

RETAIL TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

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

Retail Trust

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 30 April 2020

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Retail Trust

TRUSTEES' REPORT

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 30 April 2020

INCORPORATED AND REGULATORY BODIES

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

COMPANY SECRETARY: David Kaye

TELEPHONE NUMBER: 020 8201 0110

CONFIDENTIAL HELPLINE: 0808 801 0808

WEBSITE: Corporate: www.retailtrust.org.uk

BOARD OF TRUSTEES:

Philip Bell-Brown (Appointed 19/8/20)
Amanda Cox
Nigel Duxbury (Resigned 19/8/2020)
Lesley Exley (Appointed 01/05/2019)
Helena Feltham
Guy Hipwell (Resigned 9/11/2019)
Sally Hopson
Simon Ledsham
Michael Logue (Appointed 19/02/2020)
Karen McCormick (Appointed 10/10/2019)
David McCorquodale
Alistair McGeorge - Chairman
Gita North
Lindsay Page (Resigned 08/09/2020)
Timothy Seal (Appointed 10/10/2019)
Brian Small – Honorary Treasurer
Maria Thompson (Resigned 01/03/2020)

ACTUARY

Barnett Waddingham LLP
Decimal Place
Chiltern Avenue
Amersham
HP6 5FG

BANKERS

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

INSURANCE BROKER

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

REGISTERED OFFICE

Marshall Estate
Hammers Lane
Mill Hill
London
NW7 4DQ

Employees & beneficiaries: www.myrtwellbeing.org.uk

EXECUTIVE TEAM

Richard Boland	Chief Executive Officer (Retired 30/04/2020)
Christopher Brook-Carter	Chief Executive Officer (Appointed 01/05/2020)
Clive Warner	Chief Financial Officer (Retired 31/12/2019)
Olaitan Ogunmoyela	Finance Director (Appointed 01/01/2020)
Kathleen MacIntyre	Director of Supported Living Services
Geoff Kershaw	Director of Business Development (Resigned 01/11/2019)
Neil Duffy	Director of Fundraising & Wellbeing (Appointed 01/08/2019)
Amy Prendergast	Director of Change, People & Learning (Appointed 01/11/2019)
Sanjeev Jagait	Chief Information and Communications Officer (Resigned 12/08/2020)

AUDITOR - External

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

AUDITOR - Internal

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

INVESTMENT MANAGER

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

SOLICITOR

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

Retail Trust

TRUSTEES' REPORT

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 STRATEGIC GOAL

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

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

OUR STRATEGIC FOCUS 2019/20

The growth of our physical and digital development of Wellbeing Services for all involved – both through preventative and curative support.

This towards the later stages of the year was impacted significantly by COVID19 and the Trust took swift action in early March 2020 to ensure the wellbeing and safety of those under our remit.

HOW

By focussing on four key elements of Wellbeing, "The Four Pillars of Wellness."

The Wellbeing of the communities we serve is a holistically interwoven matrix made up of four pillars: -

Physical Wellness

Our support stretches from the retirement homes we run to the support we give those in danger of being made homeless through financial assistance grants to the advice and support we give through our online Wellbeing Portal and through the educational programmes we develop and support.

Ensuring Physical Wellness is often the first step to preventing the risk of threats to the other pillars of Wellness.

Emotional Wellness

A key focus for society is a major area of support and involvement for the Trust through our Physical and Digital support tools. Our counselling services (telephonic, face to face and online) are well respected and increasingly we are gaining a reputation for high calibre self-help tools through the Wellbeing Portal and now, our Chat Bot.

Our approach is a "salutogenic model" which helps individuals to self-manage the day to day ups and downs where possible and provides expert interventions when required. This involves us recognising that preventing problems in the other Wellnesses may actually preserve emotional wellness. Our support is as much preventative as curative.

Financial Wellness

Through our hardship educational grants and bursaries, we aim to help ensure that we provide a safety net for those in our communities who are in dire need of financial support. By solving financial issues we often support the other Wellnesses.

Vocational Wellness

Creating a platform for social inclusion and mobility is key to improving the wellbeing of our communities. The support of vocational wellness has a positive and direct impact on longer term financial wellness, physical and emotional wellness.

OUR VALUES

Our core values of being: -

CARING, INNOVATIVE and **TRUSTED** are at the heart of everything we do: -

By Caring - growing our reach and relevance through Kindness.

By Innovating – being Brave enough to develop the tools of the digital age to commercial and service advantage.

Being Trusted for 188 years and by continuing to be so through Sustainability and Resilience.

OUR BENEFICIARIES

There are three main beneficiary groups:-

- 1.Those involved with the sector yesterday i.e. Retirees
- 2.Those working in the sector today i.e. employees
3. Those seeking to enter or re-enter the sector i.e. those looking for careers in the sector

Retail Trust

TRUSTEES' REPORT (*continued*)

CHAIRMAN'S MESSAGE

Dear supporters, sponsors, patrons, volunteers and colleagues,

As we drew the reporting year to a close and began considering our goals for 2020/21, no one could have predicted the scale of change to the way we work and live that we are now all experiencing as a result of the COVID-19 crisis.

This organisation has been at the heart of how the retail industry looks after the health and wellbeing of its greatest asset – its people – since 1832. But, it has never been as relevant as now. As retail employers and employees adjust to the changing landscape, retailTRUST remains committed to delivering the services desperately required by those in distress and need in the sector.

I am proud to say that the teams at retailTRUST have responded brilliantly to the escalating calls for our help that COVID-19 has created.

But they themselves have also adjusted to the new realities and reassessed our approach to fundraising and the activities of our trading subsidiaries to ensure we continue to drive high performance and income generation. These efforts have enabled us to sustain the charitable activities of our organisation and have helped us cope with delays to the delivery of our capital projects which have been impacted by lockdown.

To that end, I would like to offer my sincere thanks to all of our colleagues at retailTRUST who have continued to work tirelessly and with great commitment to ensure we deliver the care and support required to the retail sector and our residents. In particular, I would like to thank our outgoing chief executive Richard Boland and chief financial officer Clive Warner. Both have played an integral role in developing retailTRUST into the success it is today and leave the organisation with strong foundations for a new generation to take forward.

While the final weeks of our financial 12 months were dominated with building our strategy to ensure we could continue to thrive during the COVID-19 crisis, the rest of the year was again one coloured by progress against our strategic goals.

We celebrated the opening of Don McCarthy Court and the addition of 33 new flats at our renamed Hugh Fraser Retirement Estate in February, marking the completion of phase one of our asset optimisation programmes. The impact of the pandemic has delayed the realisation of phase two and the

commencement of the Derby and Mill Hill programmes.

cottageHOMES revenues fell by 1% following the sale of land previously generating rent income and reductions in local authority support for extra care residents activities. Having taken the decision to go into lockdown a week earlier than recommended, we believe we have prioritised the health and safety of both staff and residents. And, while it remains a fluid situation, our efforts continue to be dedicated to taking decisions that drive positive outcomes in spite of the challenges experienced at the end of the period.

In retailHUB, income grew by 9% while expenditure on services grew by 7% to £2.6m. We invested significantly in digital technologies that will allow us to reach a wider audience. And, a year on from the launch of myrtwellbeing.org.uk, we saw a significant increase in engagement with this self-help tool, contributing a 39% increase in page views.

retailRIGHT continues to support retailers in delivering services from reskilling to traineeships. And, despite the short-term impact of the COVID-19 crisis on employment in retail, we believe vocational support remains important to our frontline colleagues as the sector recovers and continues to evolve. Our efforts will continue to ensure that the meritocratic reputation of retail is protected, embraced and celebrated by driving social mobility across the sector through our employability and career support services.

