

REGISTERED COMPANY NUMBER: 02701445 (England and Wales)
REGISTERED CHARITY NUMBER: 1010448
SCOTTISH CHARITY NUMBER: SCO38887

**Report of the Trustees and
Financial Statements for the Year Ended**

**31 March 2021
for
Remar Association (UK)**

**Mabe Allen LLP
Chartered Accountants
Statutory Auditors
50 Osmaston Road
Derby
DE1 2HU**

Remar Association (UK)

**Contents of the Financial Statements
for the Year Ended 31 March 2021**

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Remar Association (UK)

Report of the Trustees for the Year Ended 31 March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

Basis and Values

Remar Association (UK) is a charity whose inspiration and values derive from the Christian faith. These values, enriched and shared by many people of other faiths and philosophies, provide the basis of the work with persons affected by drug addiction and alcoholism, and with their families and dependents.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of Remar Association (UK) as amended by a Special Resolution dated 17 July 2003 and as defined by the Memorandum of Association are:-

- i) to relieve in any part of the World suffering from poverty and/or sickness particularly among persons affected by solvent abuse, drug addiction and/or alcoholism and to restore and rehabilitate such persons and to relieve the suffering of parents, spouses, partners, children (including orphaned and abandoned) of such affected persons; to educate the public and persons affected by solvent abuse, drug addiction and alcoholism and in danger of solvent, drugs and alcohol addiction in such manner as the directors think fit.
- ii) to relieve in any part of the World poverty, deprivation and distress among persons of any age or race including without limit assistance directly or indirectly for places of education and care of the sick.
- iii) the care, re-settlement and rehabilitation of offenders and their families and dependants in any part of the World.
- iv) the advancement of the Christian faith.

Significant activities

The current focus of Remar Association (UK)'s work is based upon four main pillars:-

- i) To raise awareness of the Christian faith through evangelism.
- ii) To instill discipleship in the Christian faith.
- iii) To undertake Christian social work, the practical expression of which is in assistance to persons affected by solvent abuse, drug addiction and/or alcoholism, ex-offenders, the relatives of such affected persons and also in financial and material support for the Christian social work of Remar in other parts of the world, including help to orphaned and abandoned children.
- iv) To raise funds, particularly through its own Christian business enterprises, to support its activities.

The following are some of the main activities and developments in the different areas over the past year:-

Evangelism

We have been doing evangelistic work on the streets of central London and people have come to our centres directly as a result of this activity, also evangelising once a week in Glasgow (Scotland).

Discipleship

The general work of discipleship continues amongst those beneficiaries who, once their lives have been fully restored, decide to stay on as volunteer Christian workers. This is mainly practical training, carried on in the day-to-day routine of each house.

Remar Association (UK)

Report of the Trustees for the Year Ended 31 March 2021

OBJECTIVES AND ACTIVITIES **Significant activities - continued**

Social Work

We wish to continue to refer people from the United Kingdom with problems of drug and alcohol addiction to the Spanish Remar centres. Others contact Remar Spain directly for help with their problems.

We have also been able to continue with our financial programme of gifts and donations to Remar centres in other parts of the world, as shown in the financial report.

Christian Business Enterprises

We continue to generate the majority of our funds from the profits made by our Charity Shops and online sales which sell new and second-hand donated furniture, clothing & bric-a-brac, and with a percentage of activity undertaken by our subsidiary trading company, Remar UK Limited. These shops are functioning in four different towns or cities (2020: four) at present and continue to be a financial success.

Public benefit

Under the Charities Act 2011, charities are required to demonstrate that their aims are for the public benefit. The two key principles which must be met in this context are, first, that there must be an identifiable benefit or benefits; and, secondly, that the benefit must be to the public, or a section of the public. Charity Trustees must ensure that they carry out their charity's aims for the public benefit, must have regard to the Charity Commission's and the Office of the Scottish Charity Regulator's guidance, and must report on public benefit in their Annual Report.

Remar Association (UK)'s Board of Trustees regularly monitors and reviews the success of the organization in meeting its key objectives of helping people suffering from poverty, sickness and affected by drug addiction and alcoholism. The Trustees confirm, in the light of the guidance, that these aims fully meet the public benefit test and that all the activities of the Charity, described in this report under its current focus, are undertaken in pursuit of its aims.

Grant Making

Decisions on making grants are taken by the Trustees and are normally made to Remar Spain for distribution to other Remar organisations around the world (see Note 7) based on where the need is greatest.

Volunteers

The voluntary workers include drug-addicts and alcoholics in rehabilitation, addicts already rehabilitated and individuals dedicating themselves full time to the work of the Charity. These individuals live in the various properties rented by or belonging to the Charity and have their needs provided by the Charity. The Trustees consider it very important that those who no longer have problems of addiction live alongside those who arrive as drug addicts and alcoholics, so that they can care for them twenty-four hours a day.

The Trustees wish to thank those many volunteers who give their time to the various projects. In total this represents hours of work which cannot possibly be valued, but without which Remar Association (UK) would not exist.

FINANCIAL REVIEW

Financial position

The last financial year has seen the Charity develop and consolidate its services.

The Consolidated Balance Sheet indicates that at 31 March 2021 the total funds of the group were £736,056 (2020: £467,974). This was represented by tangible fixed assets of £875,325 (2020: £882,741) and net current assets of £258,260 (2020: £6,502), with a further £397,529 (2020: £421,267) liabilities due after more than one year. The liabilities include the outstanding balance of £395,030 (2020: £414,421) due on bank loans. Unrestricted funds of £736,056 (2020: £467,974) represents the reserves available to the group to fulfil the Charity's existing commitments over the long term and also to finance the expected growth in activity.

Remar Association (UK)

Report of the Trustees for the Year Ended 31 March 2021

FINANCIAL REVIEW

Financial position - continued

The Consolidated Statement of Financial Activities indicates that total resources expended for the year ended 31 March 2021 was £1,137,486 (2020: £707,501) with total income generated of £1,405,568 (2020: £615,752). The existence and operation of charity shops by the Charity provides a substantial base for the future with six shops (2020: six) in operation at the year end.

