

# **RETAIL TRUST**

(A company limited by guarantee)

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2021**

Company Number: 04254201  
Charity Number No. (England and Wales): 1090136  
Registered Charity No. (Scotland): SC039684  
Registered Social Landlord No. L4362

# Retail Trust

## TRUSTEE REPORT AND FINANCIAL STATEMENTS

For the year ended 30 April 2021

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# Retail Trust

## TRUSTEES' REPORT

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### LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 30 April 2021

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#### INCORPORATED AND REGULATORY BODIES

Company limited by guarantee No. 4254201  
Registered Charity in England and Wales No. 1090136  
Registered Charity in Scotland No. SC039684  
RSL No. L4362

**COMPANY SECRETARY:** David Kaye

**TELEPHONE NUMBER:** 020 8201 0110

**CONFIDENTIAL HELPLINE:** 0808 801 0808

**WEBSITE:** Corporate: [www.retailtrust.org.uk](http://www.retailtrust.org.uk)

#### BOARD OF TRUSTEES:

Richard Armstrong (Appointed 08/12/2021)  
Erin Brookes (Appointed 03/02/2021)  
Philip Bell-Brown (Appointment date 19/08/2020)  
Amanda Cox  
Nigel Duxbury (Resigned 19/08/2020)  
Lesley Exley  
Helena Feltham (Resigned 08/12/2021)  
Sally Hopson (Resigned 07/04/2021)  
Simon Ledsham (Resigned 08/12/2021)  
Michael Logue  
Karen McCormick  
David McCorquodale  
Alistair McGeorge - Chairman  
Gita North  
Lindsay Page (Resigned 08/09/2020)  
Christopher Powell (Appointed 16/12/2020)  
Timothy Seal  
Brian Small – Honorary Treasurer

#### ACTUARY

Barnett Waddingham LLP  
Decimal Place  
Chiltern Avenue  
Amersham  
HP6 5FG

#### BANKERS

National Westminster Bank Plc  
317 Hale Lane  
Edgware  
Middlesex  
HA8 7AX

#### INSURANCE BROKER

Griffiths & Armour  
Drury House  
19 Water Street  
Liverpool  
L2 0RL

#### REGISTERED OFFICE

Marshall Estate  
Hammers Lane  
Mill Hill  
London  
NW7 4DQ

Employees & beneficiaries: [www.myrtwellbeing.org.uk](http://www.myrtwellbeing.org.uk)

#### EXECUTIVE TEAM

Christopher Brook-Carter	Chief Executive Officer
Neil Duffy	Commercial Services Director
Kathleen MacIntyre	Director of Supported Living Services
Olaitan Ogunmoyela	Finance Director
Amy Prendergast	Transformation and Operations Director

#### AUDITOR - External

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

#### AUDITOR - Internal

Mazars LLP  
Tower Bridge House  
St Katherine's Way  
London  
E1W 1DD

#### INVESTMENT MANAGER

Smith & Williamson Investment Services Limited  
25 Moorgate  
London  
EC2R 6AY

#### SOLICITOR

Harper Macleod LLP  
The Ca'd'oro  
45 Gordan Street  
Glasgow  
G1 3PE

### WHY WE'RE HERE

"To promote the happiness and interests of those engaged in the trade."

### OUR CAUSE

Creating hope, health and happiness for everyone in retail.

### OUR BELIEFS

Our beliefs reflect those of the original founders in 1832 and are as relevant now as they were back then. They guide the way we behave with one another, our partners and colleagues in retail.

- **Championing health in retail**  
Since 1832 we have been championing health in retail. We are always looking for new opportunities to help and provide hope to our people.
- **All in**  
One Trust. We're at our best when we are collaborating seamlessly together with our partners and customers to look after the health of our people.
- **Transforming lives for good**  
We make a difference by empowering people to lead happier lives. And we follow through on our word, always.

### OUR STRATEGIC FOCUS 2020/21

#### Fundraising

Cause-led partnership model in fundraising to create sustainable, repeatable long-term engagement.

#### Learning & Development

Strategic shift to Social Mobility, living our purpose and driving Trusts & Institutions opportunity whilst uniting the industry behind our cause.

#### Property

Investment in estates and offices to be proud of that reflect the pioneering spirit of the trust and fuel its ongoing purpose.

#### Wellbeing

Turbo charge the growth in wellbeing products and services, driving up the value to both colleague and client through utilisation and market share.

### HOW

By focussing on four key elements...

#### Wellbeing Focus

Transform wellness service into the clear market leader in retail, building engagement at all levels of retail organisations through delivery of tailored content for colleague needs.

# Retail Trust

## TRUSTEES' REPORT

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### **Organisation and Culture**

As we focus on a common cause, we will build a more collaborative and collegiate culture with clear values that will positively impact organisational structure and working environments to provide the stimulus for creativity, innovation and support and career paths.

### **Skills & Capability**

Experts in the critical disciplines that underpin our strategy with access to the tools, resources and training employees need in order to thrive.

### **Property Focus**

Build more agile approach to explore other property investments and choices, continuing to invest in our property portfolio and make it a beacon for supported living.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### CHAIRMAN'S MESSAGE

Dear Supporters, Sponsors, Patrons, Volunteers and Colleagues

At the start of May 2020, no one could have predicted that we would be only in the first of three lockdowns.

The challenges of the past year have led to profound changes in our society and asked questions of the way we work and live. For the retail sector, employing over three million colleagues, businesses have had to face accelerated structural change, whilst keeping employees and customers safe from dangers of COVID-19.

But these times have also shone a spotlight on the role business and in particular retail can play as a force for good, as grocers kept the nation fed, essential retailers ensured we had access to the goods and services we need, and organisations of all shapes and sizes reframed the responsibility industry has to improving public health.

In this new environment, with unprecedented pressure on employers to build cultures and structures that promote and support mental, physical, financial and vocational health, the Retail Trust has never been more relevant in its 190 years.

In the inaugural meeting of the Trust in January 1832, the vision of our founder Thomas Helps was to create an organisation that championed the role the sector's leaders must play in creating health and happiness for those working in the trade; to build a far-reaching coalition of businesses to maximise the impact of that vision and to empower individuals to make change for themselves and their people.

Across the year, we have continued to work hard to bring Helps' vision to life.

We have enjoyed a unique opportunity to influence the approach of the sector to the health and wellbeing of retail colleagues, growing our services and the number of organisations turning to us for help. And, by expanding our enhanced training programmes, we've helped upskill hundreds of leaders across the retail sector in mental health leadership.

As employers and employees continued to adjust to the emergent situation during the year, we relaunched the brand, highlighting the purpose of the organisation since inception to promote hope, health and happiness for all involved.

Despite the challenges COVID-19 has placed on running a programme of live events, we launched and hosted our first digital conference to highlight the role leadership plays in enhancing the wellbeing of an industry and relaunched our ambassador programme in order to build on our ever-expanding network of influence in UK retail.

We delivered £1.4m of support to our beneficiaries in the year, a 40% increase on the previous year, as the impact of COVID-19 and the results of our renewed approach to market, ensured that more individuals than ever before sought our help in their time of need.

Our supported living housing provision recorded one death related to COVID-19 and we maintained high levels of confidence in our housing provision thanks to our investment in smart technology at the end of April 2020. Income grew by 7% despite our highest void rate of 6.2% against an average of 1.75% over the prior four years.

Charitable income fell by 48% year on year with the largest decline being in gifts in kind which fell by 70% during the year. Gifts in kind aside, there was a 20% increase in income from fundraising activities where we saw the impact of better engagement with our corporate partners drum up support for our activities to promote the wellbeing of our colleagues in the sector. We remain grateful to all who have supported so generously even in these most unexpected times.

Our cash position remains robust with immediate cash of £4.4m allowing us to ringfence funds towards our asset optimisation projects. Our investments recovered to £2.1m from £1.8m following the volatile stock markets this time last year and our total reserves have grown to £34.4m, an increase as a result of the FRS102 valuation of our pension fund. The robustness of our balance sheet creates the perfect foundation for us to focus on our wellbeing strategy as we seek to ensure the Trust sits at the heart of how retail looks after its people.

# Retail Trust

## TRUSTEES' REPORT (continued)

While we will still have significant capital commitments with the refurbishment of Marshall Hall in London into 10 smart-enabled flats, we are confident that we can continue to deliver an exceptional service to the sector given that all the success of the past year was achieved alongside a passing of the baton from Richard Boland, who retired at the end of prior financial year, to new chief executive Chris Brook-Carter, who joined us from Retail Week on 1 May 2020.

This is a new era for the Trust. But we must also see it as a new era for retail. Together we have a once-in-a-generation opportunity to create the kind of industry that places the hope, health and happiness of its people at the centre of how we operate and leave a legacy for the next generation of retailers that ensures our sector and its people thrive.

With personal best wishes to ALL

A handwritten signature in black ink that reads "A K McGeorge". The signature is written in a cursive, slightly slanted style.

Alistair McGeorge  
**Chair of Trustees**

# Retail Trust

## TRUSTEES' REPORT (continued)

The Trustees present the report together with the audited financial statements of the TRUST for the year ended 30 April 2021. The Trustees are directors under company law and this report represents the directors' Annual Report and the Strategic Report.

### OBJECTIVES AND ACTIVITIES

#### 1. KEY OBJECTIVES

The Charity shall operate for the public benefit in pursuance of the following charitable objects to support individuals who are or have been in employment within the retail and associated sectors in need because of youth, age, ill-health, financial hardship or another disadvantage, in particular by:

- the provision of wellbeing services, for example counselling, cognitive behavioural therapy and critical incident support;
- the provision of advice and assistance, particularly to individuals who would otherwise be unable to obtain such advice;
- the provision of specially designed or adapted housing and items, services and facilities calculated to relieve the needs of beneficiaries;
- the provision of grants, items and services to individuals in need and/or charities, or other organisations working to prevent or relieve financial hardship or distress;
- advancing awareness and understanding, social inclusion and mobility of individuals, in the retail and associated sectors by providing financial assistance through educational grants and bursaries, advice and assistance and organising educational programmes and other activities to develop their skills, capacities and capabilities to enable them to gain employment in the retail sector;
- furthering such other purposes which may be charitable according to the law of England and Wales and the law of Scotland in connection with the retail and associated sectors in the United Kingdom as the Directors see fit from time to time by the provision of financial and other support.

#### 2. KEY ACTIVITIES

The TRUST organises its operations around four key activities:

- Supported Living, formerly under the brand of cottageHOMES for those who have retired from the sector;
- Wellbeing Services, formerly under the brand of retailHUB for those still active in the sector;
- Learning & Development, formerly under the

brand of retailRIGHT for those seeking to enter or progress within the sector;

- Fundraising, creating opportunities for those who work in the sector to engage and partner with us to accomplish our cause.

All of these operations have as their primary objectives the Wellbeing of all beneficiary groups involved.

### STRATEGIC OPERATIONS REPORT

#### 1. OVERVIEW

The TRUST is the oldest trade charity in the UK covering over 3.5 million people working in retail and supporting industries through to the end of the reporting period. Our scope is the wellbeing of everyone involved in all forms of retail and retail supporting services, from factory to warehouse, from shop floor to online supply chain and all functions supporting that journey particularly in the wake of the coronavirus pandemic.

#### Supported Living

The TRUST owns and operates supported living estates for retirees in London (Mill Hill), Derby (Leylands), Glasgow (Crookfur), Liverpool and Salford – in the past, known collectively as cottageHOMES. Now more clearly referred to as Supported Living. The provision of retirement estates has been a key part of our work since 1897. It includes both the provision of supported living and extra care services.

