

**Restore Digital Limited**

**Registered number : 04624743 (England and Wales)**

**Annual report and Unaudited Financial statements  
For the year ended 31 December 2021**

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**Restore Digital Limited**  
**(Registered number : 04624743)**

**CONTENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	9
Notes to the Financial Statements	10

**Restore Digital Limited**  
**(Registered number : 04624743)**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>Directors</b>	C E Bligh M Horrocks N J Ritchie
<b>Secretary</b>	S L Waudby
<b>Registered number</b>	04624743 (England and Wales)
<b>Registered office</b>	Edm House Village Way Bilston Wolverhampton WV14 0UJ

**Restore Digital Limited**  
**(Registered number : 04624743)**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors of Restore Digital Limited (the "Company") present their strategic report for the year ended 31 December 2021.

**INTRODUCTION**

The principal activity of the Company continued to be the provision of solutions and services in the digital transformation market including consultancy services, outsourced services and scanning services.

Restore Digital is part of the Restore plc group, a highly successful integrated business services company that is listed on the AIM.

Restore Digital is one of the UK leaders in secure outsourced document digitalisation and information processing services. Our services include:

- Large scale, business-critical document digitalisation
- Omnichannel digital mailrooms services
- Cloud-based document management systems and storage, with automated workflows
- Record preservation and digital transformation consultancy
- Professional services, supporting digital transformation and business workflow.

**REVIEW OF BUSINESS**

The business saw a strong recovery from the impact of COVID-19 restrictions on 2020 performance, with revenues back to, and above, pre-pandemic levels during the year, demonstrating the resilience of the business and the critical nature of the services we provide to our customers.

During the year, revenues increased by £4.7m (26%) to £22.3m and operating profits increased by £1.4m to £1.5m delivered through an increase in higher margin services and additional scale driving efficiencies. The net current assets of the Company increased to reflect a position of £2.7m at 31 December 2021 up from £0.8m at 31 December 2020.

During the year, Restore Digital Limited acquired Capture All Limited, a successful digitalisation company based in Falkirk Scotland, strengthening the business's position as the UK's leading digitalisation company. Looking forward, the Directors are of the opinion that the long term trends for Restore Digital Limited are very positive, as customers look to unlock the information in their physical records to support a digital transformation.

**Restore Digital Limited**  
**(Registered number : 04624743)**

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to several risks. The key business risks that could affect the Company relate to the UK economy and wider operating environment, data security and Health Safety & Environment.

Risk from the the state of the UK economy is mitigated in two ways. Firstly, by recent significant contract wins and secondly by the flexibility of cost base within the organisation.

Data security risk is mitigated by the company operating under stringent ISO and other closely managed and accredited processes. The processes underpinning compliance to certifications are internally and externally audited and compliance is a key business capability. The business maintains all appropriate accreditations in the industry and maintains adequate insurance for such risk.

Health, Safety & Environment risk is mitigated by ingrained training, accident reporting and management processes.

**KEY PERFORMANCE INDICATORS**

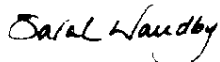
The Directors consider the following to be the key financial performance indicators:

Revenue; £22.28m (2020: £17.63m)

Gross Profit; £7.92 m (2020: £5.11m)

Operating Profit; £1.53m (2020: £0.14m)

ON BEHALF OF THE BOARD:



S L Waudby - Secretary

DATE: 27 September 2022

**Restore Digital Limited**  
**(Registered number : 04624743)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**INTRODUCTION**

The Directors present their report with the financial statements of Restore Digital Limited (the "Company") for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the Company continued to be the provision of solutions and services in the digital transformation market including consultancy services, outsourced services and scanning services.

**DIVIDENDS**

No dividends were declared for the current period or prior period.

**DIRECTORS**

The Directors shown below have held office during the period from 1 January 2021 to the date of this report.

C E Bligh  
M Horrocks  
N J Ritchie

**Restore Digital Limited**  
**(Registered number : 04624743)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Company is exempt from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2021.