Resettlement and care expenditure at a cost of £265,398 (2020: £145,097) continued to be a significant part of the Charity's activities. During the year Fareshare provided the charity food with a fair value of £144,280 for distribution to the beneficiaries of the charity.

The Trustees will progress the strategy to develop and grow the Charity. The Trustees are confident that they are well placed to fulfil the objectives of the Charity into the future.

Trading Activities

The results of Remar UK Limited, the wholly owned subsidiary company of the charity are summarised in Note 14 of the Financial Statements.

The wholly-owned subsidiary is committed to make donations of £55,246 (2020: £34,302) transferring profits to the Charity. The Directors of the subsidiary who are also Trustees of the charity are J. M. Diez-Alvarez, G.W Harvey, C. P. Smyth and J. Blatch.

Reserves policy

No target is set by the Trustees for the level of general reserves. The Charity's policy in this matter is to have no level set for reserves. However, in order to cover any unexpected eventuality, Remar Association (UK) has a written statement from Remar International declaring that, should the need arise, further financial support could be obtained from the other members of the network of charities which exist under the Remar umbrella. The Trustees have adopted this kind of reserves policy because they believe that all available resources should be fully dedicated to the objectives of the Charity, particularly since the needs are of such an urgent nature. All resources are expended as received and the level of activities in furtherance of the Charity's objectives is dependent upon the continued flow of incoming resources.

At 31 March 2021 the unrestricted reserves of the Charity amounted to £736,056 (2020: £467,976).

The unrestricted reserves going forward should help to finance the interest on the bank loans which exists.

The amount of funds that can only be realised by disposing of tangible fixed assets amounted to £430,304 as at 31 March 2021 (2020: £400,709). After making allowance for funds that can only be realised by disposing of tangible fixed assets the free reserves of the charity are £305,752 (2020: £67,267).

Financial and risk management objectives and policies

Financial

Funds surplus to requirement to the running of the UK operation are transferred to Remar International where they are used exclusively for the social work in the developing world and in particular to assist our work with orphaned and abandoned children. Allocation of funds is made by a Committee which sits once a month. The Committee is chaired by Miguel Diez.

Restoration of Lives

Supervision of those persons undergoing rehabilitation is undertaken by monitors who live twenty-four hours a day with those in rehabilitation. Monitors are persons who are judged by the General Manager as responsible and capable of assisting others.

Remar Association (UK)

Report of the Trustees for the Year Ended 31 March 2021

FINANCIAL REVIEW

Teaching and Training

At a national and local level, monitors are constantly being taught, evaluated and encouraged by Joaquin Munt, the General Manager, who is also a Pastor in the Body of Christ Church and has over 20 years' experience in rehabilitation of drug and alcohol addicts and is supported by Pastor Luis Martinez and Pastor Rui Viana. At an international level, regular courses are held in Madrid.

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

After the current year end the Trustees have engaged a firm of solicitors with experience of acting on behalf of charities to develop relevant policies and procedures which are fit for purpose, in particular, advising the Charity regarding development of a suitable safeguarding policy to ensure it meets the necessary legal and practical requirements of the Charity.

Changes in Fixed Assets

The movements in fixed assets during the year are set out in the notes to the Financial Statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Remar Association (UK) is a Registered Charity (number 1010448 for England and Wales and SCO38887 for Scotland) and a company Limited by guarantee (number 02701445) which was set up on the 27 March 1992. Its governing instrument is the Memorandum and Articles of Association which were issued at that date.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

A panel comprising existing Trustees selects members to join the Trustee board. After an appropriate period of observation and enquiry to assess suitability new Trustees undergo an orientation to brief them on their legal obligations under charity and company law, content of the Memorandum and Articles of Association, the board of Trustees and decision-making processes and recent financial performance of the Charity. The Trustees retire by rotation with the longest serving director, if willing to act, offering himself for re-election at the Annual General Meeting.

Organisational structure

Remar Association (UK) operates as an independent charity, although it is in contact with the network of charities under the Remar umbrella, an International Christian Outreach Ministry. In addition, there exists a wholly owned subsidiary company, Remar UK Limited, which has previously undertaken to make a covenanted donation within the meaning of the Corporation Tax Act 2010 Section 189.

The Trustees are responsible for the overall management and control of the Charity and receive reports from the General Manager Joaquin Munt.

Responsibility for operational activities lies in the hands of the General Manager, who is supported by other volunteers.

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of control, financial or otherwise.

Remar Association (UK)

**Report of the Trustees
for the Year Ended 31 March 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02701445 (England and Wales)

Registered Charity number

1010448

Scottish Charity Number

SCO 38887

Registered office

845-847 High Road
Leytonstone
London E11 1HH

Trustees

J Blatch
MR J. M. Díez-Alvarez
G W Harvey
C. P. Smyth

Company Secretary

A Ipgrave

Auditors

Mabe Allen LLP
Chartered Accountants
Statutory Auditors
50 Osmaston Road
Derby DE1 2HU

Bankers

Lloyds TSB Bank Plc
Market Square House
Old Market Square
Nottingham NG1 6FD

Solicitors

Geldards
Number One Pride Place
Pride Park
Derby DE24 8QR

Remar Association (UK)

Report of the Trustees for the Year Ended 31 March 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Remar Association (UK) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

DISCLOSURE OF INFORMATION TO THE AUDITORS

In so far as the trustees are aware:

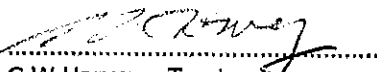
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Mabe Allen LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on21 - 12 - 21.....and signed on its behalf by:


G W Harvey - Trustee

Remar Association (UK)

Independent Auditor's Report to the Members and Trustees of Remar Association (UK)

Opinion

We have audited the financial statements of Remar Association (UK) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise of the Group Consolidated Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group Consolidated and Parent Charitable Company Balance Sheet, the Group Consolidated Cash Flow Statement 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 Financial Reporting Standard 102 *The Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's and parent charitable company's incoming resources and application of resources, including the group's parent charitable company's income and expenditure, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for qualified opinion

We were unable to observe the counting of physical inventories at the start and end of the year due to the travel restrictions imposed by the UK government at the time in order to stop the spread of the coronavirus pandemic. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at the 31 March 2020 and 31 March 2021, which are included in the respective balance sheets at £146,156 and £140,665, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to these amounts were necessary.

