of financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ExtraCare Retail Limited

For the year ended 31 March 2021

Independent Auditor's Report to the members of ExtraCare Retail Limited

Opinion

We have audited the financial statements of ExtraCare Retail Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ♦ give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- ♦ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ♦ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ♦ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ♦ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ExtraCare Retail Limited

For the year ended 31 March 2021

Independent Auditor's Report to the members of ExtraCare Retail Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

ExtraCare Retail Limited

For the year ended 31 March 2021

Independent Auditor's Report to the members of ExtraCare Retail Limited

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<http://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

KEITH WARD (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date: 9 / 11 / 2021

ExtraCare Retail Limited
Statement of Comprehensive Income
For the year ended 31 March 2021

	Notes	2021 £	2020 £
Turnover		2,331,185	3,242,296
Supplies and services		(191,458)	(414,259)
Staff costs	1	(1,260,314)	(2,058,875)
Other operating charges		(1,205,705)	(1,530,913)
Exceptional items	2	(115,272)	-
Other operating income	2	403,194	1,036,016
OPERATING PROFIT		(38,370)	274,265
Interest receivable		16	148
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(38,354)	274,413
Taxation	3	(454)	(45,280)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR	9	(38,808)	229,133


The operating profit for the year arises from the company's continuing operations.

ExtraCare Retail Limited
Statement of Financial Position
As at 31 March 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Stocks	4	138,116	132,061
Debtors	5	243,178	345,541
Cash at bank and in hand		16,447	12,939
		397,741	490,541
CREDITORS			
Amounts falling due within one year	6	(436,547)	(244,440)
NET ASSETS		(38,806)	246,101
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account	8	(38,808)	246,099
SHAREHOLDER'S FUNDS	9	(38,806)	246,101

These financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 16 were approved by the Board of Directors and authorised for issue on 8th October 2021 and are signed on its behalf by:



A Whittingham
 Director

ExtraCare Retail Limited
Statement of Changes in Equity
As at 31 March 2021

	Notes	Share Capital £	Profit and Loss Account £	Total £
Balance at 1 April 2019		2	170,177	170,179
Profit for the year		-	229,133	229,133
Distributed to The ExtraCare Charitable Trust		-	(153,211)	(153,211)
Balance at 31 March 2020		2	246,099	246,101
Profit for the year		-	(38,808)	(38,808)
Distributed to The ExtraCare Charitable Trust		-	(246,099)	(246,099)
Balance at 31 March 2021		2	(38,808)	(38,806)

ExtraCare Retail Limited

For the year ended 31 March 2021

Accounting Policies

General Information

ExtraCare Retail Limited ("the company") is a private company limited by shares incorporated in England. The registered address of the company is 7 Harry Weston Road, Binley Business Park, Binley, Coventry, CV3 2SN.

Basis of Accounting

These financial statements have been prepared in accordance with section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The financial statements have been prepared on the historical cost basis.

Donated and Bought in Goods

The income from goods donated for sale in the company's charity shops is included when those goods are sold. No value is placed on any stock of such goods. Goods purchased for resale are valued at the lower of cost or net realisable value. Provision is made for obsolete and slow moving items.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leased assets and obligations

All leases are operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Turnover

Turnover represents the value, net of Value Added Tax, of goods sold and services provided to customers. Sales that are made on behalf of supporters of The ExtraCare Charitable Trust are not included in turnover. All turnover is derived from UK markets.

ExtraCare Retail Limited

For the year ended 31 March 2021

Accounting Policies

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on expected selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

Assets whereby the significant risks and rewards of the asset are not retained by the company and are purchased with a view to subsequent sale are classified as stock until sold.

Other Operating Income

The other operating income relates to a charge levied to The ExtraCare Charitable Trust in respect of the recruitment and management of donors.

Going Concern

Based on the company's forecasts, the Directors have adopted the going concern basis in preparing the Financial Statements. The Directors have made this assessment after consideration of the company's cash flows and related assumptions and in accordance with the Guidance published by the UK Financial Reporting Council.

In assessing going concern the Directors have given careful consideration to the potential impact of the Covid-19 pandemic on the cashflows and liquidity over the next 12 month period. Despite sales forecasts reducing against our pre-Covid-19 targets, we continue to receive healthy levels of donated goods (our primary revenue stream), whilst several mitigating factors and self-imposed cost reductions (described in more detail in the directors' report on page 2) allow us to partly offset the true impact of Covid-19. Our most recent forecast outturn is that we generate a surplus, supporting the Charity's objectives.

The company's parent company have confirmed in writing that, if necessary, they will provide financial support to the company and not demand repayment of the amounts owed to the parent company for a period of at least 12 months from the date of approval of these financial statements.

The company's accounts and cashflow forecasts take all the above factors into account and indicate that the company will have sufficient funds to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements.