The Directors have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

**ON BEHALF OF THE BOARD:**

N J Ritchie - Director

Date: 27 September 2022

**Restore Digital Limited**  
(Registered number : 04624743)

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £'000	2020 £'000
<b>Turnover</b>	4	<b>22,281</b>	17,627
Cost of Sales		<b>(14,360)</b>	(12,517)
<b>Gross Profit</b>		<b>7,921</b>	5,110
Distribution costs		<b>(203)</b>	(130)
Administrative expenses		<b>(4,709)</b>	(4,224)
Amortisation of intangible assets		<b>(1,482)</b>	(1,516)
Grant income		-	(904)
<b>Operating Profit</b>	5	<b>1,527</b>	144
Exceptional items	6	<b>(163)</b>	(393)
		<b>1,364</b>	(249)
Interest payable and similar charges	7	<b>(83)</b>	1
<b>Profit/ (Loss) before taxation</b>		<b>1,281</b>	(248)
Tax on profit/ (loss)	8	<b>(341)</b>	498
<b>Profit for the financial year</b>		<b>940</b>	250
<b>Total Comprehensive Income for the year</b>		<b>940</b>	250

The notes on pages 10 to 24 form part of these financial statements.

**Restore Digital Limited**  
(Registered number : 04624743)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021	2020
		£'000	£'000
<b>FIXED ASSETS</b>			
Intangible assets	9	4,587	5,991
Tangible assets	10	1,830	2,108
Investments	11	770	-
		<hr/>	<hr/>
<b>TOTAL NON - CURRENT ASSETS</b>		<b>7,187</b>	<b>8,099</b>
<b>CURRENT ASSETS</b>			
Debtors	12	10,816	10,912
Cash at bank and in hand		3,487	2,186
		<hr/>	<hr/>
<b>TOTAL CUURENT ASSETS</b>		<b>14,303</b>	<b>13,098</b>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(11,625)	(12,347)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>2,678</b>	<b>751</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,865</b>	<b>8,850</b>
<b>Provision for liabilities</b>			
Other provisions	14	-	(41)
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>(41)</b>
<b>NET ASSETS</b>		<b>9,865</b>	<b>8,809</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	100	100
Share premium	17	-	-
Other Reserves	17	(943)	(1,059)
Retained earnings	17	10,708	9,768
		<hr/>	<hr/>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>9,865</b>	<b>8,809</b>
		<hr/> <hr/>	<hr/> <hr/>

**Restore Digital Limited**  
**(Registered number : 04624743)**

**STATEMENT OF FINANCIAL POSITION (continued)**  
**AS AT 31 DECEMBER 2021**

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2021.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The notes on pages 10 to 24 form part of these financial statements.

The financial statements on pages 6 to 24 were approved by the Board of Directors on 27 September 2022 and were signed on its behalf by:

N J Ritchie - Director

**Restore Digital Limited**  
(Registered number : 04624743)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Other Reserves £'000	Total equity £'000
<b>Balance at 1 January 2020</b>	18,600	(1,484)	12	(1,236)	15,892
Profit for the year	-	250	-	-	250
Share based payments	-	-	-	177	177
Group Restructure	(18,500)	11,002	(12)	-	(7,510)
<b>Balance at 31 December 2020</b>	<b>100</b>	<b>9,768</b>	<b>-</b>	<b>(1,059)</b>	<b>8,809</b>
Profit for the year	-	940	-	-	940
Share based payments	-	-	-	116	116
<b>Balance at 31 December 2021</b>	<b>100</b>	<b>10,708</b>	<b>-</b>	<b>(943)</b>	<b>9,865</b>

The notes on pages 10 to 24 are an integral part of the financial statements.

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1 STATUTORY INFORMATION**

Restore Digital Limited is a private company, limited by shares, registered and incorporated in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

**2 ACCOUNTING POLICIES**

**2.1 Basis of preparing the financial statements**

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under historical cost convention, with the accounting policies as set out below being applied consistently, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Company. All amounts in the financial statement have been rounded to the nearest £1,000.

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The financial statements contain information about Restore Digital Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Restore plc.

In these financial statements, the Company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Restore plc include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share-based Payments; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 ACCOUNTING POLICIES (continued)**

**2.3 Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Valuation of work in progress**

Accrued income represents the value of work performed on contracts which has not been billed as of the balance sheet date. The valuation is based on review of the type of contract and its stage of completion in each job, together with estimates of the additional costs likely to be incurred in completing the contract and realising the consideration.

