

# RETAIL TRUST

England & Wales · Charity number 1090136

## Details

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**Other names** THE COTTAGE HOMES CHARITY

**Status** Registered

**Legal form** Charitable company

**Company number** [04254201](#)

**Registered** 2002-01-17

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Form Rooms  
2nd Floor  
22 Tower Street  
London

**Phone** 020 8201 0110

**Email** [rbushell@retailtrust.org.uk](mailto:rbushell@retailtrust.org.uk)

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

## Activities

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**Objects:** 3.1 THE CHARITY SHALL OPERATE FOR THE PUBLIC BENEFIT IN PURSUANCE OF THE FOLLOWING CHARITABLE OBJECTS: 3.1.1 TO SUPPORT INDIVIDUALS WHO ARE OR HAVE BEEN IN EMPLOYMENT WITHIN THE RETAIL AND ASSOCIATED SECTORS IN NEED BECAUSE OF YOUTH, AGE, ILL-HEALTH, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE, IN PARTICULAR BY: 3.1.1.1 THE PROVISION OF WELLBEING SERVICES, FOR EXAMPLE COUNSELLING, COGNITIVE BEHAVIOURAL THERAPY AND CRITICAL INCIDENT SUPPORT; 3.1.1.2 THE PROVISION OF ADVICE AND ASSISTANCE, PARTICULARLY TO INDIVIDUALS WHO WOULD OTHERWISE BE UNABLE TO OBTAIN SUCH ADVICE; 3.1.1.3 THE PROVISION OF SPECIALLY DESIGNED OR ADAPTED HOUSING AND ITEMS, SERVICES AND FACILITIES CALCULATED TO RELIEVE THE NEEDS OF BENEFICIARIES; AND 3.1.1.4 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; 3.1.2 TO ADVANCE 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; AND 3.1.3 TO FURTHER 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.

**Activities:** Retail Trust is the charity for all people working and retired from retail. Its charitable activities are:- a confidential Helpline which provides counselling, legal and debt advice- Charitable Services with access to financial grants;- Wellbeing Programme;- Supported Living and Care Services for retired employees; and- other services such as education.

## Classification

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- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

## Geography

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- Scotland
- Barnet
- Derby City
- Liverpool City
- Salford City

## Finances

| Period end | Income      | Expenditure | Assets      | Employees |
|------------|-------------|-------------|-------------|-----------|
| 2025-04-30 | £12,313,200 | £13,633,477 | £34,087,157 | 127       |
| 2024-04-30 | £11,122,814 | £13,649,272 | £35,279,602 | 124       |
| 2023-04-30 | £12,654,485 | £10,805,996 | £37,840,462 | 107       |
| 2022-04-30 | £9,683,001  | £8,665,643  | £35,133,296 | 75        |
| 2021-04-30 | £8,507,005  | £7,993,157  | £34,478,949 | 77        |

## Trustees

| Name                     | Role  | Appointed  |
|--------------------------|-------|------------|
| <b>Alistair McGeorge</b> | Chair | 2018-10-11 |
| Alison Porter            |       | 2024-03-26 |
| Bruce Tara Findlay       |       | 2023-11-28 |
| Christopher Powell       |       | 2021-12-16 |
| Erin Brookes             |       | 2021-02-03 |
| Gita North               |       | 2018-06-14 |
| John Anthony Houghton    |       | 2025-09-25 |
| John Matthew Birch       |       | 2025-11-26 |
| Lesley Margaret Exley    |       | 2019-05-01 |
| Paul Armstrong           |       | 2021-12-08 |
| Paul Christopher Allen   |       | 2023-11-28 |
| Tracey Clements          |       | 2025-11-26 |

## Linked charities

- JOHN WALSH FUND (1090136-1)
- THE LINEN AND WOOLLEN DRAPERS' SILK MERCERS LACEMEN HABERDASHERS AND HOSIERS INSTITUTION AND COTTAGE HOMES (1090136-2)
- THE JOHN GOODENDAY COTTAGE HOMES TRUST (1090136-3)
- THE COTTAGE HOMES MOORES FAMILY FUND (1090136-4)

**RETAIL TRUST**

England & Wales - Charity number 1090136

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# Accounts

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# **RETAIL TRUST**

(A company limited by guarantee)

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

**FOR THE YEAR ENDED 30 APRIL 2025**

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

# Retail Trust

## TRUSTEE REPORT AND FINANCIAL STATEMENTS

For the year ended 30 April 2025

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# Retail Trust

## LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 30 April 2025

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### INCORPORATED AND REGULATORY BODIES

Company limited by guarantee No. 04254201  
Registered Charity in England and Wales No. 1090136  
Registered Charity in Scotland No. SC039684  
RSL No. L4362

### REGISTERED OFFICE

The Form Room  
(2<sup>nd</sup> Floor)  
Tower Street  
Covent Garden  
London, England  
WC2H 9NS

**COMPANY SECRETARY:** David Kaye

**TELEPHONE NUMBER:** 020 8201 0110

**CONFIDENTIAL HELPLINE:** 0808 801 0808

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

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

### BOARD OF TRUSTEES

Alistair McGeorge - Chairman  
Paul Allen – Honorary Treasurer  
Paul Armstrong  
Erin Brookes  
Philip Bell-Brown (resigned 25 September 2025)  
Lesley Exley  
Gita North  
Christopher Powell  
Bruce Findlay  
Alison Porter  
David McCorquodale (resigned 27 June 2024)  
Christopher Brook-Carter (appointed 26 November 2024, resigned 28 March 2025)  
Peter Foster (appointed 26 November 2024, resigned 28 March 2025)  
John Anthony Houghton (appointed 25 September 2025)

### EXECUTIVE TEAM

|                          |                                             |
|--------------------------|---------------------------------------------|
| Christopher Brook-Carter | Chief Executive Officer                     |
| Peter Foster             | Chief Financial Officer                     |
| Jamie Malcolm            | Managing Director                           |
| Lawrence Coen            | Managing Director Supported Living Services |
| Kathy Macintyre          | Director of Supported Living Services       |
| Cliff Lee                | Director of Wellbeing                       |
| Poppie Foakes            | Director of Wellbeing Innovation            |

### ACTUARY

First Actuarial LLP  
Network House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

### AUDITOR - External

HaysMac LLP  
10 Queen Street Place  
London  
EC4R 1AG

### BANKERS

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

### AUDITOR - Internal

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

### INSURANCE BROKER

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

### INVESTMENT MANAGER

Evelyn Partners Group Limited  
25 Moorgate  
London  
EC2R 6AY

### SOLICITOR

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

# Retail Trust

## TRUSTEES' REPORT

For the year ended 30 April 2025

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### OUR CAUSE

Creating hope, health and happiness for everyone in retail.

### OUR VISION

From 1832 onwards, the Retail Trust has been caring for and protecting the lives of people working in retail. We believe the health of our colleagues is the foundation they need to flourish in both work and life, creating a more sustainable and successful future for retail.

### OUR BELIEFS

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

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

### OUR STRATEGIC FOCUS 2025/26 AND BEYOND

#### Single Point of Focus

Each year we have one overarching strategic focus towards the ambition we set out in 2021. This year, we focused on positioning ourselves as the strategic wellbeing partner to grow our reach and expand our total addressable market.

For 2025/26, we are going to focus on our proposition review and development in addition to overhauling our digital platform.

Our ambition remains the same for the next 3 years and that is to serve 1 million colleagues, anchored by a clear set of 'where to play' and 'how to win' priorities. A focus on differentiation and distinctiveness will maintain and strengthen our winning position in the face of homogenisation of offering, rising cost pressures plus market consolidation and sector investment.

#### Additionally, we have 5 strategic pillars for the next 3 year plan:

1. Proposition and Go to Market
2. Reframing our C-Suite proposition
3. Proving impact and lifetime value
4. Connecting the Sector
5. Operational Efficiencies

# Retail Trust

TRUSTEES' REPORT (continued)  
For the year ended 30 April 2025

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## CHAIRMAN'S MESSAGE

Dear Supporters, Sponsors, Patrons, Volunteers and Colleagues

I want to start by thanking everyone for their contributions over the last 12 months as we have worked to further bring our mission and vision for the retail sector to life.

The founding vision of our first Trustees still runs through every action we take here at the Retail Trust. And, despite being 193 years old, our goals to champion health in retail, bring the sector together around the importance of its people and empower those we look after to thrive at work and home has never been more relevant.

We continue to support a sector that operates in times of great uncertainty, with the retail industry disproportionately affected by the increasing costs imposed by Government and rising levels of retail crime being prevalent in the narrative around the industry this year.

Yet this also remains a sector to be celebrated, and its many successes speak to the ongoing central role retail plays in British society.

The Retail Trust continues to respond to this complex environment, and such has strengthened its foundations at the heart of the industry in the last 12 months.

The number of retail organisations and supporting businesses involved in the Trust continues to swell, our efforts to broaden and evolve our health and wellbeing services in the last 12 months means record numbers of retail colleagues have accessed help, and we found new partnerships in local government and communities to support our retirement estates.

Importantly, our digital transformation initiatives are ensuring we are embedding ourselves into how the sector measures and responds to the challenges of increasing absenteeism and churn as a result of the challenges seen across the country from declining levels of mental health at work. Our proprietary data and AI platform – the Happiness Dashboard – which leverages the huge amounts of data on employee health that we sit on is being successfully adopted by our partners. And we have built out our capabilities in this area with our first ever apprenticeship hires.

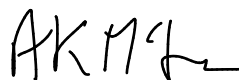
This data-led approach has been crucial in attracting and retaining record numbers of wellbeing partner companies with new businesses

that include Doc Martins and Jollyes as well as current organisations such as New Look and Fortnum & Mason broadening their involvement with us by including new financial and mental health services on offer.

That sense of coalition that we are building was brought to life with our Respect Retail campaign this year, where over 20 retailers and supporting businesses helped us raise funds to train almost 1000 retail colleagues for free in November in emotional and physical safety and launch our first ever consumer campaign to champion the notion of kindness towards store staff. The campaign culminated with a takeover of the Piccadilly lights.

In our residential services, we were delighted open a £1 million overhaul of our Hugh Fraser Retirement Estate in Newton Mearns to create a new community hub for older people and the community across East Renfrewshire. Three disused spaces within the estate's Crookfur House were refurbished by the Retail Trust to build the new facilities, which will cater for more than 1,000 local people a year and provide more support for those most at risk of isolation and with long-term health needs. Excitingly, this project was part funded by the local East Renfrewshire council and involved significant input and help from retailers Next, BP, Dobbies and B&Q.

I am delighted by the progress we have made in the last 12 months and excited by the ongoing growth of our core services and the number of retail colleagues and families we now reach. Thank you once more to all our stakeholders for their efforts.



Alistair McGeorge  
**Chair of Trustees**

**Date: 8 October 2025**

# Retail Trust

## TRUSTEES' REPORT (continued) For the year ended 30 April 2025

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The Trustees present the report together with the audited financial statements of the Trust for the year ended 30 April 2025. 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 key activities:

- Supported Living, for those who have retired from the sector;
- Wellbeing Services, for those still active in the sector;
- Fundraising, creating opportunities for those who work in the sector to engage and partner

with us to accomplish our cause.

Our wellbeing activities have become front and centre of our activities to continue to contribute to the Hope, Health and Happiness of all involved in the sector. All of these operations have as their primary objectives the wellbeing of all beneficiary groups involved.