Following the addition of 33 new units in February 2020 to the Hugh Fraser estate in Glasgow as part of our asset optimisation plan, Phase 2 of the redevelopment completed in September 2020 and saw 13 further digitally enabled units become available.

We currently support circa 450 residents in highly regarded accommodation with superior support services.

During the past year, we introduced safety control measures across all Estates to protect residents and staff and reduce the spread of the COVID-19 virus. A redeployment programme was initiated across non-Housing colleagues with reduced workload to support the activities of the Housing Management team, developing foodbanks at each estate and supporting the distribution of these provisions to those residents most in need.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

The Trust's employees from various departments also volunteered to complete shopping trips for residents to ensure they were able to access essential supplies, including medication and supported the delivery of meals from our restaurants to our residents each lunchtime during the entire lockdown period.

Due to the measures we put in place, we have only lost one resident directly due to COVID-19 across all of our Estates.

The design and layout of our new Smart Homes at Hugh Fraser Retirement Estate in Glasgow has improved the physical wellness of residents, made particularly visible due to the pandemic. The open-plan design allows for ease of access and residents have the ability to voice-activate heating and lighting which gives them greater control over their lives.

In a survey, 100% of residents have stated that they can manage things better and have more choice over products and services to enable them to live independently. 100% of residents also stated that they have experienced fewer accidents and hospital admissions and have required less medical intervention since they moved to the Retail Trust estate.

Maximising the potential of our physical assets is key to our sustainability. We have further opportunities and will shortly commence the development of 10 new digitally-enabled units at Marshall Estate, London, partly funded by a bank loan. This is a change to our plans to commence the development of 12 new digitally-enabled units at Leyland's Estate, Derby fully funded by a Bank of Scotland loan. The latter is now scheduled to commence summer 2022.

In Supported Living we are at the forefront of developing "Smart Homes and Villages" for our residents and the provision of smart devices across our estates has proven to be an especially impactful investment as the pandemic broke out, enabling our residents to communicate via video calls with close friends and family.

The digital technology we have introduced has improved the emotional wellness of residents as they feel safe and secure within their properties.

In a survey, 85% of residents felt that the new technology helped them to have greater social interaction with 84% commenting they felt less lonely. 82% of residents stated they would not have been able to previously afford the smart home technology they now have in their homes. 100% of residents have stated their new flat is more economical to run than their previous home.

We have experienced high void rates throughout the year directly impacted by the COVID pandemic. We have sadly lost one resident directly due to COVID and have also had some residents admitted to hospital who have not returned to the Estates, or have required to transfer to nursing care homes.

Voids have been slow to fill as many older people spent much of the year shielding, and Social Work Services have not been completing assessments in the community or making referrals. Management have looked at alternative avenues to access vulnerable older people in the community and support them to move on to Estates. We are now seeing movement on voids as many older people have had vaccinations and are more comfortable to move to a new home. Many have felt isolated in the community, particularly during the pandemic.

### Wellbeing Services

During the last year, the wellbeing service returned the telephone counselling team to in-house delivery after taking the decision not to renew the contract for outsourcing this element of support. The team became fully operational in February 2021.

To ensure the wellbeing service maintains the highest levels of service, changes to operational protocols were developed to enhance internal processes to improve our approaches to risk management for clients contacting the helpline. These developments have been supported with system changes to allow for greater visibility for senior management of client risk and associated safeguarding issues, ensuring the service responds appropriately and effectively and minimises risk to the clients we support given the increased call volumes experienced throughout the pandemic.

Since transfer we have seen significant improvements in the service levels and availability of counselling resource which has seen the response for 1<sup>st</sup> time contact with counselling increase from around 35% to over 85% since the transfer of service has been completed.

Mental health and emotional support continue to be the primary reason for clients reaching out for support. We have seen increases in clients accessing support correlated with the lifting of lockdown restrictions and clients returning to the workplace. The impact of furlough and changes to workplace arrangements have also contributed significantly to contact from colleagues accessing support.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

As part of the wider approach to support financial wellbeing, during the last 12 months, a suite of new financial wellbeing content has been created and deployed on the wellbeing portal. Portal developments in the past 12 months have included the introduction of the dedicated online therapy section, this has improved visibility of the content enabling clients needing to access support to do so more easily.

To help in the development of new content and areas of support during the year, content has been developed in conjunction with a range of carefully selected partner organisations including The Domestic Abuse Alliance, Drinkaware, Stepchange and Relate.

### **Learning & Development**

During the year, the large majority of our employability and Traineeship programmes were either postponed or cancelled as a result of the pandemic. However, we still supported 31 young people with 60% of them moving into jobs across the shop floor and supply chain.

Our focus over the past year has been to continue to support those retail colleagues who unfortunately were made redundant due to the global pandemic. We received £22,000 from the SCVO fund that helped us to deliver a re-skilling workshop for 17 people being made redundant from retail in Scotland. The webinar provided an initial introduction to the new world of work including digital skills for the modern workplace, CV & interview techniques and work readiness post Covid-19.

Further, the fundraising team supported the L&D programme by successfully accessing £100k funding from Barclays, £20k of which was spent on digital poverty grants for 100 disadvantaged young people from some of the country's poorest communities to be able to access online education, training and employment opportunities they otherwise would have missed because they don't have the tools or technology to get online easily.

Fundraising has also supported the L&D team to develop the new social mobility programme, targeting young people who face significant barriers to employment. Together, they are seeking funding to kick-start a pilot project working with 100 young people initially with a view to rolling out nationally once funding is established.

In a year of continued uncertainty, during the pandemic most apprenticeship training as well as

enrolment onto apprenticeship programmes has continued uninterrupted online. 71 employees continued to study across our 'gRADuate' Retail Apprenticeship Degree programmes with over £400,000 levy monies accessed and reinvested back into the industry.

A further 10 mentees were supported through our Elevator Mentoring programme this year. In total, 60 hours' worth of mentoring and £120,000 were delivered to support aspiring talent in retail to progress with their careers. £27.5k was also invested to support 5 students on business and fashion related degree courses in the form of scholarships and £20k was awarded to 22 students facing hardship through the loss of part-time jobs and income.

Erin, a final year International Fashion Branding student, shared an insight into her experience, 'Unfortunately due to lockdown my employment was terminated, and I had to return home to my family over 100 miles away, who were not able to help me financially. I feel very fortunate to have received this funding as it has allowed me to return to Glasgow to continue my course. I cannot express how much this means to me and feel sure that without this support I wouldn't have been able to continue with my studies. Thank you Retail Trust'

While the Trust was able to continue all this great work, unfortunately, less than a year into its operation and as part of our organisational strategic review, we made the decision to cease all future End Point Assessment activity. Given the impact of the pandemic, our ROI had more than halved making it no longer a cost-effective investment for the charity as well as no longer aligning to our strategic purpose.

### **Business Transformation**

Our commitment to digital transformation has allowed the Trust to begin transforming its systems infrastructure, particularly benefitting from spending on additional CRM development to ensure that each division of the organisation is on the same Microsoft Dynamics platform and to set the foundations for integration across systems to improve efficiency and consistency of information from a single data source.

The amalgamation of the website and the wellbeing portal have also created a seamless landing page for both client and colleague customer groups to recognise, improving the way the organisation is presented to its stakeholders.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

With improving efficiency through automation of many previously manually compiled reports, we are moving quickly towards a single source of truth and the launch of cloud servers in 2021/22 will allow the integration work for efficient reporting and real time data uploads regardless of location to become a reality.

Continuing to transition away from merely reporting towards providing timely, actionable insight that provides strategic value will be critical to the achievement of our wellbeing strategy and how quickly we can really drive change and support our customers through what continues to be a period of significant change in Retail.

We are aware that many of the insights we gain come from the personal data that we steward on behalf of its owners: our helpline callers, residents, donors, and other contacts. A hallmark of responsible business practice in the digital age is managing these data resources in an ethical manner and in line with GDPR guidelines as they evolve for the UK since Brexit.

Our aim as a team continues to be supporting and guiding the transformation of all the Trust's service delivery to meet and ultimately anticipate the needs and expectations of our stakeholders and be a true Trailblazer in the Wellbeing of ALL involved in Retail.

## 2. FINANCIAL REVIEW

With the pandemic putting the UK into lockdown at the end of the prior year, we embarked on a period of aggressive cost management at the Trust to ensure that we could insulate our financial assistance programme from the potential impact of reduced income from fundraising activities and this effort proved successful in allowing us to increase our giving in 2020/21.

Total income for the period reduced by 5.3% to £8.5m from £9.0m the previous year. The Trust recorded income of £18.2k relating to the Chancellor's Job Retention Scheme for a period of 5 months for 5 employees, 3 of whom were made redundant during the course of the year due to changes in organisational structure as a result of COVID-19.

Income from Supported Living housing lettings shows growth of 7% following 33 properties becoming available at our Glasgow estate in February 2020, followed by a further 13 properties completed in September 2021. Despite the increase in income, there was £372k of missed income as a result of the

lockdowns impacting our void rates 6.2% in 2020/21 compared with 3.01% in 2019/20.

Wellbeing Services continued growth from £1.55m last year to £1.76m at the end of April 2021, a 13.5% increase, testament to the excellence delivered through our support programmes for colleagues and training programmes for managers in Retail.

With a strong desire to ensure we could continue our charitable activities, we managed our cost base down by 7.45%, allowing our Helpline, grants and other services to grow from £2.6m spent in 2019/20 to £3.4m in 2020/21. Total costs were £0.6m lower in the year. As the pandemic forced us to pivot our operations in counselling services from face-to-face to telephonic services, we were able to reach almost double the demand for counselling and the pandemic created an opportunity to look more closely at our wellbeing services and how we could develop the products to serve more people through training.

A 70% decrease in Gifts In Kind £0.2m, was recognised in the year. This is treated as income and expenditure and includes consultants donating their services in the form of significantly favourable day rates, marketing expenditure and general pro – bono work where we would have paid for the services at full cost.

The FRS102 calculation gives a more market-sensitive valuation of the pension scheme hence the prior year actuarial deficit has improved by 72% to £0.67m, contributing to a total other comprehensive income amount of £2.1m in the year.

These movements contributed to a net surplus of £0.4m and total comprehensive income of almost £2.6m. Net assets have increased in line with other comprehensive income to £34.4m. At 30 April 2021, cash at bank and in hand was £4.35m, £1.4m up on the previous year.

## 3. VALUE FOR MONEY (VFM)

Our Sector continues to experience significant challenges both structurally and economically. The impact of COVID19 has accentuated that process acutely. It is imperative therefore that we ensure VFM in the support and services we provide to the sector.

We manage our VFM controls via the Executive Directors business meetings with clear policies on tendering and astute contract negotiation.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### DELIVERY OF VFM DURING 2020/21

#### Social Impact

The TRUST plays an integral role in supporting public services. We create considerable fiscal savings and economic benefits through reducing the impact on health services, social care, and welfare benefits by delivering wellbeing support, supported living, financial inclusion and career development services.

Since The Social Value Act of 2012, the measurement of public services and public sector projects is in part driven by the social impact and social value created. We now have a responsibility to account for Social, Economic and Environmental impact of the projects and services we deliver.

This applies to physical health, mental health, employment and skills, education, social care, housing and construction projects. Commissioners are required to factor social value into the procurement and funding process. Social Value is then measured and evaluated throughout the project or service delivery. Evidence needs to be visible of Value for Money, Social Value added and Social Impact.