**Useful economic lives of intangible and tangible assets**

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

**2.4 Going Concern**

The Directors have adopted the going concern basis in preparing these financial statements. The Company has prepared forecasts for future years and these demonstrate that the Company has sufficient funds to operate for a period of at least 12 months from the approval of these financial statements. The Company also has the support of its ultimate parent company Restore plc.

**2.5 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 ACCOUNTING POLICIES (continued)**

**2.6 Financial liabilities and equity**

In accordance with FRS 102 section 22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**2.7 Financial instruments**

The Company has elected to apply the provisions of Sections 11 and 12 of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

*Trade debtors*

Trade debtors are recognised initially at the transaction price. An allowance for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the transaction price. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised are recognised immediately in profit or loss.

*Other debtors*

Other debtors are initially measured at transaction price and are subsequently measured at transaction price less any impairment losses.

*Investments in subsidiaries*

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 ACCOUNTING POLICIES (continued)**

**2.7 Financial instruments (continued)**

**Trade creditors**

Trade creditors are measured at transaction price.

**Other creditors and accruals**

Other creditors and accruals are measured at fair value.

**2.8 Goodwill**

Goodwill representing the excess of the consideration for an acquired undertaking, or acquired trade and assets, compared with the fair value of net assets acquired is capitalised and written off evenly over 10 years as in the opinion of the Directors this represents the period over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**2.9 Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Customer relationships	Straight line over 10 years
Computer software	Straight line over 4 years

**2.10 Tangible fixed assets**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	2-5% straight line
Plant and machinery	5-10% straight line
Fixtures and fittings	10-33% straight line
Motor vehicles	25% on cost

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 ACCOUNTING POLICIES (continued)**

**2.11 Provisions for liabilities**

Provisions for liabilities, including but not limited to, legal claims and property dilapidations are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.12 Revenue recognition**

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, returns, rebates and after eliminating intra-group sales. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. Revenue is recognised based upon the value of work completed in the period.

The total turnover of the Company for the year has been derived from its principle activity wholly undertaken in the United Kingdom.

**2.13 Government grant**

Government grants are credited to the profit and loss account, the company recognises grant revenue when it is received or receivable. The company has received amounts under the Coronavirus Job Retention Scheme provided by the government due to the Covid-19 pandemic.

**2.14 Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 ACCOUNTING POLICIES (continued)**

**2.14 Taxation (continued)**

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.15 Share-based payments**

The fair value of providing Restore plc share options to subsidiary company employees is charged to the profit and loss account and credited to Other Reserves of the employing subsidiary over the vesting period of the option.

**2.16 Pension costs and other post-retirement benefits**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

**2.17 Interest income and expense**

Interest is recognised as interest accrues using the effective interest method.

**2.18 Exceptional items**

Transactions in the year that are deemed to be exceptional by nature are disclosed separately on the face of the statement of comprehensive income as an aggregate total.

**2.19 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

**2.20 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 ACCOUNTING POLICIES (continued)**

**2.21 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

**2.22 Distributions to equity holders**

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the Statement of Changes in Equity.

**2.23 Business combinations**

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Company.

At the acquisition date, the Company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

**Restore Digital Limited**  
(Registered number : 04624743)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**3 EMPLOYEES AND DIRECTORS**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Wages and salaries	<b>11,787</b>	7,277
Social security costs	<b>1,048</b>	772
Other pension costs	<b>283</b>	205
	<b>13,118</b>	8,254

The average monthly number of employees during the year was as follows:

	<b>2021</b>	2020
	<b>No.</b>	No.
Directors	<b>1</b>	1
Administration and office	<b>72</b>	56
Management	<b>40</b>	34
Production	<b>393</b>	254
	<b>506</b>	345

**Directors' remuneration**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Directors' remuneration	<b>153</b>	141
Directors' pension contributions to money purchase schemes	<b>18</b>	10
	<b>171</b>	151

On 1st October, certain employees transferred under TUPE from EDM Group Limited, a subsidiary company, to Restore Digital Limited. The associated costs were recharged to Group Limited for the period October to December 2021.