### **STRATEGIC OPERATIONS REPORT**

#### **1. OVERVIEW**

The Trust is the oldest trade charity in the UK covering over 3 million people working in retail and supporting industries through to the end of the reporting period. Our scope is the wellbeing of everyone involved in all forms of retail and retail supporting services, from factory to warehouse, from shop floor to online supply chain and all functions supporting that journey.

#### **Supported Living**

The Trust owns and operates supported living estates for retirees in London (Mill Hill), Derby (Leylands), Glasgow (Crookfur), Liverpool and Salford. 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.

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

Maximising the potential of our physical assets remains key to our sustainability. During 2024/25 we redeveloped the central core of the Glasgow estate which included the kitchen, dining areas and offices which has significantly improved the living space for all Glasgow residents and staff.

We continue to see our void rates below industry standards and have gone to great efforts to create efficiencies wherever we can to help residents deal with the cost-of-living crisis.

There continues to be a strong case for our "smart homes and villages" and for our asset optimisation program to continue across our estates, with focus moving to areas of the Glasgow estate that need redevelopment work but will require significant funding or grants.

#### **Wellbeing Services**

Our key themes of Hope, Health and Happiness have continued to generate strong engagement from existing and new customers of our wellbeing

# Retail Trust

TRUSTEES' REPORT (continued)  
For the year ended 30 April 2025

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services. This year, we have focused on positioning ourselves as the strategic wellbeing partner to grow our reach and expand our total addressable market, further ensuring we are cementing our relevance and that of our services to the ever-changing needs of the sector in the current climate of uncertainty.

We continued our focus on the worrying rise in abuse and violence directed towards store staff and our Respect Retail campaign again gained us valuable awareness and media exposure. We provided a large number of specific training courses to help colleagues deal with the increased abuse.

We also continued to focus on engagement of colleagues with our proactive wellbeing services via investments in marketing and content. This is ensuring that everyone from our partner businesses has access to the support they need.

We have made ongoing investments to our technology and in improving our systems and people to ensure that we can respond to the needs of the sector in a way that is relevant and that moves from being reactive to proactive. We have rolled out our new data platform which is encouraging more partners to join the Trust as a wellbeing partner.

## Business Transformation

The digital platform that provides invaluable data and insights for our retail colleagues continues to develop and is proving to be a real asset to the organisation. The platform is selling well with a very strong uptake across our current colleagues and potential new business clients.

We continue to look at Digital investment for our Supported Living residents to enable more access to technology.

Our website continues to be a valuable resource for our wellbeing partners and the continued evolution of the content and resources, allowing us to intuitively improve the ease of navigating the pages, whilst also ensuring that the learning derived from the engagement with content allows us to prioritise our system development to ensure we deliver valuable information using the best and most efficient means available to us on our platforms.

As we continue to automate our activities, the reporting and management of our reports and our processes becomes much clearer and we recognise that there is still significant room for

improvement if we are to maintain current pace of growth and engagement.

The Trust continues to overhaul the way that we work, future-proofing our systems and processes to remain relevant and responsive to the needs of our customers. Integration remains a key tool to truly transforming our services and improving our processes to add value to existing relationships and to create new opportunities for growth and success. We are conscious of the need to continue to remain compliant in stewarding personal data 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.

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

## 2. FINANCIAL REVIEW

In 2024/25, the Trust has benefitted from a 16% growth in wellbeing services income, driven by high levels of renewals, the cross-selling of new services and training and a successful year of onboarding new partners.

Total income for the period is up 13.1% to £12.3m from £10.9m in the previous year.

The Trust continued its partnership with Retail Week Awards and held the second Gala dinner with the Retail Summit.

Income from Supported Living housing lettings has grown by 4%. Void rates have increased to 3.6% in 2024/25 from 2.4% in 2023/24.

Costs increased by only 0.12% during the year, as we became significantly more efficient across the organisation. The cost efficiencies that we have created have been completely eradicated by the increase in National Insurance contributions that the Government implemented. The impact has been an additional £350k to our cost base and wage bill.

The FRS102 calculation gives a more market-sensitive valuation of the pension scheme than a triennial valuation, this calculation continues to put the pension in an asset position. The Trust has made the decision not to recognise the asset and will consider its policy for provisioning following the outcome of the actuaries' calculations.

# Retail Trust

## TRUSTEES' REPORT (continued) For the year ended 30 April 2025

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These movements contributed to a net deficit of £1.25m compared to £2.70m in the previous year and total other comprehensive income of £0.06m during 2024/25. Net assets have decreased in line with other comprehensive income to £34.09m from £35.28m and at 30 April 2025, cash at bank and in hand was £1.71m, £2.20m down on the previous year.

### 3. VALUE FOR MONEY (VFM)

Our Sector continues to experience significant challenges both structurally and economically. The impact of the government increase in National Insurance has created a significant headwind for industry and the continued war between Russia and Ukraine has accentuated that process markedly. It is imperative therefore that we ensure VFM in the support and services we provide to the sector.

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

### DELIVERY OF VFM DURING 2024/25

#### 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.

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

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

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

#### Metric 1 Reinvestment in Housing Property Assets

The reinvestment figure for the year was 3.72% compared to prior year 1.39%.

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

During the year, no new units were added and therefore the metric is 0%.

#### Metric 3 Gearing %

During the year, we recorded 9.80% gearing, compared with 2023/24 of 4.79%. The repayment of the loan continues until 2029 when a bullet repayment of the balance is payable or the option to refinance the loan.

#### Metric 4 EBITDA MRI Interest Cover

For 2024/25 the result is (0.73) in comparison to (4.18) in the prior year. This calculation however includes the non-housing areas of the Trust which distorts the result, so when we only include Cottage Homes, it is 4.61 and 3.72 for the prior year which provides a more meaningful indicator of the interest cover of the Trust.

#### Metric 5 Headline Social Housing Cost £

Per unit the cost was £12.7k in 2024/25 up from £12.6k in 2023/24.

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

The social housing operating margin was 8.02% and for the Trust overall (10.16%) in 2024/25 compared to 5.91% and (24.84%) in 2023/24.

#### Metric 7 Return on Capital Employed

In 2024/25 the figure is (3.0%) compared to (6.3%) in 2023/24.

#### Example of VFM delivery

#### WELLBEING SERVICES

Wellbeing services have developed considerably with the ability to deliver on-demand sessions of single telephonic counselling sessions, through our in-house counsellors. Not only do we ensure that people can access support quickly, confidentially and with the confidence that their needs can be met, we offer a number of other significant modules that support all our retail colleagues in different ways such as Menopause training, financial advice,

# Retail Trust

## TRUSTEES' REPORT (continued) For the year ended 30 April 2025

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support with grants, as well as 1<sup>st</sup> Line Management training. The offerings that the Trust is able to provide to our colleagues and clients has developed significantly and offers significant VFM.

### **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 this is set at 3 to 6 months of fixed operating costs.

Note 22 reflects the relevance of the increased focus on wellbeing services with a designated reserve being held for use for wellbeing and cost of living crisis support of £1.27m. The pension scheme remains in an FRS102 asset situation and hence the pension reserve remains in a nil position. The Trust has retained earnings of £5.52m. Any remaining excess cash is being built up to enable us to make an optional repayment of the full £3.33m balance of the Tranche B portion of the loan, the remaining funds are held to allow us to remain within our requirement of £1.0m 'free reserves'.

The other reserves are restricted or designated in nature and are described in more detail in Notes 22, 23 and 24. Restricted reserves are used only for the purpose for which the donor has specified. Designated reserves are those reserves which have been set aside by the Trust to be used for a named purpose. If that purpose subsequently is not relevant, then these reserves are transferred back to unrestricted. It is expected that restricted reserves will be spent over the next 2 years and that the designated reserves will be spent over the next 5 years.

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

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

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

The remuneration policy is designed to attract the highest calibre of Executives and reward them for

performance that results in the long-term growth and sustainability of the Trust.

The Trustees have put in place a future long-term incentive plan for the Executive team to incentivise the continued growth of the organisation and encourage commitment to see the 3-to-4-year plan through.

The Trust's employment policy is to offer fair pay to attract and keep appropriately qualified Executives to lead, manage, support and deliver its aims. The Trustees, through the Remuneration Committee, are ultimately responsible for setting remuneration levels for the Executive Directors. The Executive Directors, working within guidelines supported by the Trustees, are responsible for the setting of salaries for staff below Executive Director Level.

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

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

Trustees will also consider:

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

#### **3. HEALTH AND SAFETY**

The health and safety of residents, employees and volunteers is of paramount importance to the Trust.

# Retail Trust

## TRUSTEES' REPORT (continued) For the year ended 30 April 2025

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

### 4. INVESTMENT

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

As permitted by the Trust's rules, the Board instructed Evelyn Partners Investment Management LLP, to operate on a discretionary basis since 2015. The investment performance is benchmarked against a composite of indexes being UK Government bonds - Markit iBoxx GBP Gilts 1-5 Yrs (10.0%), HFRX Global Hedge Fund (10.0%), Alternatives – MSCI ACWI ex UK NR (35.0%), MSCI UK IMI NR (35%), MSCI UK IMI Core Real Estate NR (5%), SONIA Lending Rate (5.0%).

The actual net return for the year was 5.21% compared with the benchmark of 5.59%. This is lower than the Board's requirement and a review will take place to understand how best to gain the returns that the Board desire. The Trust meets with the investment managers regularly to review performance. The portfolio is maintained to a risk profile as agreed with the Board.

The portfolio was valued at £1.82m at 30 April 2025 in comparison to £1.77m at 30 April 2024.

### 5. FINANCIAL ASSISTANCE

The Trust awarded £340k in financial assistance grants, a decrease of 12% on the previous year. This is driven by the increase in Retail companies asking the Trust to provide administration services for their own hardship funds resulting in individuals requesting financial assistance from specific retail funds rather than our own. The Trust provides administration services for over £2m in hardship funds across multiple Retail companies.

### 6. PENSION

The Trust sponsors group personal pension arrangements with Legal and General which has £2.136m funds under management in individual employee name policies. This arrangement commenced in 2014 with a small percentage of employees opting 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 an asset at the year-end of £0.27m for the FS/CARE schemes. This asset was not recognised in the accounts. This compares with an asset of £0.17m in the previous year.

### 7. FUNDING

Traditional fundraising activities (excluding Donations in Kind) continue to be less of an income source for the Trust.

The majority of our income comes from paid for service; residential services, corporate partnerships or wellbeing services, of which there is a minimum contract duration of one year, with some contracts incorporating up to 3-to-4-year terms.

Sources of funding:

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

This funding model allows the Trust to plan and mitigate against financial incidents and promotes some stability of income. It also allows us to continuously pivot to meet the needs of our clients, coping with the changing wellbeing landscape and the ongoing challenges faced by our beneficiaries.

Within the traditional fundraising disciplines our key focus is on Events, Challenges, Trusts and Institutions and Donors both individual and corporate. However, looking forward, our strategy continues to be driven by our wellbeing services as traditional sources such as Events slowly return to the extent that they existed pre-pandemic.

### 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.

# Retail Trust

## TRUSTEES' REPORT (continued) For the year ended 30 April 2025

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

- the Trust is committed to protecting data and privacy. We ensure that any information given to us is held securely and safely;
- the Trust holds and processes personal details in accordance with Data Protection Legislation, which is the Data Protection Act 2018 and the General Data Protection Regulation (EU) 2016/679;
- the Trust is registered with the Information Commissioner (Registration Number Z8109661);
- all communications to the public shall be truthful and open;
- all monies raised will be for the stated purpose and will comply with our stated mission and purpose;
- all personal information is confidential and is not for sale or given away or disclosed to any third party without the individuals consent;
- no person directly or indirectly employed or volunteering shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation;
- all fundraising activities must protect the reputation and integrity of the Trust at all times;
- financial contributions will only be accepted if considered ethical;
- we are always sensitive to signs that may indicate that any individual is in vulnerable circumstances, and needs support to make an informed decision. If we reasonably believe the individual lacks capacity to make a decision then a donation will not be accepted or will be returned if already made.