Total charitable income grew by 2.9% year on year, with restricted funds 11% higher than prior year showing a change in donors' expectations of the use of amounts donated. Most of the services we deliver have benefitted from gifts in kind. We remain grateful to all who have given so generously.

Our immediate cash position remains robust at £2.9m although long term borrowings have increased to £4.2m from £1.2m as fund investments at the Hugh Fraser estate in Glasgow. We also retain an investment portfolio of £1.8 million managed by Smith and Williamson. Our housing properties rose by over £2.7m to £34.7m and our total reserves stand at £31.9m, a reduction driven by the timing of the valuation of our pension fund. We are confident that we have a robust balance sheet. During 2020/21 we will have significant capital outflows for the new building works at Glasgow, Derby and Mill Hill and make significant increases to the amount dedicated to supporting those in greatest need.

Retail Trust

TRUSTEES' REPORT (continued)

As we deliver our results for the year, it is with careful optimism that I encourage us to remember the words of our founder Thomas Helps, who in 1832 declared that the organisation should be there to "promote the happiness and interests" of those working in the sector. Never has that purpose been more relevant.

With personal best wishes to ALL.

A handwritten signature in black ink, appearing to read "Alistair McGeorge". The signature is written in a cursive, slightly slanted style.

Alistair McGeorge
Chair of Trustees

Retail Trust

TRUSTEES' REPORT (*continued*)

The Trustees present the report together with the audited financial statements of the TRUST for the year ended 30 April 2020. The Trustees are directors under company law and this report represents the directors' Annual Report and the Strategic Report.

OBJECTIVES AND ACTIVITIES

1. KEY OBJECTIVES

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

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

2. KEY ACTIVITIES

The TRUST organises its operations around 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 all beneficiary groups involved.

STRATEGIC OPERATIONS REPORT

1. OVERVIEW

The TRUST is the largest retail trade charity in the UK covering over 4.5 million working people through to the end of the reporting period. The scope, wellbeing of all involved in all forms of retail and retail supporting services. We support the wellbeing of those who in some way serve consumers from factory to warehouse to shop floor to online supply chain and all functions supporting that journey particularly in the wake of the coronavirus pandemic.

Physical Wellbeing

The TRUST owns and operates supported living estates for retirees 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. It includes both the provision of supported living and extra care services.

The national focus of care for the elderly is to lengthen the period of independent living in their own home and less upon residential care. We have invested in major redevelopment of the Hugh Fraser estate in Glasgow which has seen the addition of 33 new units as Phase 1 concluded in February 2020. All of the new units were digitally-enabled and adapted to meet the changing needs of residents in this digital enabled age. Phase 2 of the redevelopment completed in Autumn 2020 and saw 13 further units become available.

We currently support circa 420 residents in highly regarded accommodation with superior support services.

Maximising the potential of our physical assets is key to our sustainability. We have further opportunities and will shortly commence the development of 12 new digitally-enabled units at Leyland's Estate, Derby fully funded by a Bank of Scotland loan.

Retail Trust

TRUSTEES' REPORT (*continued*)

Emotional Wellbeing

We are at the forefront of developing "Smart Homes and Villages" for our residents and the provision of smart devices across our estates has proven to be an especially impactful investment as the pandemic broke out, enabling our residents to communicate via video calls with close friends and family where they all fell into the shielding category.

In the 2019/20 reporting year, we supported over 300 individuals into jobs through our Traineeships and employability programmes across the shop floor, supply chain and support centres in retail. Given the impact of Covid-19, our programmes for last two months of the financial year were cancelled.

To support those retail colleagues who unfortunately were made redundant due to the global pandemic, we created a series of digital work ready videos and online re-skilling sessions. The series of webinars supported individuals to develop the skills and confidence in securing alternative employment including digital skills for the modern workplace, CV & interview techniques and work readiness post Covid-19. We will continue to invest significantly in the area of digital re-skilling programmes to support more employees who sadly will have lost their jobs due to COVID-19.

retailHUB continues to provide high quality wellbeing services for those past and present retail industries employed. Over the past year, myrtwellbeing.org.uk has provided much-needed personalised digital support to our retail colleagues. The site offered preventative self-help tools and resources to 146 subscribing retailers and 8,181 registered users. On average, registered users made three visits to the site and viewed 11 pages, and nearly half of them (48%) worked in a shop or store.

We saw a significant increase in support since COVID-19 with 39% of traffic (139,246 page views) occurring in March and April 2020. The gating rules were amended so that the content was available for everyone to access including employees from companies who hadn't signed up to our online wellbeing services. The site was pivotal in supporting the wellbeing of our retail colleagues during the extremely challenging time.

Vocational Wellbeing

With the pandemic leading to a national lockdown, the Smart Homes technology was rolled out across all estates which has increased confidence in learning ability for the staff monitoring and supporting

residents in the use of the technology and also improving confidence in the residents to learn new skills given how interactive the solutions are.

We continue to help individuals to get into work, progress their careers and develop new skills through our vocational wellbeing services. 150 employees were recruited onto our 'gRADuate' Retail Apprentice Degree programme with over £825,000 levy monies accessed and reinvested back into the industry. We were involved in the development of two further Apprenticeships, the L4 and L6 Buying and Merchandising standards. 200 students are pledged to start over the course of the next year enabling up to £1m levy funds to be accessed. This year saw the launch of our new independent and high-quality end point assessment service for retail apprentices, ensuring that Apprenticeships are more accessible, cost effective and of great quality.

A brand-new mentoring programme was launched with the aim of supporting aspiring talent in retail, whatever their background, to progress with their careers. 12 senior executives in retail provided 120 hours' worth of mentoring combined that supported 20 mentees. One of the mentees landed a brand-new role on the back of the initiative with the valuable support and guidance from Liz Evans, CEO of Fatface.

Financial Wellbeing

With the delivery of 33 new units at our Glasgow location, we have been able to improve the standard of support and care delivered to our residents by delivering smart solutions which has enhanced the energy efficiency on the estate with the delivery of new standards of insulation and heating and lighting systems.

£35k invested to support 15 aspiring entrepreneurs at Glasgow Caledonian University in the form of scholarship and seed funding. Our start-up funding and support enabled retail entrepreneur Emma Russell to develop her fashion platform 'pplrstrange'. Emma spoke on the evening at RTC, stating 'I would like to thank retailTRUST, Hammerson and GCU for awarding me with this funding. The grant will enable me to grow my business quicker than anticipated. I really appreciate the faith that you have put in to me and my business idea, it honestly means the world'.

£60k invested in the form of educational grants to support both retail colleagues, their families and dependants with costs in relation to studying at university.

Retail Trust

TRUSTEES' REPORT (*continued*)

The wellbeing site received 411,671 page views during the year. Popular content included financial support, non-repayable grants, and active listening skills using the SOLER method (due to it is organic search ranking). When users created their personalised toolkit, anxiety, stress and depression were the most selected topics.

Business Insights/ Business Transformation

Our commitment to digital transformation is producing tangible business benefits. For example, investment in Cloud technologies like Microsoft Teams have enabled us to transition and thrive when the coronavirus pandemic necessitated most office staff to work from home.

The Insights team has continued to work towards a vision for being "An innovative and agile team leading the way for data-driven customer insight, powering real advantage in a changing and challenging market to benefit all those we strive to support."

The appointment of a skilled Data Analyst in November 2019 has been pivotal in radically improving efficiency through automation of many previously manually compiled reports.

A key challenge for us in the future is to transition away from merely reporting towards providing timely, actionable insight that provides strategic value by informing better decision making. Our aim as a team is to support and guide the transformation of all the Trust's service delivery to meet and ultimately anticipate the needs and expectations of our stakeholders.