**4 REVENUE**

The Company's turnover arises from Digitalisation of data and automated workflows.

**Revenue by geographical area:**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
United Kingdom	<b>21,619</b>	17,347
Ireland	<b>662</b>	280
	<b>22,281</b>	17,627

**Restore Digital Limited**  
(Registered number : 04624743)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**4 REVENUE (continued)**

*Revenue by activity:*

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Scanning revenue	<b>12,432</b>	9,358
Project revenue	<b>1,264</b>	1,028
Support revenue	<b>2,618</b>	2,623
Storage revenue	<b>2,682</b>	1,734
Others	<b>3,285</b>	2,884
	<b>22,281</b>	17,627
	<b>22,281</b>	17,627

**5 OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Depreciation - owned assets	<b>586</b>	614
Goodwill amortisation	<b>731</b>	1,196
Customer relationship amortisation	<b>632</b>	167
Computer software amortisation	<b>120</b>	152
Foreign exchange differences	<b>(9)</b>	6
	<b>2,078</b>	3,135
	<b>2,078</b>	3,135

**6 EXCEPTIONAL ITEMS**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Cost of reorganisation	<b>163</b>	393
	<b>163</b>	393
	<b>163</b>	393

During the year, the Company incurred exceptional costs of £163k relating to restructuring of the business following the acquisition of EDM Group Limited, a fellow group undertaking.

**7 INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Interest payable/(receivable) to group undertakings	<b>83</b>	(1)
	<b>83</b>	(1)
	<b>83</b>	(1)

**Restore Digital Limited**  
(Registered number : 04624743)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**8 TAX ON PROFIT**

**Analysis of the tax charge**

The tax charge on the profit / (loss) for the year was as follows:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
UK corporation tax	<b>448</b>	89
Deferred tax	<b>(107)</b>	(587)
<b>Tax charge / (credit) on profit / (loss)</b>	<b>341</b>	(498)

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Profit / (loss) before tax	<b>1,281</b>	(248)
Profit / (loss) before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>502</b>	(47)
Effects of :		
Expenses not deductible for tax purposes	<b>12</b>	296
Depreciation in excess of capital allowances	<b>13</b>	7
Adjustment to tax charge in respect of previous periods	<b>(19)</b>	(690)
Tax rate changes	<b>(167)</b>	(64)
<b>Total tax charge / (credit)</b>	<b>341</b>	(498)

The standard rate of tax applied to reported profit is 19% (2020: 19%). In the Finance Bill 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**9 INTANGIBLE ASSETS**

	<b>Goodwill</b>	<b>Customer relationship</b>	<b>Computer software</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>				
At 1 January 2021	13,550	1,675	837	16,062
Additions	-	-	79	79
<b>At 31 December 2021</b>	<b>13,550</b>	<b>1,675</b>	<b>916</b>	<b>16,141</b>
<b>Accumulated amortisation</b>				
At 1 January 2021	8,822	597	652	10,071
Amortisation for the year	1,196	167	120	1,483
<b>At 31 December 2021</b>	<b>10,018</b>	<b>764</b>	<b>772</b>	<b>11,554</b>
<b>Net book value</b>				
<b>At 31 December 2021</b>	<b>3,532</b>	<b>911</b>	<b>144</b>	<b>4,587</b>
At 31 December 2020	4,728	1,078	185	5,991

**Restore Digital Limited**  
(Registered number : 04624743)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**10 TANGIBLE FIXED ASSETS**

	<b>Improvements to property £'000</b>	<b>Plant and machinery £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 1 January 2021	1,184	2,150	2,471	96	5,901
Additions	33	4	281	-	318
Disposals	-	-	-	(28)	(28)
<b>At 31 December 2021</b>	<b>1,217</b>	<b>2,154</b>	<b>2,752</b>	<b>68</b>	<b>6,191</b>
<b>Accumulated depreciation</b>					
At 1 January 2021	425	1,312	1,975	81	3,793
Charge for the year	59	248	274	5	586
Disposals	-	-	-	(18)	(18)
<b>At 31 December 2021</b>	<b>484</b>	<b>1,560</b>	<b>2,249</b>	<b>68</b>	<b>4,361</b>
<b>Net book value</b>					
<b>At 31 December 2021</b>	<b>733</b>	<b>594</b>	<b>503</b>	<b>-</b>	<b>1,830</b>
At 31 December 2020	759	838	496	15	2,108