There were no fundraising complaints during the year.

### 9. COMPLAINTS

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

- making a complaint is as easy as possible;
- we treat a complaint as a clear expression of dissatisfaction with our service which calls for an immediate response;

- we deal with it promptly, politely and where appropriate confidentially;
- we will respond in the correct way, for example, with an explanation, apology or information on any action taken;
- we will learn from complaints and use them to improve the services that we offer.

### 10. GDPR

We have a robust internal process for review of any issues we are notified of with regard to GDPR. The Head of Governance is responsible for data protection and is registered with the ICO as our Data Protection Officer.

We continue to take data protection and data governance seriously and are working to ensure our activities all take place within a framework that respects the rights of the individuals who share their data with us. To support this commitment, we continue to provide training and support to all colleagues as well as actively monitoring processes and systems for vulnerabilities.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### 1. INCORPORATION, LEGAL AND ORGANISATIONAL STRUCTURE

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

### 2. GOVERNANCE

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

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

Trustees serve for three years with a second term available also of three years in line with Charity

# Retail Trust

TRUSTEES' REPORT (continued)  
For the year ended 30 April 2025

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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          | Paul Allen        |
| Remuneration & Nominations  | Lesley Exley      |
| Supported Living & Property | Philip Bell-Brown |

### **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.

Mazars LLP continues to act as its internal auditors. 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 Chief Financial Officer and subsequently presented to the RAF committee for review.

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

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

### **5. RISK**

Trustees consider the key risks facing the Trust are:

#### **Financial**

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

#### **Failure to support those in need**

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

#### **Residential Estates sustainability**

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

# Retail Trust

## TRUSTEES' REPORT (continued) For the year ended 30 April 2025

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the popularity of the estates.

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

### Safety

There's a risk of 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 winter months, we encourage all staff and residents to take the flu jab and COVID boosters, where relevant to limit as much as possible any impact of flu-related outbreaks across our teams, in particular, those working with our elderly residents.

### Data Protection

To mitigate data protection risks the Trust undertakes rigorous work to ensure compliance with GDPR. We audit compliance and provide clear guidance on managing how information is used, passed on, and stored particularly with remote working in place for the majority of employees.

### Cyber Security

The Trust is aware of the risk of cyber-attacks and promotes investment in resources and scrutiny which manages the risk. The Trust has recently become accredited to the Cyber Security Essentials standard.

### Disaster Recovery and External Events

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 viral outbreak

Reputational – in the national press with adverse reports

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.

## 6. FRAUD

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

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

## 7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (continued) For the year ended 30 April 2025

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(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 2025 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 which establishes corporate partnerships, conducts celebration events and other trading activities.

Cottage Homes Contracts Limited is a subsidiary which manages building and maintenance contracts on 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

During the year, we continued to deliver relevant training and resources as standard to all employees. We have introduced clearer guidance for all employees to feel empowered to contribute to the topic of diversity, equality and inclusion in the workplace.

Mental health and wellbeing continue to be at the forefront of our activities and we continue to ensure that our employees are happy and healthy in their personal and professional lives. Our content and resources, which have proven relevant for our partners, has been just as engaging internally and we endeavour to remain open and accepting of all people.

Remote working remains a permanent option for our teams and we have been able to further drive flexible working across the Trust with the opening of our central London hub, making collaboration and supporting each other easier for those who regularly travel away from their base locations for client engagements.

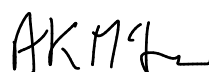
We encourage our employees to "Share the Load". Particularly with managers who often are encouraged through understanding each other's challenges and embracing the learning that other teams have benefitted from through adapting continuously to our changing needs as human beings.

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

### 11. AUDITORS

On 18 November 2024 the company's auditor changed its name from haysmacintyre LLP to HaysMac LLP. HaysMac LLP have been appointed as the auditor at the Annual General Meeting.

This Trustees Report, including the Strategic report was approved by the Board and authorised for issue on 8 October 2025.



Alistair McGeorge

Chairman



Paul Allen

Honorary Treasurer

# Retail Trust

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

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### Opinion

We have audited the financial statements of Retail Trust for the year ended 30 April 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 April 2025 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

# Retail Trust

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF RETAIL TRUST (continued)

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

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

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

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

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

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and the parent charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

# Retail Trust

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF RETAIL TRUST (continued)

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined the principal risks to be around the potential use of fraudulent journals and management manipulation of accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

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

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)  
For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: 16 October 2025

RETAIL TRUST  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 April 2025

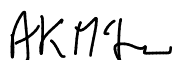
|                                         | NOTES | 2025<br>£           | 2024<br>£           |
|-----------------------------------------|-------|---------------------|---------------------|
| <b>INCOME AND ENDOWMENTS from:</b>      |       |                     |                     |
| Charitable income                       | 1     | 1,427,836           | 1,420,402           |
| Capital projects income                 | 1     | 637,000             | -                   |
| Cottage Homes                           | 2     | 6,693,648           | 6,451,271           |
| Trading income                          | 3     | 3,503,834           | 3,012,666           |
| Other income                            | 4     | 50,882              | 326                 |
|                                         |       |                     |                     |
| <b>TOTAL INCOME</b>                     |       | <b>12,313,200</b>   | <b>10,884,665</b>   |
|                                         |       |                     |                     |
| <b>EXPENDITURE on:</b>                  |       |                     |                     |
| Raising funds                           | 5     | (1,074,360)         | (1,621,124)         |
| Cottage Homes                           | 2     | (6,067,609)         | (6,013,594)         |
| Helpline, grants and other services     | 6     | (6,491,508)         | (6,014,554)         |
|                                         |       |                     |                     |
| <b>TOTAL EXPENDITURE</b>                |       | <b>(13,633,477)</b> | <b>(13,649,272)</b> |
|                                         |       |                     |                     |
| <b>OPERATING DEFICIT</b>                | 7     | <b>(1,320,277)</b>  | <b>(2,764,607)</b>  |
| Investment income                       | 8     | 174,857             | 156,334             |
| Pension costs                           | 21    | (106,000)           | (96,000)            |
|                                         |       |                     |                     |
| <b>NET DEFICIT</b>                      |       | <b>(1,251,420)</b>  | <b>(2,704,273)</b>  |
|                                         |       |                     |                     |
| <b>OTHER COMPREHENSIVE INCOME</b>       |       |                     |                     |
| Gain on investments                     | 16    | 12,975              | 107,413             |
| Actuarial surplus in pension scheme     | 21    | 46,000              | 36,000              |
|                                         |       |                     |                     |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b> |       | <b>58,975</b>       | <b>143,413</b>      |
|                                         |       |                     |                     |
| <b>TOTAL COMPREHENSIVE INCOME</b>       |       | <b>(1,192,445)</b>  | <b>(2,560,860)</b>  |

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 22 to 46 form an integral part of these financial statements

|                                                         | NOTES | 2025<br>£          | 2024<br>£         |
|---------------------------------------------------------|-------|--------------------|-------------------|
| <b>FIXED ASSETS</b>                                     |       |                    |                   |
| Housing properties                                      | 13    | 37,463,362         | 36,689,713        |
| Other tangible fixed assets                             | 14    | 1,939,022          | 2,136,736         |
| Intangible assets                                       | 15    | 1,152,763          | 1,060,140         |
| Investments at market value                             | 16    | 2,246,596          | 2,151,218         |
| <b>TOTAL FIXED ASSETS</b>                               |       | <b>42,801,743</b>  | <b>42,037,807</b> |
| <b>CURRENT ASSETS</b>                                   |       |                    |                   |
| Debtors                                                 | 18    | 1,460,173          | 1,588,059         |
| Cash and cash equivalents                               | 19    | 1,708,060          | 3,907,427         |
| <b>TOTAL CURRENT ASSETS</b>                             |       | <b>3,168,233</b>   | <b>5,495,486</b>  |
| CREDITORS: amounts falling due within one year          | 20    | (4,174,645)        | (4,278,252)       |
| <b>NET CURRENT ASSETS</b>                               |       | <b>(1,006,412)</b> | <b>1,217,234</b>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <b>41,795,331</b>  | <b>43,255,041</b> |
| CREDITORS: amounts falling due after more than one year | 20    | (7,708,174)        | (7,975,439)       |
| Pension liability                                       | 21    | -                  | -                 |
| <b>NET ASSETS</b>                                       |       | <b>34,087,157</b>  | <b>35,279,602</b> |
| <b>RESERVES</b>                                         |       |                    |                   |
| Unrestricted reserves                                   | 22    | 33,664,107         | 34,859,151        |
| Restricted reserves                                     | 23    | 34,247             | 34,247            |
| Endowment funds                                         | 24    | 388,803            | 386,204           |
| <b>TOTAL RESERVES</b>                                   |       | <b>34,087,157</b>  | <b>35,279,602</b> |

The financial statements on pages 17 to 46 were approved by the Trustees and authorised for issue on 8 October 2025 and are signed on their behalf by:



Alistair McGeorge

Chairman



Paul Allen

Honorary Treasurer

|                                                         | NOTES | 2025<br>£         | 2024<br>£         |
|---------------------------------------------------------|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                                     |       |                   |                   |
| Housing properties                                      | 13    | 37,463,362        | 36,689,713        |
| Other tangible fixed assets                             | 14    | 1,790,540         | 1,935,313         |
| Investments at market value                             | 16    | 2,246,596         | 2,151,218         |
| Investment in subsidiaries                              | 17    | 156               | 156               |
| <b>TOTAL FIXED ASSETS</b>                               |       | <b>41,500,654</b> | <b>40,776,400</b> |
| <b>CURRENT ASSETS</b>                                   |       |                   |                   |
| Debtors                                                 | 18    | 4,216,071         | 4,832,549         |
| Cash and cash equivalents                               | 19    | 1,419,866         | 3,341,387         |
| <b>TOTAL CURRENT ASSETS</b>                             |       | <b>5,635,937</b>  | <b>8,173,936</b>  |
| CREDITORS: amounts falling due within one year          | 20    | (1,805,115)       | (2,739,323)       |
| <b>NET CURRENT ASSETS</b>                               |       | <b>3,830,822</b>  | <b>5,434,613</b>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <b>45,331,476</b> | <b>46,211,013</b> |
| CREDITORS: amounts falling due after more than one year | 20    | (7,708,174)       | (7,975,439)       |
| Pension liability                                       | 21    | -                 | -                 |
| <b>NET ASSETS</b>                                       |       | <b>37,623,302</b> | <b>38,235,574</b> |
| <b>RESERVES</b>                                         |       |                   |                   |
| Unrestricted reserves                                   | 22    | 37,200,252        | 37,815,123        |
| Restricted reserves                                     | 23    | 34,247            | 34,247            |
| Endowment funds                                         | 24    | 388,803           | 386,204           |
| <b>TOTAL RESERVES</b>                                   |       | <b>37,623,302</b> | <b>38,235,574</b> |

The total comprehensive expenditure for the year of the Parent Company is £612,272 (2024: £330,450 expenditure).