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

2. FINANCIAL REVIEW

Total income for the period was steady at £9.0m. A one-off gain in the prior year from the sale of land aside, there is a comparative incremental growth of 0.3% driven mostly by the growing relevance of the paid-for services delivered via our Helpline and Grants teams. Income from social housing lettings shows a marginal reduction partly due to an increased programme of maintenance in the period. Wellbeing Services continued growth from £1.4m to

£1.5m, an 11.5% increase, confirms our ongoing strategy to improve the Wellbeing of ALL involved.

Total expenditure was £246k higher than prior year. The key driver remaining our commitment to helpline, grants and other services where there was a 172k (7%) increase. As the pandemic forced us to pivot our operations in counselling services from face-to-face to telephonic services, we were able to dedicate more of our resources to additional financial assistance and other charitable services.

Gifts In Kind contributed £744k, a marginal decrease of 1% on the prior year. This is treated as income and expenditure. It includes consultants donating their services in the form of significantly favourable day rates, marketing expenditure and general pro – bono work.

There is a net other comprehensive income deficit in the year of £1.2m driven by a £1.1m increase in the FRS102 actuarial deficit of the closed defined benefit pension schemes. This deficit is a direct reflection of the economic uncertainty at our year end close and reflects the reaction of the market to the pandemic. Covid-19 means that there has been significant volatility in key actuarial assumptions month by month this year and we believe this deficit has reduced again post year end.

Net assets have decreased to £31.9m. At 30 April 2020, cash at bank and in hand was £2.9m, up by £0.1m on the previous year. However, long term borrowing increased to £4.2m from £1.2m as a result of investment in Cottage Homes.

The completion of 33 additional units at our Hugh Fraser estate have increased our Housing properties assets by 8.2% to £34.7m (2019: £32.1m). This is also the trigger for the change in long term creditors from £3.5m to £6.6m where the Bank of Scotland loan drawdown has partly contributed to the costs of phase 1 and the nearly completed phase 2 which will see a further 13 units come online.

Utilisation of the funds raised via the capital appeal towards the additional units at Hugh Fraser estate of £780k reduces our restricted reserves balance to just over £34k at year end.

3. VALUE FOR MONEY (VFM)

Our Sector continues to go through major challenges both structurally and economically. The Impact of COVID-19 has accentuated that process acutely. It is imperative therefore that we ensure VFM in the support and services we provide to the sector.

Retail Trust

TRUSTEES' REPORT (*continued*)

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

DELIVERY OF VFM DURING 2019/20

Social Impact

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

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

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

We are pleased to report that our Social Value Return on Investment (SVROI) per £1 invested has increased from £5.69 in the last year to £6.81 this year. This represents a growth of 16.4%. The overall value for SVROI has grown in the same period from £48m to £70m. The Trust's investment in a Wellbeing portal that allows users to access advice and training courses has contributed an additional £7.8m of social value.

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

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

Regulator of Social Housing Value for Money Metrics

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

They relate mostly to cottageHOMES and are as follows: -

Metric 1 Reinvestment in Housing Property Assets

The reinvestment figure for the year was 8.81% compared to prior year 8.28%

Metric 2a/2b New Housing Provision

For the year in question we added 33 units to the Social Housing portfolio. A 9% increase.

Metric 3 Gearing %

During the last two years we have had negative gearing with 2019/20 at (3.64%) and 2018/19 at (5.62%). The 2019/20 figure is after drawing down £4.23m of bank borrowing from Bank of Scotland.

Metric 4 EBITDA MRI Interest Cover

The figure for 2019/20 indicates interest is covered 7.78 times by cash generated in year.

Metric 5 Headline Social Housing Cost £

Per unit the cost was £8.96k in 2019/20 down from £9.6k in 2018/19 largely due to the addition of 33 new units.

Metric 6a and 6b Operating Margin

Social housing operating margin 19.1% and overall TRUST 2.12% in 2019/20 compared to 17.5% and 5.5% in 2018/19.

Metric 7 Return on Capital Employed

In 2019/20 the figure is 0.4% compared to 1.3% in 2018/19.

Examples of VFM delivery

SMART HOMES

Having delivered the first 33 flats at Don McCarthy Court with full smart functionality, 82% of residents have experienced more affordable bills and greater control of their environment.

The investment has proven to be timely particularly during the lockdown in enabling communication between residents and their families during the pandemic.

Retail Trust

TRUSTEES' REPORT (*continued*)

retailRIGHT

retailRIGHT awarded £35k to 15 aspiring entrepreneurs at Glasgow Caledonian University in the form of scholarships and seed funding. We also awarded £60k in the form of educational grants to support both retail colleagues, their families and dependants with costs in relation to studying at university.

WELLBEING PORTAL

The wellbeing portal saw an average of 2,530 page views a day during April 2020, with 25% of these being COVID-19 related. Without having invested in the development and delivery of the portal for the past 12 months, our ability to reach our beneficiaries would have been incredibly limited and the cost of communicating with those in need would have far exceeded the Trust's budget at a challenging time for the sector.

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 increasing during the year by £131k to £2.87m despite a loss on investments as a result of COVID. Where we had expected a recovery in the value of assets during the year, we are again left with a charge to the pension scheme reserves increasing our liability to nearly £2.4m due to changes in corporate bond yields.

The other reserves are restricted or designated in nature and are described in more detail in Notes 21, 22 and 23. Restricted reserves are used only for the purpose for which the donor has specified. Designated reserves are 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 5 years.

2. KEY MANAGEMENT PERSONNEL REMUNERATION

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

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

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

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

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

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

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

Trustees will also consider:

- the benefit to the trust that such positions will bring;
- the cost to the trust of increasing remuneration levels;
- affordability, including in the longer term (based on a risk assessment of future income and expenditure);
- an assessment of the TRUST's and Executives performance against KPIs, budget, expectations, both short and long term;

Retail Trust

TRUSTEES' REPORT (*continued*)

- 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.

3. HEALTH AND SAFETY

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

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

The Board of Trustees are confident that the Trust has adequate resilience in place to weather a second wave of COVID19.

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 4.5% which compares with the benchmark of 5.0%. This is because it was decided to adopt less risk than the composite benchmark in this particular economic climate. The TRUST meets with the investment managers regularly to review performance. The portfolio is maintained to a risk profile as agreed with the Board.

Despite the pandemic, the portfolio has continued to perform well, following an initial -14.4% return against -15.7% benchmark at the start of the lockdown in March and improving by 5.7% in the month to the end of April.

5. GRANTS, BURSARIES & SCHOLARSHIPS

The Trust awarded £436k in financial assistance grants, a decrease of 4% on the previous year. These were awarded based on the TRUST's grants policy and guidelines which take into account the financial status and specific needs of each applicant. The cost of counselling services grew by 6.5% possibly an indication of an increase in awareness of mental wellbeing. The Board receives regular updates on the level of financial grants awarded. Included in this amount, it awarded bursaries and scholarships of £50k.

6. PENSION

The TRUST sponsors group personal pension arrangements with Legal and General which has £529k funds under management in individual employee name policies. This arrangement commenced in 2014 and a small percentage of employees have opted out of this auto-enrolment scheme.

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

Under Financial Reporting Standard FRS102 there was a deficit at the year-end of £2.4m for the FS/CARE schemes. This compares with a deficit of £1.2m in the previous year.

7. FUNDING

The TRUST differs from many conventional charities in so far as 16.6% of its income comes from traditional fundraising activities (excluding Donations in Kind).

The bulk, 83.4% of our income comes from paid for services be they, residential services or wellbeing services, all of which are subject to a minimum contract duration of one year.

Sources of funding

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

This funding model gives us a degree of stability of income which is very welcome. However, we recognise that no income is entirely resilient since the impact of COVID-19.

Retail Trust

TRUSTEES' REPORT (continued)

The Funding Model is overseen by the Funding & Communications Committee.

