



retailTRUST 

improving the lives of all involved
...yesterday, today, tomorrow

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

Year ended April 2018

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

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LEGAL AND ADMINISTRATIVE DETAILS

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

BOARD OF TRUSTEES

Paul Clarke (Resigned 08/02/2018)
Amanda Cox (Appointed 08/02/2018)
Ayo Daramola-Martin (Resigned 08/02/2018)
Avis Darzins (Resigned 12/12/2017)
Terry Duddy (Chairman)
Nigel Duxbury
Helena Feltham
Guy Hipwell
Sally Hopson
Simon Ledsham (Appointed 20/10/2017)
David McCorquodale (Appointed 01/09/2018)
Richard Newman (Honorary Treasurer - Resigned 01/9/2018)
Gita North (Appointed 14/06/2018)
Lindsay Page
Katherine Payne
Brian Small (Honorary Treasurer - Appointed 01/09/2018)
Maria Thompson (Appointed 08/02/2018)

AUDITOR

haysmacintyre
10 Queen Street Place
London
EC4R 1AG

INVESTMENT MANAGER

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

ACTUARY

Barnett Waddingham LLP
Decimal Place
Chiltern Avenue
Amersham
HP6 5FG

BANKERS

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

PRINCIPAL ADDRESS AND REGISTERED OFFICE

Marshall Hall
Marshall Estate
Hammers Lane
London
NW7 4DQ

WEBSITE

www.retailtrust.org.uk

TELEPHONE NUMBER

020 8201 0110

CONFIDENTIAL HELPLINE

0808 801 0808

EXECUTIVE TEAM

Richard Boland	Chief Executive
Clive Warner	Chief Finance Officer
Kathleen MacIntyre	Director of Supported Living Services
Phillip Ascott	Director of Fundraising (Resigned 10/11/2017)
Jonathan Brown	Director of People and Wellbeing (Resigned 30/09/2018)

INSURANCE BROKER

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

SOLICITOR

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

OUR VISION

“To improve the lives of all in need involved with retailing
related industries and support services.”

OUR MISSION

To help those in need, distress, disadvantaged or seeking opportunity through programmes for Wellbeing in the areas of social housing, financial support, mental and physical health and vocational development.

OUR VALUES

The core values of CARING, INNOVATING and being TRUSTED have been demonstrated throughout the year 2017/18 to great effect.

CARING through helping over 91,000 people in retail deal with wellbeing issues from the financial to physical and mental health through to vocational and educational.

INNOVATING through the introduction of the first ever dedicated Apprentice Degrees for Retail.

Being TRUSTED to deliver across all of the sector a genuine altruism for all.

OUR STRATEGIC GOALS

To deliver the Mission through the pursuit of three strategic aims:-

- Sustainability of the TRUST (relating to Retail Trust and stated as “TRUST” below), its Community and the Sector generally.
- Delivery of Wellbeing Services to the three beneficiary groups of the TRUST, those retired (**Yesterday**), those in work (**Today**) and those seeking to either progress in the Sector or to join or re-join the Sector (**Tomorrow**).
- Social Inclusion and Mobility by tackling inequality in all its recognised forms but especially with regard to career opportunity, financial wellbeing, physical and mental wellbeing.

HOW

By focussing on the three beneficiary groups as follows:-

Retirees (the **Yesterday** Constituency)

By developing the asset optimisation programmes for cottageHOMES and through the Crookfur redevelopment plan to create over the coming five years an additional 100+ residential units. Building on our successful Care at Home services in Crookfur by looking to develop outreach services into the retiree communities around our Estates.

Those in Work (the **Today** Constituency)

Continuing to grow the highly regarded retailHUB Wellbeing Services both through organic means and by developing Digital Services for the mobile enabled generation of beneficiaries. Further supporting the growth of retailCURE the Credit Union exclusively for those working in retail and ensuring its sustainability through its early years.

Those Seeking Work or advancement at work (the **Tomorrow** Constituency)

Creating, through retailRIGHT, activities and tools to help people achieve social inclusion and mobility by entering careers in retail and by advancing the careers of those already in retail.

Supporting the successful delivery of the retailRIGHT NEETs (Not in Education, Employment or Training) programmes which are now in their third year.

By sponsoring the "gRADuate" Retail Apprentice Degree programme which will allow retailers to access funding for their staff through the Apprentice Levy scheme.

By researching new ways of supporting the advancement of the vocational wellbeing of those employed in retail.

Supporting needy individuals in the sector by sponsoring a variety of educational programmes via the Oxford Summer School, The British School of Fashion (Glasgow Caledonian University Spitalfields Campus) and organisations like the Fashion Retail Academy.

CHAIRMAN'S MESSAGE

Dear Supporters, Sponsors, Patrons, Volunteers and Colleagues,

The last year has seen an unprecedented amount of change and upheaval for the retail sector and your TRUST has been at the forefront of continuing to support those in need, helping 28% more individuals and families than in the previous year. Giving certainty and comfort wherever we could.

In times of instability such as these it is indeed uplifting to find that the services of the TRUST are valued more than ever by growing numbers of beneficiaries.

cottageHOMES has had another highly successful year in further developing the sustainability of its proposition and is now very capable of supporting its future investment needs with an operating surplus of £643k made in the year 2017/18. The asset optimisation programme continues to grow the financial resilience of the cottageHOMES.

retailHUB as mentioned above saw its services grow dramatically especially in the area of Critical Incident Support and its dedicated funding grew by some 28.8% compared to 2016/17. The growing appeal to retailers of our paid for services has helped us grow delivery of services in line with income growth in the year.

retailRIGHT continues to be the fastest growing part of the TRUST with the innovative approach to helping people enter, progress and achieve delivering some real wins in the Apprentice Degrees Programmes as well as the NEETs programmes.

Digital enabling developments will help us grow much more quickly in the future the reach of these services and major projects in all three areas were launched during the year with some paybacks coming as early as 2018/19.

Fundraising had a successful year largely thanks to a wonderful donation from the Fraser Foundation towards the Crookfur Capital Appeal. Charitable income grew by 29.5% in the year.

Costs were managed effectively and fell by 2.6% year on year despite the upturn in services provided being in excess of 20%.

Our total Comprehensive Income for the year of £1.3m was up on the previous year by £333k. Stripping out the effects of asset gains our net surplus of £597k showed an improvement of £822k on the previous year. Measured at either level 2017/18 has been a successful year.

On behalf of the Trustees and staff I would like to thank everyone who has supported us in the year just gone and we look forward to your continuing patronage in 2018/19. We all know it will be a challenging time for our sector but the steadfastness of the TRUST over 186 years, through thick and thin is a testament to your enduring empathy with and support for those in need in our industry.

As the time approaches for me to hand over the Chair of Trustees I am delighted to announce Alistair McGeorge of New Look has agreed to take the helm from the 1st of December 2018.

Alistair has been a closely involved supporter and patron of the TRUST over many years and I am sure will continue the development of the successful sustainability strategy I have been delighted to oversee during my tenure.

I would personally, like to thank our Trustees, Ambassadors and industry friends for their guidance, advice and support which has been much appreciated.

To our staff, and our volunteers I offer my sincere thanks for another year of wonderful services delivered to our beneficiaries.

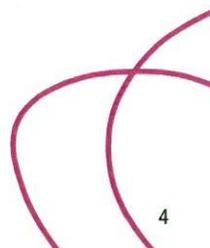
With best personal wishes to all.

Yours sincerely



Terry Duddy

Chair of Trustees 11 October 2018



OBJECTIVES AND ACTIVITIES

The Trustees present their report together with the audited financial statements of the TRUST for the year ended 30 April 2018. The Trustees are also directors under company law and this report represents the directors' Annual Report and the Strategic Report.