We are pleased to report that our Social Value Return on Investment (SROI) per £1 invested has increased from £6.81 in 2019/20 to an incredible £11.73 this year. A very encouraging 72% increase on last year's figure. The overall value for SVROI has grown in the same period from £70m to £99m. This improvement has been driven by new services delivered through our website and our provision of mental wellbeing training services for 2,300 managers and retail staff, evidence of the opportunity that exists to influence the wellbeing of our colleagues in a manner that really demonstrates value beyond a single individual.

To ensure we robustly measure those impacts we work with The Social Profit Calculator Ltd. using HM Treasury models, ONS, and Social Value UK's Global Value Exchange databases. Social Profit Calculator Ltd. is one of the only UK platforms accredited by Social Value International and Social Value UK.

We believe the measurement of the outputs provides the strongest evidence of the value for money we deliver.

#### Regulator of Social Housing Value for Money Metrics

There are seven VFM metrics which the RSH requires us to measure as we are in part a Social Housing provider.

They relate mostly to Supported Living Housing and are as follows: -

#### Metric 1 Reinvestment in Housing Property Assets

The reinvestment figure for the year was 2.40% compared to prior year 8.81%, primarily due to lockdowns affecting ability to continue with capital projects.

#### Metric 2a/2b New Housing Provision

During the year, we added 13 units to the Social Housing portfolio. A 3% increase.

#### Metric 3 Gearing %

During the year, we recorded 1.57% gearing, compared with 2019/20 at (3.64%). The figure is after drawing down £5m of bank borrowing from Bank of Scotland. The repayment of a third of the loan began in February 2021 and continues until 2029 when a bullet repayment of the balance is payable or the option to refinance the loan.

#### Metric 4 EBITDA MRI Interest Cover

The figure for 2020/21 indicates interest is covered 11.8 times by cash generated in year.

#### Metric 5 Headline Social Housing Cost £

Per unit the cost was £7.65k in 2020/21 down from £8.96k in 2019/20 largely due to the addition of 13 new units.

#### Metric 6a and 6b Operating Margin

Social housing operating margin 30.93% and overall TRUST 2.16% in 2020/21 compared to 19.1% and 2.12% in 2019/20.

#### Metric 7 Return on Capital Employed

In 2020/21 the figure is 0.43% compared to 0.46% in 2019/20.

#### Examples of VFM delivery

##### SMART HOMES

The rollout of smart devices across our estates to all residents with a live broadband connection allowed staff to continue to support those who required minimal assistance in a safe and secure way.

The investment in the smart-enabled homes in Glasgow created an excellent recipe for success

# Retail Trust

## TRUSTEES' REPORT (continued)

without needing to increase the number of personnel on site at any time.

### **WELLBEING SERVICES**

The ability to move to telephonic counselling throughout the past year has led to a 40% cost saving whilst continuing to ensure that as many people as are in need of additional support are able to access it quickly, efficiently and with continued confidence that they will continue to receive skilled support for whatever challenges they are facing.

### **POLICIES**

#### **1. RESERVES**

The Board has developed a reserves policy which is in line with the guidance given by the Charity Commission's booklet CC19 and subsequent documents. Following a review of the risk register, an appropriate level of reserves has been established so as to enable the TRUST to continue its charitable activities and related support for a period of one year if fundraising income is reduced by 50%.

Note 21 reflects the change in undesignated reserves growing to £5.78m from £2.87m in prior year, primarily as a result of an FRS102 gain on pension reserves of £1.7m in the year. Excluding fixed assets from the unrestricted reserves and ringfenced income of £2.9m for the further development of the Hugh Fraser Estate in Glasgow, planned for 2023, leaves 'free' reserves of £1.9m, in line with the Trust's reserves requirement of £1.0m at any given time.

The other reserves are restricted or designated in nature and are described in more detail in Notes 21, 22 and 23. Restricted reserves are used only for the purpose for which the donor has specified. Designated reserves are those reserves which have been set aside by the TRUST to be used for a named purpose. If that purpose subsequently is not relevant, then these reserves are transferred back to unrestricted. It is expected that restricted reserves will be spent over the next 2 years and that the designated reserves will be spent over the next 5 years.

#### **2. KEY MANAGEMENT PERSONNEL REMUNERATION**

All key management personnel receive a base salary which is based on factors such as qualification, length of service, experience and performance and their package may include superannuation and fringe benefits.

The Trustees review Executive Director packages annually through the TRUST's Remuneration Committee and by reference to its financial performance and individual Executive performance.

The remuneration policy is designed to attract the highest calibre of Executives and reward them for performance that results in the long-term growth and sustainability of the TRUST.

The TRUST's employment policy is to offer fair pay to attract and keep appropriately qualified Executives to lead, manage, support and deliver its aims.

The Trustees, through the Remuneration Committee, are ultimately responsible for setting remuneration levels for the Executive Directors. The Executive Directors, working within guidelines supported by the Trustees, are responsible for the setting of salaries for staff below Executive Director Level.

In deciding the levels of pay and rewards for the Executives, Trustees consider:

- the purposes, aims and values of the TRUST, and its beneficiaries' needs;
- the competitive nature of the work and recognition that performance related pay and incentives may be appropriate at Executive level;
- how Executive pay is linked to the skills, experiences and competencies that the TRUST needs and the scope of their roles;
- the TRUST's ability to pay without impacting charitable services.

Trustees will also consider:

- the benefit to the trust that such positions will bring;
- the cost to the trust of increasing remuneration levels;
- affordability, including in the longer term (based on a risk assessment of future income and expenditure);
- an assessment of the TRUST's and Executives performance against KPIs, budget, expectations, both short and long term;
- the wider 'employment offer' they can make to executive members, where basic pay is one part of a package that includes personal development, personal fulfilment and association with the trust's cause;
- the TRUST's track record in attracting and retaining committed and motivated Executives.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### 3. HEALTH AND SAFETY

The health and safety of residents, employees and volunteers is of paramount importance to the TRUST. There is a robust health and safety structure at each location, coordinated by a Health & Safety Committee which devises and reviews policies as necessary in line with legislation and good practice. Regular Health & Safety audits take place with an action plan devised to ensure effective resolution of any issues arising. An annual report is presented to the Board.

A full review of all these policies was initiated as part of the resilience programme against impacts of COVID19.

In response to COVID-19, we made the following decisions:

- Diverted all central support office employees to working remotely from the first lock down.
- Supported living staff were classed as 'essential workers' and risk assessments took place at all sites and social distancing guidance was in place throughout the year.
- Created RT COVID-19 guidelines that were updated as and when government guidance was changed.
- All employees kept up to date with formal quarterly updates regarding the organisation's COVID policy.
- Set up re-deployed volunteering initiatives where central support personnel clocked up 1,000 hours to support under-resourced estates to care for residents.

The Board of Trustees are confident that the Trust has adequate resilience in place to continue to weather the impact of COVID-19 and any future surges in infection rates.

### 4. INVESTMENT

The TRUST has adopted a capital and income growth policy which, over the long-term (over 5 years' time), will endeavour to maintain the value of the assets.

As permitted by the TRUST's rules, the Board instructed Smith & Williamson Investment Services Limited to operate on a discretionary basis since 2015. The investment performance is benchmarked against a composite of indexes being UK

Government bonds (Markit iBoxx GBP Gilts 7-10 Yrs) (-4.3%), Alternatives – Commodities – LBMA Gold Price, PM (-5.5%), Alternatives – Property – MSCI UK IMI\* Core Real Estate (11.4%), UK Equities – MSCI UK Investable Market Index (10.8%), Overseas Equities – MSCI All-Country World Index excluding the UK (8.8%).

The actual return in the year was 20.6% which compares with the benchmark of 22.2%. This is because we continued with the decision to adopt less risk than the composite benchmark in this particular economic climate. The TRUST meets with the investment managers regularly to review performance. The portfolio is maintained to a risk profile as agreed with the Board.

Following a perceived loss of value due to the early effects of the pandemic, the portfolio has rebounded to £1.78m by the 30<sup>th</sup> April 2021.

### 5. GRANTS, BURSARIES & SCHOLARSHIPS

The Trust awarded £860k in financial assistance grants, an increase of 115% on the previous year and a result of a successful fundraising appeal, CARE20 in the prior year to respond to the impact of the pandemic. These were awarded based on the TRUST's grants policy and guidelines which take into account the financial status and specific needs of each applicant. The Board receives regular updates on the level of financial grants awarded. The Trust awarded bursaries and scholarships of £97k in addition to this amount during the year.

### 6. PENSION

The TRUST sponsors group personal pension arrangements with Legal and General which has £907k funds under management in individual employee name policies. This arrangement commenced in 2014 and a small percentage of employees have opted out of this auto-enrolment scheme.

The TRUST previously operated a defined benefit final salary pension scheme (FS) which was closed to new entrants in 2008. From 2009 a career average scheme (CARE) for new entrants was operated. CARE was closed to new entrants in March 2013. Both schemes were closed to future accrual on 31 January 2014.

Under Financial Reporting Standard FRS102 there was a deficit at the year-end of £0.6m for the FS/CARE schemes. This compares with a deficit of £2.4m in the previous year

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### 7. FUNDING

Only 8.4% of the Trust's income in the year came from traditional fundraising activities (excluding Donations in Kind).

The bulk, 91.6% of our income comes from paid for service; residential services, corporate partnerships or wellbeing services, all of which are subject to a minimum contract duration of one year.

Sources of funding

- Residents
- Local authorities
- Grants & Institutions
- Wellbeing Services

While our funding model gives us a degree of stability of income, it also allows us to recognise the opportunity to develop better products for our clients to cope with the ever-changing face of Retail.

Within the traditional fundraising disciplines our key focus is on Events, Challenges, Trusts and Institutions and Donors both individual and corporate. However, looking forward, our strategy will be driven by our wellbeing services as traditional sources such as Events are unlikely to experience an immediate uptake in the short term.

### 8. FUNDRAISING REGULATOR

We are registered with the Fundraising Regulator, demonstrating our commitment to ethical fundraising practice. We are committed to abide by the Code of Fundraising Practice and to the Fundraising Promise and are authorised to use the Fundraising Regulator badge on our fundraising materials.

To deliver our charitable purpose, we actively engage in maintaining and growing a wide range of funding sources.

All fundraising supports the TRUST's strategy and is in keeping with its values, ethics and reputation. Fundraising activity adheres to the following standards and complies with all relevant laws, including GDPR regulations:

- the TRUST is committed to protecting data and privacy. We ensure that any information given to us is held securely and safely;
- the TRUST holds and processes personal details in accordance with Data Protection Legislation, which is the Data Protection Act 2018 and the General Data Protection Regulation (EU) 2016/679;

- the TRUST is registered with the Information Commissioner (Registration Number Z8109661);
- all communications to the public shall be truthful and open;
- all monies raised will be for the stated purpose and will comply with our stated mission and purpose;
- all personal information is confidential and is not for sale or given away or disclosed to any third party without the individuals consent;
- no person directly or indirectly employed or volunteering shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation;
- all fundraising activities must protect the reputation and integrity of the TRUST at all times;
- financial contributions will only be accepted if considered ethical;
- we are always sensitive to signs that may indicate that any individual is in vulnerable circumstances, and needs support to make an informed decision. If we reasonably believe the individual lacks capacity to make a decision then a donation will not be accepted or will be returned if already made.

There were no fundraising complaints during the year.

### 9. COMPLAINTS

When we receive a complaint, we endeavour to resolve it quickly, fairly and effectively. We continue to improve the services we provide by listening and responding to the views of our clients, partners and stakeholders and by responding positively to complaints. We aim to ensure that:

- making a complaint is as easy as possible;
- we treat a complaint as a clear expression of dissatisfaction with our service which calls for an immediate response;
- we deal with it promptly, politely and where appropriate confidentially;
- we will respond in the correct way, for example, with an explanation, apology or information on any action taken;
- we will learn from complaints and use them to improve the services that we offer.