Within the traditional fundraising disciplines our key focus is on Events, Challenges, Trusts and Institutions and Donors both individual and corporate. However looking forward new methods of funding will have to be found post COVID-19 as traditional sources such as Events are unlikely to happen in the short term.

8. FUNDRAISING REGULATOR

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

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

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

9. COMPLAINTS

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

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

10. GDPR

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. INCORPORATION, LEGAL AND ORGANISATIONAL STRUCTURE

The TRUST was incorporated on 17 July 2001 as a private company under the Companies Act and registered as a charity on 17 January 2002. Its memorandum sets out the objects and powers of the organisation and is governed in accordance with its

Retail Trust

TRUSTEES' REPORT (*continued*)

Articles of Association. The TRUST complies with HCA Governance & Financial Viability Standard. The retirement estates are across five locations in the United Kingdom; London, Glasgow (Crookfur), Derby, Liverpool and Salford.

2. GOVERNANCE

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

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

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

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

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

Sub-committees

Chair

Risk/Audit/Finance	Brian Small
Funding & Communications	Simon Ledsham
Remuneration & Nominations	Sally Hopson
Property & Cottage Homes	Nigel Duxbury retired July 2020, New Chair Philip Bell-Brown
Wellbeing Services. With effect from 01/09/2019 new committee formed to replace former Executive Grants & Services Committee	Helena Feltham

3. PUBLIC BENEFIT STATEMENT

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

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

4. INTERNAL CONTROL

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

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

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

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

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

Retail Trust

TRUSTEES' REPORT (*continued*)

to rectify weaknesses identified is monitored by the committee.

5. RISK

Trustees consider the key risks facing the TRUST are:

Financial

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

Failure to support those in need

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

Whilst COVID-19 has changed the way that we deliver our face-to-face counselling services, we have been able to pivot quickly to deliver counselling via telephonic means to minimise the disruption to delivering our services to those in greatest need.

Residential Estates sustainability

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

There is also a risk that a second wave could lead to loss of life on our estates. We mitigate this by strictly following government guidelines and ensuring our internal controls are regularly reviewed and updated in line with the guidelines.

Safety

The risk is an incident which would impact residents, visitors or employees. We manage this through a rigorous process of health and safety procedures and independent audits.

During the pandemic we effectively locked down our estates and limited the spread of the disease by

supporting our residents through the provision of a food bank on each estate to provide essentials to those most in need.

Data Protection

The TRUST undertook rigorous work to ensure compliance with 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. A full cyber audit is planned for the 2020/21 financial year.

Disaster Recovery and COVID-19

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

Financial – a loss exceeding £1m

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

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

Industry – a huge loss in the community which we serve

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

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

6. FRAUD

The TRUST manages fraud risks through the system of internal controls and procedures. There is also an anti-fraud policy in place which sets out clear procedures for the reporting and investigation of suspected irregularities of any sort. All cases of fraud or attempted fraud are reported to the RAF so they may consider whether appropriate action has been taken and whether internal controls require further review. All matters of financial loss are reported to the Police and all cases above the limit set by the Homes and Communities Agency are reported to them. The anti-fraud policy contains the clear message about

Retail Trust

TRUSTEES' REPORT (continued)

the sanctions that will be employed for members of staff who are found to have perpetrated a fraud. A register of all incidents is open for inspection by members of the Board.

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company, housing and trust law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the parent and of the income and expenditure of the group and the parent for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial

information included on the TRUST's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

8. STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

9. SUBSIDIARY UNDERTAKINGS

At 30 April 2020 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

Over the course of the past year, we have started the conversation to help us to understand what we can do at retailTRUST to build a healthier, happier, diverse and more inclusive workforce.

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

- Introduced Canada Life, an EAP service where employees and their family members

Retail Trust

TRUSTEES' REPORT (continued)

can access a range of wellbeing services and health benefits

- All employees have received some form of 'wellbeing training' to equip them with both the confidence and tools to spot the first signs of emotional distress and to understand best practice of sign posting individuals to help safely and effectively and managing their own wellness.
- Taken the first steps in creating a culture of openness and transparency through the introduction of the CEO weekly briefing calls, the 'Ask Chris' tool and the monthly pulse surveys

It's really important that all of our employees feel included and respected, whoever they are, their background and wherever they are working in the organisation. We will now continue to build upon these actions and we will challenge ourselves to ensure that employee wellbeing, diversity and inclusion is central to our organisations strategic planning moving forward.

- **AUDITORS**

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

This Trustees Report, including the Strategic report was approved by the Board on 28 October 2020.



Alistair McGeorge

Chairman



Brian Small

Honorary Treasurer

16th December 2020

Retail Trust

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RETAIL TRUST

Opinion

We have audited the financial statements of Retail Trust for the year ended 30 April 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Balance Sheets, the Group and Parent Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the 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 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 13 and 14, 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.

Retail Trust

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RETAIL TRUST

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.

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 includes 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 LLP, Statutory Auditors
Date: 8 April 2021

10 Queen Street Place
London
EC4R 1AG

RETAIL TRUST**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 April 2020

	NOTES	2020 £	2019 £
INCOME AND ENDOWMENTS from:			
Charitable income	1	1,812,942	1,761,278
Cottage Homes	2	5,243,302	5,279,038
Trading income	3	1,930,135	1,766,952
Other income	4	118	150,148
		<hr/>	<hr/>
TOTAL INCOME		8,986,497	8,957,416
		<hr/> <hr/>	<hr/> <hr/>
EXPENDITURE on:			
Raising funds	5	(1,868,286)	(1,864,588)
Cottage Homes	2	(4,273,783)	(4,204,050)
Helpline, grants and other services	6	(2,619,835)	(2,447,553)
		<hr/>	<hr/>
TOTAL EXPENDITURE		(8,761,904)	(8,516,191)
		<hr/> <hr/>	<hr/> <hr/>
OPERATING SURPLUS	7	224,593	441,225
Investment income	8	67,407	73,168
Pension costs	20	(93,000)	(98,000)
		<hr/>	<hr/>
NET SURPLUS		199,000	416,393
		<hr/> <hr/>	<hr/> <hr/>
OTHER COMPREHENSIVE INCOME			
(Losses)/gains on investments	15	(87,704)	34,869
Actuarial (losses) in pension scheme	20	(1,075,000)	(212,000)
		<hr/>	<hr/>
TOTAL OTHER COMPREHENSIVE INCOME		(1,162,704)	(177,131)
		<hr/> <hr/>	<hr/> <hr/>
TOTAL COMPREHENSIVE INCOME		(963,704)	239,262
		<hr/> <hr/>	<hr/> <hr/>

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

The notes set out on pages 24 to 46 form an integral part of these financial statements

RETAIL TRUST**CONSOLIDATED BALANCE SHEET**

as at 30 April 2020

Company Registration No. 04254201

	NOTES	2020 £	2019 £
FIXED ASSETS			
Housing properties	13	34,697,188	32,056,603
Other tangible fixed assets	14	1,732,571	1,818,534
Investments at market value	15	1,801,675	1,879,790
TOTAL FIXED ASSETS		38,231,434	35,754,927
CURRENT ASSETS			
Debtors	17	1,326,555	1,008,189
Cash and cash equivalents	18	2,922,090	2,797,246
TOTAL CURRENT ASSETS		4,248,645	3,805,435
CREDITORS: amounts falling due within one year	19	(1,609,655)	(1,933,634)
NET CURRENT ASSETS		2,638,990	1,871,801
TOTAL ASSETS LESS CURRENT LIABILITIES		40,870,424	37,626,728
CREDITORS: amounts falling due after more than one year	19	(6,578,976)	(3,539,576)
Pension liability	20	(2,373,000)	(1,205,000)
NET ASSETS		31,918,448	32,882,152
RESERVES			
Unrestricted reserves	21	31,552,389	31,719,517
Restricted reserves	22	34,247	814,247
Endowment funds	23	331,812	348,388
TOTAL RESERVES		31,918,448	32,882,152