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 other disadvantage, in particular by:

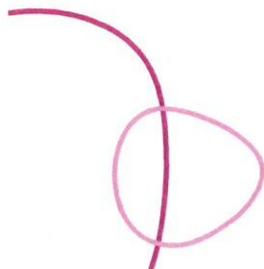
- the provision of wellbeing services, for example counselling, cognitive behavioural therapy and critical incident support;
- the provision of advice and assistance, particularly to individuals who would otherwise be unable to obtain such advice;
- the provision of specially designed or adapted housing 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 Trustees see fit from time to time by the provision of financial and other support;

2. KEY ACTIVITIES

The TRUST organises its operations around three trading brands which align themselves to the three discrete beneficiary groups:

- **cottageHOMES** for those who have retired from the sector.
- **retailHUB** for those still active in the sector.
- **retailRIGHT** for those seeking to enter or progress within the sector.

All of the trading brands have as their primary objectives the Wellbeing of their individual beneficiary group.



STRATEGIC REPORT

1. STRATEGIC OPERATIONAL REVIEW

The TRUST is the largest trade charity in the UK covering over 4.5 million working people in total. The scope of responsibility for the wellbeing of all involved in the sector makes us the most utilised employee centric charity in the UK.

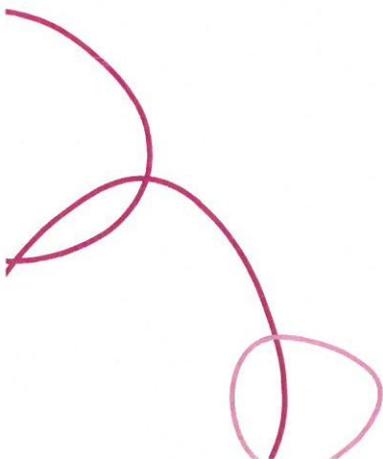
cottageHOMES

The TRUST owns and operates retirement estates in London (Mill Hill), Derby (Leylands), Glasgow (Crookfur), Liverpool and Salford – known collectively as cottageHOMES. The provision of retirement estates has been a key part of our work since 1897. This includes the provision of supported living, extra care and care at home services.

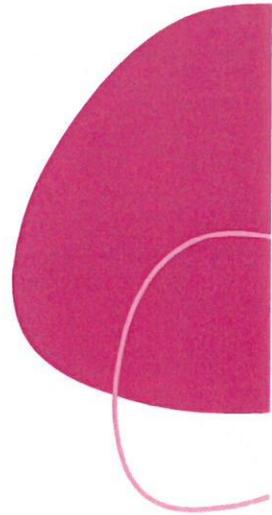
The national focus of care for the elderly is increasingly based upon supporting people to live in their own home and less upon residential care. We therefore decommissioned our residential care home at Crookfur Estate in June 2016 and we are embarking upon a major redevelopment of this estate which will see the development of 135 new accommodation units which can be adapted to meet the changing needs of an older client group.

We support circa 400 residents with a highly regarded standard of accommodation and support services.

We have an ongoing programme of Asset Optimisation, using redundant space on our Estates to generate an additional 12 accommodation units in the last 2 years. We have identified further opportunities to create additional units in the coming years.



STRATEGIC REPORT



1. STRATEGIC OPERATIONAL REVIEW continued

retailHUB

Retail Hub continues to provide Wellbeing services for those past and currently in the retail industry. 2017/18 saw a 28% increase in demand for our services delivering 91,687 helpline and on line service engagements through our website, telephone, email and text communication.

Critical incidents grew by 88% and a total of 79 incidents required our support. All are responded to by a trauma specialist visiting the incident location. The high value clients put on this is recognised in the feedback and acclaim this service attracts from both retailers and their staff.

Over 41,000 people visited the retailHUB online, the majority for emotional and financial wellbeing support and advice.

retailRIGHT

retailRIGHT is leading the development of the first Retail Apprenticeship Degrees through the creation of 'gRADuate'.

The Retail Leadership Apprenticeship Degree has now been approved by the Institute for Apprenticeships and the end-point assessment plan is now being developed in collaboration with the employer trailblazer group, and Manchester Metropolitan and Sheffield Hallam Universities. This has been submitted to the Institute for Apprenticeships for approval and is due to go live in January 2019.

The further proposal to develop two apprenticeships in Buying and Merchandising at levels 4 and 6 (Degree) has been approved by the Institute of Apprenticeships. The project to develop the apprenticeships is being conducted in partnership with the Fashion Retail Academy and a group of 20 retailers.

STRATEGIC REPORT

2. FINANCIAL REVIEW

The accounts have been prepared in accordance with FRS102.

Overall, a net surplus before other comprehensive income of £0.6m was generated for the year, up from a deficit in the prior year of (£0.2m), an increase of £0.8m. This was made up of the following significant movements:

Total income for the period amounted to £8.7m, an increase of £0.5m compared to the prior year. This was mainly due to increased income from fundraising activities, driven by a £0.5m donation towards the Crookfur building costs, as well as an increase in Wellbeing Services income of £0.5m. These increases were partially offset by a decrease in income from events of £0.1m.

Total costs of £8.1m were £0.2m less than prior year. This decrease was mainly due to decreased costs of events of £0.2m. Decreases were partially offset by an increase in costs associated with counselling and other charitable services of £0.2m, driven by increased demand as well as an increase in gifts in kind related expenditure of £0.1m.

Gifts in kind contributed £0.6m (2016/17: £0.5m) to income with an equal contribution to expenditure. This includes free marketing space and materials, special rates for I.T. services and general pro-bono work.

Other comprehensive income for the period was £0.7m, down £0.5m from £1.2m in the prior year. Listed investments generated gains during the year of £0.1m, down £0.1m from £0.2m in the prior year. Furthermore, the valuation of the pension fund in accordance with FRS102 resulted in an actuarial gain of £0.6m, down £0.4m from £1.0m in the prior year. These decreases were driven by a general weakening in equity and bond markets compared to the prior year.

These movements contributed to Total Comprehensive Income for the year of £1.3m, up £0.3m from £1.0m in the prior year, with net assets increasing by the same amount.

At 30 April 2018, cash at bank and on hand was £2.7m, up £0.2m from £2.5m in the prior year driven by the net surplus for the period.

STRATEGIC REPORT

3. VALUE FOR MONEY (VFM)

What does VFM mean to retailTRUST?

The retail sector continues to experience significant structural changes. The TRUST, as the leading Charity supporting the sector, recognises fully our responsibility to ensure VFM. VFM is about being efficient and effective in how we plan, manage and operate our day to day business.

How do we approach VFM?

In order to ensure services are delivered in the most cost effective manner, VFM reviews take place through the regular Executive Committee meetings.

The policy established sets out how we will achieve VFM. We ensure that our VFM goals continually improve. Where appropriate, we consult with stakeholders in the development and execution of the VFM strategy.

Delivery of VFM during 2017/18

Social impact

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.

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.

We are pleased to report that our Social Impact, Social Value and Social Return on investment (SROI) per £1 invested has increased from £4.53 to £4.81 in the last year.

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

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

STRATEGIC REPORT

3. VALUE FOR MONEY (VFM) continued

retailRIGHT

The NEETS programme continues to deliver exceptional VFM with over 500 young people helped to experience life lessons at work with a cost of less than £120k to the TRUST. This represents a cost per head of £240 to help them find jobs compared to a national statistic of £2,400 cost per job created (figures from retail industry sources). Our contribution is 10 times more efficient than other recognised routes. Again, here we can demonstrate the ability to create a compelling value proposition to the benefit of our industry.

cottageHOMES

The Asset Optimisation programme has now delivered £166k of income benefit to the TRUST from an incremental perspective with a capital outlay of £263k which provides a payback period of 19 months which by any measure of return on investment represents exceptional Value for Money. The full benefit of this was achieved in 2017/18 although some of the capital outlay was in 2016/17. This programme will continue to be progressed in 2018/19.