### 10. GDPR

We have a robust internal process for review of any issues we are notified of with regard to GDPR. There is an internal manager responsible for it and the Company Secretary is the nominated person for the ICO.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

We continue to take data protection and data governance seriously and are working to ensure that digital developments take place within a framework that respects the rights of the individuals who share their data with us. To support this commitment, we made an internal appointment in March 2020 of a Data Protection Officer to help the Trust continue to work towards responsible digital transformation.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **1. INCORPORATION, LEGAL AND ORGANISATIONAL STRUCTURE**

The TRUST was incorporated on 17 July 2001 as a private company under the Companies Act and registered as a charity on 17 January 2002. Its memorandum sets out the objects and powers of the organisation and is governed in accordance with its Articles of Association. The TRUST complies with HCA Governance & Financial Viability Standard. The retirement estates are across five locations in the United Kingdom; London, Glasgow (Crookfur), Derby, Liverpool and Salford.

#### **2. GOVERNANCE**

The governing body of the TRUST is the Board of Directors, who are the TRUST's Trustees. The Board governs the organisation in line with its vision, aims and strategy. It is also responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company.

The Board comprises at least three and not more than fourteen members or such other number as the Trustees may decide. New members are selected using formal recruitment processes and elected to the Board by the existing membership.

Trustees serve for three years with a second term available also of three years in line with Charity Commission best practice. The normal tenure of a trustee is therefore six years.

There is a formal induction programme for new Trustees and all Trustees are encouraged to undergo external training for continuing development.

The Board met five times in the year to oversee and steer the work of the organisation; management of the TRUST is delegated by the Trustees to the Chief Executive and the Executive team. It delegates appropriate functions to the Board sub-committees listed below and at least two members of every committee must be a Trustee.

#### ***Sub-committees***

#### ***Chair***

Risk/Audit/Finance	Brian Small
Funding & Communications Committee (Retired June 2021)	Simon Ledsham
Remuneration & Nominations	Sally Hopson (Replaced by Mike Logue on retirement as Trustee February 2021)
Property & Cottage Homes (Renamed Supported Living & Property June 2021)	Philip Bell-Brown
Wellbeing Services Committee (Retired June 2021)	Helena Feltham

#### **3. PUBLIC BENEFIT STATEMENT**

The TRUST develops its strategic plan to provide public benefit and achieve its objectives as set out in the objects of the TRUST.

The Trustees confirm that they have referred and had due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the TRUST's aims and objectives and in planning future activities.

#### **4. INTERNAL CONTROL**

The Trustees have overall responsibility for establishing and maintaining the whole system of internal controls and for overseeing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the TRUST's assets and interests. In meeting its responsibilities, the Risk, Audit and Finance Committee (RAF) has adopted a risk-based approach to internal controls. This includes a regular review of the risks to which the TRUST is exposed, evaluating their nature and impact. Risk self-assessments are performed throughout the year and are audited on an annual basis.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

The Board appointed Mazars LLP to act as its internal auditors and a 3-year plan of audits commenced during the period. All audit reports, subsequent actions and follow ups are considered by the RAF Committee. A schedule of actions is prepared periodically and reviewed with the Finance Director and subsequently presented to the RAF committee for review.

The means by which the Board reviews the effectiveness of the systems of internal control, together with the robustness of the risk management framework, include standing orders and financial regulations which clearly set out the systems of delegation and authority which are in place. These are reviewed on a regular basis by the Board. There are also defined policies and procedures with which employees and Board members must comply to ensure the completeness and accuracy of transactions.

The RAF Committee meets up to four times per year. It considers the external auditor's management letter which outlines weaknesses in internal control. Action to rectify weaknesses identified is monitored by the committee.

### 5. RISK

Trustees consider the key risks facing the TRUST are:

#### Financial

The risk is that the income generation from services, donations and other fundraising activity is insufficient to meet the needs of the beneficiaries. We manage this risk to services and fundraising activity by monitoring and regularly evaluating existing income sources, by developing new sources of funding and encouraging strong expenditure controls. In extreme circumstances, the Trustees may need to reconsider some of the forms of support we provide.

#### Failure to support those in need

Failure to create awareness of the TRUST in potential beneficiaries who are in need. We manage this through continuous marketing, an engaged feedback and relationship management process with retailers and networking. We monitor the reach of our services by use of KPI measures and are dedicated to delivering practical support, guidance and development opportunities to those most in need.

#### Residential Estates sustainability

The risk that voids are not managed sufficiently well to continue to produce trading surpluses which can sustain not only future growth plans but ongoing maintenance and repair costs. This is a constant focus of the Housing team and the low void rates of

1.4% by end of August 2021 show the impact of COVID on this number was more significant than we could have anticipated yet didn't too heavily impact the surpluses from the division.

We mitigate future lockdowns by strictly following government guidelines and ensuring our internal controls are regularly reviewed and updated in line with the guidelines and monitoring those of the local authority care providers attending our extra care facilities.

#### Safety

The risk is an incident which would impact residents, visitors or employees. We manage this through a rigorous process of health and safety procedures and independent audits. During the pandemic we effectively locked down our estates and limited the spread of the disease by supporting our residents through the provision of a food bank on each estate to provide essentials to those most in need.

#### Data Protection

The TRUST undertook rigorous work to ensure compliance to GDPR. An independent audit at the conclusion of the work proved satisfactory.

Independent audits will be a standard feature going forward.

#### Cyber Security

The TRUST is aware of the risk of cyber-attacks and promotes investment in resources and scrutiny which manages the risk. A full cyber audit took place in the financial year with a move to cloud solution during the summer allowing significant improvement to anti-malware coverage across all network devices.

#### Disaster Recovery and COVID-19

We have created plans which would be followed in the event of a disaster. For this purpose, disasters fall into the following categories:

Financial – a loss exceeding £1m

Physical – a disaster on one of the estates such as a coronavirus outbreak

Reputational – in the national press with adverse reports for three days or more

Industry – a huge loss in the community which we serve

In each case, a pre-determined committee would meet with a set of pre-determined actions. Public relations messages would be prepared and ready to be released.

Our Business Continuity Planning and Disaster

# Retail Trust

## TRUSTEES' REPORT (*continued*)

Recovery Plans have been enhanced in direct response to COVID-19 to include a communications process for our stakeholders in the event of localised and national lockdowns.

### 6. FRAUD

The TRUST manages fraud risks through the system of internal controls and procedures. There is also an anti-fraud policy in place which sets out clear procedures for the reporting and investigation of suspected irregularities of any sort.

All cases of fraud or attempted fraud are reported to the RAF so they may consider whether appropriate action has been taken and whether internal controls require further review. All matters of financial loss are reported to the Police and all cases above the limit set by the Homes and Communities Agency are reported to them. The anti-fraud policy contains the clear message about the sanctions that will be employed for members of staff who are found to have perpetrated a fraud. A register of all incidents is open for inspection by members of the Board.

### 7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company, housing and trust 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 group and the parent and of the income and expenditure of the group and the parent 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 Housing SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent will continue in business.

The Trustees are responsible for keeping adequate accounting records to show and explain the group's and the parent's transactions and disclose with reasonable accuracy at any time the financial position of the group and the parent and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the group and the parent and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the TRUST's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### 8. STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

### 9. SUBSIDIARY UNDERTAKINGS

At 30 April 2021 the TRUST had three subsidiaries, Retail Trust Events Limited, Cottage Homes Contracts Limited and RT Wellbeing Services Limited which are incorporated as private companies under the Companies Act 2006.

Retail Trust Events Limited is a trading subsidiary and conducts celebration events and other trading activities.

Cottage Homes Contracts Limited is a subsidiary which manages building and maintenance contracts of behalf of the TRUST.

RT Wellbeing Services Limited is a subsidiary which manages income and costs of Wellbeing Services.

# Retail Trust

## TRUSTEES' REPORT (continued)

Retail Trust is the ultimate controlling party of all subsidiaries.

### 10. DIVERSITY AND EQUALITY

We have continued to build upon our actions from last year to continue to promote a healthier, happier, diverse and more inclusive workforce.

Mental health and wellbeing is such an important topic and an integral aspect in creating a more inclusive working environment. We want to ensure that our employees are happy and healthy in their personal and professional lives. Already this year we have taken positive steps in putting the wellbeing of our people at the forefront of what we do.

This year we introduced Wagestream, a financial planning tool where employees can access a percentage of their earned wages ahead of pay day. We also increased annual leave entitlement that has positively impacted 40% of our work force and confirmed remote working as a permanent option for our central support staff to further drive flexible working across the Trust.

In our efforts to drive a more diverse and inclusive workforce this year, we put our senior leadership team through 'unconscious bias' training and from this year will be joining 'Inclusive Employers' to help shape our longer term D&I strategy.

It's really important that all of our employees feel included and respected, whoever they are, their background and wherever they are working in the organisation. We celebrate our diversity on a regular basis through recognition of celebrations such as Black History Month and Diversity & Inclusion Week and consciously share the steps we are taking as individuals and an organisation to promote a culture of inclusivity.

We continue to challenge ourselves to ensure that employee wellbeing, diversity and inclusion is central to our organisations strategic planning moving forward.

### 11. AUDITORS

Haysmacintyre LLP have been appointed as the auditor at the Annual General Meeting.

This Trustees Report, including the Strategic report was approved by the Board on 27 January 2022.

*Alistair McGeorge*

Alistair McGeorge Chairman

*Brian Small*

Brian Small Honorary Treasurer

# Retail Trust

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RETAIL TRUST

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### Opinion

We have audited the financial statements of Retail Trust for the year ended 30 April 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statements of Changes in Equity, the Consolidated Statement of Cash Flows 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 Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 April 2021 and of the group's and parent charitable company's net movement in funds, including the 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 Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees' 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 significant doubt on the group'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 trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

# Retail Trust

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RETAIL TRUST (CONTINUED)

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### 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 Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17, 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 the 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 and 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

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 procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the regulation of registered charities and registered providers of social housing, as well as the health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined the principal risks to be around the

# Retail Trust

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RETAIL TRUST (CONTINUED)

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potential use of fraudulent journals and management manipulation of accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with large round sum amounts and those which contained large complex looking entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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 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 and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
27 January 2022

10 Queen Street Place  
London  
EC4R 1AG

**RETAIL TRUST****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 April 2021

	NOTES	2021 £	2020 £
<b>INCOME AND ENDOWMENTS from:</b>			
Charitable income	1	942,123	1,812,942
Cottage Homes	2	5,619,271	5,243,302
Trading income	3	1,769,393	1,930,135
Other income	4	176,218	118
		<hr/>	<hr/>
<b>TOTAL INCOME</b>		<b>8,507,005</b>	<b>8,986,497</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>EXPENDITURE on:</b>			
Raising funds	5	(798,103)	(1,868,286)
Cottage Homes	2	(3,808,568)	(4,273,783)
Helpline, grants and other services	6	(3,386,486)	(2,619,835)
		<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>		<b>(7,993,157)</b>	<b>(8,761,904)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>OPERATING SURPLUS</b>	7	<b>513,848</b>	<b>224,593</b>
Investment income	8	62,065	67,407
Pension costs	20	(126,000)	(93,000)
		<hr/>	<hr/>
<b>NET SURPLUS</b>		<b>449,913</b>	<b>199,000</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>OTHER COMPREHENSIVE INCOME</b>			
Gains on investments	15	285,588	(87,704)
Actuarial surplus /(deficit) in pension scheme	20	1,825,000	(1,075,000)
		<hr/>	<hr/>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>2,110,588</b>	<b>(1,162,704)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,560,501</b>	<b>(963,704)</b>
		<hr/> <hr/>	<hr/> <hr/>

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above. The notes on the accompanying pages form part of these financial statements.