The financial statements on pages 24 to 46 were approved by the Trustees and authorised for issue on 16 December 2020 and are signed on their behalf by:



Alistair McGeorge

Chairman



Brian Small

Honorary Treasurer

RETAIL TRUST

CHARITY BALANCE SHEET

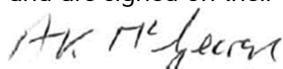
as at 30 April 2020

Company Registration No. 04254201

	NOTES	2020 £	2019 £
FIXED ASSETS			
Housing properties	13	34,697,188	32,056,603
Other tangible fixed assets	14	1,654,654	1,715,763
Investments at market value	15	1,801,675	1,879,790
Investment in subsidiaries	16	156	156
TOTAL FIXED ASSETS		38,153,673	35,652,312
CURRENT ASSETS			
Debtors	17	907,122	621,231
Cash and cash equivalents	18	2,339,757	2,547,530
TOTAL CURRENT ASSETS		3,246,879	3,168,761
CREDITORS: amounts falling due within one year	19	(728,192)	(1,303,391)
NET CURRENT ASSETS		2,518,687	1,865,370
TOTAL ASSETS LESS CURRENT LIABILITIES		40,672,360	37,517,682
CREDITORS: amounts falling due after more than one year	19	(6,578,976)	(3,539,576)
Pension liability	20	(2,373,000)	(1,205,000)
NET ASSETS		31,720,384	32,773,106
RESERVES			
Unrestricted reserves	21	31,354,325	31,610,471
Restricted reserves	22	34,247	814,247
Endowment funds	23	331,812	348,388
TOTAL RESERVES		31,720,384	32,773,106

The total comprehensive income for the year of the Parent Company is £(1,052,722) (2019: £144,840).

The financial statements on pages 24 to 46 were approved by the Trustees and authorised for issue on 16 December 2020 and are signed on their behalf by:



Alistair McGeorge

Chairman



Brian Small

Honorary Treasurer

RETAIL TRUST
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2020

GROUP	Unrestricted Reserves £	Restricted Reserves £	Endowment Funds £	Total £
As at 1 May 2018	31,768,126	534,247	340,517	32,642,890
Surplus/(deficit) for the year	136,393	280,000	-	416,393
Other comprehensive income	(185,002)	-	7,871	(177,131)
Total comprehensive income for the year	(48,609)	280,000	7,871	239,262
As at 30 April 2019	31,719,517	814,247	348,388	32,882,152
As at 1 May 2019	31,719,517	814,247	348,388	32,882,152
Surplus for the year	199,000	-	-	199,000
Transfers in the year	780,000	(780,000)	-	-
Other comprehensive income	(1,146,128)	-	(16,576)	(1,162,704)
Total comprehensive income for the year	(167,128)	(780,000)	(16,576)	(963,704)
As at 30 April 2020	31,552,389	34,247	331,812	31,918,448
PARENT	Unrestricted Reserves £	Restricted Reserves £	Endowment Funds £	Total £
As at 1 May 2018	31,753,502	534,247	340,517	32,628,266
Surplus/(deficit) for the year	41,971	280,000	-	321,971
Other comprehensive income	(185,002)	-	7,871	(177,131)
Total comprehensive income for the year	(143,031)	280,000	7,871	144,840
As at 30 April 2019	31,610,471	814,247	348,388	32,773,106
As at 1 May 2019	31,610,471	814,247	348,388	32,773,106
(Deficit) for the year	109,982	-	-	109,982
Transfers in the year	780,000	(780,000)	-	-
Other comprehensive income	(1,146,128)	-	(16,576)	(1,162,704)
Total comprehensive income for the year	(256,206)	(780,000)	(16,576)	(1,052,722)
As at 30 April 2020	31,354,325	34,247	331,812	31,720,384

RETAIL TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2020

	NOTES	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus		199,000	416,393
Adjustments for:			
Depreciation		605,266	539,069
Pension Costs		93,000	98,000
Profit from sale of assets		-	(152,876)
Amortisation of social housing grant		(25,600)	(25,600)
(Increase)/decrease in debtors		(318,366)	599,956
Increase/(decrease) in creditors		(323,979)	(54,998)
		229,320	1,419,944
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(3,159,888)	(2,599,948)
Additions to investments		(547,321)	(152,800)
Proceeds from sale of investments		413,812	236,403
Proceeds from sale of land		-	150,000
Proceeds from sale of motor vehicle		-	3,490
		(3,293,397)	(2,362,855)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowing		3,065,000	1,160,000
		3,065,000	1,160,000
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		924	217,089
Cash and cash equivalents at the beginning of the year		2,961,798	2,744,709
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		2,962,722	2,961,798
Cash and cash equivalents			
Cash and cash equivalents	18	2,922,090	2,797,246
Cash held by investment managers	15	40,632	164,552
		2,962,722	2,961,798
		Balance at 1 May 2019	Cash flows
		£	£
Bank and cash		2,961,798	924
Loans due after more than one year		1,160,000	3,065,000
		4,121,798	3,065,924
		Balance at 30 April 2020	£
Net debt		4,121,798	7,187,722

RETAIL TRUST

ACCOUNTING POLICIES

for the year ended 30 April 2020

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 registered office address of the TRUST and its subsidiary companies is: Marshall Hall, Marshall Estate, Hammers Lane, London NW7 4DQ.

ACCOUNTING BASIS

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

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the TRUST and its subsidiary undertakings, Retail Trust Events Limited, Cottage Homes Contracts Limited and RT Wellbeing Services Limited drawn up to 30 April 2020 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.

Given the COVID-19 pandemic, the trustees are confident of the TRUST's ability to continue to support its beneficiaries and meet its obligations based on its cash position and ability to pivot quickly in response to changing economic factors.

INCOME

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

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

Income is recognised on the following bases:

- 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 payments 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.

RETAIL TRUST

ACCOUNTING POLICIES (continued)
for the year ended 30 April 2020

EXPENDITURE

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

Expenditure is recognised on the following bases:

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

ANALYSIS OF TRANSACTIONS BETWEEN REGULATED AND NON-REGULATED ACTIVITIES

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

FIXED ASSETS – FREEHOLD HOUSING PROPERTIES

Freehold housing properties are stated at cost.

Cost of housing properties

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

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

RETAIL TRUST

ACCOUNTING POLICIES (continued)
for the year ended 30 April 2020

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	20 years
Digital	5 years

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

OTHER TANGIBLE FIXED ASSETS

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

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

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

Land is not depreciated.

Impairment of assets

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

RETAIL TRUST

ACCOUNTING POLICIES (continued)
for the year ended 30 April 2020

INVESTMENTS

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

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

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

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

BASIC FINANCIAL INSTRUMENTS – ASSETS AND LIABILITIES

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

Cash and cash equivalents

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

Debtors and creditors

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

Liabilities

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

Financial assistance grants

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

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

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

RETAIL TRUST

ACCOUNTING POLICIES (continued)
for the year ended 30 April 2020

INTEREST PAYABLE

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

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

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

PENSION SCHEME

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

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

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

ENDOWMENT FUNDS

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

RESTRICTED RESERVES

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

DESIGNATED RESERVES

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

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

	2020 £	2019 £
NOTE 1 - CHARITABLE INCOME		
GROUP		
Restricted		
Income from fundraising activities	515,368	464,453
Unrestricted		
Gross income from events	324,118	214,944
Income from fundraising activities	228,796	330,595
Gifts in kind	744,660	751,286
TOTAL CHARITABLE INCOME	1,812,942	1,761,278