The Capital Development project for Crookfur started in the back end of year 2017/18 with Phase 1 being launched. Phase 1 is a £3.8m project which will yield a total Social Profit of £16.3m giving a yield of £4.29 for every £1 being invested once complete.

Digital

During the year we received no less than £63k in resources as donations in kind from ACYW Ltd which has had the impact of reducing the costs of Digital consultancy by 50% compared to open market costs of £126k. Without this significant contribution from ACYW Ltd we would not have been able to deliver the first enabling steps of our digital strategy. Only by achieving this genuine VFM saving have we been able to move forward on the Digital front.

POLICIES

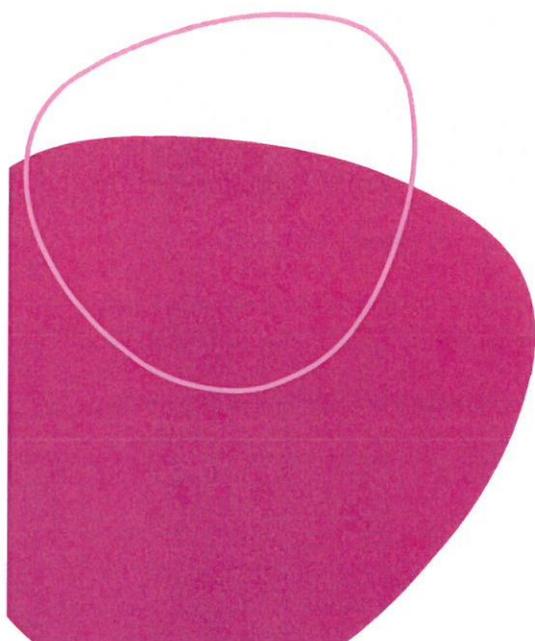
1. RESERVES

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 shows the level of undesignated reserves at £2.8m. Excluding fixed assets from the undesignated reserves gives 'free' reserves of £1.2m. This compares with the target according to the reserves policy of £1.0m.

The other reserves are restricted or designated in nature and are described in more detail in Notes 21 to 23.

Restricted reserves are used only for the purpose for which the donor has specified. Designated reserves are for reserves which have been set aside by the TRUST to be used for the 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 2 years.



POLICIES

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 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.

POLICIES

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.

4. INVESTMENT

The TRUST has adopted a capital and income growth policy which, over the long-term, will endeavour to maintain the value of the assets. As permitted by the TRUST's rules, the Board has instructed Smith & Williamson Investment Services Limited to operate on a discretionary basis. The investment performance is benchmarked against a composite of indexes being MSCI UK IMI (35%), MSCI ACWI ex UK (35%), Markit iBoxx Gilts 1-5 years (10%), HFRX (5%), %3 Month £ Libor +3% (5%), MSCI Liquid Real Estate (5%) and 7 Day £ Libor -1% (5%). The actual return in the year was 6.5% which compares with the benchmark of 5.8%. The TRUST meets with the investment managers regularly to review performance. The portfolio is maintained to a risk profile as agreed with the Board.

5. GRANTS

Circa £400,000 in financial grants 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.

6. PENSION

The TRUST sponsors Group personal pension arrangements with Legal and General which has £450k funds under management in individual employee named 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 £895k for the FS/CARE schemes.

POLICIES

7. FUNDRAISING

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 recently introduced 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.

POLICIES

8. 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.

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 spread 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 who commenced prior to April 2014 were appointed for 5 years with an option to serve a further 5 years. Since 2 April 2014, they can if they wish, shorten the second term to 3 years. Trustees who commenced after 2 April 2014 serve for 3 years with a second term also of 3 years in line with Charity Commission best practice.

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

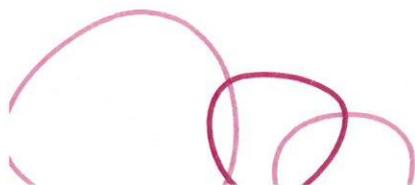
The Board met six times in the year to oversee and steer the work of the organisation; management of the TRUST is delegated by the Trustees to the Chief Executive and the Executive team. It delegates appropriate functions to the Board sub-committees listed below and at least one member of every committee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

Chairs of Board sub-committees

Risk, Audit & Finance	Richard Newman (Resigned 01/09/2018) Brian Small (Appointed 01/09/2018)
Fundraising & Marketing	Ayo Daramola-Martin (Resigned 08/02/2018) Simon Ledsham (Appointed 08/02/2018)
Remuneration & Nominations	Sally Hopson
Property & Cottage Homes	Nigel Duxbury

Executive sub-committee

Grants & Services	Richard Boland
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STRUCTURE, GOVERNANCE AND MANAGEMENT

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 & Finance Committee 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.

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 Risk, Audit & Finance 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT



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 developing new source of funding and strong expenditure controls.

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 and networking. We monitor the reach of our services by use of KPI measures.

cottageHOMES sustainability

cottageHOMES fails to create sufficient surplus to provide for future maintenance and growth. We manage this risk by strong management of operating costs and by investing in an asset optimisation programme to convert dormant assets to income streams.

A comprehensive risk register is being maintained by the Project Management for the Crookfur development.

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.

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. The Cyber Essentials Certificate of Compliance was applied for during the year and awarded in June 2018.

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 to inspection by members of the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 2015, 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 has 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

9. SUBSIDIARY UNDERTAKINGS

At 30 April 2018 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 is the ultimate controlling party of all subsidiaries.

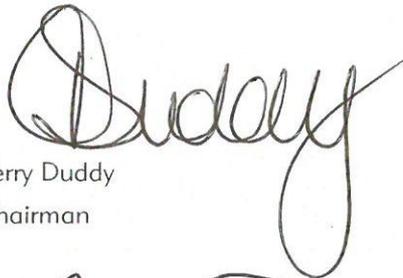
10. DIVERSITY AND EQUALITY

Diversity and equality is monitored at all levels of the TRUST and an annual report is presented to the Board. The Diversity & Equality policy is regularly reviewed and updated in line with legislation and good practice as it applies.

11. AUDITORS

haysmacintyre have been appointed as the auditor at the Annual General Meeting.

This Trustees' Report, including the Strategic Report, was approved by the Board on 11 October 2018.



Terry Duddy
Chairman



Brian Small
Honorary Treasurer

11 October 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF RETAIL TRUST

Opinion

We have audited the financial statements of Retail Trust for the year ended 30 April 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Balance Sheets, Group and Parent 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 2018 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 and 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 19, 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 or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF RETAIL TRUST continued

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.

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 incorporates the strategic report and the directors' report) 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 includes 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) require 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.