The notes set out on pages 32 to 49 form an integral part of these financial statements

## RETAIL TRUST

### CONSOLIDATED BALANCE SHEET

as at 30 April 2021

Company Registration No. 04254201

	NOTES	2021 £	2020 £
<b>FIXED ASSETS</b>			
Housing properties	13	35,051,029	34,697,188
Other tangible fixed assets	14	1,732,392	1,732,571
Investments at market value	15	2,107,190	1,801,675
<b>TOTAL FIXED ASSETS</b>		<b>38,890,611</b>	<b>38,231,434</b>
<b>CURRENT ASSETS</b>			
Debtors	17	926,196	1,326,555
Cash and cash equivalents	18	4,350,844	2,922,090
<b>TOTAL CURRENT ASSETS</b>		<b>5,277,040</b>	<b>4,248,645</b>
CREDITORS: amounts falling due within one year	19	(1,886,282)	(1,642,157)
<b>NET CURRENT ASSETS</b>		<b>3,390,758</b>	<b>2,606,488</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>42,281,369</b>	<b>40,837,922</b>
CREDITORS: amounts falling due after more than one year	19	(7,128,420)	(6,546,474)
Pension liability	20	(674,000)	(2,373,000)
<b>NET ASSETS</b>		<b>34,478,949</b>	<b>31,918,448</b>
<b>RESERVES</b>			
Unrestricted reserves	21	34,059,799	31,552,389
Restricted reserves	22	34,247	34,247
Endowment funds	23	384,903	331,812
<b>TOTAL RESERVES</b>		<b>34,478,949</b>	<b>31,918,448</b>

The financial statements on pages 32 to 49 were approved by the Trustees and authorised for issue on 27 January 2022 and are signed on their behalf by:

*Alistair McGeorge*

Alistair McGeorge

Chairman

*Brian Small*

Brian Small

Honorary Treasurer

RETAIL TRUST

CHARITY BALANCE SHEET

as at 30 April 2021

Company Registration No. 04254201

	NOTES	2021 £	2020 £
<b>FIXED ASSETS</b>			
Housing properties	13	35,051,029	34,697,188
Other tangible fixed assets	14	1,620,604	1,654,654
Investments at market value	15	2,107,190	1,801,675
Investment in subsidiaries	16	156	156
<b>TOTAL FIXED ASSETS</b>		<b>38,778,979</b>	<b>38,153,673</b>
<b>CURRENT ASSETS</b>			
Debtors	17	2,359,395	907,122
Cash and cash equivalents	18	2,153,992	2,339,757
<b>TOTAL CURRENT ASSETS</b>		<b>4,513,387</b>	<b>3,246,879</b>
CREDITORS: amounts falling due within one year	19	(1,113,515)	(760,694)
<b>NET CURRENT ASSETS</b>		<b>3,399,872</b>	<b>2,486,185</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>42,178,851</b>	<b>40,639,858</b>
CREDITORS: amounts falling due after more than one year	19	(7,128,420)	(6,546,474)
Pension liability	20	(674,000)	(2,373,000)
<b>NET ASSETS</b>		<b>34,376,431</b>	<b>31,720,384</b>
<b>RESERVES</b>			
Unrestricted reserves	21	33,957,281	31,354,325
Restricted reserves	22	34,247	34,247
Endowment funds	23	384,903	331,812
<b>TOTAL RESERVES</b>		<b>34,376,431</b>	<b>31,720,384</b>

The total comprehensive income for the year of the Parent Company is £2,656,047 (2020: (£1,052,722)).

The financial statements on pages 32 to 49 were approved by the Trustees and authorised for issue on 27 January 2022 and are signed on their behalf by:

*A K McGeorge*

Alistair McGeorge

Chairman

*Brian Small*

Brian Small

Honorary Treasurer

**RETAIL TRUST**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended 30 April 2021

<b>GROUP</b>	<b>Unrestricted Reserves £</b>	<b>Restricted Reserves £</b>	<b>Endowment Funds £</b>	<b>Total £</b>
As at 1 May 2019	31,719,517	814,247	348,388	32,882,152
Surplus for the year	199,000	-	-	199,000
Transfers in the year	780,000	(780,000)	-	-
Other comprehensive income	(1,146,128)	-	(16,576)	(1,162,704)
<b>Total comprehensive income for the year</b>	<b>(167,128)</b>	<b>(780,000)</b>	<b>(16,576)</b>	<b>(963,704)</b>
As at 30 April 2020	31,552,389	34,247	331,812	31,918,448
As at 1 May 2020	31,552,389	34,247	331,812	31,918,448
Surplus for the year	449,913	-	-	449,913
Other comprehensive income	2,057,497	-	53,091	2,110,588
<b>Total comprehensive income for the year</b>	<b>2,507,410</b>	<b>-</b>	<b>53,091</b>	<b>2,560,501</b>
<b>As at 30 April 2021</b>	<b>34,059,799</b>	<b>34,247</b>	<b>384,903</b>	<b>34,478,949</b>
<b>PARENT</b>	<b>Unrestricted Reserves £</b>	<b>Restricted Reserves £</b>	<b>Endowment Funds £</b>	<b>Total £</b>
As at 1 May 2019	31,610,471	814,247	348,388	32,773,106
Surplus for the year	109,982	-	-	109,982
Transfers in the year	780,000	(780,000)	-	-
Other comprehensive income	(1,146,128)	-	(16,576)	(1,162,704)
<b>Total comprehensive income for the year</b>	<b>(256,146)</b>	<b>(780,000)</b>	<b>(16,576)</b>	<b>(1,052,722)</b>
As at 30 April 2020	31,354,325	34,247	331,812	31,720,384
As at 1 May 2020	31,354,325	34,247	331,812	31,720,384
Surplus for the year	545,459	-	-	545,459
Other comprehensive income	2,057,497	-	53,091	2,110,588
<b>Total comprehensive income for the year</b>	<b>2,602,956</b>	<b>-</b>	<b>53,091</b>	<b>2,656,047</b>
<b>As at 30 April 2021</b>	<b>33,957,281</b>	<b>34,247</b>	<b>384,903</b>	<b>34,376,431</b>

## RETAIL TRUST

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2021

	NOTES	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net surplus		449,913	199,000
<b>Adjustments for:</b>			
Depreciation		705,661	605,266
Pension Costs		126,000	93,000
Amortisation of social housing grant		(25,600)	(25,600)
Decrease/(increase) in debtors		400,361	(318,366)
Increase/(decrease) in creditors		109,173	(323,979)
<b>NET CASH INFLOWS FROM OPERATING ACTIVITIES</b>		<b>1,765,508</b>	<b>229,321</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(1,059,324)	(3,159,888)
Additions to investments		(348,615)	(547,321)
Proceeds from sale of investments		353,858	413,812
Gain on investment		1,900	-
<b>NET CASH INFLOWS/(OUTFLOWS) FROM INVESTING ACTIVITIES</b>		<b>(1,052,181)</b>	<b>(3,293,397)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Draw down of new long term borrowing		775,000	3,065,000
Repayment of long term borrowing		(32,502)	-
<b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>		<b>742,498</b>	<b>3,065,000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,455,825</b>	<b>924</b>
Cash and cash equivalents at the beginning of the year		2,962,722	2,961,798
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>4,418,547</b>	<b>2,962,722</b>
<b>Cash and cash equivalents</b>			
Cash and cash equivalents	18	4,350,844	2,922,090
Cash held by investment managers	15	67,703	40,632
		<b>4,418,547</b>	<b>2,962,722</b>
	Balance at 1 May 2021	Cash Flows	Balance at 30 April 2021
Bank and cash	2,962,722	1,455,825	4,418,547
Loans due within one year	32,502	134,952	167,454
Loans due after more than one year	4,192,498	607,546	4,800,044
<b>Net Debt</b>	<b>7,187,722</b>	<b>2,198,323</b>	<b>9,386,045</b>

## RETAIL TRUST

### ACCOUNTING POLICIES

for the year ended 30 April 2021

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## GENERAL DETAILS

The TRUST is a company limited by guarantee, incorporated in England and Wales (company number: 04254201), a charity registered in England and Wales (charity number: 1090136) and in Scotland (Scottish charity number: SC 039684) and Registered Social Landlord (number: L4362). The TRUST's registered office address is: Marshall Hall, Marshall Estate, Hammers Lane, London NW7 4DQ.

## ACCOUNTING BASIS

The format of the financial statements has been presented to company with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland*, the Statement of Recommended Practice for social housing providers (Housing SORP 2018) and the Accounting Direction of Private Registered Providers of Social Housing 2019. The TRUST is a Public Benefit Entity as defined by FRS102.

## BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the TRUST and its subsidiary undertakings, Retail Trust Events Limited, Cottage Homes Contracts Limited and RT Wellbeing Services Limited drawn up to 30 April 2021 on a line by line basis.

## GOING CONCERN

The financial statements have been prepared on the going concern basis as the trustees consider there are no material uncertainties about the ability of the group or the company to continue on a going concern basis. It expects that COVID-19 might have some impact in the short term on the volume of Financial Aid applications as we realise the impact of the pandemic on the Retail workforce and the effect of government support tapering off as the rollout of vaccines have allowed a return to near-normal activities.

The Trust completed a critical review of costs and organisational structure to ensure that value for money remains a priority when engaging suppliers and to actively reduce waste and enhance our digital transformation plans to reduce the need to increase personnel costs by employing "smart" solutions in our Housing services.

In relation to expected future performance, or the effects on some future asset valuations, there has been a distinct shift in colleague expectations of their employers to take an interest in their wellbeing. This is most obvious in Retail where we have seen a large-scale exit of people from the sector due to the negative impact the pandemic has had on their wellbeing at work. This has created a greater opportunity for the Trust to increase reach and impact through our Wellbeing Portal and through increased engagement with colleagues of those that subscribe to our Wellbeing services.

There is therefore no material uncertainty that may cast significant doubt on the Trust's ability to continue as a Going Concern. The trustees have prepared budgets and cash flow forecasts to support their consideration of this matter and these are reviewed regularly at the Board meetings and sub-committee meetings and the trustees are confident of the TRUST's ability to continue to support its beneficiaries and meet its obligations based on its cash position and ability to pivot quickly in response to changing economic factors.

## INCOME

All income is included in the consolidated income and expenditure account when the group is legally entitled to the income receipt, is probable and the amount can be quantified with reasonable accuracy. Such amounts are stated net of VAT.

Income comprises rent and service charge contributions from tenants, Supporting People contractual income, income from fundraising events, voluntary income and pecuniary legacies.

Income is recognised on the following bases:

## RETAIL TRUST

### ACCOUNTING POLICIES (continued)

for the year ended 30 April 2021

- rental and service charge income is recognised on a time apportioned basis and is stated net of losses from void properties;
- income from the provision of supporting people contractual services is recognised as the services are provided;
- fundraising event income is recognised when invoiced or received, whichever is earlier;
- voluntary income is recognised where there is entitlement, probability of receipt and the amounts can be measured with sufficient reliability;
- income tax refunds on donations are recognised on an accruals basis for all payment covered under a deed of covenant or gift aid certificate;
- other gifts in kind to assist with fundraising events are recognised at a reasonable estimate of their value to the TRUST and recognised in the financial statements as income to and resources expended against the respective activities;
- investment interest income and dividend income are recognised when receivable.