NOTE 2 – SUPPORTED LIVING - GROUP

a) Turnover, operating costs and operating surplus

	TURNOVER		OPERATING COSTS		OPERATING SURPLUS	
	2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
Social housing lettings (2b)	5,074,558	5,043,176	4,154,928	4,038,348	919,630	1,004,828
Other social housing activities:						
Supporting people	96,148	106,150	96,148	106,150	-	-
Non-social housing activities:						
Letting	24,876	40,605	-	-	24,876	40,605
Other	22,120	63,507	22,707	59,552	(587)	3,955
Amortisation of SHG	25,600	25,600	-	-	25,600	25,600
	5,243,302	5,279,038	4,273,783	4,204,050	969,519	1,074,988

	2020 £	2019 £
Analysis of social housing lettings:		
Rent receivable	2,006,872	2,015,571
Service Charges	3,067,686	3,027,605
Social housing lettings	5,074,558	5,043,176

NOTE 2 – SUPPORTED LIVING - GROUP

b) Income and Expenditure from social housing lettings

	SUPPORTED HOUSING	
	2020	2019
	£	£
NET RENTAL INCOME	5,074,558	5,043,176
Management	822,694	1,010,087
Services	2,519,501	2,332,506
Routine maintenance	108,866	146,247
Planned maintenance	112,240	68,523
Depreciation	430,783	403,734
Other costs	160,844	77,251
TOTAL EXPENSES	4,154,928	4,038,348
OPERATING SURPLUS	919,630	1,004,828
Rental income not earned due to as follows:		
	2020	2019
	£	£
Voids	161,907	78,477

The total losses for the year ended 30 April 2020 arising from irrecoverable debts were £253 (2019: £330)

The accommodation provided is as follows:	2020	2019
Total number of units:		
Owned	409	374
Under management	1	3
	410	377

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

NOTE 3 - TRADING INCOME

	2020	2019
GROUP	£	£
Unrestricted		
Income from events	378,685	377,485
Income from Wellbeing Services	1,551,450	1,389,467
	<hr/>	<hr/>
TOTAL TRADING INCOME	1,930,135	1,766,952
	<hr/> <hr/>	<hr/> <hr/>

NOTE 4 - OTHER INCOME

	2020	2019
GROUP	£	£
Proceeds from sale of land	-	150,000
Sundry Income	118	148
	<hr/>	<hr/>
TOTAL OTHER INCOME	118	150,148
	<hr/> <hr/>	<hr/> <hr/>

NOTE 5 - EXPENDITURE ON RAISING FUNDS

	2020	2019
GROUP	£	£
Direct costs of events	409,415	399,265
Employee costs	198,826	206,090
Gifts in kind	744,661	751,286
Support and other costs	515,384	507,947
	<hr/>	<hr/>
TOTAL EXPENDITURE ON RAISING FUNDS	1,868,286	1,864,588
	<hr/> <hr/>	<hr/> <hr/>

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2020

NOTE 6 – WELLBEING SERVICES

GROUP	2020 £	2019 £
Counselling services	605,856	568,875
Financial assistance, bursaries and scholarships	435,769	453,354
Charitable services	403,202	317,166
Employee costs	652,599	582,541
Support costs	522,409	525,617
	<hr/>	<hr/>
TOTAL WELLBEING SERVICES	2,619,835	2,447,553
	<hr/> <hr/>	<hr/> <hr/>

NOTE 7 - OPERATING SURPLUS

GROUP	2020 £	2019 £
Operating surplus is stated after charging:		
Auditor's remuneration – audit services	24,665	22,440
Auditor's remuneration – non-audit services	4,865	1,775
Trustees' travel and training expenses	8,550	16,304
Depreciation of owned assets	579,665	539,068
Amortisation of housing grant	(25,600)	(25,600)
Redundancy costs	32,043	9,291
	<hr/> <hr/>	<hr/> <hr/>

RETAIL TRUSTNOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2020**NOTE 8 - INTEREST INCOME**

GROUP	2020	2019
	£	£
Interest on bank accounts	19,496	17,292
Interest on loan	2,500	2,708
Interest and dividends on investments	45,411	53,168
	<hr/>	<hr/>
TOTAL INTEREST INCOME	67,407	73,168
	<hr/> <hr/>	<hr/> <hr/>

NOTE 9 - EMPLOYEES AND EMPLOYEE COSTS

GROUP	2020	2019
	No.	No.
Average number of employees:		
Supported Living	38	51
Charitable services	17	16
Central support and fundraising	26	26
	<hr/>	<hr/>
TOTAL EMPLOYEES	81	93
	<hr/> <hr/>	<hr/> <hr/>

The total number of staff included part time employees. The full time equivalent average number of employees was 66 (2019: 73).

Employee costs during the year:	2020	2019
	£	£
Wages and salaries	2,394,414	2,461,124
National Insurance contributions	220,202	221,434
Pension costs	138,385	115,917
	<hr/>	<hr/>
TOTAL EMPLOYEE COSTS	2,753,001	2,798,475
	<hr/> <hr/>	<hr/> <hr/>

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

The key management personnel are defined as the members of the Board, the Chief Executive and the Directors. The aggregate amount of emoluments paid to the Directors was £558,164 (2019: £496,415). This figure includes aggregate pension contributions of £23,037 (2019: £15,120). Members of the Board received no emoluments during the year (2019: £nil).

During the year the Chief Executive received £133,000 (2019: £133,000) including benefits and pension contributions of £nil (2019: £nil).

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

	2020	2019
	No.	No.
£60,001 to £70,000	1	1
£70,001 to £80,000	2	1
£110,001 to £120,000	-	1
£130,001 to £140,000	1	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 2020

NOTE 12 - RELATED PARTY TRANSACTIONS

On 30 September, 2018, Retail Credit Union merged with Voyager Alliance Credit Union and Richard Boland (Chief Executive Officer) became a Director of Voyager Alliance Credit Union (VACU) until 16 November 2019. At that time, £100,000 of loans were converted to Deferred Shares.

During the year £5,940 (2019: £9,310) was donated to the Trust by the Trustees and Key Management Personnel.

NOTE 13 - FIXED ASSETS - HOUSING PROPERTIES

	2020	2019
	£	£
GROUP AND PARENT		
COST		
Opening as at 1 May 2019	36,220,329	33,627,978
Additions	3,014,287	2,548,783
Transfers	-	100,741
Disposals	-	(57,173)
Closing as at 30 April 2020	39,234,616	36,220,329
DEPRECIATION		
Opening as at 1 May 2019	(4,163,726)	(3,869,001)
Provided in the year	(373,702)	(351,898)
Disposals	-	57,173
Closing as at 30 April 2020	(4,537,428)	(4,163,726)
NET BOOK VALUE		
As at 30 April 2020	34,697,188	32,056,603
As at 30 April 2019	32,056,603	29,758,977