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, Statutory Auditor

18 October 2018

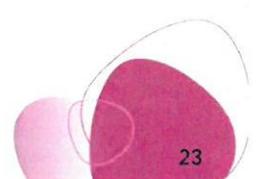
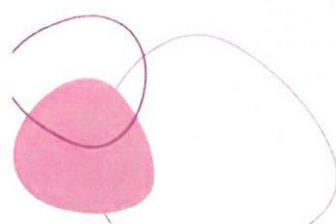
10 Queen Street Place
London
EC4R 1AG

RETAIL TRUST
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 for the year ended 30 April 2018

	Notes	2018 £	2017 £
INCOME AND ENDOWMENTS from:			
Charitable income	1	1,810,707	1,398,707
Cottage Homes	2	5,199,162	5,463,498
Trading income	3	1,709,095	1,316,488
Other income	4	1,255	3,912
TOTAL INCOME		8,720,219	8,182,605
EXPENDITURE on:			
Raising funds	5	(1,637,665)	(1,737,354)
Cottage Homes	2	(4,522,963)	(4,722,193)
Helpline, grants and other services	6	(1,916,934)	(1,832,810)
TOTAL EXPENDITURE		(8,077,562)	(8,292,357)
OPERATING SURPLUS / (DEFICIT)	7	642,657	(109,752)
Investment income	8	71,076	49,521
Pension costs	20	(116,000)	(164,000)
NET SURPLUS / (DEFICIT)		597,733	(224,231)
OTHER COMPREHENSIVE INCOME			
Gains on investments	15	55,151	176,540
Actuarial surplus in pension scheme	20	636,000	1,004,000
TOTAL OTHER COMPREHENSIVE INCOME		691,151	1,180,540
TOTAL COMPREHENSIVE INCOME		1,288,884	956,309

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

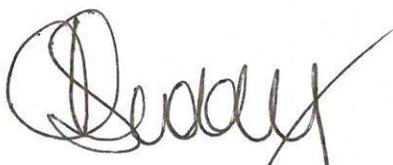
The notes set out on pages 33 to 50 form an integral part of these financial statements.



	NOTES	2018 £	2017 £
FIXED ASSETS			
Housing properties	13	29,758,977	29,779,225
Other tangible fixed assets	14	1,593,717	1,323,942
Investments at market value	15	1,727,314	1,637,435
TOTAL FIXED ASSETS		33,080,008	32,740,602
CURRENT ASSETS			
Debtors	17	1,724,265	1,240,149
Cash and cash equivalents	18	2,681,366	2,510,555
TOTAL CURRENT ASSETS		4,405,631	3,750,704
CREDITORS: amounts falling due within one year	19	(1,542,573)	(1,291,524)
NET CURRENT ASSETS		2,863,058	2,459,180
TOTAL ASSETS LESS CURRENT LIABILITIES		35,943,066	35,199,782
CREDITORS: amounts falling due after more than one year	19	(2,405,176)	(2,430,776)
Pension liability	20	(895,000)	(1,415,000)
NET ASSETS		32,642,890	31,354,006
RESERVES			
Unrestricted reserves	21	31,768,126	30,902,683
Restricted reserves	22	534,247	123,388
Endowment funds	23	340,517	327,935
TOTAL RESERVES		32,642,890	31,354,006

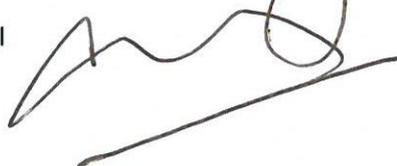
The financial statements on pages 23 to 50 were approved by the Trustees and authorised for issue on 11 October 2018 and are signed on their behalf by:

Terry Duddy

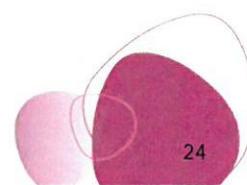
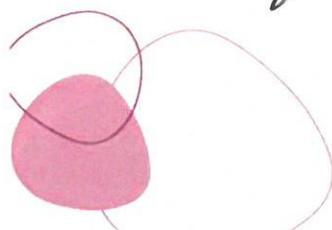


Chairman

Brian Small



Honorary Treasurer



	Notes	2018 £	2017 £
FIXED ASSETS			
Housing properties	13	29,758,977	29,779,225
Other tangible fixed assets	14	1,593,717	1,323,942
Investments at market value	15	1,727,314	1,637,435
Investments in subsidiaries	16	156	156
TOTAL FIXED ASSETS		33,080,164	32,740,758
CURRENT ASSETS			
Debtors	17	1,416,312	1,359,240
Cash and cash equivalents	18	2,342,056	1,797,706
TOTAL CURRENT ASSETS		3,758,368	3,156,946
CREDITORS: amounts falling due within one year	19	(910,090)	(691,238)
NET CURRENT ASSETS		2,848,278	2,465,708
TOTAL ASSETS LESS CURRENT LIABILITIES		35,928,442	35,206,466
CREDITORS: amounts falling due after more than one year	19	(2,405,176)	(2,430,776)
Pension liability	20	(895,000)	(1,415,000)
NET ASSETS		32,628,266	31,360,690
RESERVES			
Unrestricted reserves	21	31,753,502	30,909,367
Restricted reserves	22	534,247	123,388
Endowment funds	23	340,517	327,935
TOTAL RESERVES		32,628,266	31,360,690

The total comprehensive income for the year of the Parent Company is £1,267,576 (2016/17: £792,596).

The financial statements on pages 23 to 50 were approved by the Trustees and authorised for issue on 11 October 2018 and are signed on their behalf by:

Terry Duddy



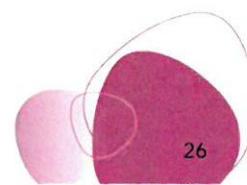
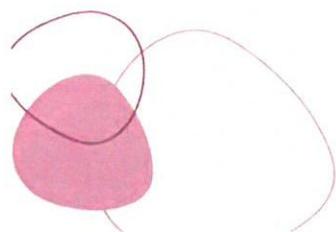
Chairman

Brian Small



Honorary Treasurer

GROUP	Unrestricted Reserves £	Restricted Reserves £	Endowment Funds £	Total £
As at 1 May 2016	29,932,527	178,303	286,867	30,397,697
Surplus/(deficit) for the year	(169,316)	(54,915)	-	(224,231)
Other comprehensive income	1,139,472	-	41,068	1,180,540
Total comprehensive income for the year	970,156	(54,915)	41,068	956,309
As at 30 April 2017	30,902,683	123,388	327,935	31,354,006
As at 1 May 2017	30,902,683	123,388	327,935	31,354,006
Surplus/(deficit) for the year	186,874	410,859	-	597,733
Other comprehensive income	678,569	-	12,582	691,151
Total comprehensive income for the year	865,443	410,859	12,582	1,288,884
As at 30 April 2018	31,768,126	534,247	340,517	32,642,890
PARENT	Unrestricted Reserves £	Restricted Reserves £	Endowment Funds £	Total £
As at 1 May 2016	30,102,924	178,303	286,867	30,568,094
Surplus/(deficit) for the year	(333,029)	(54,915)	-	(387,944)
Other comprehensive income	1,139,472	-	41,068	1,180,540
Total comprehensive income for the year	806,443	(54,915)	41,068	792,596
As at 30 April 2017	30,909,367	123,388	327,935	31,360,690
As at 1 May 2017	30,909,367	123,388	327,935	31,360,690
Surplus/(deficit) for the year	165,566	410,859	-	576,425
Other comprehensive income	678,569	-	12,582	691,151
Total comprehensive income for the year	844,135	410,859	12,582	1,267,576
As at 30 April 2018	31,735,502	534,247	340,517	32,628,266



	Notes	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus/(deficit)		597,733	(224,231)
Adjustments for:			
Depreciation		507,848	516,364
Pension Costs		116,000	164,000
Amortisation of social housing grant		(25,600)	(25,600)
(Increase)/decrease in debtors		(484,116)	(524,160)
Increase/(decrease) in creditors		251,049	175,735
		<u>962,914</u>	<u>82,108</u>
NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES			
		962,914	82,108
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(757,375)	(537,643)
Additions to investments		(316,865)	(289,163)
Proceeds from sale of investments		264,476	265,408
		<u>(809,764)</u>	<u>(561,398)</u>
NET CASH INFOWS/ (OUTFLOWS) FROM INVESTING ACTIVITIES			
		(809,764)	(561,398)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		<u>153,150</u>	<u>(479,290)</u>
Cash and cash equivalents at the beginning of the year		<u>2,591,559</u>	<u>3,070,849</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		<u>2,744,709</u>	<u>2,591,559</u>
Cash and cash equivalents			
Cash and cash equivalents	18	2,681,366	2,510,555
Cash held by investment managers	15	63,343	81,004
		<u>2,744,709</u>	<u>2,591,559</u>

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 APRIL 2018

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 2014) and the Accounting Direction of Private Registered Providers of Social Housing 2015. 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 2018 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. 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.