The financial statements on pages 17 to 46 were approved by the Trustees and authorised for issue on 8 October 2025 and are signed on their behalf by:

AKMGL

Alistair McGeorge

Chairman

PAUL

Paul Allen

Honorary Treasurer

RETAIL TRUST  
CONSOLIDATED AND PARENT STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 April 2025

| <b>CONSOLIDATED</b>                                      | <b>Unrestricted<br/>Reserves<br/>£</b> | <b>Restricted<br/>Reserves<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------|--------------------|
| As at 1 May 2023                                         | 37,441,395                             | 34,247                               | 364,820                          | 37,840,462         |
| Deficit for the year                                     | (2,704,273)                            | -                                    | -                                | (2,704,273)        |
| Other comprehensive<br>income/(expenditure)              | 122,029                                | -                                    | 21,384                           | 143,413            |
| Total comprehensive<br>income/(expenditure) for the year | (2,582,244)                            | -                                    | 21,384                           | (2,560,860)        |
| As at 30 April 2024                                      | <b>34,859,151</b>                      | <b>34,247</b>                        | <b>386,204</b>                   | <b>35,279,602</b>  |
| As at 1 May 2024                                         | 34,859,151                             | 34,247                               | 386,204                          | 35,279,602         |
| Deficit for the year                                     | (1,251,420)                            | -                                    | -                                | (1,251,420)        |
| Other comprehensive income                               | 56,376                                 | -                                    | 2,599                            | 58,975             |
| Total comprehensive<br>income/(expenditure) for the year | (1,195,044)                            | -                                    | 2,599                            | (1,192,445)        |
| <b>As at 30 April 2025</b>                               | <b>33,664,107</b>                      | <b>34,247</b>                        | <b>388,803</b>                   | <b>34,087,157</b>  |
| <b>PARENT</b>                                            | <b>Unrestricted<br/>Reserves<br/>£</b> | <b>Restricted<br/>Reserves<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
| As at 1 May 2023                                         | 38,166,957                             | 34,247                               | 364,820                          | 38,566,024         |
| Deficit for the year                                     | (473,863)                              | -                                    | -                                | (473,863)          |
| Other comprehensive<br>income/(expenditure)              | 122,029                                | -                                    | 21,384                           | 143,413            |
| Total comprehensive<br>income/(expenditure) for the year | (351,834)                              | -                                    | 21,384                           | (330,450)          |
| As at 30 April 2024                                      | <b>37,815,123</b>                      | <b>34,247</b>                        | <b>386,204</b>                   | <b>38,235,574</b>  |
| As at 1 May 2024                                         | 37,815,123                             | 34,247                               | 386,204                          | 38,235,574         |
| Deficit for the year                                     | (671,247)                              | -                                    | -                                | (671,247)          |
| Other comprehensive income                               | 56,376                                 | -                                    | 2,599                            | 58,975             |
| Total comprehensive<br>income/(expenditure) for the year | (614,871)                              | -                                    | 2,599                            | (612,272)          |
| <b>As at 30 April 2025</b>                               | <b>37,200,252</b>                      | <b>34,247</b>                        | <b>388,803</b>                   | <b>37,623,302</b>  |

RETAIL TRUST  
CONSOLIDATED STATEMENT OF CASH FLOWS  
for the year ended 30 April 2025

|                                                              | NOTES                 | 2025<br>£          | 2024<br>£              |                          |
|--------------------------------------------------------------|-----------------------|--------------------|------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                       |                    |                        |                          |
| Net deficit                                                  |                       | (1,251,420)        | (2,704,273)            |                          |
| <b>Adjustments for:</b>                                      |                       |                    |                        |                          |
| Depreciation & Amortisation                                  |                       | 1,040,977          | 965,509                |                          |
| Pension Costs                                                |                       | 106,000            | 96,000                 |                          |
| Pensions asset movement / deficit funding                    |                       | (60,000)           | (60,000)               |                          |
| Amortisation of social housing grant                         |                       | (25,600)           | (25,600)               |                          |
| (Increase)/decrease in debtors                               |                       | (283,166)          | 234,620                |                          |
| (Decrease)/increase in creditors                             |                       | (52,820)           | 1,097,562              |                          |
| <b>NET CASH OUTFLOWS FROM OPERATING ACTIVITIES</b>           |                       | <b>(526,029)</b>   | <b>(396,182)</b>       |                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |                       |                    |                        |                          |
| Purchase of fixed assets                                     |                       | (1,170,397)        | (643,219)              |                          |
| Purchase of intangible assets                                |                       | (192,270)          | (861,095)              |                          |
| Additions to investments                                     |                       | (1,861,867)        | (167,138)              |                          |
| Proceeds from sale of investments                            |                       | 1,823,534          | 165,987                |                          |
| <b>NET CASH OUTFLOWS FROM INVESTING ACTIVITIES</b>           |                       | <b>(1,401,000)</b> | <b>(1,505,465)</b>     |                          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |                       |                    |                        |                          |
| Drawdown of new long-term borrowing                          |                       | -                  | 5,004,862              |                          |
| Repayment of long-term borrowing                             |                       | (228,268)          | (4,637,501)            |                          |
| <b>NET CASH (OUTFLOWS)/INFLOWS FROM FINANCING ACTIVITIES</b> |                       | <b>(228,268)</b>   | <b>367,361</b>         |                          |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>             |                       | <b>(2,155,297)</b> | <b>(1,534,286)</b>     |                          |
| Cash and cash equivalents at the beginning of the year       |                       | 3,967,217          | 5,501,503              |                          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>      |                       | <b>1,811,920</b>   | <b>3,967,217</b>       |                          |
| <b>Cash and cash equivalents</b>                             |                       |                    |                        |                          |
| Cash and cash equivalents                                    | 19                    | 1,708,060          | 3,907,427              |                          |
| Cash held by investment managers                             | 16                    | 103,860            | 59,790                 |                          |
|                                                              |                       | <b>1,811,920</b>   | <b>3,967,217</b>       |                          |
|                                                              |                       |                    |                        |                          |
|                                                              | Balance at 1 May 2024 | Cash Flows         | Other Non-cash changes | Balance at 30 April 2025 |
| Bank and cash                                                | 3,967,217             | (2,155,297)        | -                      | 1,811,920                |
| Loans due within one year                                    | (228,268)             | 228,268            | (241,665)              | (241,665)                |
| Loans due after more than one year                           | (5,723,863)           | -                  | 241,665                | (5,482,198)              |
| <b>Net Debt</b>                                              | <b>(1,984,914)</b>    | <b>(1,927,029)</b> | <b>-</b>               | <b>(3,911,943)</b>       |

## GENERAL DETAILS

Retail Trust is a company limited by guarantee, incorporated in England and Wales (company number: 04254201), a charity registered in England and Wales (charity number: 1090136) and in Scotland (Scottish charity number: SC 039684) and Registered Social Landlord (number: L4362). The Trust's registered office address is: The Form Room, 2<sup>nd</sup> Floor, 22 Tower Street, Covent Garden, London, WC2H 9NS.

## ACCOUNTING BASIS

The format of the financial statements has been presented to company with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland*, the Statement of Recommended Practice for social housing providers (Housing SORP 2018) and the Accounting Direction of Private Registered Providers of Social Housing 2022. 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 2025 on a line-by-line basis.

No separate statement of comprehensive income has been presented for the Company alone, as permitted by s408 of the Companies Act 2006. The total comprehensive expenditure for the period for the parent company is £612,272 (2024: £330,450 expenditure).

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

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

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

## **INCOME**

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

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

Income is recognised on the following bases:

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

## **EXPENDITURE**

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

Expenditure is recognised on the following bases:

- fundraising costs include the direct costs of events held and related staff and depreciation costs;
- 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.

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

### **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.

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

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

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

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

## INTANGIBLE ASSETS

Intangible Assets are assets that do not have physical substance but are identifiable and controlled by the Trust and are capitalised where they will bring benefit for more than one year. The balance is amortised (charged) over the economic life of the investment to reflect the pattern of consumption of benefits. Intangible assets are initially recognised at cost. The depreciable amount of an intangible asset is amortised over its useful life. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the Consolidated Statement of Comprehensive Income. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Consolidated Statement of Comprehensive Income.

### Amortisation of intangible assets

Intangible assets are stated at cost less accumulated amortisation. The carrying values of intangible assets are reviewed for impairment if events or change in circumstances indicate the carrying value may not be recoverable.

Amortisation 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:

|                                                       |          |
|-------------------------------------------------------|----------|
| Wellbeing Platform - Infrastructure Build             | 20 years |
| Wellbeing Platform - Dashboard Build & Data ingestion | 5 years  |

## 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 Penny Post Credit Union Limited (previously 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 include cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

### *Debtors and creditors*

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

## LIABILITIES

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

### *Financial assistance grants*

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

## **LIABILITIES (continued)**

### *Grant commitments*

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

### *Social Housing Grant*

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

The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from Homes England 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 Homes England. 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.

## **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.

## **CRITICAL ESTIMATES AND JUDGEMENTS**

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

The present value of the defined benefit pension scheme position depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension position. The Trustees' judgement is that the surplus on the defined benefit pension scheme at 30 April 2025 is not recoverable and therefore has not been recognised in the accounts.

## **PENSION SCHEME**

### *Defined Contribution Scheme*

The Trust 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 contribution 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.

### *Defined Benefits Scheme*

The Trust also operates the Retail Trust Retirement and Death Benefits Scheme, a UK registered trust-based pension scheme that provides defined benefits. 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. This scheme is made up of two categories being a final salary scheme which was closed to new entrants in 2008 and a career average revalued earnings scheme (CARE) which was closed to new entrants in 2013. Both categories of the scheme closed to future accrual on 31 January 2014.

## **PENSION SCHEME (continued)**

### *Defined Benefits Scheme (continued)*

Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees of the Scheme are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of pension scheme member:

- Deferred members: former active members of the Scheme and not yet in receipt of a pension.
- Pensioner members: in receipt of pension

Pension scheme assets are measured at fair market value at the balance sheet date. 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.

Where the scheme is determined to be in a deficit position, this is recognised in full as a liability. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that it can be recovered in future years through reduction in employers' contributions or through a specific reimbursement from the scheme.