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 group and parent charitable 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that individually or collectively may cast doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our opinion is not modified in respect of this matter.

Remar Association (UK)

Independent Auditor's Report to the Members and Trustees of Remar Association (UK) - continued

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon.

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.

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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £146,156 and £140,665 held at 31 March 2020 and 31 March 2021. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

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 report of the trustees (Incorporating 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.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

Remar Association (UK)

Independent Auditor's Report to the Members and Trustees of Remar Association (UK) - continued

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6 the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and parent charitable 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedure in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud as detailed below:

Extent to which the audit was considered capable of detecting fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including targets for income and net profit;

Remar Association (UK)

Independent Auditor's Report to the Members and Trustees of Remar Association (UK) - continued

- Results of our enquiries of management and the trustees about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, including any related to the General Data Protection Regulations or Bribery Act 2010.
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls to mitigate risks of fraud or non-compliance with laws and regulations;
 - The matters discussed among the audit engagement team include how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud in the ability of management to manipulate revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included in Section 44(1c) of the Charities and Trustees Investment (Scotland) Act 2005 the Companies Act 2006 and the Financial Reporting Standard 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include The General Data Protection Regulations, the Bribery Act 2010 and Health and Safety policies relating to Covid-19.

Audit Response to Risks Identified

Our procedures to respond to risks identified above include the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and directors concerning actual and potential litigation and claims;
- Obtaining third party confirmation of material bank balances;
- Documenting and verifying all significant related party balances and transactions;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes to meetings of those charged with governance and reviewing relevant correspondence from regulatory bodies.

Remar Association (UK)

Independent Auditor's Report to the Members and Trustees of Remar Association (UK) - continued

- in addressing the fraud risk in revenue recognition we have tested a sample of revenue recorded in the year through agreement to the relevant documentation and bank statements. Additionally, at an analytical review level, we developed an expectation of the revenue with reference to our experience of the client and discussions on the recognition and volatility of revenue in the year; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rational of any significant transactions that are unusual or outside the normal course of business.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
David John Allen BA FCA (Senior Statutory Auditor)
for and on behalf of Mabe Allen LLP
Chartered Accountants
Statutory Auditors
50 Osmaston Road
Derby
DE1 2HU

Date: 21.12.2021.....

Mabe Allen LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Remar Association (UK)

**Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
for the Year Ended 31 March 2021**

| | Notes | Unrestricted fund £ | Restricted fund £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------------|-------|---------------------------|-------------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 483,399 | - | 483,399 | 24,860 |
| Charitable activities | 3 | 918,700 | - | 918,700 | 588,142 |
| Investments | 4 | 750 | - | 750 | 750 |
| Other | 5 | <u>2,719</u> | <u>-</u> | <u>2,719</u> | <u>2,000</u> |
| Total | | <u>1,405,568</u> | <u>-</u> | <u>1,405,568</u> | <u>615,752</u> |
| EXPENDITURE ON | | | | | |
| Raising funds | 6 | - | - | - | - |
| Charitable activities | | | | | |
| Resettlement and Care Expenditure | | 265,398 | - | 265,398 | 145,097 |
| Donations to Other Organisations | 7 | 163,139 | - | 163,139 | 30,570 |
| Primary Purpose Trading costs | | <u>708,949</u> | <u>-</u> | <u>708,949</u> | <u>531,834</u> |
| Total | 8 | <u>1,137,486</u> | <u>-</u> | <u>1,137,486</u> | <u>707,501</u> |
| NET (EXPENDITURE)/INCOME | | 268,082 | - | 268,082 | (91,749) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 467,974 | - | 467,974 | 559,723 |
| TOTAL FUNDS CARRIED FORWARD | | <u>736,056</u> | <u>-</u> | <u>736,056</u> | <u>467,974</u> |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The annexed notes form part of these financial statements

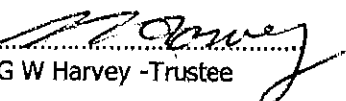
Remar Association (UK) (registered number: 02701445)

**Consolidated Balance Sheet
At 31 March 2021**

| | Notes | Unrestricted fund £ | Restricted fund £ | Total funds 2021 £ | Total funds 2020 £ |
|--|-------|------------------------|----------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | <u>875,325</u> | <u>-</u> | <u>875,325</u> | <u>882,741</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 15 | 140,665 | - | 140,665 | 146,156 |
| Debtors | 16 | 11,068 | - | 11,068 | 6,653 |
| Cash at bank and in hand | | <u>228,923</u> | <u>-</u> | <u>228,923</u> | <u>2,252</u> |
| | | 380,656 | - | 380,656 | 155,061 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 17 | (122,396) | - | (122,396) | (148,559) |
| NET CURRENT ASSETS | | | | | |
| | | <u>258,260</u> | <u>-</u> | <u>258,260</u> | <u>6,502</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | 1,133,585 | - | 1,133,585 | 889,243 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 18 | (397,529) | - | (397,529) | (421,267) |
| NET ASSETS | | | | | |
| | | <u>736,056</u> | <u>-</u> | <u>736,056</u> | <u>467,974</u> |
| FUNDS | | | | | |
| Unrestricted funds | 22 | | | 736,056 | 467,974 |
| Restricted funds | | | | - | - |
| TOTAL FUNDS | | | | | |
| | | | | <u>736,056</u> | <u>467,974</u> |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 21.12.21 and were signed on its behalf by:


G W Harvey -Trustee

The annexed notes form part of these financial statements

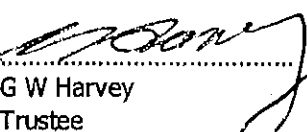
Remar Association (UK) (Registered number: 02701445)