ExtraCare Retail Limited
For the year ended 31 March 2021
Notes to the Financial Statements

1. EMPLOYEES

All staff are employed by the parent undertaking, The ExtraCare Charitable Trust. The details of staff and staff costs referred to below relate to the company's share of the employment costs of the relevant employees as recharged from the parent to ExtraCare Retail Limited.

	2021 Number	2020 Number
The average monthly number of persons (including directors) employed by the company during the year was:	106	114

Staff Costs for the above persons:

	2021 £	2020 £
Wages & Salaries	1,101,919	1,863,074
Social Security Costs	100,726	134,544
Other Pension Costs	57,670	61,257
	1,260,315	2,058,875

All employees are employed by the Trust and total payroll costs are recharged to Retail. Staff costs are inclusive of furlough claims received by the Trust during the year (as this was received by the Trust on behalf of the Retail employees) - the total furlough income received was £635,939.

Directors remuneration:

	2021 £	2020 £
In respect of the directors of ExtraCare Retail Limited employed by the parent the following amounts were recharged:		
Emoluments	58,724	49,875
Defined benefit pension contributions	2,710	2,300
	61,434	52,175

There is one (2020: One) director to whom retirement benefits are accruing under the defined benefit scheme.

One further director (2020: One) was employed and paid by the Company's parent undertaking. A recharge is not made to ExtraCare Retail Limited for their services.

ExtraCare Retail Limited

For the year ended 31 March 2021

Notes to the Financial Statements

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2021 £	2020 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Operating lease rentals:		
Land & buildings	820,136	892,100
Donor procurement charge to The ExtraCare Charitable Trust	(403,194)	(1,036,016)
Auditor's remuneration		
- Statutory audit	9,750	6,950
- Corporation Tax Services	2,260	1,900

Exceptional items incurred in the year of £115,272 relate to the closure costs of shops that have ceased trading during 2020/21.

3. TAXATION

	2021 £	2020 £
Current tax:		
UK corporation tax on profits being tax on profit on ordinary activities	454	45,280

Factors affecting tax charge for the period:

The tax assessed for the period is lower than the standard rate of corporation tax for small companies (19%) as explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	(38,354)	274,413
Profit on ordinary activities multiplied by the standard rate of Corporation Tax for small companies 19% (2020: 19%)		52,138
Underprovision in respect of prior year	454	45,280
Effects of:		
Profits Gift Aided to parent	-	(52,138)
	454	45,280

Where possible, taxable profits will be gift aided to the parent company as a distribution of profits within nine months from the end of the accounting year. As this is a charitable distribution, this reduces the in year tax liability.

ExtraCare Retail Limited
For the year ended 31 March 2021
Notes to the Financial Statements

4. STOCKS

	2021	2020
	£	£
Goods for resale	135,986	129,931
Consumables	2,130	2,130
	<u>138,116</u>	<u>132,061</u>

5. DEBTORS

	2021	2020
	£	£
Trade debtors	-	19,669
Other debtors	2,968	48,415
Prepayments	240,210	277,457
	<u>243,178</u>	<u>345,541</u>

6. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,102	4,776
Amount due to parent undertaking	342,180	80,044
Other creditors	11,163	9,041
Corporation Tax	454	45,280
Accruals	81,648	105,299
	<u>436,547</u>	<u>244,440</u>

7. SHARE CAPITAL

	2021	2020
	£	£
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

ExtraCare Retail Limited

For the year ended 31 March 2021

Notes to the Financial Statements

8. PROFIT AND LOSS ACCOUNT

	2021 £	2020 £
At 1 April	246,099	170,177
Profit For Year	(38,808)	229,133
Distributed to The ExtraCare Charitable Trust	(246,099)	(153,211)
At 31 March	<u>(38,808)</u>	<u>246,099</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2021 £	2020 £
Opening shareholder's funds	246,101	170,179
Profit for the financial year	(38,808)	229,133
Distributed to The ExtraCare Charitable Trust	(246,099)	(153,211)
Closing shareholder's funds	<u>(38,806)</u>	<u>246,101</u>

10. PARENT UNDERTAKING

The company is a wholly owned subsidiary of The ExtraCare Charitable Trust, a charitable company and Registered Provider of social housing limited by guarantee and incorporated in England.

The registered address of The ExtraCare Charitable Trust is 7 Harry Weston Road, Binley Business Park, Binley, Coventry, CV3 2SN.

11. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose any transactions with its parent undertaking and fellow subsidiary undertakings on the grounds that the Company's results are included in the consolidated financial statements of the parent undertaking.

12. FINANCIAL COMMITMENTS

Operating lease payments made by the Company in respect of the rental of shop premises are paid to the Company's parent undertaking, The ExtraCare Charitable Trust. The parent undertaking is contractually committed under non-cancellable operating leases. All financial commitments under such leases are shown in the parent company's financial statements.