## **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 2025

|                                                                | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ |
|----------------------------------------------------------------|-----------------------|-----------------------|
| <b>NOTE 1 - CHARITABLE &amp; CAPITAL PROJECTS INCOME</b>       |                       |                       |
| <b>GROUP</b>                                                   |                       |                       |
| <b>Restricted</b>                                              |                       |                       |
| Income from fundraising activities                             | 25,000                | 35,000                |
| <b>Unrestricted</b>                                            |                       |                       |
| Gross income from events                                       | 201,033               | 219,860               |
| Income from fundraising activities                             | 998,391               | 747,538               |
| Gifts in kind                                                  | 203,412               | 418,004               |
| <b>TOTAL CHARITABLE INCOME</b>                                 | <b>1,427,836</b>      | <b>1,420,402</b>      |
| <b>GROUP</b>                                                   |                       |                       |
| <b>Restricted</b>                                              |                       |                       |
| Grant & donation income for the Crookfur House capital project | 637,000               | -                     |
| <b>TOTAL CAPITAL PROJECTS INCOME</b>                           | <b>637,000</b>        | <b>-</b>              |

**NOTE 2 - COTTAGE HOMES - GROUP**

**a) Turnover, operating costs and operating surplus**

|                                  | TURNOVER              |                       | OPERATING COSTS       |                       | OPERATING SURPLUS     |                       |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                  | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ |
| Social housing lettings (2b)     | 6,570,966             | 6,338,003             | 6,043,773             | 5,963,549             | 527,193               | 374,454               |
| Other social housing activities: |                       |                       |                       |                       |                       |                       |
| - Supporting people              | 23,836                | 50,045                | 23,836                | 50,045                | -                     | -                     |
| Non-social housing activities:   |                       |                       |                       |                       |                       |                       |
| - Letting                        | 36,870                | 14,170                | -                     | -                     | 36,870                | 14,170                |
| - Other                          | 36,376                | 23,453                | -                     | -                     | 36,376                | 23,453                |
| - Amortisation of SHG            | 25,600                | 25,600                | -                     | -                     | 25,600                | 25,600                |
|                                  | <b>6,693,648</b>      | <b>6,451,271</b>      | <b>6,067,609</b>      | <b>6,013,594</b>      | <b>626,039</b>        | <b>437,677</b>        |

**The accommodation provided is as follows:**

|                        | 30 April<br>2025 | 30 April<br>2024 |
|------------------------|------------------|------------------|
| Total number of units: |                  |                  |
| Owned                  | 420              | 420              |

**NOTE 2 - COTTAGE HOMES – GROUP (continued)**

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

|                                      | <b>SUPPORTED HOUSING</b> |                          |
|--------------------------------------|--------------------------|--------------------------|
|                                      | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
|                                      | <b>£</b>                 | <b>£</b>                 |
| <b>NET RENTAL INCOME</b>             | <b>6,570,966</b>         | <b>6,338,003</b>         |
| Management                           | 1,408,879                | 1,234,916                |
| Services                             | 2,960,617                | 3,008,631                |
| Routine maintenance                  | 333,734                  | 289,291                  |
| Planned maintenance                  | 79,010                   | 50,860                   |
| Depreciation                         | 723,020                  | 678,718                  |
| Other costs                          | 538,513                  | 701,133                  |
| <b>TOTAL EXPENSES</b>                | <b>6,043,773</b>         | <b>5,963,549</b>         |
| <b>OPERATING SURPLUS</b>             | <b>527,193</b>           | <b>374,454</b>           |
|                                      |                          |                          |
|                                      | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
|                                      | <b>£</b>                 | <b>£</b>                 |
| Analysis of social housing lettings: |                          |                          |
| Rent receivable                      | 2,746,668                | 2,642,742                |
| Service Charges                      | 3,824,298                | 3,695,261                |
| <b>Social housing lettings</b>       | <b>6,570,966</b>         | <b>6,338,003</b>         |

**Rental income is stated net of voids as follows:**

|       | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
|-------|--------------------------|--------------------------|
|       | <b>£</b>                 | <b>£</b>                 |
| Voids | 242,740                  | 155,456                  |

The total losses for the year ended 30 April 2025 arising from the irrecoverable debts were £12,458 (2024: £3,354).

**NOTE 3 - TRADING INCOME**

|                                | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ |
|--------------------------------|-----------------------|-----------------------|
| <b>GROUP</b>                   |                       |                       |
| <b>Unrestricted</b>            |                       |                       |
| Income from Wellbeing Services | 3,503,834             | 3,012,666             |
| <b>TOTAL TRADING INCOME</b>    | <b>3,503,834</b>      | <b>3,012,666</b>      |

**NOTE 4 - OTHER INCOME**

|                           | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ |
|---------------------------|-----------------------|-----------------------|
| <b>GROUP</b>              |                       |                       |
| Sundry Income             | 50,882                | 326                   |
| <b>TOTAL OTHER INCOME</b> | <b>50,882</b>         | <b>326</b>            |

**NOTE 5 - EXPENDITURE ON RAISING FUNDS**

|                                           | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ |
|-------------------------------------------|-----------------------|-----------------------|
| <b>GROUP</b>                              |                       |                       |
| Direct costs of events                    | 89,254                | 95,594                |
| Employee costs                            | 167,230               | 241,102               |
| Gifts in kind                             | 203,413               | 418,004               |
| Support and other costs                   | 614,463               | 866,424               |
| <b>TOTAL EXPENDITURE ON RAISING FUNDS</b> | <b>1,074,360</b>      | <b>1,621,124</b>      |

**NOTE 6 – HELPLINES, GRANTS AND OTHER SERVICES**

|                                                     | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
|-----------------------------------------------------|--------------------------|--------------------------|
| <b>GROUP</b>                                        | <b>£</b>                 | <b>£</b>                 |
| Counselling services                                | 365,786                  | 219,397                  |
| Financial assistance, bursaries and<br>scholarships | 339,894                  | 386,794                  |
| Charitable services                                 | 618,381                  | 396,866                  |
| Employee costs                                      | 1,757,756                | 1,582,021                |
| Support costs                                       | 3,409,691                | 3,429,476                |
| <b>TOTAL HELPLINES, GRANTS AND OTHER SERVICES</b>   | <b>6,491,508</b>         | <b>6,014,554</b>         |

**NOTE 7 - OPERATING DEFICIT**

|                                                    | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
|----------------------------------------------------|--------------------------|--------------------------|
| <b>GROUP</b>                                       | <b>£</b>                 | <b>£</b>                 |
| <b>Operating deficit is stated after charging:</b> |                          |                          |
| Auditor's remuneration – audit services            | 44,838                   | 41,880                   |
| Auditor's remuneration – non-audit services        | 14,560                   | 5,365                    |
| Trustees' expenses                                 | 2,606                    | 2,671                    |
| Depreciation of owned assets                       | 941,331                  | 958,460                  |
| Amortisation of intangible assets                  | 99,647                   | 7,049                    |
| Amortisation of housing grant                      | (25,600)                 | (25,600)                 |
| Redundancy costs                                   | -                        | 54,668                   |

**NOTE 8 - INVESTMENT INCOME**

|                                       | 30 April<br>2025 | 30 April<br>2024 |
|---------------------------------------|------------------|------------------|
| GROUP                                 | £                | £                |
| Interest on bank accounts             | 74,109           | 105,461          |
| Interest on loan                      | 359              | 2,550            |
| Interest and dividends on investments | 100,389          | 48,323           |
|                                       |                  |                  |
| <b>TOTAL INVESTMENT INCOME</b>        | <b>174,857</b>   | <b>156,334</b>   |

**NOTE 9 - EMPLOYEES AND EMPLOYEE COSTS**

|                                     | 30 April<br>2025 | 30 April<br>2024 |
|-------------------------------------|------------------|------------------|
| GROUP                               | No.              | No.              |
| <b>Average number of employees:</b> |                  |                  |
| Supported Living                    | 51               | 49               |
| Charitable services                 | 47               | 44               |
| Central support and fundraising     | 29               | 31               |
|                                     |                  |                  |
| <b>TOTAL EMPLOYEES</b>              | <b>127</b>       | <b>124</b>       |

The total number of staff included part time employees. The full time equivalent average number of employees was 102 (2024: 98).

|                                  | 30 April<br>2025 | 30 April<br>2024 |
|----------------------------------|------------------|------------------|
| Employee costs during the year:  | £                | £                |
| Wages and salaries               | 5,001,241        | 4,980,447        |
| National Insurance contributions | 495,679          | 461,943          |
| Pension costs                    | 394,330          | 307,651          |
|                                  |                  |                  |
| <b>TOTAL EMPLOYEE COSTS</b>      | <b>5,891,250</b> | <b>5,750,041</b> |

## NOTE 10 - KEY MANAGEMENT PERSONNEL AND THEIR EMOLUMENTS

### GROUP

The key management personnel are defined as the members of the Board, the Chief Executive and the Executive team. There is a long-term incentive plan in place though there were no obligations arising in the year or due as at the year-end date. The aggregate amount of emoluments paid to the Executive team was £1,417,140 (2024: £1,270,997). This figure includes aggregate pension contributions of £134,460 (2024: £100,775). On 26 November 2024 the Chief Executive and Chief Financial Officer were appointed as trustees. During their tenure total emoluments paid to the Chief Executive was £125,628 and the Chief Financial Officer £92,019. Both subsequently resigned on 28 March 2025. No other members of the Board received any emoluments during the year (2024: £nil).

During the year the Chief Executive received £375,855 (2024: £343,245) including benefits and pension contributions of £20,250 (2024: £20,250).

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

|                      | 30 April<br>2025 | 30 April<br>2024 |
|----------------------|------------------|------------------|
|                      | No.              | No.              |
| £60,001 to £70,000   | 3                | 1                |
| £70,001 to £80,000   | -                | 1                |
| £80,001 to £90,000   | 6                | 6                |
| £90,001 to £100,000  | 1                | 1                |
| £100,001 to £110,000 | 2                | 1                |
| £110,001 to £120,000 | -                | 1                |
| £130,001 to £140,000 | 2                | -                |
| £180,001 to £190,000 | -                | 1                |
| £190,001 to £200,000 | 1                | 1                |
| £230,001 to £240,000 | 1                | -                |
| £280,001 to £290,000 | -                | 1                |
| £310,001 to £320,000 | 1                | -                |
|                      | <b>17</b>        | <b>14</b>        |

## NOTE 11 - TAXATION

### GROUP

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

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

## NOTE 12 - RELATED PARTY TRANSACTIONS

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

Two executives were appointed as trustees in the year and subsequently resigned. Remuneration is disclosed in Note 10 – Key Management Personnel and their emoluments.

There were no other related party transactions during the period.

## NOTE 13 - FIXED ASSETS - HOUSING PROPERTIES

|                                    | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ |
|------------------------------------|-----------------------|-----------------------|
| <b>GROUP AND PARENT</b>            |                       |                       |
| <b>COST</b>                        |                       |                       |
| Opening as at 1 May 2024           | 43,316,406            | 42,807,973            |
| Additions                          | 1,393,028             | 508,433               |
|                                    | <hr/>                 | <hr/>                 |
| <b>Closing as at 30 April 2025</b> | <b>44,709,434</b>     | <b>43,316,406</b>     |
|                                    | <hr/>                 | <hr/>                 |
| <b>DEPRECIATION</b>                |                       |                       |
| Opening as at 1 May 2024           | (6,626,693)           | (6,006,520)           |
| Provided in the year               | (619,379)             | (620,173)             |
|                                    | <hr/>                 | <hr/>                 |
| <b>Closing as at 30 April 2025</b> | <b>(7,246,072)</b>    | <b>(6,626,693)</b>    |
|                                    | <hr/>                 | <hr/>                 |
| <b>NET BOOK VALUE</b>              |                       |                       |
| <b>As at 30 April 2025</b>         | <b>37,463,362</b>     | <b>36,689,713</b>     |
|                                    | <hr/>                 | <hr/>                 |
| As at 30 April 2024                | 36,689,713            | 36,801,453            |
|                                    | <hr/>                 | <hr/>                 |