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:

- 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 APRIL 2018

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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 APRIL 2018

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
External infrastructure and utilities	50 years
Fittings > £500	20 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.

Sites intended for sale

Sites intended for sale are included at net realisable value as current assets on the balance sheet.

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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 APRIL 2018

INVESTMENTS

Investments are valued at market price, as represented by the mid-market quotation 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 Retail 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 6 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.

ACCOUNTING POLICIES

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.

NOTE 1 – CHARITABLE INCOME	2018	2017
GROUP	£	£
Restricted		
Gross income from events	-	24,609
Income from fundraising activities	603,412	80,500
Unrestricted		
Gross income from events	151,594	383,325
Income from fundraising activities	419,009	403,111
Gifts in kind	636,692	507,162
TOTAL CHARITABLE INCOME	1,810,707	1,398,707

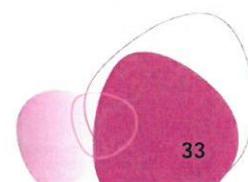
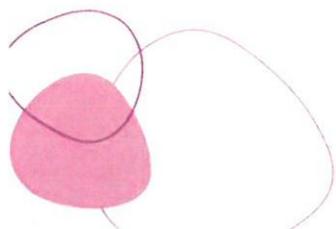
NOTE 2 – COTTAGE HOMES – GROUP

a) Turnover, operating costs and operating surplus

	TURNOVER		OPERATING COSTS		OPERATING SURPLUS	
	2018 £	2017 £	2018 £	2017 £	2018 £	2017 £
Social housing lettings (2b)	4,870,149	4,946,999	4,254,971	4,487,901	615,178	459,098
Other social housing activities:						
- Supporting people	205,899	234,292	205,899	234,292	-	-
Non-social housing activities:						
- Lettings	24,042	21,608	-	-	24,042	21,608
- Other	73,472	234,999	62,093	-	11,379	234,999
- Amortisation of SHG	25,600	25,600	-	-	25,600	25,600
	5,199,162	5,463,498	4,522,963	4,722,193	676,199	741,305

Analysis of social housing lettings:

Rent receivable	1,930,011	1,888,655
Service Charges	2,940,138	2,784,047
Care Home fees	-	274,297
Social housing lettings	4,870,149	4,946,999



NOTE 2 – COTTAGE HOMES – GROUP (continued)

b) Income and Expenditure from social housing lettings

	SUPPORTED HOUSING		CARE HOME		TOTAL	
	2018 £	2017 £	2018 £	2017 £	2018 £	2017 £
NET RENTAL INCOME	<u>4,870,149</u>	<u>4,672,702</u>	<u>-</u>	<u>274,297</u>	<u>4,870,149</u>	<u>4,946,999</u>
Management Services	1,111,451	1,058,191	-	113,266	1,111,451	1,171,457
Routine maintenance	2,368,909	2,348,057	-	181,977	2,368,909	2,530,034
Planned maintenance	186,572	145,901	-	676	186,572	146,577
Major repairs	56,097	136,673	-	34	56,097	136,707
Depreciation	-	1,110	-	-	-	1,110
Other costs	408,951	373,306	-	11,674	408,951	384,980
	122,991	109,749	-	7,287	122,991	117,036
TOTAL EXPENSES	<u>4,254,971</u>	<u>4,172,987</u>	<u>-</u>	<u>314,914</u>	<u>4,254,971</u>	<u>4,487,901</u>
OPERATING SURPLUS/(DEFICIT)	<u>615,178</u>	<u>499,715</u>	<u>-</u>	<u>(40,617)</u>	<u>615,178</u>	<u>459,098</u>

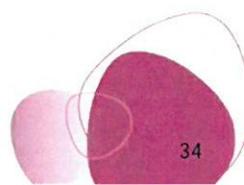
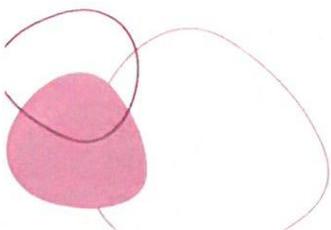
Rental income is stated net of voids as follows:

	2018 £	2017 £	2018 £	2017 £
Voids	<u>16,112</u>	<u>112,872</u>	<u>-</u>	<u>-</u>

The total losses for the year ended 30 April 2018 arising from irrecoverable debts were £nil (2017: £nil).

The accommodation provided is as follows:

	2018	2017
Total number of units:		
Owned	373	371
Under management	4	5
	<u>377</u>	<u>376</u>



RETAIL TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

NOTE 3 – TRADING INCOME

GROUP

	2018	2017
	£	£
Unrestricted		
Income from events	418,070	516,285
Income from Wellbeing Services	1,291,025	800,203
TOTAL TRADING INCOME	1,709,095	1,316,488

NOTE 4 – OTHER INCOME

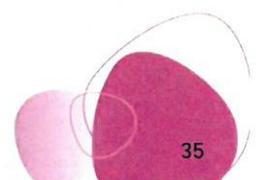
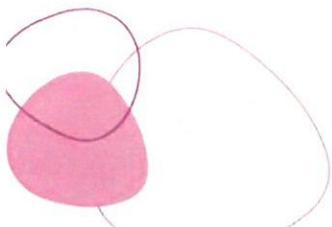
GROUP

	2018	2017
	£	£
Consultancy	-	3,912
Sundry income	1,255	-
TOTAL OTHER INCOME	1,255	3,912

NOTE 5 – EXPENDITURE ON RAISING FUNDS

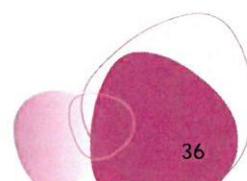
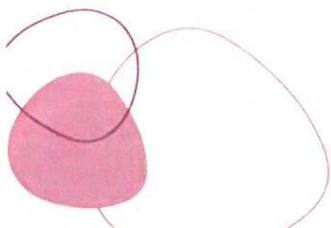
GROUP

	2018	2017
	£	£
Direct costs of events	324,128	476,371
Employee costs	404,107	395,518
Gifts in kind	636,693	507,162
Support and other costs	272,737	358,303
TOTAL EXPENDITURE ON RAISING FUNDS	1,637,665	1,737,354



NOTE 6 – HELPLINE, GRANTS AND OTHER SERVICES	2018	2017
GROUP	£	£
Counselling services	234,051	168,616
Financial assistance grants	410,212	586,954
Charitable services	126,423	43,964
Employee costs	650,542	563,778
Support costs	495,706	469,498
TOTAL HELPLINE, GRANTS AND OTHER SERVICES	1,916,934	1,832,810

NOTE 7 – OPERATING SURPLUS	2018	2017
GROUP	£	£
Operating surplus is stated after charging:		
Auditor's remuneration – audit services	21,595	20,965
Trustees' expenses	17,264	15,887
Depreciation of owned assets	507,848	516,365
Amortisation of housing grant	(25,600)	(25,600)
Redundancy costs	57,092	-



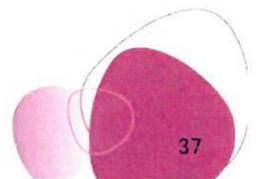
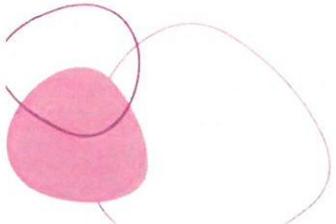
RETAIL TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

NOTE 8 – INTEREST INCOME	2018	2017
GROUP	£	£
Interest on bank accounts	12,617	4,059
Interest on loan	12,387	4,688
Interest and dividends on investments	46,072	40,774
TOTAL INTEREST INCOME	71,076	49,521

NOTE 9 – EMPLOYEES AND EMPLOYEE COSTS	2018	2017
GROUP		
Average number of employees:		
Sheltered housing and care	57	64
Charitable services	20	23
Central support and fundraising	24	22
TOTAL EMPLOYEES	101	109

The total number of staff includes part time employees. The full time equivalent average number of employees was 77 (2017: 80).