## EXPENDITURE

All expenditure is recognised when the related liability is incurred, and is classified in the Statement of Comprehensive Income according to the activity to which it relates.

Expenditure is recognised on the following bases:

- fundraising costs include the direct costs of events held and related staff and depreciation costs;
- fundraising costs are accrued to match the related income;
- charitable activities costs are the direct costs of financial assistance grants, costs of the employee assistance programme and related staff and depreciation costs;
- supported living and care home costs are the direct costs of management services, maintenance costs, repairs related, staff and depreciation costs;
- service costs are the direct costs for the management and strategic planning processes of the trust and related staff and depreciation costs;
- where direct costs relate to a number of different activities they are apportioned to the different activities on a fair basis;
- overhead and support costs which include the support functions of information technology, finance, governance and human resources are allocated to activities on a consistent and reasonable basis during the financial year. The allocation is based on the number of personal computer units used, transactional activity or a number of staff employed during the period;
- irrecoverable vat is charged to the income and expenditure account and is allocated to the different activities on the same basis as the corresponding costs are allocated.

## ANALYSIS OF TRANSACTIONS BETWEEN REGULATED AND NON-REGULATED ACTIVITIES

Transactions between regulated and non-regulated activities have been presented with a fair allocation of overheads. Direct costs are allocated between regulated and non-regulated activities based on time and usage of the underlying activity and reviewed each year during the annual planning cycle. Support costs which include the central functions have been allocated as described in the above paragraph.

## FIXED ASSETS – FREEHOLD HOUSING PROPERTIES

Freehold housing properties are stated at cost.

### Cost of housing properties

Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements. Items costing less than £500 are not capitalised unless part of larger projects.

Improvements are works which result in an enhancement of economic benefits such as increase in the net rental income, a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business.

## RETAIL TRUST

### ACCOUNTING POLICIES (continued)

for the year ended 30 April 2021

#### FIXED ASSETS – FREEHOLD HOUSING PROPERTIES (continued)

##### Depreciation of housing properties and component accounting

Freehold land and assets under construction are not depreciated. The Group operates full component accounting.

Depreciation is provided at rates calculated to write off the cost, less any estimated residual value, of each component evenly over its expected useful life, as follows:

Wall structure	125 years
Roof structure	75 years
Doors and windows	75 years
Boilers, electrics and plumbing	30 years
Kitchen and bathrooms	15 years
Lifts and stairs 30 years	30 years
External infrastructure and utilities	50 years
Fittings > £500	20 years
Digital	5 years

The estimated useful economic life for each component has been arrived at based on the Group's current experience of component replacements. The useful economic lives of all components are monitored and revisions made where sustained material changes arise.

##### OTHER TANGIBLE FIXED ASSETS

All other tangible fixed assets are stated at cost less accumulated depreciation. Items costing less than £500 are not capitalised. The carrying values of other tangible fixed assets are reviewed for impairment if events or change in circumstances indicate the carrying value may not be recoverable.

Depreciation is provided at rates calculated to write off the cost, less any estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	5 years
Office equipment	5 years
Plant and machinery	10 years
Motor vehicles	5 years
Computer equipment and software	4 years
Office buildings	75 years

Land is not depreciated.

##### Impairment of assets

Housing properties and office buildings are subject to impairment reviews annually in accordance with FRS102. Where there is evidence of impairment, housing properties are written down to the recoverable amount. Any such write down is charged to the operating result.

## RETAIL TRUST

### ACCOUNTING POLICIES (continued)

for the year ended 30 April 2021

#### INVESTMENTS

Investments are valued at market price, as represented by the bid price on the relevant stock exchange at the year-end.

Realised gains and losses on investments are calculated as the difference between sales proceeds and the carrying amount.

Unrealised gains and losses are taken to the Statement of Comprehensive Income.

The TRUST owns deferred shares in Voyager Alliance Credit Union Limited. These shares are held at the value of consideration.

#### BASIC FINANCIAL INSTRUMENTS – ASSETS AND LIABILITIES

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

##### *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

##### *Debtors and creditors*

Debtors and creditors are recorded at the transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income. A provision for rent arrears and doubtful debts is made in the financial statements if rent arrears or debtors remain unpaid after six months, or as soon as there is reason to believe there is non-payment of the outstanding amount.

#### LIABILITIES

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the TRUST to the expenditure.

##### *Financial assistance grants*

Financial assistance grants are payment made to third parties in the furtherance of the charitable objectives of the TRUST. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and recipient has a reasonable expectation that they will receive the grant, or any condition attaching to the grant is outside the control of the TRUST.

##### *Grant commitments*

Grant commitments are recognised in the accounting period when the relevant conditions underlying the grant have been met by the recipient or receiving entity of the grant. Grants authorised but unpaid at the balance sheet date are recognised as expenditure in the Consolidated Statement of Comprehensive Income where the conditions underlying the grants have been met.

##### *Social Housing Grant*

Social housing grant (SHG) is receivable from the Homes and Communities Agency and is utilised to fund the capital costs of housing properties, including land costs. The balance of the grant received is recognised as a liability on the balance sheet and amortised on the same basis as the wall structures of the housing assets.

The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from the Homes and Communities Agency or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is recognised in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the Homes and Communities Agency. SHG released on sale of a property is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Balance Sheet in creditors. The SHG is repayable if properties funded by it are sold to any institution other than a housing association.

## RETAIL TRUST

### ACCOUNTING POLICIES (continued)

for the year ended 30 April 2021

#### INTEREST PAYABLE

Interest is capitalised on borrowings to finance developments/redevelopments to the extent that it accrues in respect of the period of developments if it represents either:

- interest on borrowings specifically financing the development programme after deduction of interest on social housing grant (SHG) in advance; or
- interest on borrowings of the group as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Interest is capitalised from the date of the site acquisition/commencement of redevelopment to the date of practical completion. Other interest payable is charged in the Consolidated Statement of Comprehensive Income.

#### PENSION SCHEME

The TRUST operates a funded defined benefits related pension scheme. The assets of the scheme are held separately from those of the TRUST. Pension scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of the equivalent term and currency to the liability.

Pension scheme assets are measured at fair market value at the balance sheet date. The pension scheme deficit is recognised in full on the Balance Sheet. Increases in the present value of the scheme liabilities expected to arise from employee service in the period are charged to operating surplus. The net interest income or expenditure calculated on the scheme assets and liabilities by reference to the discounted rate is credited or charged to the surplus for the year. Actuarial gains and losses are recognised in other comprehensive income.

The TRUST also operates a defined contribution scheme. The amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits for the defined benefit scheme is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

#### ENDOWMENT FUNDS

Endowment funds represent donations and legacies received where donors require that the capital must be preserved and the income must be spent on a particular purpose. Trustees may apply the income from endowment funds in line with such restricted purposes but the capital is permanent and must be held indefinitely.

#### RESTRICTED RESERVES

Restricted reserves represent donations and legacies received where donors require that they must be spent on a particular purpose or where funds have been raised for a specific purpose.

#### DESIGNATED RESERVES

Any sums which the Board members have designated for specific purposes in the future are treated as designated reserves. Transfers are made from the undesignated reserves account to the designated reserves account.

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

	2021 £	2020 £
<b>NOTE 1 - CHARITABLE INCOME</b>		
<b>GROUP</b>		
<b>Restricted</b>		
Income from fundraising activities	237,808	515,368
<b>Unrestricted</b>		
Gross income from events	79,985	324,118
Income from fundraising activities	400,359	228,796
Gifts in kind	223,971	744,660
<b>TOTAL CHARITABLE INCOME</b>	<b>942,123</b>	<b>1,812,942</b>

**NOTE 2 - COTTAGE HOMES - GROUP**

a) Turnover, operating costs and operating surplus

	TURNOVER		OPERATING COSTS		OPERATING SURPLUS	
	2021 £	2020 £	2021 £	2020 £	2021 £	2020 £
Social housing lettings (2b)	5,443,204	5,074,558	3,711,058	4,154,928	1,732,146	919,630
Other social housing activities:						
- Supporting people	97,510	96,148	97,510	96,148	-	-
Non-social housing activities:						
- Letting	25,477	24,876	-	-	25,477	24,876
- Other	27,480	22,121	-	22,707	27,480	(586)
- Amortisation of SHG	25,600	25,600	-	-	25,600	25,600
	<b>5,619,271</b>	<b>5,243,303</b>	<b>3,808,568</b>	<b>4,273,783</b>	<b>1,810,703</b>	<b>969,519</b>

The accommodation provided is as follows:

	2021	2020
Total number of units:		
Owned	422	409
Under management	1	1
	<b>423</b>	<b>410</b>

**NOTE 2 - COTTAGE HOMES - GROUP**

**b) Income and Expenditure from social housing lettings**

	SUPPORTED HOUSING	
	2021	2020
	£	£
<b>NET RENTAL INCOME</b>	<b>5,443,204</b>	<b>5,074,558</b>
Management	764,090	822,694
Services	1,974,381	2,519,501
Routine maintenance	135,610	108,865
Planned maintenance	198,369	112,240
Depreciation	524,129	430,783
Other costs	114,480	160,844
<b>TOTAL EXPENSES</b>	<b>3,711,058</b>	<b>4,154,928</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>1,732,146</b>	<b>919,630</b>
	<b>2021</b>	<b>2020</b>
	£	£
Analysis of social housing lettings:		
Rent receivable	2,080,597	2,006,872
Service Charges	3,362,607	3,067,686
<b>Social housing lettings</b>	<b>5,443,204</b>	<b>5,074,558</b>

Rental income is stated net of voids as follows:

	2021	2020
	£	£
Voids	372,355	161,907

The total losses for the year ended 30 April 2021 arising from the irrecoverable debts were 25,576.62. (2019: £253).

**RETAIL TRUST**

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

**NOTE 3 - TRADING INCOME**

<b>GROUP</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted</b>		
Income from events	8,550	378,685
Income from Wellbeing Services	1,760,843	1,551,450
	<hr/>	<hr/>
<b>TOTAL TRADING INCOME</b>	<b>1,769,393</b>	<b>1,930,135</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 4 - OTHER INCOME**

<b>GROUP</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Sundry Income	176,218	118
	<hr/>	<hr/>
<b>TOTAL OTHER INCOME</b>	<b>176,218</b>	<b>118</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 5 - EXPENDITURE ON RAISING FUNDS**

<b>GROUP</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Direct costs of events	22,566	409,415
Employee costs	225,373	198,826
Gifts in kind	223,971	744,661
Support and other costs	326,193	515,384
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE ON RAISING FUNDS</b>	<b>798,103</b>	<b>1,868,286</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 6 – WELLBEING SERVICES**

	2021	2020
GROUP	£	£
Counselling services	384,153	605,856
Financial assistance, bursaries and scholarships	959,083	435,769
Charitable services	273,669	403,202
Employee costs	795,355	652,599
Support costs	974,226	522,409
	<hr/>	<hr/>
<b>TOTAL WELLBEING SERVICES</b>	<b>3,386,486</b>	<b>2,619,835</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 7 - OPERATING SURPLUS**

	2021	2020
GROUP	£	£
<b>Operating surplus is stated after charging:</b>		
Auditor's remuneration – audit services	31,510	24,665
Auditor's remuneration – non-audit services	3,100	4,865
Trustees' expenses	468	8,550
Depreciation of owned assets	680,061	579,665
Amortisation of housing grant	(25,600)	(25,600)
Redundancy costs	13,234	32,043
	<hr/>	<hr/>

**RETAIL TRUST****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2021

**NOTE 8 - INTEREST INCOME**

	2021	2020
	£	£
<b>GROUP</b>		
Interest on bank accounts	9,912	19,496
Interest on loan	2,500	2,500
Interest and dividends on investments	49,653	45,411
	<hr/>	<hr/>
<b>TOTAL INTEREST INCOME</b>	<b>62,065</b>	<b>67,407</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 9 - EMPLOYEES AND EMPLOYEE COSTS**

	2021	2020
	No.	No.
<b>GROUP</b>		
<b>Average number of employees:</b>		
Supported Living	33	38
Charitable services	19	17
Central support and fundraising	25	26
	<hr/>	<hr/>
<b>TOTAL EMPLOYEES</b>	<b>77</b>	<b>81</b>
	<hr/> <hr/>	<hr/> <hr/>

The total number of staff included part time employees. The full time equivalent average number of employees was 65 (2020: 66).