**NOTE 14 - OTHER TANGIBLE FIXED ASSETS**

| <b>GROUP</b>               | <b>Fixtures &amp;<br/>Fittings<br/>£</b> | <b>Plant and<br/>Machinery<br/>£</b> | <b>Comp Equip<br/>&amp; Software<br/>£</b> | <b>Freehold Office<br/>Buildings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|------------------------------------------|--------------------------------------|--------------------------------------------|--------------------------------------------|--------------------|
| <b>COST</b>                |                                          |                                      |                                            |                                            |                    |
| Opening at 1 May 2024      | 699,128                                  | 486,116                              | 1,871,307                                  | 1,145,933                                  | 4,202,484          |
| Additions                  | 1,985                                    | 54,067                               | 68,186                                     | -                                          | 124,238            |
| Disposals                  | -                                        | (6,720)                              | -                                          | -                                          | (6,720)            |
| Closing at 30 April 2025   | 701,113                                  | 533,463                              | 1,939,493                                  | 1,145,933                                  | 4,320,002          |
| <b>DEPRECIATION</b>        |                                          |                                      |                                            |                                            |                    |
| Opening at 1 May 2024      | (331,463)                                | (256,069)                            | (1,263,796)                                | (214,420)                                  | (2,065,748)        |
| Provided in the year       | (52,572)                                 | (33,085)                             | (220,770)                                  | (15,525)                                   | (321,952)          |
| Disposals in the year      | -                                        | 6,720                                | -                                          | -                                          | 6,720              |
| Closing at 30 April 2025   | (384,035)                                | (282,434)                            | (1,484,566)                                | (229,945)                                  | (2,380,980)        |
| <b>NET BOOK VALUE</b>      |                                          |                                      |                                            |                                            |                    |
| <b>As at 30 April 2025</b> | <b>317,078</b>                           | <b>251,029</b>                       | <b>454,927</b>                             | <b>915,988</b>                             | <b>1,939,022</b>   |
| <b>As at 30 April 2024</b> | <b>367,665</b>                           | <b>230,047</b>                       | <b>607,511</b>                             | <b>931,513</b>                             | <b>2,136,736</b>   |

| <b>PARENT</b>              | <b>Fixtures &amp;<br/>Fittings<br/>£</b> | <b>Plant and<br/>Machinery<br/>£</b> | <b>Comp Equip<br/>&amp; Software<br/>£</b> | <b>Freehold Office<br/>Buildings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|------------------------------------------|--------------------------------------|--------------------------------------------|--------------------------------------------|--------------------|
| <b>COST</b>                |                                          |                                      |                                            |                                            |                    |
| Opening at 1 May 2024      | 677,223                                  | 486,116                              | 1,451,063                                  | 1,145,933                                  | 3,760,335          |
| Additions                  | 1,985                                    | 54,067                               | 68,186                                     | -                                          | 124,238            |
| Disposals                  | -                                        | (6,720)                              | -                                          | -                                          | (6,720)            |
| Closing at 30 April 2025   | 679,208                                  | 533,463                              | 1,519,249                                  | 1,145,933                                  | 3,877,853          |
| <b>DEPRECIATION</b>        |                                          |                                      |                                            |                                            |                    |
| Opening at 1 May 2024      | (328,947)                                | (256,069)                            | (1,025,586)                                | (214,420)                                  | (1,825,022)        |
| Provided in the year       | (48,051)                                 | (33,085)                             | (172,350)                                  | (15,525)                                   | (269,011)          |
| Disposals in the year      | -                                        | 6,720                                | -                                          | -                                          | 6,720              |
| Closing at 30 April 2025   | (376,998)                                | (282,434)                            | (1,197,936)                                | (229,945)                                  | (2,087,313)        |
| <b>NET BOOK VALUE</b>      |                                          |                                      |                                            |                                            |                    |
| <b>As at 30 April 2025</b> | <b>302,210</b>                           | <b>251,029</b>                       | <b>321,313</b>                             | <b>915,988</b>                             | <b>1,790,540</b>   |
| <b>As at 30 April 2024</b> | <b>348,276</b>                           | <b>230,047</b>                       | <b>425,477</b>                             | <b>931,513</b>                             | <b>1,935,313</b>   |

**NOTE 15 – INTANGIBLE ASSETS**

**GROUP**

|                            | <b>Wellbeing<br/>Platform<br/>Infrastructure</b> | <b>Wellbeing<br/>Platform<br/>Dashboard<br/>&amp; Data</b> | <b>Total</b>     |
|----------------------------|--------------------------------------------------|------------------------------------------------------------|------------------|
|                            | <b>£</b>                                         | <b>£</b>                                                   | <b>£</b>         |
| <b>COST</b>                |                                                  |                                                            |                  |
| Opening at 1 May 2024      | 859,007                                          | 208,182                                                    | 1,067,189        |
| Additions                  | -                                                | 192,270                                                    | 192,270          |
|                            |                                                  |                                                            |                  |
| Closing at 30 April 2025   | 859,007                                          | 400,452                                                    | 1,259,459        |
|                            |                                                  |                                                            |                  |
| <b>AMORTISATION</b>        |                                                  |                                                            |                  |
| Opening at 1 May 2024      | (3,579)                                          | (3,470)                                                    | (7,049)          |
| Provided during the year   | (42,948)                                         | (56,699)                                                   | (99,647)         |
|                            |                                                  |                                                            |                  |
| Closing at 30 April 2025   | (46,527)                                         | (60,169)                                                   | (106,696)        |
|                            |                                                  |                                                            |                  |
| <b>NET BOOK VALUE</b>      |                                                  |                                                            |                  |
| <b>As at 30 April 2025</b> | <b>812,480</b>                                   | <b>340,283</b>                                             | <b>1,152,763</b> |
|                            |                                                  |                                                            |                  |
| As at 30 April 2024        | 855,428                                          | 204,712                                                    | 1,060,140        |

The Wellbeing platform is an internally developed generative AI powered dashboard. It is part of the Retail Trust's 'Better You' data and insights offering which identifies data and patterns from colleagues' interactions with Retail Trust services and wellbeing surveys to provide an overall picture of staff mental health and actionable insights, to address specific issues like stress, financial worries or safety concerns at work. These intangible assets are held in RT Wellbeing Services Limited.

**NOTE 16 - INVESTMENTS**

| GROUP AND PARENT              | Market Value            |                         | Cost                    |                         |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                               | 30 April<br>2025        | 30 April<br>2024        | 30 April<br>2025        | 30 April<br>2024        |
|                               | £                       | £                       | £                       | £                       |
| <b>Restricted</b>             |                         |                         |                         |                         |
| Listed investments            | 321,934                 | 315,182                 | 317,737                 | 269,069                 |
| <b>Unrestricted</b>           |                         |                         |                         |                         |
| Listed investments            | 1,502,052               | 1,457,496               | 1,482,471               | 1,244,254               |
| Unlisted investments and cash | 422,610                 | 378,540                 | 422,610                 | 378,540                 |
|                               | <u>1,924,662</u>        | <u>1,836,036</u>        | <u>1,905,081</u>        | <u>1,622,794</u>        |
| <b>TOTAL INVESTMENTS</b>      | <b><u>2,246,596</u></b> | <b><u>2,151,218</u></b> | <b><u>2,222,818</u></b> | <b><u>1,891,863</u></b> |

**Reconciliation of Market Value Movement:**

|                            | Unlisted<br>£         | Listed<br>£             | Cash<br>£             | Total<br>£              |
|----------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| As at 1 May 2024           | 318,750               | 1,772,678               | 59,790                | 2,151,218               |
| Additions                  | -                     | 1,861,867               | (1,861,867)           | -                       |
| Disposals                  | -                     | (1,823,534)             | 1,823,534             | -                       |
| Gain                       | -                     | 12,975                  | -                     | 12,975                  |
| Investment income received | -                     | -                       | 90,420                | 90,420                  |
| Investment fee             | -                     | -                       | (8,017)               | (8,017)                 |
| <b>As at 30 April 2025</b> | <b><u>318,750</u></b> | <b><u>1,823,986</u></b> | <b><u>103,860</u></b> | <b><u>2,246,596</u></b> |

## NOTE 17 - INVESTMENTS IN SUBSIDIARIES

At 30 April 2025, 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)     | Establishes corporate partnerships, 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                              | 30 April<br>2025 | 30 April<br>2024 |
|-------------------------------------|------------------|------------------|
|                                     | £                | £                |
| <b>AT COST</b>                      |                  |                  |
| As at 1 May 2024                    | 156              | 156              |
| Additions / (disposals) in the year | -                | -                |
| <b>As at 30 April 2025</b>          | <b>156</b>       | <b>156</b>       |

**NOTE 17 - INVESTMENTS IN SUBSIDIARIES (continued)**

|                                          | CHC              |                  | RTE              |                  | RTWS               |                    |
|------------------------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
|                                          | 30 April<br>2025 | 30 April<br>2024 | 30 April<br>2025 | 30 April<br>2024 | 30 April<br>2025   | 30 April<br>2024   |
|                                          | £                | £                | £                | £                | £                  | £                  |
| <b>SUMMARY PROFIT &amp; LOSS ACCOUNT</b> |                  |                  |                  |                  |                    |                    |
| Turnover                                 | 48,384           | 9,590            | 601,618          | 445,537          | 3,737,972          | 3,151,262          |
| Cost of sales                            | (4,000)          | (9,366)          | (376,670)        | (510,517)        | (2,144,589)        | (1,601,830)        |
| Expenditure - shared costs               | (19,615)         | (7,483)          | (174,590)        | (594,760)        | (2,248,683)        | (3,112,845)        |
|                                          |                  |                  |                  |                  |                    |                    |
| <b>Net profit/(loss)</b>                 | <b>24,769</b>    | <b>(7,259)</b>   | <b>50,358</b>    | <b>(659,740)</b> | <b>(655,300)</b>   | <b>(1,563,413)</b> |
| <b>SUMMARY BALANCE SHEET</b>             |                  |                  |                  |                  |                    |                    |
| Fixed & Intangible Assets                | -                | -                | -                | -                | 1,301,246          | 1,261,564          |
| Debtors                                  | 1,900            | 779,605          | 185,600          | 387,075          | 780,823            | 2,522,043          |
| Cash at bank                             | 27,590           | 225,593          | 87,998           | 102,749          | 172,606            | 237,698            |
| Creditors                                | (49,657)         | (1,050,134)      | (909,474)        | (1,176,058)      | (5,134,624)        | (6,245,954)        |
|                                          |                  |                  |                  |                  |                    |                    |
| <b>Net assets</b>                        | <b>(20,167)</b>  | <b>(44,936)</b>  | <b>(635,876)</b> | <b>(686,234)</b> | <b>(2,879,949)</b> | <b>(2,224,649)</b> |
|                                          |                  |                  |                  |                  |                    |                    |
| Retained earnings                        | (20,168)         | (44,937)         | (635,931)        | (686,289)        | (2,880,049)        | (2,224,749)        |
| Called up share capital                  | 1                | 1                | 55               | 55               | 100                | 100                |
|                                          |                  |                  |                  |                  |                    |                    |
| <b>Shareholder funds</b>                 | <b>(20,167)</b>  | <b>(44,936)</b>  | <b>(635,876)</b> | <b>(686,234)</b> | <b>(2,879,949)</b> | <b>(2,224,649)</b> |

When the subsidiary has positive net assets, any net profits in a period above are distributed by means of gift aid to the parent charity.

**NOTE 18 - DEBTORS**

|                                                 | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
|-------------------------------------------------|--------------------------|--------------------------|
| <b>GROUP</b>                                    | <b>£</b>                 | <b>£</b>                 |
| Rents receivable                                | 232,622                  | 242,242                  |
| Trade debtors                                   | 906,904                  | 642,424                  |
| Other debtors                                   | 2,817                    | 69,145                   |
| Accrued income                                  | 95,118                   | 76,259                   |
| Prepayments                                     | 222,712                  | 457,989                  |
| Penny Post Credit Union loan - Subordinated     | -                        | 100,000                  |
| <b>TOTAL DEBTORS</b>                            | <b>1,460,173</b>         | <b>1,588,059</b>         |
|                                                 | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
| <b>PARENT</b>                                   | <b>£</b>                 | <b>£</b>                 |
| Rents receivable                                | 232,622                  | 242,242                  |
| Trade debtors                                   | 19,129                   | 9,734                    |
| Other debtors                                   | 916                      | 7,859                    |
| Accrued income                                  | 74,896                   | 63,443                   |
| Prepayments                                     | 164,283                  | 129,163                  |
| Amounts receivable from subsidiary undertakings | 3,724,225                | 4,280,108                |
| Penny Post Credit Union loan - Subordinated     | -                        | 100,000                  |
| <b>TOTAL DEBTORS</b>                            | <b>4,216,071</b>         | <b>4,832,549</b>         |

Bad debt provision of £20,327 (2024: £35,742) relating to rental and trading income is netted above within rents receivable and trade debtors. The subordinated loan with Penny Post Credit Union was received on 14 June 2024.