Employee costs during the year:	2018	2017
	£	£
Wages and salaries	2,649,387	2,581,725
National Insurance contributions	236,516	221,784
Pension costs	95,221	122,087
TOTAL EMPLOYEE COSTS	2,981,124	2,925,596



RETAIL TRUST
NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 April 2018

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 £433,487 (2017: £417,433). This figure includes aggregate pension contributions of £6,245 (2017: £41,212) and compensation for loss of office of £nil (2017: £nil). The aggregate amount of emoluments paid to the executive team related to an average of 4.6 people in the year (2017: 4.3). Members of the Board received no emoluments during the year (2017: £nil).

During the year the Chief Executive received £120,000 (2017: £130,000) including benefits and pension contributions of £Nil (2017: £26,666).

The employer contributes to the Chief Executive, the Director of People and Wellbeing and the Director of Fundraising’s individual pension arrangements. The aggregate amount of contribution made by the employer to the personal pension schemes was £6,245 (2017: £39,042).

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

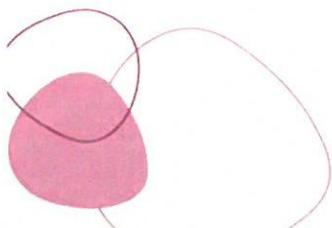
	2018	2017
	No.	No.
£60,000 to £70,000	1	1
£80,001 to £90,000	1	1
£100,001 to £110,000	-	1
£110,001 to £120,000	2	1
	<u>4</u>	<u>4</u>
	<u><u>4</u></u>	<u><u>4</u></u>

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.



RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

NOTE 12 – RELATED PARTY TRANSACTIONS

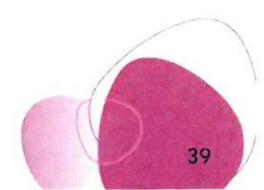
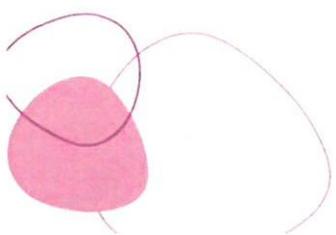
Richard Boland (Chief Executive) and Paul Clarke (Trustee, resigned 08/02/2018) are also Directors of Retail Credit Union Limited (retailCURE).

During the year, the Trust provided an additional subordinated loan to retailCURE of £50,000. Furthermore, the remainder of the start-up loan was converted to a subordinated loan. The balance of subordinated loans at 30 April 2018 was £202,406 (2017: £50,000). The balance on the start-up loan at 30 April 2018 was nil (2017: £148,040).

During the year £12,320 (2017: £300) was donated to the Trust by the Trustees and Key Management Personnel.

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	2018	2017
GROUP AND PARENT	£	£
COST		
Opening as at 1 May 2017	33,308,190	32,863,541
Additions	319,788	444,649
Closing as at 30 April 2018	33,627,978	33,308,190
DEPRECIATION		
Opening as at 1 May 2017	(3,528,965)	(3,197,693)
Provided in the year	(340,036)	(331,272)
Closing as at 30 April 2018	(3,869,001)	(3,528,965)
NET BOOK VALUE		
As at 30 April 2018	29,758,977	29,779,225
As at 30 April 2017	29,779,225	29,665,848



RETAIL TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

NOTES 14 – OTHER TANGIBLE FIXED ASSETS

GROUP AND PARENT	Fixtures and Fittings	Office Equipment	Plant and Machinery	Motor Vehicles	Computer Equipment and Software	Freehold Office Buildings	Total
	£	£	£	£	£	£	£
COST							
Opening at 1 May 2017	900,827	131,599	1,002,109	215,107	1,257,144	1,145,933	4,652,719
Additions	347,881	-	-	-	89,706	-	437,587
Closing 30 April 2018	1,248,708	131,599	1,002,109	215,107	1,346,850	1,145,933	5,090,306
DEPRECIATION							
Opening at 1 May 2017	(857,306)	(131,362)	(923,176)	(205,228)	(1,105,950)	(105,755)	(3,328,777)
Provided during the year	(26,296)	(129)	(31,218)	(3,665)	(90,989)	(15,515)	(167,812)
Closing 30 April 2018	(883,602)	(131,491)	(954,394)	(208,893)	(1,196,939)	(121,270)	(3,496,589)
NET BOOK VALUE							
As at 30 April 2018	365,106	108	47,715	6,214	149,911	1,024,663	1,593,717
As at 30 April 2017	43,521	237	78,933	9,879	151,194	1,040,178	1,323,942

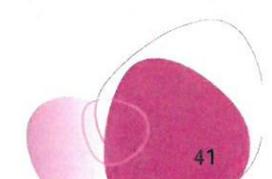
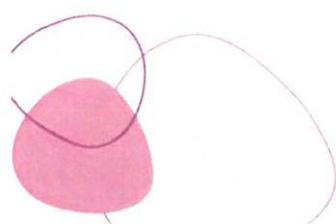
RETAIL TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

NOTE 15 - INVESTMENTS

GROUP AND PARENT	Market value		Cost	
	2018	2017	2018	2017
	£	£	£	£
Restricted				
Listed investments	296,773	278,340	254,779	243,164
Unrestricted				
Listed investments	1,149,489	1,078,091	986,834	941,846
Unlisted investments and cash	281,052	281,004	281,052	281,004
	<u>1,430,541</u>	<u>1,359,095</u>	<u>1,267,886</u>	<u>1,222,850</u>
TOTAL INVESTMENTS	<u><u>1,727,314</u></u>	<u><u>1,637,435</u></u>	<u><u>1,522,665</u></u>	<u><u>1,466,014</u></u>

Reconciliation of Market Value
Movement:

	Unlisted £	Listed £	Cash £	Total £
At 1 May 2017	200,000	1,356,431	81,004	1,637,435
Additions	18,750	298,115	(298,115)	18,750
Disposals	-	(264,476)	264,476	-
Gain / (loss)	-	55,151	-	55,151
Investment income received	-	-	36,071	36,071
Investment income withdrawal	-	-	(6,965)	(6,965)
Investment fee	-	-	(13,128)	(13,128)
At 30 April 2018	<u><u>218,750</u></u>	<u><u>1,445,221</u></u>	<u><u>63,343</u></u>	<u><u>1,727,314</u></u>



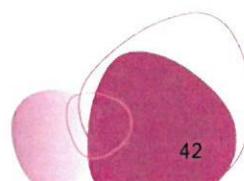
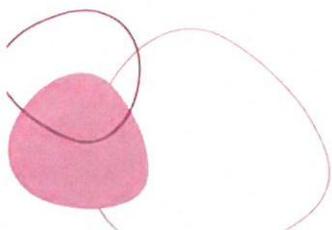
RETAIL TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 April 2018