**Company Balance Sheet
At 31 March 2021**

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|----------------|------------------|---------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 874,625 | | 881,918 |
| Investments | 14 | | <u>2</u> | | <u>2</u> |
| | | | 874,627 | | 881,920 |
| CURRENT ASSETS | | | | | |
| Stocks | 15 | 45,726 | | 47,840 | |
| Debtors | 16 | 135,731 | | 33,262 | |
| Cash at bank and in hand | | <u>149,990</u> | | <u>632</u> | |
| | | 331,447 | | 81,734 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 17 | <u>87,803</u> | | <u>89,725</u> | |
| NET CURRENT (LIABILITIES)/ASSETS | | | <u>243,644</u> | | <u>(7,991)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,118,271 | | 873,929 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 18 | | <u>(397,529)</u> | | <u>(421,267)</u> |
| NET ASSETS | | | <u>720,742</u> | | <u>452,662</u> |
| RESERVES | | | | | |
| Unrestricted Funds | | | <u>720,742</u> | | <u>452,662</u> |
| | | | <u>720,742</u> | | <u>452,662</u> |

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 21.12.21 and were signed on its behalf by:


G W Harvey
Trustee

The annexed notes form part of these financial statements

Remar Association (UK)

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2021**

| | Notes | 2021 £ | 2020 £ |
|---|-------|-------------------|-------------------|
| Cash flows from operating activities: | | | |
| Cash generated/(used by) from operations | 1 | 71,027 | (5,932) |
| Loan interest paid | | (18,772) | (23,915) |
| Interest element of hire purchase and finance lease rental payments | | <u>(3,584)</u> | <u>(4,022)</u> |
| Net cash provided by/(used) operating activities | | <u>48,671</u> | <u>(33,869)</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (66,495) | (17,873) |
| Sale of tangible fixed assets | | <u>22,556</u> | <u>425</u> |
| Net cash (used in) investing activities | | <u>(43,939)</u> | <u>(17,448)</u> |
| Cash flows from financing activities: | | | |
| Loan repayments in year | | (19,390) | (19,100) |
| Capital repayments in year | | (21,607) | (21,467) |
| Receipts from government grants | | <u>284,729</u> | <u>-</u> |
| Net cash provided by/(used in) financing activities | | <u>243,732</u> | <u>(40,567)</u> |
| Change in cash and cash equivalents in the reporting period | | 248,464 | (91,884) |
| Cash and cash equivalents at the beginning of the reporting period | 2 | (19,541) | 72,343 |
| Cash and cash equivalents at the end of the reporting period | 2 | <u>228,923</u> | <u>(19,541)</u> |

The annexed notes form part of these financial statements

Remar Association (UK)

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2021

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 £ | 2020 £ |
|---|---------------|----------------|
| Net Income/(expenditure) for the reporting period (as per the statement of financial activities) | 268,082 | (91,749) |
| Adjustments for: | | |
| Depreciation charges | 59,737 | 55,111 |
| (Profit)/Loss on disposal of fixed assets | (8,383) | 1,483 |
| Government grants | (284,729) | - |
| Loan interest paid | 18,772 | 23,915 |
| Interest element of hire purchase and finance lease rental payments | 3,584 | 4,022 |
| Decrease/(increase) in stocks | 5,491 | (6,614) |
| (Increase)/decrease in debtors | (4,415) | 6,536 |
| Decrease in creditors | 12,888 | 1,364 |
| Net cash provided/(used) by operating activities | <u>71,027</u> | <u>(5,932)</u> |

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

The amount disclosed in the Cash Flow Statement in respect of cash and cash equivalent are in respect of these Balance Sheet amounts:

| | 2021 £ | 2020 £ |
|--|----------------|-----------------|
| Cash in hand | 2,638 | 2,242 |
| Notice deposits (less than 3 months) | 226,285 | 10 |
| Overdrafts included in bank loans and overdrafts falling due within one year | - | (21,793) |
| Total cash and cash equivalents | <u>228,923</u> | <u>(19,541)</u> |

3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1.4.20 £ | Cashflow £ | At 31.3.21 £ |
|-----------------------------------|------------------|----------------|--------------------|
| Net Cash | | | |
| Cash at bank and in hand | (19,541) | 248,464 | 228,923 |
| Debt | | | |
| Finance leases | (45,820) | (4,171) | (49,991) |
| Debtors falling due within 1 year | (19,101) | (289) | (19,390) |
| Debtors falling due after 1 year | (395,320) | 19,680 | (375,640) |
| | (460,241) | 15,220 | (445,021) |
| Total | <u>(479,784)</u> | <u>263,684</u> | <u>(216,098)</u> |

The annexed notes form part of these financial statements

Remar Association (UK)

Notes to the Financial Statements for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES

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

Basis of preparing the financial statements

Remar Association (UK) is a public benefit entity as defined under Financial Reporting Standard 102. The financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) 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 (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016).

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound. The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The trustees have prepared the financial statements on the going concern basis which assumes that the group and parent charitable company will continue to trade for the foreseeable future. The validity of the assumption is based on the trustees' assessment of future cash forecasts and revenue projections and for the reasons set out below.

Coronavirus

As at the date of approving these financial statements, the impact of COVID-19 on the group and parent charitable company's trading is continually being assessed and subject to review. The vaccination programme has led to the relaxation of governmental restrictions on businesses opening and the ability of citizens to move freely which will improve the outlook for the business.

The group has also sought to develop its online offering and increase its sales via the internet which has been successful.

Essential expenditure to ensure the health and safety of customers and volunteers will continue where required to ensure a safe trading environment.

Basis of Consolidation

Consolidated Financial Statements have been prepared in respect of the Charitable Company and its wholly owned subsidiary, Remar UK Limited in accordance with section 398 of the Companies Act 2006 and the requirements of the SORP (FRS 102). The income and expenditure of Remar UK Limited have been consolidated into the Statement of Financial Activities (SOFA) on a line by line basis.

Company Status

The Charity is a private Company Limited by Guarantee, registered in England and Wales. The members of the Company are the Trustees named on page 5. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:-

Coronavirus

The impact of the coronavirus pandemic will continue to cause disruption and create uncertainty around the business, not least with regard to its available working capital and the ability of its customers to pay now and into the future.

The full impact of the coronavirus is still to be determined and the trustees continue to assess and monitor the potential risks and impacts on the group and parent charitable company's customers and major stakeholders, whilst taking appropriate mitigation measures to address challenges including logistics, availability of volunteers and supply.

Valuation of stock

The trustees review management's judgements in assessing the required level of stock and provisioning and concluded that the method of estimating the carrying value of stock remains appropriate, and that the level of provisioning is appropriate.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Remar Association (UK)

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Income - continued

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock. Upon sale, the value of the stock is charged against 'Income from primary purpose trading' and the proceeds are recognised as 'Income from primary purpose trading'. Where it is impracticable to fair value the items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from primary purposes trading'.