**NOTE 19 - CASH AND CASH EQUIVALENTS**

|                                        | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
|----------------------------------------|--------------------------|--------------------------|
| <b>GROUP</b>                           | <b>£</b>                 | <b>£</b>                 |
| Cash at bank and in hand               | 392,712                  | 1,340,558                |
| Short term deposits                    | 1,315,348                | 2,566,869                |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>1,708,060</b>         | <b>3,907,427</b>         |
|                                        | <b>30 April<br/>2025</b> | <b>30 April<br/>2024</b> |
| <b>PARENT</b>                          | <b>£</b>                 | <b>£</b>                 |
| Cash at bank and in hand               | 104,518                  | 774,518                  |
| Short term deposits                    | 1,315,348                | 2,566,869                |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>1,419,866</b>         | <b>3,341,387</b>         |

**NOTE 20 - CREDITORS**

|                                                           | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ |
|-----------------------------------------------------------|-----------------------|-----------------------|
| <b>GROUP</b>                                              |                       |                       |
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                |                       |                       |
| <b>Unrestricted</b>                                       |                       |                       |
| Tax and social security                                   | 330,671               | 155,047               |
| Other creditors                                           | 247,676               | 649,262               |
| Accruals                                                  | 1,252,786             | 1,062,523             |
| Deferred income                                           | 2,076,247             | 2,157,552             |
| Long term borrowing                                       | 241,665               | 228,268               |
| <b>Restricted</b>                                         |                       |                       |
| Social housing grant                                      | 25,600                | 25,600                |
| <b>TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | <b>4,174,645</b>      | <b>4,278,252</b>      |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>       |                       |                       |
| <b>Unrestricted</b>                                       |                       |                       |
| Long term borrowing                                       | 5,482,198             | 5,723,863             |
| <b>Restricted</b>                                         |                       |                       |
| Social housing grant                                      | 2,225,976             | 2,251,576             |
| <b>TOTAL AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>7,708,174</b>      | <b>7,975,439</b>      |
|                                                           |                       |                       |
|                                                           | 30 April<br>2025<br>£ | 30 April<br>2024<br>£ |
| <b>PARENT</b>                                             |                       |                       |
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                |                       |                       |
| <b>Unrestricted</b>                                       |                       |                       |
| Tax and social security                                   | 152,398               | 798,636               |
| Other creditors                                           | 201,810               | 399,334               |
| Accruals                                                  | 1,106,088             | 1,004,216             |
| Deferred income                                           | 77,554                | 283,269               |
| Long term borrowing                                       | 241,665               | 228,268               |
| <b>Restricted</b>                                         |                       |                       |
| Social housing grant                                      | 25,600                | 25,600                |
| <b>TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | <b>1,805,115</b>      | <b>2,739,323</b>      |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>       |                       |                       |
| <b>Unrestricted</b>                                       |                       |                       |
| Long term borrowing                                       | 5,482,198             | 5,723,863             |
| <b>Restricted</b>                                         |                       |                       |
| Social housing grant                                      | 2,225,976             | 2,251,576             |
| <b>TOTAL AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>7,708,174</b>      | <b>7,975,439</b>      |

Long term borrowing represents two development loans for the Crookfur & Mill Hill estates. In 2017, a £5m development loan facility was taken out for the Crookfur development and is secured over the freehold of the Crookfur estate. In 2023, a further £1.57m development loan facility was taken out for the Mill Hill development and is secured over the freehold of the Mill Hill estate. At year end, these loan balances were £4.19m and £1.53m respectively. The original terms of the £5m loan was interest only for the first 2 years, with the capital being repayable over the following 23 years at an interest rate of 1.75% over base rate. Last financial year, this loan was renegotiated to a 5 year fixed term loan with interest at 6.027% pa. The £1.57m loan was also renegotiated to a 5 year fixed term with interest at 6.022% pa. Both loans will mature in February 2029 where a bullet repayment or re-finance agreement at prevailing market rates will apply

**NOTE 21 - PENSION PROVISIONS AND ARRANGEMENTS**

**GROUP AND PARENT**

*Defined Contribution Scheme*

The Trust sponsors group personal pension (GPP) arrangements which is managed by Legal & General. It is an auto-enrolment scheme with the majority of staff having contributions invested with the GPP with only a small percentage of staff opting out. During the year, the Trust contributed £374,330 (2024: £307,651) to the scheme on behalf of staff. Employer contributions of £27,659 was outstanding at year end (2024: £25,378).

*Defined Benefits Scheme*

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. 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.

|                                                      | 30 April<br>2025<br>% | 30 April<br>2024<br>% |
|------------------------------------------------------|-----------------------|-----------------------|
| <b>The main assumptions used by the actuary are:</b> |                       |                       |
| Rate of increase in pensions in payment – main       | 2.95                  | 3.15                  |
| Rate of increase in pensions in payment - CARE       | 2.10                  | 2.15                  |
| Rate of increase in pensions in deferment - main     | 3.00                  | 3.30                  |
| Rate of increase in pensions in deferment - CARE     | 2.50                  | 2.50                  |
| Discount rate                                        | 5.70                  | 5.30                  |
| Retail Price Index inflation                         | 3.00                  | 3.30                  |
| Cash commutation assumed taken at retirement         | 25%                   | 25%                   |

|                                              | 30 April<br>2025 | 30 April<br>2024 |
|----------------------------------------------|------------------|------------------|
| <b>Life expectancies:</b>                    |                  |                  |
| Aged 65 at balance sheet date - Male S3PMA   | 85.4             | 85.5             |
| Aged 65 at balance sheet date - Female S3PMA | 87.7             | 87.8             |
| Aged 45 at balance sheet date - Male S3PMA   | 86.3             | 86.4             |
| Aged 45 at balance sheet date - Female S3PMA | 88.8             | 88.9             |

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

|                                     | <b>Value of Assets</b> |                       |
|-------------------------------------|------------------------|-----------------------|
|                                     | 30 April<br>2025<br>£  | 30 April<br>2024<br>£ |
| Equities                            | 3,404,000              | 4,808,000             |
| Bonds, LDI and cash                 | 4,234,000              | 2,855,000             |
| Diversified growth fund             | 2,829,000              | 3,494,000             |
| Fair value of assets of the scheme  | 10,467,000             | 11,157,000            |
| Present value of scheme liabilities | (10,200,000)           | (10,990,000)          |
| Adjustments for unrecognised asset  | (267,000)              | (167,000)             |
|                                     | -                      | -                     |

**NOTE 21 - PENSION PROVISIONS AND ARRANGEMENTS (continued)**

|                                                                          | <b>30 April<br/>2025<br/>£</b> | <b>30 April<br/>2024<br/>£</b> |
|--------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Change in scheme liabilities</b>                                      |                                |                                |
| Scheme liabilities at 1 May 2024                                         | (10,990,000)                   | (10,521,000)                   |
| Interest cost                                                            | (562,000)                      | (508,000)                      |
| Actuarial gain/(loss)                                                    | 552,000                        | (677,000)                      |
| Benefits paid directly by the employer                                   | 800,000                        | 716,000                        |
| <b>Scheme liabilities at 30 April 2025</b>                               | <b>(10,200,000)</b>            | <b>(10,990,000)</b>            |
| <b>Change in scheme assets:</b>                                          |                                |                                |
| Fair value of assets at 1 May 2024                                       | 11,157,000                     | 11,308,000                     |
| Actuarial (loss)/gain on assets                                          | (415,000)                      | 54,000                         |
| Employer deficit funding                                                 | 60,000                         | 60,000                         |
| Benefits paid                                                            | (800,000)                      | (716,000)                      |
| Interest income                                                          | 569,000                        | 546,000                        |
| Administration expenses                                                  | (104,000)                      | (95,000)                       |
| <b>Fair value of assets at 30 April 2025</b>                             | <b>10,467,000</b>              | <b>11,157,000</b>              |
| <b>Analysis of the amounts recognised in net surplus/(deficit):</b>      |                                |                                |
| Administrative expenses                                                  | 104,000                        | 80,000                         |
| Net interest (excluding irrecoverable surplus)                           | (7,000)                        | (38,000)                       |
| Interest on irrecoverable surplus                                        | 9,000                          | 39,000                         |
| <b>Amount charges to net surplus/(deficit)</b>                           | <b>106,000</b>                 | <b>96,000</b>                  |
| <b>Analysis of the amounts recognised in other comprehensive income:</b> |                                |                                |
| Actuarial gains/(losses) on defined benefit obligation                   | 522,000                        | (677,000)                      |
| Actual return on assets less interest                                    | (415,000)                      | 54,000                         |
| Limit on recognition of assets less interest on irrecoverable surplus    | (91,000)                       | 659,000                        |
| <b>Amount recognised in other comprehensive income</b>                   | <b>46,000</b>                  | <b>36,000</b>                  |

*Future funding obligation*

The Trustees of the Scheme are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the actuary for the Trustees as at 30 June 2022. This valuation revealed a funding shortfall of £670,000. In respect of the deficit in the Scheme as at 30 June 2022, the Trust has agreed to pay £60,000 pa for 6 years beginning 1 May 2024. The second £60,000 was due on 1 May 2025, but was paid early on 6 February 2025, and therefore no contributions are expected to be made into the Scheme during the accounting year beginning 1 May 2025.

RETAIL TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 April 2025

**NOTE 22 - UNRESTRICTED RESERVES**

| <b>GROUP AND PARENT</b>            | <b>As at<br/>1-May<br/>2024<br/>£</b> | <b>Surplus /<br/>(Deficit)<br/>for the period<br/>£</b> | <b>Gains /<br/>(Losses)<br/>£</b> | <b>Transfers<br/>between<br/>funds<br/>£</b> | <b>As at<br/>30-Apr<br/>2025<br/>£</b> |
|------------------------------------|---------------------------------------|---------------------------------------------------------|-----------------------------------|----------------------------------------------|----------------------------------------|
| <b>Designated Reserves</b>         |                                       |                                                         |                                   |                                              |                                        |
| Crookfur development               | 144,095                               | -                                                       | -                                 | (144,095)                                    | -                                      |
| Wellbeing reserve                  | 2,368,692                             | -                                                       | -                                 | (1,096,991)                                  | 1,271,701                              |
| <b>Other unrestricted reserves</b> |                                       |                                                         |                                   |                                              |                                        |
| Pension scheme reserve             | -                                     | -                                                       | 46,000                            | (46,000)                                     | -                                      |
| Property reserve                   | 29,391,919                            | -                                                       | -                                 | 1,011,992                                    | 30,403,911                             |
| Retained earnings                  | 5,910,417                             | (671,247)                                               | 10,376                            | 275,094                                      | 5,524,640                              |
| <b>Parent total reserves</b>       | <b>37,815,123</b>                     | <b>(671,247)</b>                                        | <b>56,376</b>                     | <b>-</b>                                     | <b>37,200,252</b>                      |
| Retained earnings of subsidiaries  | (2,955,972)                           | (580,173)                                               | -                                 | -                                            | (3,536,145)                            |
| <b>Group total reserves</b>        | <b>34,859,151</b>                     | <b>(1,251,420)</b>                                      | <b>56,376</b>                     | <b>-</b>                                     | <b>33,664,107</b>                      |
|                                    | <b>As at<br/>1-May<br/>2023<br/>£</b> | <b>Surplus /<br/>(Deficit)<br/>for the year<br/>£</b>   | <b>Gains /<br/>(Losses)<br/>£</b> | <b>Transfers<br/>Between<br/>Funds<br/>£</b> | <b>As at<br/>30-Apr<br/>2024<br/>£</b> |
| <b>Designated Reserves</b>         |                                       |                                                         |                                   |                                              |                                        |
| Crookfur development               | 144,095                               | -                                                       | -                                 | -                                            | 144,095                                |
| Wellbeing reserve                  | 2,683,933                             | -                                                       | -                                 | (315,241)                                    | 2,368,692                              |
| <b>Other unrestricted reserves</b> |                                       |                                                         |                                   |                                              |                                        |
| Pension scheme reserve             | -                                     | -                                                       | 36,000                            | (36,000)                                     | -                                      |
| Property reserve                   | 29,860,943                            | -                                                       | -                                 | (469,024)                                    | 29,391,919                             |
| Retained earnings                  | 5,477,986                             | (473,863)                                               | 86,029                            | 820,265                                      | 5,910,417                              |
| <b>Parent total reserves</b>       | <b>38,166,957</b>                     | <b>(473,863)</b>                                        | <b>122,029</b>                    | <b>-</b>                                     | <b>37,815,123</b>                      |
| Retained earnings of subsidiaries  | (725,562)                             | (2,230,410)                                             | -                                 | -                                            | (2,955,972)                            |
| <b>Group total reserves</b>        | <b>37,441,395</b>                     | <b>(2,704,273)</b>                                      | <b>122,029</b>                    | <b>-</b>                                     | <b>34,859,151</b>                      |