	2021	2020
	£	£
<b>Employee costs during the year:</b>		
Wages and salaries	2,481,033	2,394,414
National Insurance contributions	226,626	220,202
Pension costs	160,420	138,385
	<hr/>	<hr/>
<b>TOTAL EMPLOYEE COSTS</b>	<b>2,868,079</b>	<b>2,753,001</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 10 - KEY MANAGEMENT PERSONNEL AND THEIR EMOLUMENTS**

**GROUP**

The key management personnel are defined as the members of the Board, the Chief Executive and the Executive team. The aggregate amount of emoluments paid to the Executive team was £656,769 (2020: £558,164). This figure includes aggregate pension contributions of £43,791 (2020: £23,037). Members of the Board received no emoluments during the year (2020: £nil).

During the year the Chief Executive received £225,596 (2020: £133,000) including benefits and pension contributions of £16,736 (2020: £nil).

Remuneration banding, excluding pension and employer NI contributions, for all employees earning above £60,000:

	2021 No.	2020 No.
£60,001 to £70,000	2	1
£70,001 to £80,000	2	2
£80,001 to £90,000	1	-
£110,001 to £120,000	-	-
£130,001 to £140,000	-	1
£180,000 to £190,000	1	-
	<hr/>	<hr/>
	<b>6</b>	<b>4</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 11 - TAXATION**

**GROUP**

The company meets the definition of a charitable company for UK corporation tax purposes. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary companies are subject to corporation tax in the same way as any commercial organisation.

**NOTE 12 - RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in FRS102 from disclosing transactions with other members of the Retail Trust group.

**NOTE 13 - FIXED ASSETS - HOUSING PROPERTIES**

	2021 £	2020 £
<b>GROUP AND PARENT</b>		
<b>COST</b>		
Opening as at 1 May 2020	39,234,616	36,220,329
Additions	821,522	3,014,287
<b>Closing as at 30 April 2021</b>	<b>40,056,138</b>	<b>39,234,616</b>
<b>DEPRECIATION</b>		
Opening as at 1 May 2020	(4,537,428)	(4,163,726)
Provided in the year	(467,681)	(373,702)
<b>Closing as at 30 April 2021</b>	<b>(5,005,109)</b>	<b>(4,537,428)</b>
<b>NET BOOK VALUE</b>		
<b>As at 30 April 2021</b>	<b>35,051,029</b>	<b>34,697,188</b>
As at 30 April 2010	34,697,188	32,056,603

**RETAIL TRUST**
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2021

**NOTE 14 - OTHER TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Fixtures &amp; Fittings £</b>	<b>Plant and Machinery £</b>	<b>Motor Vehicles £</b>	<b>Comp Equip &amp; Software £</b>	<b>Freehold Office Buildings £</b>	<b>Total £</b>
<b>COST</b>						
Opening at 1 May 2020	534,360	205,823	11,409	769,482	1,145,933	2,667,007
Additions	16,689	34,190	-	186,922	-	237,801
Disposals	-	-	-	(1,658)	-	(1,658)
Closing at 30 April 2021	<u>551,049</u>	<u>240,013</u>	<u>11,409</u>	<u>954,746</u>	<u>1,145,933</u>	<u>2,903,150</u>
<b>DEPRECIATION</b>						
Opening at 1 May 2020	(137,324)	(192,127)	(11,379)	(441,264)	(152,342)	(934,436)
Provided during the year	(41,659)	(7,601)	(26)	(173,180)	(15,514)	(237,980)
Disposals	-	-	-	1,658	-	1,658
Closing at 30 April 2021	<u>(178,983)</u>	<u>(199,728)</u>	<u>(11,405)</u>	<u>(612,786)</u>	<u>(167,856)</u>	<u>(1,170,758)</u>
<b>NET BOOK VALUE</b>						
As at 30 April 2021	<u>372,066</u>	<u>40,285</u>	<u>4</u>	<u>341,960</u>	<u>978,077</u>	<u>1,732,392</u>
As at 30 April 2020	<u>397,036</u>	<u>13,696</u>	<u>30</u>	<u>328,218</u>	<u>993,591</u>	<u>1,732,571</u>
<b>PARENT</b>						
	<b>Fixtures &amp; Fittings £</b>	<b>Plant and Machinery £</b>	<b>Motor Vehicles £</b>	<b>Comp Equip &amp; Software £</b>	<b>Freehold Office Buildings £</b>	<b>Total £</b>
<b>COST</b>						
Opening at 1 May 2020	534,360	205,823	11,409	665,002	1,145,933	2,562,527
Additions	16,689	34,190	-	102,922	-	153,801
Disposals	-	-	-	(1,658)	-	(1,658)
Closing at 30 April 2021	<u>551,049</u>	<u>240,013</u>	<u>11,409</u>	<u>766,266</u>	<u>1,145,933</u>	<u>2,714,670</u>
<b>DEPRECIATION</b>						
Opening at 1 May 2020	(137,324)	(192,127)	(11,379)	(414,701)	(152,342)	(907,873)
Provided during the year	(41,659)	(7,600)	(26)	(123,053)	(15,513)	(187,851)
Disposals	-	-	-	1,658	-	1,658
Closing at 30 April 2021	<u>(178,983)</u>	<u>(199,727)</u>	<u>(11,405)</u>	<u>(536,096)</u>	<u>(167,855)</u>	<u>(1,094,066)</u>
<b>NET BOOK VALUE</b>						
As at 30 April 2021	<u>372,066</u>	<u>40,286</u>	<u>4</u>	<u>230,170</u>	<u>978,078</u>	<u>1,620,604</u>
As at 30 April 2020	<u>397,036</u>	<u>13,696</u>	<u>30</u>	<u>250,301</u>	<u>993,591</u>	<u>1,654,654</u>

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

NOTE 15 - INVESTMENTS

GROUP AND PARENT	Market Value		Cost	
	2021 £	2020 £	2021 £	2020 £
<b>Restricted</b>				
Listed investments	319,885	272,593	247,673	246,348
<b>Unrestricted</b>				
Listed investments	1,400,852	1,169,700	1,084,620	1,057,078
Unlisted investments and cash	386,453	359,382	386,453	359,382
	<u>1,787,305</u>	<u>1,529,082</u>	<u>1,471,073</u>	<u>1,416,460</u>
<b>TOTAL INVESTMENTS</b>	<u><u>2,107,190</u></u>	<u><u>1,801,675</u></u>	<u><u>1,718,746</u></u>	<u><u>1,662,808</u></u>

Reconciliation of Market Value Movement:

	Unlisted £	Listed £	Cash £	Total £
As at 1 May 2020	318,750	1,442,293	40,632	1,801,675
Additions	-	348,614	(348,614)	-
Disposals	-	(353,858)	353,858	-
Gain / (loss)	-	283,688	1,900	285,588
Investment income received	-	-	35,716	35,716
Investment income withdrawn	-	-	(1,613)	(1,613)
Investment fee	-	-	(14,176)	(14,176)
<b>As at 30 April 2021</b>	<u><u>318,750</u></u>	<u><u>1,720,737</u></u>	<u><u>67,703</u></u>	<u><u>2,107,190</u></u>

**RETAIL TRUST**

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

**NOTE 16 - INVESTMENTS IN SUBSIDIARIES**

At 30 April 2021, the Group and Parent had interests in the following subsidiaries:

Subsidiaries	Nature of business	Type of shares held	Proportion held	Country of incorporation
Retail Trust Events Limited (RTE)	Conducts celebration events and other trading activities.	Ordinary	100%	England and Wales
Cottage Homes Contracts Limited (CHC)	Offers design and build contracting services to Retail Trust for its buildings.	Ordinary	100%	England and Wales
RT Wellbeing Services Limited (RTWS)	Provides wellbeing services to employees in the retail sector	Ordinary	100%	England and Wales

**PARENT****2021****2020**

£

£

**AT COST**

As at 1 May 2020

156

156

Additions / (disposals) in the year

-

-

**As at 30 April 2021****156****156**

NOTE 16 - INVESTMENTS IN SUBSIDIARIES (continued)

	CHC		RTE		RTWS	
	2021 £	2020 £	2021 £	2020 £	2021 £	2020 £
<b>SUMMARY PROFIT &amp; LOSS ACCOUNT</b>						
Turnover	124,177	2,812,116	8,583	379,189	1,760,843	1,551,449
Cost of sales	(117,662)	(2,681,628)	(76,856)	(305,225)	(1,233,676)	(1,498,302)
Expenditure - shared costs	(21,465)	(120,668)	(1,742)	(59,534)	(339,685)	-
<b>Net profit</b>	<b>(14,950)</b>	<b>9,819</b>	<b>(70,015)</b>	<b>14,429</b>	<b>187,482</b>	<b>53,147</b>
<b>SUMMARY BALANCE SHEET</b>						
Fixed Assets	-	-	-	-	111,790	77,917
Debtors	59,533	101,537	48,476	111,948	550,219	747,463
Cash at bank	413,957	71,843	90,755	123,606	1,692,141	386,883
Creditors	(488,439)	(163,560)	(209,191)	(221,071)	(2,166,568)	(1,159,016)
<b>Net assets</b>	<b>(14,949)</b>	<b>9,820</b>	<b>(69,960)</b>	<b>14,484</b>	<b>187,582</b>	<b>53,247</b>
Retained earnings	(14,950)	9,819	(70,015)	14,429	187,482	53,147
Called up share capital	1	1	55	55	100	100
<b>Shareholder funds</b>	<b>(14,949)</b>	<b>9,820</b>	<b>(69,960)</b>	<b>14,484</b>	<b>187,582</b>	<b>53,247</b>

The net profits above will be distributed by means of gift aid to the parent charity.

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 17 - DEBTORS

GROUP	2021 £	2020 £
Rents receivable	157,427	154,041
Trade debtors	346,483	639,015
Other debtors	160,613	153,928
Accrued income	50,278	154,522
Prepayments	111,395	125,049
Voyager Alliance CU loan - Subordinated	100,000	100,000
<b>TOTAL DEBTORS</b>	<b>926,196</b>	<b>1,326,555</b>

PARENT	2021 £	2020 £
Rents receivable	157,426	154,041
Trade debtors	5,588	78,050
Other debtors	160,613	80,399
Accrued income	48,611	150,356
Prepayments	100,496	119,081
Amounts receivable from subsidiary undertakings	1,786,661	225,195
Voyager Alliance CU loan - Subordinated	100,000	100,000
<b>TOTAL DEBTORS</b>	<b>2,359,395</b>	<b>907,122</b>

Bad debt provision of £ nil (2020: £19,472) relating to rental and trading income is netted above within rent receivable and trade debtors. The subordinated loan is recoverable in 2023.