Income from primary purpose trading includes income earned by the trading subsidiary in undertaking trading activities which assist in the reintegration into society of the charity beneficiaries and to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and meet the objectives of the charity and is recognised when entitlement has occurred.

Income from grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is categorized under the following headings:

- Costs of raising funds includes the costs of contracting with agents to raise funds on behalf of the charity;
- Expenditure on charitable activities includes costs of resettlement and care, donations to other Remar Organizations and primary purpose trading costs.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure. The grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|--------------------------|---------------------------|
| Freehold property | - 2% on cost |
| Improvements to property | - Over period of lease |
| Fixtures and fittings | - 15% on reducing balance |
| Motor vehicles | - 25% on reducing balance |

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Remar Association (UK)

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets - continued

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the assets, and is credited or charged to profit and loss.

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Donated stocks are fair valued as described in 'Income' above.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Hire purchase and leasing commitments

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Donated goods

Donated stocks are fair valued as described under the Income Recognition Section above. The only exception to this accounting policy is where the trustees consider it impractical to fair value the gifts in kind donated for resale because of the volume of low value items received and where there is an absence of detailed stock control systems or records.

Remar Association (UK)

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES – continued

Fund accounting

General funds are unrestricted funds which can be used in accordance with the charitable objectives at the discretion of the trustees 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 can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The cost of raising and administering such funds are charged against the specific fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated at the closing rate.

Investment in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Fund - raising costs

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Remar Association (UK)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

2. DONATIONS AND LEGACIES

| | Unrestricted Funds | Total Funds 2021 |
|---|-------------------------------|-----------------------------|
| | £ | £ |
| Donations: | | |
| The Jones Charitable Trust | 3,000 | 3,000 |
| Sir John Eastwood Foundation | 2,000 | 2,000 |
| Body of Christ Church | 373 | 373 |
| Donated Food for Distribution - Fareshare | 144,280 | - |
| Covid Support Grants | 284,729 | 284,729 |
| Individuals | <u>49,017</u> | <u>49,017</u> |
| | <u>483,399</u> | <u>339,119</u> |

| | Unrestricted Funds | Total Funds 2020 |
|--------------------------|-------------------------------|-----------------------------|
| | £ | £ |
| Donations: | | |
| Open Gate Trust | 2,000 | 2,000 |
| The C L Hill Trust | 2,000 | 2,000 |
| Body of Christ Church | 1,781 | 1,781 |
| Souter Christian Trust | 1,000 | 1,000 |
| The JTH Charitable Trust | 500 | 500 |
| Marsh Christian Trust | 350 | 350 |
| Individuals | <u>17,229</u> | <u>17,229</u> |
| | <u>24,860</u> | <u>24,860</u> |

Donations and legacies were attributable to unrestricted funds.

3. CHARITABLE ACTIVITIES

| | 2021 | 2020 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Primary Purpose Trading - Shop income | <u>918,700</u> | <u>588,142</u> |

4. INCOME FROM INVESTMENTS

| | 2021 | 2020 |
|---------------|-------------|-------------|
| | £ | £ |
| Rental Income | <u>750</u> | <u>750</u> |

Income from Investments was attributable to unrestricted funds.

Remar Association (UK)

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

5. OTHER INCOME

| | 2021 £ | 2020 £ |
|-----------------|--------------|--------------|
| Wayleave Income | 2,000 | - |
| Insurance Claim | 719 | 2,000 |
| | <u>2,719</u> | <u>2,000</u> |

Other Income was attributable to unrestricted funds.

6. RAISING FUNDS

Raising donations and legacies

| | 2021 £ | 2020 £ |
|---------------|-----------|-----------|
| Support costs | - | - |

Costs of raising funds includes consultancy fees to raise funds on behalf of the charity.

7. GRANTS PAYABLE

| | 2021 £ | 2020 £ |
|----------------------------|----------------|---------------|
| Donations to organisations | <u>163,139</u> | <u>30,570</u> |

The total grants paid to Institutions during the year was as follows:

| | 2021 £ | 2020 £ |
|-------------------------------|----------------|---------------|
| Remar- India | - | 250 |
| Remar- Spain | 142,500 | 30,000 |
| Remar Recovery Home - Ireland | 18,479 | |
| Gift Africa | <u>2,160</u> | <u>320</u> |
| | <u>163,139</u> | <u>30,570</u> |

The charity has awarded grants to a number of institutions in furtherance of its charitable activities.

Contributions made to other Remar Organizations are towards the purchase and running costs of both first phase and second phase drug rehabilitation centres (see Trustees' Report).

Recipients of grants to institutions:

The recipients of grants in the current year and previous year and the use to which the grants were put are as follows:

Remar India and Gift Africa – assist with Rehabilitation Centre costs (2020: Assist with Rehabilitation Centre).

Remar Spain – For central allocation and distribution to other Remar organisations.

Remar Recovery Home Ireland – donation of vehicle purchased on behalf of organisation.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