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

NOTE 14 - OTHER TANGIBLE FIXED ASSETS

GROUP	Fixtures & Fittings £	Plant and Machinery £	Motor Vehicles £	Comp Equip & Software £	Freehold Office Buildings £	Total £
COST						
Opening at 1 May 2019	441,324	205,823	11,409	716,917	1,145,933	2,521,406
Additions	93,036	-	-	52,565	-	145,601
Closing at 30 April 2020	<u>534,360</u>	<u>205,823</u>	<u>11,409</u>	<u>769,482</u>	<u>1,145,933</u>	<u>2,667,007</u>
DEPRECIATION						
Opening at 1 May 2019	(95,606)	(177,474)	(9,474)	(283,534)	(136,785)	(702,873)
Provided during the year	(41,718)	(14,653)	(1,905)	(157,730)	(15,557)	(231,563)
Closing at 30 April 2020	<u>(137,324)</u>	<u>(192,127)</u>	<u>(11,379)</u>	<u>(441,264)</u>	<u>(152,342)</u>	<u>(934,436)</u>
NET BOOK VALUE						
As at 30 April 2020	<u>397,036</u>	<u>13,696</u>	<u>30</u>	<u>328,218</u>	<u>993,591</u>	<u>1,732,571</u>
As at 30 April 2019	<u>345,718</u>	<u>28,349</u>	<u>1,935</u>	<u>433,384</u>	<u>1,009,148</u>	<u>1,818,534</u>
PARENT						
	Fixtures & Fittings £	Plant and Machinery £	Motor Vehicles £	Comp Equip & Software £	Freehold Office Buildings £	Total £
COST						
Opening at 1 May 2019	441,324	205,823	11,409	614,146	1,145,933	2,418,635
Additions	93,036	-	-	50,856	-	143,892
Closing at 30 April 2020	<u>534,360</u>	<u>205,823</u>	<u>11,409</u>	<u>665,002</u>	<u>1,145,933</u>	<u>2,562,527</u>
DEPRECIATION						
Opening at 1 May 2019	(95,606)	(177,474)	(9,474)	(283,534)	(136,785)	(702,873)
Provided during the year	(41,718)	(14,653)	(1,905)	(131,167)	(15,557)	(205,000)
Closing at 30 April 2020	<u>(137,324)</u>	<u>(192,127)</u>	<u>(11,379)</u>	<u>(414,701)</u>	<u>(152,342)</u>	<u>(907,873)</u>
NET BOOK VALUE						
As at 30 April 2020	<u>397,036</u>	<u>13,696</u>	<u>30</u>	<u>250,301</u>	<u>993,591</u>	<u>1,654,654</u>
As at 30 April 2019	<u>345,718</u>	<u>28,349</u>	<u>1,935</u>	<u>330,613</u>	<u>1,009,148</u>	<u>1,715,763</u>

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

NOTE 15 - INVESTMENTS

GROUP AND PARENT	Market Value		Cost	
	2020 £	2019 £	2020 £	2019 £
Restricted				
Listed investments	272,593	270,919	246,348	229,280
Unrestricted				
Listed investments	1,169,700	1,125,569	1,057,078	952,577
Unlisted investments and cash	359,382	483,302	359,382	483,302
	<u>1,529,082</u>	<u>1,608,871</u>	<u>1,416,460</u>	<u>1,435,879</u>
TOTAL INVESTMENTS	<u><u>1,801,675</u></u>	<u><u>1,879,790</u></u>	<u><u>1,662,808</u></u>	<u><u>1,665,159</u></u>

Reconciliation of Market Value Movement:

	Unlisted £	Listed £	Cash £	Total £
As at 1 May 2019	318,750	1,396,488	164,552	1,879,790
Additions	-	547,321	(547,321)	-
Disposals	-	(413,812)	413,812	-
Gain / (loss)	-	(87,704)	-	(87,704)
Investment income received	-	-	34,432	34,432
Investment income withdrawn	-	-	(8,731)	(8,731)
Investment fee	-	-	(16,112)	(16,112)
As at 30 April 2020	<u><u>318,750</u></u>	<u><u>1,442,293</u></u>	<u><u>40,632</u></u>	<u><u>1,801,675</u></u>

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

NOTE 16 - INVESTMENTS IN SUBSIDIARIES

At 30 April 2020, the Group and Parent had interests in the following subsidiaries:

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

PARENT**2020****2019**

£

£

AT COST

As at 1 May 2019

156

156

Additions / (disposals) in the year

-

-

As at 30 April 2020**156****156**

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

NOTE 16 - INVESTMENTS IN SUBSIDIARIES (continued)

	CHC		RTE		RTWS	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
SUMMARY PROFIT & LOSS ACCOUNT						
Turnover	2,812,116	2,245,133	379,188	407,804	1,551,449	1,390,897
Cost of sales	(2,681,629)	(2,137,714)	(305,225)	(281,963)	(1,498,302)	(1,240,246)
Expenditure - shared costs	-	(60,000)	(59,534)	(64,866)	-	(150,000)
Net profit	130,487	47,419	14,429	60,975	53,147	651
SUMMARY BALANCE SHEET						
Fixed Assets	-	-	-	-	77,917	102,771
Debtors	101,538	481,127	111,949	139,112	747,463	534,927
Cash at bank	71,843	18,534	123,606	113,796	386,883	117,387
Creditors	(42,893)	(452,241)	(221,071)	(191,878)	(1,159,016)	(754,334)
Net assets	130,488	47,420	14,484	61,030	53,247	751
Retained earnings	130,487	47,419	14,429	60,975	53,147	651
Called up share capital	1	1	55	55	100	100
Shareholder funds	130,488	47,420	14,484	61,030	53,247	751

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

RETAIL TRUST**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 April 2020

NOTE 17 - DEBTORS

	2020	2019
GROUP	£	£
Rents receivable	154,041	143,870
Trade debtors	639,015	436,627
Other debtors	153,928	60,245
Accrued income	154,522	83,608
Prepayments	125,049	183,839
Voyager Alliance CU loan - Subordinated	100,000	100,000
TOTAL DEBTORS	<u>1,326,555</u>	<u>1,008,189</u>
	2020	2019
PARENT	£	£
Rents receivable	154,041	143,870
Trade debtors	78,050	106,727
Other debtors	80,399	60,245
Accrued income	150,356	77,417
Prepayments	119,081	132,972
Amounts receivable from subsidiary undertakings	225,195	-
Voyager Alliance CU loan - Subordinated	100,000	100,000
TOTAL DEBTORS	<u>907,122</u>	<u>621,231</u>

Bad debt provision of £19,742 (2019: £1,606) relating to rental and trading income is netted above within rent receivable and trade debtors. The subordinated loan is recoverable after more than one year.

NOTE 18 - CASH AND CASH EQUIVALENTS

	2020	2019
GROUP	£	£
Cash at bank and in hand	922,090	797,246
Short term deposits	2,000,000	2,000,000
TOTAL CASH AND CASH EQUIVALENTS	<u>2,922,090</u>	<u>2,797,246</u>
	2020	2019
PARENT	£	£
Cash at bank and in hand	339,757	547,530
Short term deposits	2,000,000	2,000,000
TOTAL CASH AND CASH EQUIVALENTS	<u>2,339,757</u>	<u>2,547,530</u>

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

NOTE 19 - CREDITORS

GROUP	2020 £	2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Unrestricted		
Tax and social security	64,513	61,306
Other creditors	249,519	312,955
Accruals	532,994	981,574
Deferred income	737,029	552,199
Restricted		
Social housing grant	25,600	25,600
	<u>1,609,655</u>	<u>1,933,634</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Unrestricted		
Long term borrowing	4,225,000	1,160,000
Restricted		
Social housing grant	2,353,976	2,379,576
	<u>6,578,976</u>	<u>3,539,576</u>
	2020 £	2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Unrestricted		
Tax and social security	83,973	79,492
Other creditors	162,262	184,976
Accruals	390,312	401,590
Deferred income	66,045	68,738
Amounts payable to subsidiary undertakings	-	542,995
Restricted		
Social housing grant	25,600	25,600
	<u>728,192</u>	<u>1,303,391</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Unrestricted		
Long term borrowing	4,225,000	1,160,000
Restricted		
Social housing grant	2,353,976	2,379,576
	<u>6,578,976</u>	<u>3,539,576</u>

A £5m development loan facility was taken out on 12 May 2017 for the Crookfur development and is secured over the freehold of the Crookfur estate. At year end, the balance of the development loan was £4.225m. Interest only is charged in the first 2 years whilst the development is taking place commencing July 2018. The capital is repayable over the following 23 years. Interest is payable at 1.75% over base rate. After 10 years of the 25-year loan term, a bullet repayment or re-finance agreement at prevailing market rates at this time will apply.