NOTE 16 – INVESTMENTS IN SUBSIDIARIES

At 30 April 2018, the Group and Parent had interests in the following subsidiaries:

Subsidiaries	Nature of business	Type of share 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)	Cottage Homes Contracts Limited offers design and build contracting services to Retail Trust for its buildings	Ordinary	100%	England and Wales
RT Wellbeing Services Limited (RTWS)	RT Wellbeing Services Ltd provides wellbeing services to employees in the retail sector.	Ordinary	100%	England and Wales

PARENT	2018 £	2017 £
COST		
At 1 May 2017	156	156
Additions in the year	-	-
	<hr/>	<hr/>
At 30 April 2018	156	156
	<hr/>	<hr/>
Net book amount at 30 April 2018	156	156
	<hr/> <hr/>	<hr/> <hr/>
	<hr/>	<hr/>
Net book amount at 30 April 2017	156	156
	<hr/> <hr/>	<hr/> <hr/>



RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

NOTE 16 – INVESTMENTS IN SUBSIDIARIES (continued)

PARENT	CHC		RTE		RTWS	
	2018	2017	2018	2017	2018	2017
	£	£	£	£	£	£
SUMMARY PROFIT & LOSS ACCOUNT						
Turnover	155,129	183,441	418,143	536,464	1,497,030	594,198
Cost of sales	(151,441)	(13,199)	(343,277)	(418,317)	(1,005,988)	(381,533)
Expenditure – shared costs	-	-	(73,253)	(112,177)	(463,878)	(195,253)
Net profit	3,688	170,242	1,613	5,970	27,164	17,412
SUMMARY BALANCE SHEET						
Debtors	1,039	2,624	140,592	114,634	622,336	396,012
Cash at bank	202,582	173,097	84,200	407,086	52,529	365,518
Creditors	(199,932)	(175,720)	(223,124)	(521,665)	(647,601)	(761,430)
Net assets	3,689	1	1,668	55	27,264	100
Retained earnings	3,688	-	1,613	-	27,164	-
Called up share capital	1	1	55	55	100	100
Shareholder funds	3,689	1	1,668	55	27,264	100

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

NOTE 17 – DEBTORS

GROUP	2018 £	2017 £
Rents receivable	117,491	135,947
Trade debtors	550,124	479,292
Other debtors	63,128	10,914
Accrued income	659,013	190,139
Prepayments	132,103	225,817
retailCURE loan - Bridging	-	148,040
retailCURE loan - Subordinated	202,406	50,000
TOTAL DEBTORS	1,724,265	1,240,149

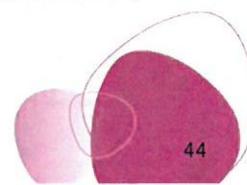
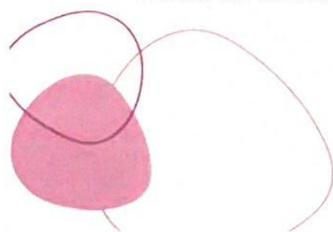
PARENT	2018 £	2017 £
Rents receivable	117,491	135,947
Trade debtors	48,094	86,194
Other debtors	46,851	14,105
Accrued income	619,920	190,139
Prepayments	110,581	170,035
Amounts receivable from subsidiary undertakings	270,969	564,780
retailCURE loan	202,406	198,040
TOTAL DEBTORS	1,416,312	1,359,240

Bad debt provision of £5,069 (2016/17: £15,928) relating to rental and trading income is netted above within rent receivable and trade debtors. The subordinated loan is recoverable after more than 1 year.

NOTE 18 – CASH AND CASH EQUIVALENTS

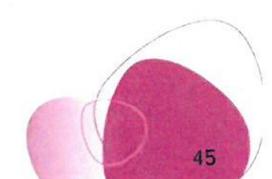
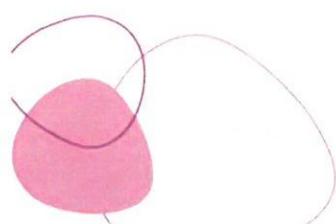
GROUP	2018 £	2017 £
Cash at bank and in hand	676,561	1,492,159
Short term deposits	2,004,805	1,018,396
TOTAL CASH AND CASH EQUIVALENTS	2,681,366	2,510,555

PARENT	2018 £	2017 £
Cash at bank and in hand	337,251	779,310
Short term deposits	2,004,805	1,018,396
TOTAL CASH AND CASH EQUIVALENTS	2,342,056	1,797,706



NOTE 19 – CREDITORS

GROUP	2018 £	2017 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Unrestricted		
Tax and social security	69,816	56,092
Other creditors	202,898	260,827
Accruals	558,611	344,875
Deferred income	685,648	604,130
Restricted		
Social housing grant	25,600	25,600
TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR	1,542,573	1,291,524
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Restricted		
Social housing grant	2,405,176	2,430,776
PARENT		
	2018 £	2017 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Unrestricted		
Tax and social security	69,816	56,092
Other creditors	197,677	264,671
Accruals	533,452	344,875
Deferred income	83,545	-
Restricted		
Social housing grant	25,600	25,600
TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR	910,090	691,238
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Restricted		
Social housing grant	2,405,176	2,430,776



NOTE 20 – PENSION PROVISIONS AND ARRANGEMENTS

GROUP AND PARENT

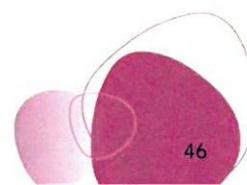
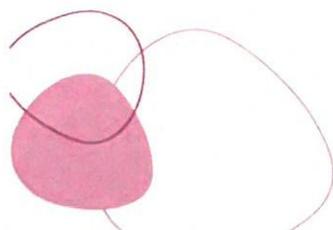
The TRUST operated a retirement and death benefits scheme with two categories of historic membership. The first category, the final salary pension scheme, was closed to new entrants in 2008. The second category, the career average scheme (CARE), was closed to new entrants in March 2013. The scheme closed to future accrual on 31 January 2014 and was replaced by a defined contribution (DC) scheme to which 95% of staff have become members. The scheme is periodically valued by qualified actuaries. The scheme's assets are held separately from those of the group in an independently administered fund. The pension cost for the DC Scheme amounted to £95,221, (2016/17: £122,087).

The main assumptions used by the actuary are:	2018 %	2017 %
Rate of increase in pensions in payment – main	3.2	3.3
Rate of increase in pensions in payment – CARE	2.3	2.3
Rate of increase in pensions in deferment – main	3.3	3.4
Rate of increase in pensions in deferment – CARE	2.5	2.5
Discount rate	2.7	2.7
Retail Price Index inflation	3.3	3.4
Transfer values assumed taken at retirement	20%	20%

Life expectancies:	2018 Years	2017 Years
65 at balance sheet date – Male	21.3	21.5
65 at balance sheet date – Female	23.2	23.4
65 in 20 years – Male	23.1	23.2
65 in 20 years – Female	25.1	25.2

The Fair value of the assets and liabilities of the scheme were:	Value of Assets	
	2018 £	2017 £
Equities	5,809,000	5,927,000
Bonds and gilts	3,858,000	3,937,000
Diversified growth fund	4,239,000	4,247,000
Cash	163,000	53,000
Fair value of assets of the scheme	14,069,000	14,164,000
Present value of scheme liabilities	(14,964,000)	(15,579,000)
Pension liability recognised at 30 April	(895,000)	(1,415,000)

At 30 April 2018, the scheme owed the Charity £4,417 (2016/17: £4,417) in respect of overpaid contributions and tax free cash payments made by the TRUST on behalf of the scheme. The amount is included within net current liabilities above and Note 17 Debtors.