8. TOTAL RESOURCES EXPENDED

| | Basis of Allocation | Resettlement and Care Expenditure | Donations to other Remar Organisations | Primary Trading Costs | Governance Costs | 2021 Total | 2020 Total |
|---|---------------------|---|--|-----------------------------|---------------------|------------------|----------------|
| | | £ | £ | £ | £ | £ | £ |
| Costs directly allocated to activities | | | | | | | |
| Food | Direct | 147,680 | - | - | - | 147,680 | 6,326 |
| Purchases and Carriage | Direct | - | - | 388,220 | - | 388,220 | 137,475 |
| Commission Paid to Remar Spain | Direct | - | - | 10,023 | - | 10,023 | - |
| Grant funding of Activities | | | | | | | |
| Donations | Direct | - | 163,139 | - | - | 163,139 | 30,570 |
| Support Costs Allocated to Activities | | | | | | | |
| Rent | Direct | 10,200 | - | 114,730 | - | 124,930 | 198,475 |
| Water rates | Direct | 4,161 | - | 4,205 | - | 8,366 | 11,210 |
| Insurance | Direct | - | - | 55,101 | - | 55,101 | 39,097 |
| Heat and Light | Direct | 15,163 | - | 14,013 | - | 29,176 | 28,142 |
| Rates - Non Domestic | Direct | - | - | 1,823 | - | 1,823 | 22,605 |
| Council Tax | Direct | 7,495 | - | - | - | 7,495 | 9,442 |
| Telephone | Time apportionment | 2,051 | - | 4,103 | - | 6,154 | 9,320 |
| Publicity, Printing and Stationery | Direct | - | - | 868 | - | 868 | 1,286 |
| Advertising | Direct | - | - | - | - | - | 943 |
| Motor and Travelling Expenses | Time apportionment | 14,973 | - | 45,865 | - | 60,838 | 78,245 |
| Repairs and Renewals | Direct | 12,418 | - | 18,167 | - | 30,585 | 24,096 |
| Sundries | Direct | 40 | - | 2,551 | 13 | 2,524 | 2,558 |
| Audit and Accountancy | Direct | - | - | - | 18,806 | 18,806 | 18,767 |
| Legal and Professional Fees | Direct | 240 | - | 1,990 | - | 2,230 | 798 |
| Bank Charges and Interest | Direct | - | - | 5,818 | - | 5,818 | 3,617 |
| Bank Loan Charges and Interest | Direct | 18,772 | - | - | - | 18,772 | 23,915 |
| Hire Purchase and Finance Charge | Direct | - | - | 3,584 | - | 3,584 | 4,022 |
| Depreciation | | | | | | | |
| -Land and Buildings | Direct | 21,475 | - | - | - | 21,475 | 21,475 |
| -Leasehold Improvements | Direct | 1,973 | - | - | - | 1,973 | 1,973 |
| -Fixtures and Equipment | Direct | 36 | - | 390 | - | 426 | 501 |
| -Motor Vehicles | Direct | 8,595 | - | 27,267 | - | 35,862 | 31,159 |
| (Profit)/Loss on Disposal | | 205 | - | (8,586) | - | (8,383) | 1,483 |
| | | <u>265,398</u> | <u>163,139</u> | <u>690,131</u> | <u>18,819</u> | <u>1,137,486</u> | <u>707,501</u> |

Remar Association (UK)**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021****9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

| | 2021 | 2020 |
|---|----------------|--------------|
| | £ | £ |
| Auditors' remuneration | 15,219 | 15,218 |
| The auditing of accounts of any associate of the charity | 3,600 | 3,550 |
| Depreciation - owned assets | 30,695 | 29,270 |
| Depreciation - assets on hire purchase contracts and finance leases | 29,042 | 25,841 |
| (Profit)/ loss on disposal of fixed asset | <u>(8,383)</u> | <u>1,483</u> |

10. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Mr J Munt, the charity's general manager is a member of the key management personnel. Mr Munt and his family reside in a freehold property within the Remar Community with other beneficiaries of the charity.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 or for the year ended 31 March 2020.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted fund £ | Total funds £ |
|------------------------------------|------------------------------------|----------------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 24,860 | - | 24,860 |
| Other trading activities | 588,142 | - | 588,142 |
| Investments | 750 | - | 750 |
| Other | <u>2,000</u> | <u>-</u> | <u>2,000</u> |
| Total | <u>615,752</u> | <u>-</u> | <u>615,752</u> |
| EXPENDITURE ON | | | |
| Raising Funds | - | - | - |
| Charitable activities | | | |
| Resettlement and Care Expenditure | 145,097 | - | 145,097 |
| Donations to other organisations | 30,570 | - | 30,570 |
| Primary Purpose Trading Costs | <u>531,834</u> | <u>-</u> | <u>531,834</u> |
| Total | <u>707,501</u> | <u>-</u> | <u>707,501</u> |
| NET (EXPENDITURE) / INCOME | (91,749) | - | (91,749) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | <u>559,725</u> | <u>-</u> | <u>559,725</u> |
| TOTAL FUNDS CARRIED FORWARD | <u>467,976</u> | <u>-</u> | <u>467,976</u> |

Remar Association (UK)

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. STAFF COSTS

There were no staff costs during the year (2020: NIL) and no employees with emoluments above £60,000. The charity depends on volunteers and rehabilitated beneficiaries to undertake the work of the charity.

13. TANGIBLE FIXED ASSETS

| A) GROUP | Freehold property | Improvements to property | Fixtures and fittings | Motor vehicles | Totals |
|-------------------------|------------------------------|-------------------------------------|----------------------------------|---------------------------|------------------|
| | £ | £ | £ | £ | £ |
| COST | | | | | |
| At 1 April 2020 | 1,073,758 | 31,372 | 28,309 | 201,339 | 1,334,778 |
| Additions | - | - | - | 66,495 | 66,495 |
| Disposals | - | - | - | (90,719) | (90,719) |
| At 31 March 2021 | 1,073,758 | 31,372 | 28,309 | 177,115 | 1,310,554 |
| DEPRECIATION | | | | | |
| At 1 April 2020 | 266,747 | 10,991 | 25,467 | 148,832 | 452,037 |
| Charge for year | 21,475 | 1,973 | 426 | 35,863 | 59,737 |
| Eliminated on disposal | - | - | - | (76,545) | (76,545) |
| At 31 March 2021 | 288,222 | 12,964 | 25,893 | 108,150 | 435,229 |
| NET BOOK VALUE | | | | | |
| At 31 March 2021 | 785,536 | 18,408 | 2,416 | 68,965 | 875,325 |
| At 31 March 2020 | 807,011 | 20,381 | 2,842 | 52,507 | 882,741 |
| B) THE CHARITY | Freehold property | Improvements to property | Fixtures and fittings | Motor vehicles | Totals |
| | £ | £ | £ | £ | £ |
| COST | | | | | |
| At 1 April 2020 | 1,073,758 | 31,372 | 25,080 | 201,339 | 1,331,549 |
| Additions | - | - | - | 66,495 | 66,495 |
| Disposals | - | - | - | (90,719) | (90,719) |
| At 31 March 2021 | 1,073,758 | 31,372 | 25,080 | 177,115 | 1,307,325 |
| DEPRECIATION | | | | | |
| At 1 April 2020 | 266,747 | 10,991 | 23,061 | 148,832 | 449,631 |
| Charge for year | 21,476 | 1,973 | 303 | 35,863 | 59,614 |
| Eliminated on disposal | - | - | - | (76,545) | (76,545) |
| At 31 March 2021 | 288,222 | 12,964 | 23,364 | 108,150 | 432,700 |
| NET BOOK VALUE | | | | | |
| At 31 March 2021 | 785,536 | 18,408 | 1,716 | 68,695 | 874,625 |
| At 31 March 2020 | 807,011 | 20,381 | 2,019 | 52,507 | 881,918 |