NOTE 20 - PENSION PROVISIONS AND ARRANGEMENTS

GROUP AND PARENT

The TRUST operates a closed retirement and death benefits scheme with two categories of historic membership. The first category, the final salary pension scheme, was closed to new entrants in 2008. The second category, the career average scheme (CARE), was closed to new entrants in March 2013. Both categories of the scheme closed to future accrual on 31 January 2014 and were replaced by a Group Personal Pension (GPP) which has a current value of £804,120. Currently, 90% of staff have contributions invested with the GPP, which is managed by Legal and General and the TRUST contributed £141,515 (2019: £108,321) to the scheme on behalf of staff.

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

The main assumptions used by the actuary are:	2020	2019
	%	%
Rate of increase in pensions in payment - main	2.95	3.20
Rate of increase in pensions in payment - CARE	1.95	2.25
Rate of increase in pensions in deferment - main	2.55	3.30
Rate of increase in pensions in deferment - CARE	2.50	2.50
Discount rate	1.70	2.35
Retail Price Index inflation	2.55	3.30
Transfer values assumed taken at retirement	25%	20%

Life expectancies:	2020	2019
	Years	Years
65 at balance sheet date - Male	20.8	21.0
66 at balance sheet date - Female	22.5	22.9
65 in 20 years - Male	22.1	22.4
66 in 20 years - Female	24.0	24.4

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

	Value of Assets	
	2020	2019
	£	£
Equities	5,344,000	5,936,000
Bonds and gilts	3,591,000	3,723,000
Diversified growth fund	3,941,000	4,284,000
Cash	187,000	69,000
	<hr/>	<hr/>
Fair value of assets of the scheme	13,063,000	14,012,000
Present value of scheme liabilities	(15,436,000)	(15,217,000)
	<hr/>	<hr/>
	(2,373,000)	(1,205,000)
	<hr/> <hr/>	<hr/> <hr/>

At 30 April 2020, the scheme owed the Charity £4,417 (2019: £4,417) in respect of overpaid contributions and tax-free payments made by the TRUST on behalf of the scheme. The amount is included within net current liabilities above and Note 17 - Debtors.

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

NOTE 20 - PENSION PROVISIONS AND ARRANGEMENTS (continued)

	2020 £	2019 £
Change in scheme liabilities		
Scheme liabilities at 1 May 2019	(15,217,000)	(14,964,000)
Interest cost	(350,000)	(401,000)
Actuarial gain/(loss)	(496,000)	(581,000)
Benefits paid directly by the employer	627,000	729,000
	<hr/>	<hr/>
Scheme liabilities at 30 April	(15,436,000)	(15,217,000)
	<hr/>	<hr/>
Change in scheme assets:		
Fair value of assets at 1 May 2019	14,012,000	14,069,000
Actuarial (loss)/gain on assets	(579,000)	369,000
Benefit paid	(627,000)	(729,000)
Interest income	321,000	376,000
Administration expenses	(64,000)	(73,000)
	<hr/>	<hr/>
Fair value of assets at 30 April	13,063,000	14,012,000
	<hr/>	<hr/>
Pension liability recognised at 30 April	(2,373,000)	(1,205,000)
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the amounts recognised in net surplus/(deficit):		
Administrative expenses	64,000	73,000
Net interest	29,000	25,000
	<hr/>	<hr/>
Amount charges to net surplus/(deficit)	93,000	98,000
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the amounts recognised in other comprehensive income:		
Actuarial gains/(losses) on liabilities	(496,000)	(581,000)
Return on assets excluding amount included in net interest	(579,000)	369,000
	<hr/>	<hr/>
Amount recognised in other comprehensive income	(1,075,000)	(212,000)
	<hr/> <hr/>	<hr/> <hr/>

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

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April
2020

NOTE 21 - UNRESTRICTED RESERVES

GROUP AND PARENT	As at 01-May- 2019 £	Surplus for the year £	Gains/Loss es £	Transfers between funds £	As at 30-Apr-2020 £
Designated Reserves					
Crookfur development	144,095	-	-	-	144,095
Other unrestricted reserves					
Pension scheme reserve	(1,205,000)	-	(1,075,000)	(93,000)	(2,373,000)
Property reserve	29,932,633	-	-	780,000	30,712,633
Retained earnings	2,738,743	109,982	(71,128)	93,000	2,870,597
Parent total reserves	31,610,471	109,982	(1,146,128)	780,000	31,354,325
Retained earnings of subsidiaries	109,046	89,018	-	-	198,064
Group total reserves	31,719,517	199,000	(1,146,128)	780,000	31,552,389
	As at 01-May- 2018 £	Surplus/ Deficit for the year £	Gains/Loss es £	Transfers between funds £	As at 30-Apr-2019 £
Designated Reserves					
Crookfur development	1,321,662	-	-	(1,177,567)	144,095
Other unrestricted reserves					
Pension scheme reserve	(895,000)	-	(212,000)	(98,000)	(1,205,000)
Property reserve	28,544,588	-	-	1,388,045	29,932,633
Retained earnings	2,782,252	41,971	26,998	(112,478)	2,738,743
Parent total reserves	31,753,502	41,971	(185,002)	-	31,610,471
Retained earnings of subsidiaries	14,624	94,422	-	-	109,046
Group total reserves	31,768,126	136,393	(185,002)	-	31,719,517

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2020

NOTE 21 - UNRESTRICTED RESERVES (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.

Transfers between funds

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

Pension Scheme represents costs of the scheme.

Property reserve represents net additions in the year.

NOTE 22 - RESTRICTED RESERVES

GROUP AND PARENT	Multi-sensory Stimulation £	Other Trust Funds £	Retail Right £	Crookfur £	Total £
As at 1 May 2018	10,247	24,000	-	500,000	534,247
Income	-	5,000	167,623	285,000	457,623
Expenditure	-	(5,000)	(167,623)	(5,000)	(177,623)
As at 1 May 2019	10,247	24,000	-	780,000	814,247
Income	-	-	63,265	-	63,265
Expenditure	-	-	(63,265)	-	(63,265)
Transfer	-	-	-	(780,000)	(780,000)
As at 30 April 2020	10,247	24,000	-	-	34,247

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

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

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

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

RETAIL TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2020

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 2018	110,861	181,098	48,558	340,517
Increase in the market value of investments	2,562	4,186	1,122	7,871
As at 1 May 2019	113,423	185,284	49,680	348,388
Increase in the market value of investments	(5,396)	(8,816)	(2,364)	(16,576)
As at 30 April 2020	108,027	176,468	47,316	331,812

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 2020 the TRUST had annual commitments under non-cancellable operating leases relating to photocopiers and telecommunications.

	2020 £	2019 £
Within one year	52,019	55,177
One to five years	4,320	43,641
	56,340	98,818

NOTE 25 - CAPITAL COMMITMENTS

Amounts contracted for in the group but not provided for in the financial statements as at 30 April 2020 is £3,181,013 (2019: £2,744,029).

NOTE 26 - POST BALANCE SHEET EVENTS

Post year end, there have been some recoveries in the values of investments and pension balances.

The pension balance saw a temporary improvement which appeared to signal an upward trend, however corporate bond yields drifting downwards from around 1.7% to 1.5% and future inflation drifting upwards from 3% to 3.5%, have both signalled that where there have been improvements in the asset values, there have also been increases in the calculated value of the liability meaning that it is still unclear if there is a genuine funding gap present in pension schemes.

The investment portfolio on the other hand has shown some recovery with securities valued at nearly £1.5m at 30 April and climbing to £1.54m by 31 August. Over the past 5 years, the investments have performed well and it is expected that the recovery will be slow and we are cautious that with the expectation of a further lockdown as the winter season draws nearer, activities may well slow down again to May to July levels and it is our expectation that we will continue to hold these funds in the investment portfolio for at least a couple of years whilst markets stabilise given the cash available to the TRUST at this time.