#### NOTE 18 - CASH AND CASH EQUIVALENTS

GROUP	2021 £	2020 £
Cash at bank and in hand	2,850,844	922,090
Short term deposits	1,500,000	2,000,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>4,350,844</b>	<b>2,922,090</b>

PARENT	2021 £	2020 £
Cash at bank and in hand	653,992	339,757
Short term deposits	1,500,000	2,000,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>2,153,992</b>	<b>2,339,757</b>

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 19 - CREDITORS

GROUP	2021 £	2020 £
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
<b>Unrestricted</b>		
Tax and social security	64,714	64,513
Other creditors	190,550	249,519
Accruals	561,225	532,994
Deferred income	876,739	737,029
Long term borrowing	167,454	32,502
<b>Restricted</b>		
Social housing grant	25,600	25,600
	<u>1,886,282</u>	<u>1,642,157</u>
<b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
<b>Unrestricted</b>		
Long term borrowing	4,800,044	4,192,498
<b>Restricted</b>		
Social housing grant	2,328,376	2,353,976
	<u>7,128,420</u>	<u>6,546,474</u>
<b>PARENT</b>		
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
<b>Unrestricted</b>		
Tax and social security	64,714	83,973
Other creditors	274,649	162,262
Accruals	492,573	390,312
Deferred income	88,525	66,045
Long term borrowing	167,454	32,502
<b>Restricted</b>		
Social housing grant	25,600	25,600
	<u>1,113,515</u>	<u>760,694</u>
<b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
<b>Unrestricted</b>		
Long term borrowing	4,800,044	4,192,498
<b>Restricted</b>		
Social housing grant	2,328,376	2,353,976
	<u>7,128,420</u>	<u>6,546,474</u>

A £5m development loan facility was taken out on 12 May 2017 for the Crookfur development and is secured over the freehold of the Crookfur estate. At year end, the balance of the development loan was £4.9m. Interest only was charged in the first 2 years whilst the development was taking place commencing July 2018. The capital is repayable over the following 23 years. Interest is payable at 1.75% over base rate. After 10 years of the 25-year loan term, a bullet repayment or re-finance agreement at prevailing market rates at this time will apply.

**NOTE 20 - PENSION PROVISIONS AND ARRANGEMENTS**

**GROUP AND PARENT**

The TRUST operates a closed retirement and death benefits scheme with two categories of historic membership. The first category, the final salary pension scheme, was closed to new entrants in 2008. The second category, the career average scheme (CARE), was closed to new entrants in March 2013. Both categories of the scheme closed to future accrual on 31 January 2014 and were replaced by a Group Personal Pension (GPP) which has a current value of £926,777. Currently, 90% of staff have contributions invested with the GPP, which is managed by Legal and General and the TRUST contributed £128,085 (2020: £141,515) to the scheme on behalf of staff.

The closed retirement and death benefits scheme is actuarially assessed every 3 years by qualified independent actuaries and the scheme's assets are held separately from those of the group in an independent Pension Trustee administered fund.

<b>The main assumptions used by the actuary are:</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in pensions in payment - main	3.30	2.95
Rate of increase in pensions in payment - CARE	2.25	1.95
Rate of increase in pensions in deferment - main	3.40	2.55
Rate of increase in pensions in deferment - CARE	2.50	2.50
Discount rate	1.90	1.70
Retail Price Index inflation	3.40	2.55
Transfer values assumed taken at retirement	20%	25%

<b>Life expectancies:</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
65 at balance sheet date - Male S3PMA	115.0	115.0
66 at balance sheet date - Female S3PMA	125.0	125.0
65 in 20 years - Male CMI 2018	1.25	1.25
66 in 20 years - Female CMI 2018	1.25	1.25

**Fair value of the assets and liabilities of the scheme were:**

	<b>Value of Assets</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Equities	6,552,000	5,344,000
Bonds and gilts	4,723,000	3,591,000
Diversified growth fund	3,915,000	3,941,000
Cash	47,000	187,000
	<hr/>	<hr/>
Fair value of assets of the scheme	15,237,000	13,063,000
Present value of scheme liabilities	(15,911,000)	(15,436,000)
	<hr/>	<hr/>
	<b>(674,000)</b>	<b>(2,373,000)</b>
	<hr/> <hr/>	<hr/> <hr/>

At 30 April 2021, the scheme owed the Charity £4,417 (2020: £4,417) in respect of overpaid contributions and tax-free payments made by the TRUST on behalf of the scheme. The amount is included within net current liabilities above and Note 17 - Debtors.

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 20 - PENSION PROVISIONS AND ARRANGEMENTS (continued)

	2021 £	2020 £
<b>Change in scheme liabilities</b>		
Scheme liabilities at 1 May 2020	(15,436,000)	(15,217,000)
Interest cost	(256,000)	(350,000)
Actuarial gain/(loss)	(1,024,000)	(496,000)
Benefits paid directly by the employer	805,000	627,000
	<hr/>	<hr/>
<b>Scheme liabilities at 30 April 2021</b>	<b>(15,911,000)</b>	<b>(15,436,000)</b>
	<hr/>	<hr/>
<b>Change in scheme assets:</b>		
Fair value of assets at 1 May 2020	13,063,000	14,012,000
Actuarial (loss)/gain on assets	2,849,000	(579,000)
Benefit paid	(805,000)	(627,000)
Interest income	215,000	321,000
Administration expenses	(85,000)	(64,000)
	<hr/>	<hr/>
<b>Fair value of assets at 30 April 2021</b>	<b>15,237,000</b>	<b>13,063,000</b>
	<hr/>	<hr/>
<b>Pension liability recognised at 30 April 2021</b>	<b>(674,000)</b>	<b>(2,373,000)</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of the amounts recognised in net surplus/(deficit):</b>		
Administrative expenses	85,000	64,000
Net interest	41,000	29,000
	<hr/>	<hr/>
<b>Amount charges to net surplus/(deficit)</b>	<b>126,000</b>	<b>93,000</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of the amounts recognised in other comprehensive income:</b>		
Actuarial gains/(losses) on liabilities	(1,024,000)	(496,000)
Return on assets excluding amount included in net interest	(2,849,000)	(579,000)
	<hr/>	<hr/>
<b>Amount recognised in other comprehensive income</b>	<b>1,825,000</b>	<b>(1,075,000)</b>
	<hr/> <hr/>	<hr/> <hr/>

The last actuarial valuation of the Scheme was performed by the actuary for the Trustees as at 30 June 2019, which reported a surplus of £1,096,000. As there was a surplus in the Scheme the Employer has not needed to pay any contributions into the scheme over the year to 30 April 2021 (2020: nil). In the financial year ending 30 April 2022, the employer's contributions are expected to be £nil.

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 21 - UNRESTRICTED RESERVES

GROUP AND PARENT	As at 01-May 2020 £	Surplus / (Deficit) for the year £	Gains / Losses £	Transfers between funds £	As at 30-Apr 2021 £
<b>Designated Reserves</b>					
Crookfur development	144,095	-	-	-	144,095
<b>Other unrestricted reserves</b>					
Pension scheme reserve	(2,373,000)	-	1,825,000	(126,000)	(674,000)
Property reserve	30,712,633	-	-	(2,005,001)	28,707,632
Retained earnings	2,870,597	545,459	232,497	2,131,001	5,779,554
<b>Parent total reserves</b>	<b>31,354,325</b>	<b>545,459</b>	<b>2,057,497</b>	<b>-</b>	<b>33,957,281</b>
Retained earnings of subsidiaries	198,064	(95,545)	-	-	102,518
<b>Group total reserves</b>	<b>31,552,389</b>	<b>449,913</b>	<b>2,057,497</b>	<b>-</b>	<b>34,059,799</b>

	As at 01-May 2019 £	Surplus / (Deficit) for the year £	Gains / Losses £	Transfers between funds £	As at 30-Apr 2020 £
<b>Designated Reserves</b>					
Crookfur development	144,095	-	-	-	144,095
<b>Other unrestricted reserves</b>					
Pension scheme reserve	(1,205,000)	-	(1,075,000)	(93,000)	(2,373,000)
Property reserve	29,932,633	-	-	780,000	30,712,633
Retained earnings	2,738,743	109,982	(71,128)	93,000	2,870,597
<b>Parent total reserves</b>	<b>31,610,471</b>	<b>109,982</b>	<b>(1,146,128)</b>	<b>780,000</b>	<b>31,354,325</b>
Retained earnings of subsidiaries	109,046	89,018	-	-	198,064
<b>Group total reserves</b>	<b>31,719,517</b>	<b>199,000</b>	<b>(1,146,128)</b>	<b>780,000</b>	<b>31,552,389</b>

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 21 - UNRESTRICTED RESERVES (continued)

##### Property reserve

The property reserve represents net book value of the freehold housing and office properties adjusted by the social housing grant and long term borrowing associated with the properties and is an amount that is not distributable.

##### Pension reserve

The pension reserve represents the balance in the defined benefit pension scheme.

##### Designated reserves

The designated reserves reflect the balances designated for the Crookfur development project.

##### Transfers between funds

Crookfur development represents pre-development costs utilised from amounts previously designated.

Pension Scheme represents costs of the scheme.

Property reserve represents net additions and outstanding loan balance in the year.

#### NOTE 22 - RESTRICTED RESERVES

GROUP AND PARENT	Multi-sensory Stimulation £	Other Trust Funds £	Retail Right £	Crookfur £	Total £
As at 1 May 2019	10,247	24,000	-	780,000	814,247
Income	-	-	63,265	-	63,265
Expenditure	-	-	(63,265)	-	(63,265)
Transfer	-	-	-	(780,000)	(780,000)
<b>As at 1 May 2020</b>	<b>10,247</b>	<b>24,000</b>	<b>-</b>	<b>-</b>	<b>34,247</b>
Incoming resources	-	-	-	-	-
Outgoing resources	-	-	-	-	-
<b>As at 30 April 2021</b>	<b>10,247</b>	<b>24,000</b>	<b>-</b>	<b>-</b>	<b>34,247</b>

The "Multi-sensory Stimulation" reserve is to provide specialist rooms of relaxation for dementia residents on the Cottage Homes estates.

The "Other Trust Funds" have been provided to fund specific equipment, including IT equipment, mobility vehicles and outdoor furniture.

The restricted reserves for "Retail Right" provides a range of educational and development support services.

The "Crookfur" fund represents donations that have been received specifically for the Crookfur development project.

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 23 - ENDOWMENT FUNDS

GROUP AND PARENT	John Goodenday Cottage Homes Trust £	John Goodenday Endowment Fund £	John Walsh Pension Fund £	Total £
As at 1 May 2019	113,423	185,284	49,680	348,387
Increase in the market value of investments	(5,396)	(8,816)	(2,364)	(16,576)
<b>As at 1 May 2020</b>	<b>108,027</b>	<b>176,468</b>	<b>47,316</b>	<b>331,811</b>
Increase in the market value of investments	17,285	28,235	7,572	53,092
<b>As at 30 April 2021</b>	<b>125,312</b>	<b>204,703</b>	<b>54,887</b>	<b>384,903</b>

The restricted reserves include three endowment funds. The investment income derived from the funds is for the use of Retail Trust in its ongoing operations; however, capital is not usable.

#### NOTE 24 - OPERATING LEASE COMMITMENTS

At 30 April 2021 the TRUST had annual commitments under non-cancellable operating leases relating to photocopiers and telecommunications.

	2021 £	2020 £
Within one year	4,320	52,019
One to five years	-	4,320
	<b>4,320</b>	<b>56,340</b>

#### NOTE 25 - CAPITAL COMMITMENTS

Amounts contracted for in the group but not provided for in the financial statements as at 30 April 2021 is £nil (2020: £3,181,013).

#### NOTE 26 - POST BALANCE SHEET EVENTS

There were no post balance sheet events subsequent to year end.