Remar Association (UK)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

13. TANGIBLE FIXED ASSETS – continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Group and Charlty Motor vehicles |
|---------------------------|---|
| | £ |
| COST | |
| At 1 April 2020 | 103,365 |
| Additions | 40,995 |
| Disposal | <u>(14,690)</u> |
| At 31 March 2021 | <u>129,670</u> |
| DEPRECIATION | |
| At 1 April 2020 | 66,811 |
| Charge for year | 29,042 |
| Eliminated on Disposal | <u>(18,547)</u> |
| At 31 March 2021 | <u>77,306</u> |
| NET BOOK VALUE | |
| At 31 March 2021 | <u>52,364</u> |
| At 31 March 2020 | <u>36,554</u> |

14. FIXED ASSET INVESTMENTS

| | Shares in group undertakings |
|-----------------------------------|---|
| | £ |
| MARKET VALUE | |
| At 1 April 2020 and 31 March 2021 | <u>2</u> |
| NET BOOK VALUE | |
| At 31 March 2021 | <u>2</u> |
| At 31 March 2020 | <u>2</u> |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Remar UK Limited(Registered Number 02861819)

Registered office: 845-847 High Road, Leytonstone, London E11 1HH

Nature of business: Shops trading in the sale of furniture

Remar Association (UK)

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

14. FIXED ASSET INVESTMENTS - continued

| Class of share: | % holding | 2021 | 2020 |
|--------------------------------|--------------|---------------|---------------|
| 2 Ordinary shares of £1 each | 100 | £ | £ |
| Aggregate capital and reserves | | 15,316 | 15,316 |
| Profit for the year | | <u>55,246</u> | <u>34,302</u> |

Relevant financial information regarding Remar UK Limited is as follows:

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Turnover | 516,546 | 233,506 |
| Cost of Sales | <u>396,129</u> | <u>125,115</u> |
| Gross Profit | 120,417 | 108,391 |
| Store Costs | <u>65,171</u> | <u>74,089</u> |
| Net Profit Before Taxation | 55,246 | 34,302 |
| Corporation Tax | - | - |
| Net Profit After Taxation | <u>55,246</u> | <u>34,302</u> |
| Gift Aid distributions to Remar Association (UK) | <u>55,246</u> | <u>34,302</u> |
| Net Inflow from Subsidiary | <u>-</u> | <u>-</u> |

15. STOCKS

| | The Group | | The Charity | |
|------------------|----------------|----------------|---------------|---------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Goods for Resale | <u>140,665</u> | <u>146,156</u> | <u>45,726</u> | <u>47,840</u> |

All stock is held for primary purpose trading.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | The Group | | The Charity | |
|------------------------|---------------|--------------|----------------|---------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Amounts Owed by | | | | |
| Group Undertakings | - | - | 124,663 | 26,622 |
| Other Debtors | 3,410 | 1,742 | 3,410 | 1,729 |
| Prepayments | 7,658 | 4,911 | 7,658 | 4,911 |
| | <u>11,068</u> | <u>6,653</u> | <u>135,731</u> | <u>33,262</u> |

Remar Association (UK)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | The Group | | The Charity | |
|---|-----------------------|-----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank Loans and Overdrafts | 19,390 | 40,894 | 19,390 | 19,101 |
| Trade Creditors | 12,891 | 28,328 | - | - |
| Taxation and Social Security | 17,016 | 8,493 | - | 5,605 |
| Obligations Relating to Finance Leases and Hire Purchase Contracts | 28,102 | 19,873 | 28,102 | 19,873 |
| Other Creditors and Accruals | <u>44,997</u> | <u>50,971</u> | <u>40,311</u> | <u>45,146</u> |
| | <u>122,396</u> | <u>148,559</u> | <u>87,803</u> | <u>89,725</u> |

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| Group and Charity | 2021 | 2020 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Amounts falling due after one year: | | |
| Bank loans (see note 19) | 375,640 | 395,320 |
| Obligations Relating to Finance Leases and Hire Purchase Contracts | <u>21,889</u> | <u>25,947</u> |
| | <u>397,529</u> | <u>421,267</u> |

19. LOANS

| Group and Charity | 2021 | 2020 |
|--|----------------------|----------------------|
| | £ | £ |
| An analysis of the maturity of loans is given below: | | |
| Amounts falling due within one year on demand: | | |
| Bank overdrafts | - | 21,793 |
| Bank loans | <u>19,390</u> | <u>19,101</u> |
| | <u>19,390</u> | <u>40,894</u> |
| Amounts falling between one and two years: | | |
| Bank loans - 1-2 years | <u>19,390</u> | <u>19,101</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | <u>58,171</u> | <u>57,302</u> |
| Amounts falling due in more than five years: | | |
| Repayable by Instalments: | | |
| Bank loans due in more than 5 years by Instalment | <u>298,079</u> | <u>318,917</u> |

Remar Association (UK)

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

20. LEASING AGREEMENTS

Group and Charity

| | Hire purchase contracts | |
|----------------------------|-------------------------|---------------|
| | 2021 | 2020 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 28,102 | 19,873 |
| Between one and five years | <u>21,889</u> | <u>25,947</u> |
| | <u>49,991</u> | <u>45,820</u> |

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2021 | 2020 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Within one year | 142,111 | 168,813 |
| Between one and five years | <u>30,924</u> | <u>81,348</u> |
| | <u>173,035</u> | <u>250,161</u> |

21. SECURED DEBTS

The following secured debts are included within creditors:

| | 2021 | 2020 |
|-----------------|----------------|----------------|
| | £ | £ |
| Bank overdrafts | - | 21,793 |
| Bank loans | <u>395,030</u> | <u>414,421</u> |
| | <u>395,030</u> | <u>436,214</u> |

Bank loans and overdrafts are secured against the freehold property of the parent charitable company.