**Restore Digital Limited**  
(Registered number : 04624743)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**11 INVESTMENTS**

	<b>Shares in group undertakings £'000</b>
<b>NET BOOK VALUE</b>	
At 31 December 2020	-
Additions during the year	770
	770
<b>At 31 December 2021</b>	<b>770</b>

On 30 November 2021, Capture All Limited was acquired by Restore Digital.

Name	Registered office address	Registered number	Class of shares held	Number of shares	% ownership
Capture All Limited	Unit 2 Forbes Court, Middlefield Industrial Estate, Falkirk, Scotland FK2 9HQ	SC202088	Ordinary	10,002	100%

**12 DEBTORS**

	<b>2021 £'000</b>	2020 £'000
Trade debtors	2,549	2,069
Amounts owed by group undertakings	6,637	6,626
Other debtors	936	1,630
Deferred tax asset	694	587
	<b>10,816</b>	10,912
Deferred tax asset:		
Accelerated capital allowance	596	580
Short term timing difference	98	7
	<b>694</b>	587

Included in amounts owed by group undertakings are loans and current account balances that carry no fixed repayment terms and are repayable on demand.

**Restore Digital Limited**  
(Registered number : 04624743)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**13 CREDITORS**

**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Trade creditors	<b>2,180</b>	1,346
Amounts owed to group undertakings	<b>6,909</b>	7,585
Other taxation and social security	<b>770</b>	1,398
Other financial liabilities	-	22
Other creditors	<b>1,766</b>	1,996
	<u><b>11,625</b></u>	<u><b>12,347</b></u>

Included in amounts owed to group undertakings are loans that carry no fixed repayment terms and are repayable on demand.

**14 OTHER PROVISIONS**

	Property Dilapidations £'000
Balance at 1 January 2020	41
Provision charged to property, plant and equipment	(41)
<b>Balance at 31 December 2021</b>	<u><u>-</u></u>

**15 LEASING AGREEMENTS**

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

<b>Particulars</b>	<b>2021</b>	2020
	<b>£'000</b>	£'000
Within one year	<b>441</b>	402
Between one and five years	<b>642</b>	535
More than five years	<b>189</b>	-
<b>Total</b>	<u><b>1,272</b></u>	<u><b>937</b></u>

**Restore Digital Limited**  
**(Registered number : 04624743)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**16 CALLED UP SHARE CAPITAL**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, issued and fully paid</b>		
100,000 shares at £1 each (2020 : 100,000)	<b>100</b>	100
<b>Total</b>	<b>100</b>	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

**17 RESERVES**

Retained Earnings represents profit accrued to date. Monies paid to the company for shares above par value are held in the Share Premium Reserve. Other Reserves represents the Capital Reserve fund.

The fair value of providing Restore plc share options to subsidiary company employees is credited to Other Reserves of the employing subsidiary over the vesting period of the option.

**18 CONTINGENT LIABILITIES**

The Company has entered into a bank cross guarantee with other Restore Plc group companies. The guarantee amounts to £100.8m at 31 December 2021 (2020: £66.1m). Following a new group bank facility being put in place on 18 January 2022. This guarantee was released. The assets of the Company are pledged as security for the bank borrowings, by way of a fixed and floating charge.

**19 ULTIMATE CONTROLLING PARTY**

At 31 December 2021, the immediate parent company was Restore Group Holdings Ltd and the ultimate parent company was Restore plc. Restore plc is a company registered in England and Wales, whose shares are listed on the AIM.

Consolidated financial statements of Restore plc can be obtained by writing to the registered office situated at The Databank, Unit 5 Redhill Distribution Centre, Salbrook Road, Redhill, Surrey RH1 5DY or can be downloaded from the Restore plc website. This is the smallest and largest group for which consolidated accounts are prepared.