NOTE 20 – PENSION PROVISIONS AND ARRANGEMENTS (continued)

Change in scheme liabilities:	2018 £	2017 £
Scheme liabilities at prior year end	(15,579,000)	(14,825,000)
Adjustment to exclude start year annuitant value	-	147,000
Interest cost	(409,000)	(518,000)
Actuarial gain/(loss)	181,000	(989,000)
Benefits paid directly by the employer	843,000	606,000
	<u>(14,964,000)</u>	<u>(15,579,000)</u>
Change in scheme assets:		
Fair value of assets at prior year end	14,164,000	12,570,000
Adjustment to exclude start year annuitant value	-	(147,000)
Actuarial (loss)/gain on assets	455,000	1,993,000
Benefits paid	(843,000)	(606,000)
Interest income	370,000	435,000
Administration expenses	(77,000)	(81,000)
	<u>14,069,000</u>	<u>14,164,000</u>
Pension liability recognised at 30 April	<u><u>(895,000)</u></u>	<u><u>(1,415,000)</u></u>
Analysis of the amounts recognised in net surplus/(deficit):		
Administration expenses	77,000	81,000
Net interest	39,000	83,000
	<u>116,000</u>	<u>164,000</u>
Amount charged to net surplus/(deficit)	<u><u>116,000</u></u>	<u><u>164,000</u></u>
Analysis of the amounts recognised in other comprehensive income:		
Actuarial gains/(losses) on liabilities	181,000	(989,000)
Return on assets excluding amount included in net interest	455,000	1,993,000
	<u>636,000</u>	<u>1,004,000</u>
Amount recognised in other comprehensive Income	<u><u>636,000</u></u>	<u><u>1,004,000</u></u>

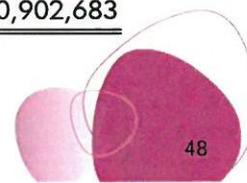
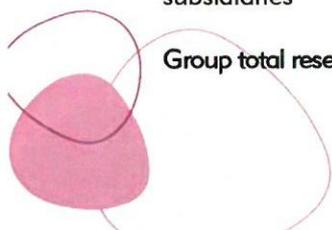
The last actuarial valuation of the Scheme was performed by the actuary for the Trustees as at 30 June 2016, which reported a surplus of £686,000. As there was a surplus in the Scheme the Employer has not needed to pay any contributions into the scheme over the year to 30 April 2018 (2016/17: contributions were also £nil). In the financial year ending 30 April 2019, employer's contributions are expected to be £nil.

RETAIL TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

NOTE 21 – UNRESTRICTED RESERVES

	As at 1 May 17	Surplus/Deficit for the year	Gains/Losses	Transfers Between funds	As at 30 Apr 18
	£	£	£	£	£
Designated reserves					
CURe	200,000	-	-	(200,000)	-
Crookfur development	1,697,613	-	-	(375,951)	1,321,662
Other unrestricted reserves					
Pension scheme reserve	(1,415,000)	-	636,000	(116,000)	(895,000)
Property reserve	28,269,460	-	-	275,128	28,544,588
Retained earnings	2,157,294	165,566	42,569	416,823	2,782,252
Parent total reserves	30,909,367	165,566	678,569	-	31,753,502
Retained earnings of subsidiaries	(6,684)	21,308	-	-	14,624
Group total reserves	30,902,683	186,874	678,569	-	31,768,126

	As at 1 May 16	Surplus/Deficit for the year	Gains/Losses	Transfers Between funds	As at 30 Apr 17
	£	£	£	£	£
Designated reserves					
CURe	200,000	-	-	-	200,000
Crookfur development	1,697,613	-	-	-	1,697,613
Other unrestricted reserves					
Pension scheme reserve	(2,255,000)	-	1,004,000	(164,000)	(1,415,000)
Property reserve	28,222,582	-	-	46,878	28,269,460
Retained earnings	2,237,729	(333,029)	135,472	117,122	2,157,294
Parent total reserves	30,102,924	(333,029)	1,139,472	-	30,909,367
Retained earnings of subsidiaries	(170,397)	163,713	-	-	(6,684)
Group total reserves	29,932,527	(169,316)	1,139,472	-	30,902,683



RETAIL TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

NOTE 21 – UNRESTRICTED RESRVES (continued)

Property reserve

The property reserve represents depreciated historical cost of freehold housing and office 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 and Retail CURE.

Transfers between funds

CURE was previously designated and has been fully utilised so the balance of designated is Nil at 30 April 2018.

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

Pension Scheme represents costs of the scheme.

Property reserve represents net additions in the year.

NOTE 22 – RESTRICTED RESERVES

GROUP AND PARENT	Multi-sensory Stimulation £	Other Trust Funds £	Retail Right £	Crookfur £	Total £
As at May 2016	10,247	100,406	67,650	-	178,303
Incoming resources	-	-	105,109	-	105,109
Outgoing resources	-	(37,843)	(122,181)	-	(160,024)
	<u>10,247</u>	<u>62,563</u>	<u>50,578</u>	<u>-</u>	<u>123,388</u>
As at 1 May 2017	10,247	62,563	50,578	-	123,388
Incoming resources	-	39,000	88,412	500,000	627,412
Outgoing resources	-	(77,563)	(138,990)	-	(216,553)
	<u>10,247</u>	<u>24,000</u>	<u>-</u>	<u>500,000</u>	<u>534,247</u>
As at 30 April 2018	<u>10,247</u>	<u>24,000</u>	<u>-</u>	<u>500,000</u>	<u>534,247</u>

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 a donation made from the Fraser Foundation specifically for the Crookfur development project.

RETAIL TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2018

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 2016	93,395	152,564	40,908	286,867
Increase in the market value of investments	13,370	21,842	5,856	41,068
As at 1 May 2017	106,765	174,406	46,764	327,935
Increase in the market value of investments	4,096	6,692	1,794	12,582
As at 30 April 2018	110,861	181,098	48,558	340,517

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 2018 the TRUST had annual commitments under non-cancellable operating leases relating to photocopiers and telecoms.

The Group's future minimum operating lease payments are as follows:

	2018 £	2017 £
Within one year	55,177	37,896
Two to five years	98,818	104,214
	153,995	142,110

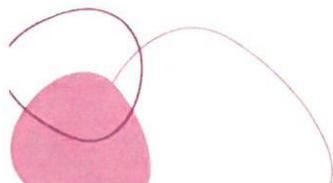
NOTE 25 – CAPITAL COMMITMENTS

Amounts contracted for in the group but not provided for in the financial statements as at 30 April 2018 is £nil (2017: £nil).

NOTE 26 – POST BALANCE SHEET EVENT

Subsequent to year end, Cottage Homes Contracts Limited, a subsidiary of Retail Trust, entered into a contract to begin phase one of the Crookfur project which aims to build an additional 100 units at the Glasgow Estate. Phase one is to complete 20 units. The value of the contract is £3.5m (2017: £nil), this will be funded from designated reserves, donations and bank funding.

retailCURE (The credit union for Retail) in which retailTRUST has £418k invested in deferred shares and subordinated loans (producing an average yield of 4%) was the subject of a takeover by Voyager Alliance Credit Union on the 1st of October 2018. The Investment is secure but now vests in Voyager Alliance Credit Union. retailCURE will continue trading under its own name but its ownership has transferred from the date specified above.



retailTRUST[®]

improving the lives of all involved
...yesterday, today, tomorrow