22. MOVEMENT IN FUNDS

| | At 1.4.20 | Net movement in funds | At 31.3.21 |
|--------------------|----------------|--------------------------|----------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 467,974 | 268,082 | 736,056 |
| | <u>467,974</u> | <u>268,082</u> | <u>736,056</u> |
| TOTAL FUNDS | <u>467,974</u> | <u>268,082</u> | <u>736,056</u> |

Remar Association (UK)

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

22. MOVEMENT IN FUNDS - continued

Net movement In funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | <u>1,405,568</u> | <u>(1,137,486)</u> | <u>268,082</u> |
| TOTAL FUNDS | <u>1,405,568</u> | <u>(1,137,486)</u> | <u>268,082</u> |

| | At 1.4.19 £ | Net movement in funds £ | At 31.3.20 £ |
|---------------------------|----------------|----------------------------------|-----------------|
| Unrestricted funds | | | |
| General fund | <u>559,725</u> | <u>(91,749)</u> | <u>467,976</u> |
| TOTAL FUNDS | <u>559,725</u> | <u>(91,749)</u> | <u>467,976</u> |

| | Incoming resources £ | Resources expended £ | Movement In funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | <u>615,752</u> | <u>(707,501)</u> | <u>(91,749)</u> |
| TOTAL FUNDS | <u>615,752</u> | <u>(707,501)</u> | <u>(91,749)</u> |

23. Analysis of Group Net Assets Between Funds

Fund Balances at 31 March 2021 are
Represented by:-

| | General Funds £ | Designated Funds £ | Total £ |
|-----------------------|--------------------|--------------------------|------------------|
| Tangible Fixed Assets | 875,325 | - | 875,325 |
| Current Assets | 380,656 | - | 380,656 |
| Current Liabilities | (122,396) | - | (122,396) |
| Long Term Liabilities | <u>(397,529)</u> | <u>-</u> | <u>(307,529)</u> |
| | <u>736,056</u> | <u>-</u> | <u>736,056</u> |

24. RELATED PARTY DISCLOSURES

During the trading year the trading subsidiary paid £14,750 (2020:£15,000) for the rental of warehouse space to a company, in which one of the trustees, Mr G Harvey, is a director. The company benefited from the rental transaction, which was paid at less than the normal market rate.

Remar Association (UK)

**Notes to the Financial Statements -- continued
for the Year Ended 31 March 2021**

24. RELATED PARTY DISCLOSURES - continued

The trading subsidiary paid for purchases and commission amounting to £163,613 (2020: £nil) to another related party subject to joint control or significant influence over the company. As at 31 March 2021 there remained £12,891 (2020: £nil) due to this other entity.

During the year the charity received donations of £nil (2020: £3,500) from Mr J Munt, its general manager and a member of the key management personnel.

25. OTHER FINANCIAL COMMITMENTS

At the year end the company has financial commitments amounting to £58,000 (2020: £nil).

26. ULTIMATE CONTROLLING PARTY

The Trustees are responsible for the overall management and control of the Charity.

Remar Association (UK)

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

| | 2021 £ | 2020 £ |
|---------------------------------------|------------------|----------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 198,670 | 24,860 |
| Government grants | 284,729 | - |
| Other trading activities | | |
| Shop income | 918,700 | 588,142 |
| Investments | | |
| Rent received | 750 | 750 |
| Other income | | |
| Gain on sale of tangible fixed assets | - | - |
| Insurance claim | 719 | 2,000 |
| Wayleave income | <u>2,000</u> | <u>-</u> |
| Total incoming resources | <u>1,405,568</u> | <u>615,752</u> |
| EXPENDITURE | | |
| Raising Funds | | |
| Fundraising Costs | <u>-</u> | <u>-</u> |
| Charitable activities | | |
| Food | 147,680 | 6,326 |
| Grants to institutions | <u>163,139</u> | <u>30,570</u> |
| | <u>310,819</u> | <u>36,896</u> |
| Support costs | | |
| Management | | |
| Rates and water | 17,685 | 43,257 |
| Insurance | 55,101 | 39,097 |
| Light and heat | 29,176 | 28,142 |
| Telephone | 6,154 | 9,320 |
| Postage and stationery | 868 | 1,286 |
| Advertising | - | 943 |
| Sundries | 2,511 | 2,558 |
| Repairs and renewals | 30,585 | 24,096 |
| Rent | 124,930 | 198,475 |
| Purchases and carriage | 388,220 | 137,475 |
| Commission paid to Remar Spain | 10,023 | - |
| Motor and travelling | 60,837 | 78,245 |
| Legal fees | 2,230 | 798 |
| Depreciation - Freehold property | 21,475 | 21,475 |
| - Improvements to property | 1,973 | 1,973 |
| - Fixtures and fittings | 426 | 501 |
| - Motor vehicles | <u>35,863</u> | <u>31,159</u> |
| Carried forward | <u>788,057</u> | <u>618,800</u> |

Remar Association (UK)**Detailed Statement of Financial Activities
for the Year Ended 31 March 2021**

| | 2021 | 2020 |
|---|-----------------------------|-----------------------------|
| | £ | £ |
| Management | | |
| Brought forward | 788,057 | 618,800 |
| Loss on Disposal | (8,383) | 1,483 |
| Bank interest and charges | 5,818 | 3,617 |
| Bank loan interest | 18,772 | 23,915 |
| Hire purchase | <u>3,584</u> | <u>4,022</u> |
| | <u>807,848</u> | <u>651,837</u> |
| Governance costs | | |
| Auditors' remuneration | 12,650 | 12,600 |
| Auditors' remuneration for non audit work | 6,169 | 6,168 |
| Web Costs | - | - |
| Depreciation - Equipment | <u>-</u> | <u>-</u> |
| | <u>18,819</u> | <u>18,768</u> |
| Total resources expended | 1,137,486 | 707,501 |
| | <u> </u> | <u> </u> |
| Net income / (expenditure) | <u>268,082</u> | <u>(91,749)</u> |