## NOTE 22 - UNRESTRICTED RESERVES (continued)

### Property reserve

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

### Pension reserve

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

### Designated reserves

The designated reserves comprise a ringfenced £1.27m for cost-of-living support, and previously, a reserve for the Crookfur development project. This project was completed during the year and the reserve fully utilised.

### Transfers between funds

A portion of the Wellbeing reserve was released during the period towards wellbeing activities. In the 2023 financial period a donation was received from BP to be used towards cost-of-living support. The unspent portion of the donation remains in the Wellbeing reserve for use in future financial periods.

Pension scheme represents costs of the scheme.

Property reserve represents the movement of the net position of the property assets at year end.

## NOTE 23 - RESTRICTED RESERVES

### GROUP AND PARENT

|                            | Multi-sensory<br>Stimulation<br>£ | Other<br>Trust<br>Funds<br>£ | Wellbeing<br>Services<br>£ | Crookfur<br>Capital<br>Project<br>£ | Total<br>£    |
|----------------------------|-----------------------------------|------------------------------|----------------------------|-------------------------------------|---------------|
| As at 1 May 2023           | 10,247                            | 24,000                       | -                          | -                                   | 34,247        |
| Income                     | -                                 | -                            | 35,000                     | -                                   | -             |
| Expenditure                | -                                 | -                            | (35,000)                   | -                                   | -             |
| <b>As at 1 May 2024</b>    | <b>10,247</b>                     | <b>24,000</b>                | <b>-</b>                   | <b>-</b>                            | <b>34,247</b> |
| Income                     | -                                 | -                            | 25,000                     | 637,000                             | 662,000       |
| Expenditure                | -                                 | -                            | (25,000)                   | -                                   | (25,000)      |
| Transfer                   | -                                 | -                            | -                          | (637,000)                           | (637,000)     |
| <b>As at 30 April 2025</b> | <b>10,247</b>                     | <b>24,000</b>                | <b>-</b>                   | <b>-</b>                            | <b>34,247</b> |

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

The "Other Trust Funds" is a donation received from City of London Linen & Furnishing Trades Association in 2014 to fund specific equipment, including IT equipment, mobility vehicles and outdoor furniture for residents at the estates.

These funds were not utilised during the period. Both funds are currently under review by the Trustees to find the most practical use of these funds going forward to meet our residents' needs.

The "Wellbeing Services" reserve are corporate donations received for use within the Wellbeing Services area of the charity and were fully expensed during the financial year

**NOTE 23 - RESTRICTED RESERVES (continued)**

The "Crookfur Capital Project" reserve are donations and grants received for the refurbishment of the community hub on the Hugh Fraser Retirement Estate in Newton Mearns. These funds were spent and the project completed in year, and so these funds have been transferred to unrestricted reserves.

**NOTE 24 - ENDOWMENT FUNDS**

| <b>GROUP AND PARENT</b>                     | <b>John<br/>Goodenday<br/>Cottage<br/>Homes Trust<br/>£</b> | <b>John<br/>Goodenday<br/>Endowment<br/>Fund<br/>£</b> | <b>John<br/>Walsh<br/>Pension<br/>Fund<br/>£</b> | <b>Total<br/>£</b> |
|---------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------|--------------------|
| As at 1 May 2023                            | 118,774                                                     | 194,023                                                | 52,023                                           | 364,820            |
| Increase in the market value of investments | 6,962                                                       | 11,373                                                 | 3,049                                            | 21,384             |
| As at 1 May 2024                            | 125,736                                                     | 205,396                                                | 55,072                                           | 386,204            |
| Increase in the market value of investments | 846                                                         | 1,382                                                  | 371                                              | 2,599              |
| <b>As at 30 April 2025</b>                  | <b>126,582</b>                                              | <b>206,778</b>                                         | <b>55,443</b>                                    | <b>388,803</b>     |

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

**NOTE 25 - CAPITAL COMMITMENTS**

Amounts contracted for in the group but not provided for in the financial statements as at 30 April 2025 is £Nil (2024: £1,028,654).

**RETAIL TRUST**

England & Wales - Charity number 1090136

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# Accounts

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# **RETAIL TRUST**

(A company limited by guarantee)

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

**FOR THE YEAR ENDED 30 APRIL 2024**

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

# Retail Trust

## TRUSTEE REPORT AND FINANCIAL STATEMENTS

For the year ended 30 April 2024

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# Retail Trust

## LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 30 April 2024

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### INCORPORATED AND REGULATORY BODIES

Company limited by guarantee No. 04254201  
Registered Charity in England and Wales No. 1090136  
Registered Charity in Scotland No. SC039684  
RSL No. L4362

### REGISTERED OFFICE

The Form Rooms  
(2<sup>nd</sup> Floor)  
Tower Street  
Covent Garden  
London, England  
WC2H 9NS

**COMPANY SECRETARY:** David Kaye

**TELEPHONE NUMBER:** 020 8201 0110

**CONFIDENTIAL HELPLINE:** 0808 801 0808

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

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

### BOARD OF TRUSTEES

Alistair McGeorge - Chairman  
Paul Allen – Honorary Treasurer (appointed 28 November 2023)  
Paul Armstrong  
Erin Brookes  
Philip Bell-Brown  
Lesley Exley  
Gita North  
Christopher Powell  
Bruce Findlay (appointed 23 January 2024)  
Alison Porter (appointed 1 March 2024)  
David McCorquodale (resigned 27 June 2024)  
Michael Logue (resigned 28 November 2023)  
Brian Small (resigned 28 November 2023)

### EXECUTIVE TEAM

|                          |                                             |
|--------------------------|---------------------------------------------|
| Christopher Brook-Carter | Chief Executive Officer                     |
| Peter Foster             | Chief Financial Officer                     |
| Jamie Malcolm            | Managing Director                           |
| Lawrence Coen            | Managing Director Supported Living Services |
| Kathy Macintyre          | Director of Supported Living Services       |
| Cliff Lee                | Director of Wellbeing                       |
| Poppie Foakes            | Director of Wellbeing Innovation            |

### ACTUARY

First Actuarial LLP  
Network House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

### AUDITOR - External

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

### BANKERS

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

### AUDITOR - Internal

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

### INSURANCE BROKER

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

### INVESTMENT MANAGER

Evelyn Partners Group Limited  
25 Moorgate  
London  
EC2R 6AY

### SOLICITOR

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

### OUR CAUSE

Creating hope, health and happiness for everyone in retail.

### OUR VISION

From 1832 onwards, the Retail Trust has been caring for and protecting the lives of people working in retail. We believe the health of our colleagues is the foundation they need to flourish in both work and life, creating a more sustainable and successful future for retail.

### OUR BELIEFS

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

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

### OUR STRATEGIC FOCUS 2023/24 AND BEYOND

#### Single Point of Focus

Each year we have one overarching strategic focus towards the ambition we set out in 2021. This year has been to lay the foundations and associated investment as a growth innovator with actionable insights at our core via our dashboards.

#### Additionally, we have 4 strategic pillars for the year:

1. In wellbeing we wanted to drive engagement with our services so more colleagues get the access they need when they need it by harnessing the power of the data that we sit on. We collect a wealth of retail employee data. We are uniquely placed to use this data to create a proprietary data platform, the retail wellbeing platform.
2. With the focus of the value we provide the sector shifting towards data and insights, we are rebalancing our current product offering to embed the retail wellbeing platform into our core offering, enriching the value we are able to provide to our clients and helping more colleagues access the help they need.
3. By driving market share gains through new acquisition of partners we have been increasing the numbers of retail colleagues we engage with and help. With only 17% share of retail at the moment there is significant opportunity to unite the sector around one source of data truth as well as creating industry recognised standards in health and wellbeing.
4. In our residential services, we wanted to launch a new strategic direction for our estates based on a more robust financial model, with targeted planned development in order to offer an even better standard of living at a cost our residents can afford.

# Retail Trust

## TRUSTEES' REPORT (continued)

### **CHAIRMAN'S MESSAGE**

Dear Supporters, Sponsors, Patrons, Volunteers and Colleagues

I want to start by thanking everyone for their contributions over the last 12 months, in what has been a landmark year for our organisation.

In 1832 our founding Trustees conceived of an organisation that would play three critical roles in the way the industry ran. The first was to champion the notion that businesses had a moral and financial imperative to promote the health and happiness of those working in the sector. Secondly, that this vision could only become a reality if it were backed, promoted and actively championed by a broad coalition of leaders and businesses. And finally, that the goal of the charity was to empower people to take control of their own lives.

Those guiding principles, laid down almost two centuries ago are arguably a more powerful guiding light now than at any time in our history.

I am pleased to say that more retail businesses than ever before have engaged in the services provided by the Retail Trust in the last year, and more colleagues from our partners have been positively impacted by the work that we do.

The timing of this drive to engage the sector in greater numbers could not be more important. Data from our services and surveys continues to paint the picture of the challenges retail colleagues face every day from the cost-of-living crisis to rising levels of abuse, violence and shoplifting.

As we seek to unite the industry around solutions to these issues, which threaten to undermine the sector's long held reputation as a people-first industry, we have made significant investments this year into building out our data, AI and insight capabilities.

These investments are crucial to the future of our organisation and its role at the heart of the retail sector, but also ensure that we enter a new phase of digital transformation that will significantly grow our wellbeing operations, the numbers of colleagues we can reach and the income we need to reinvest in the future.

In March, we launched a proprietary data and AI platform – the Happiness Dashboard – which leverages the huge amounts of data on employee health that we sit on and generates insights to allow us to get the help retail colleagues need when they need it. Moreover, it gives retail leaders the tools to identify how best to direct their wellbeing efforts and how those efforts translate into boosting productivity.

We worked alongside a number of build partners, including Next, B&Q, Wincanton, Ann Summers and FatFace to ensure the capabilities added value and can be integrated into the retail industry seamlessly. And I would like to thank them as well as our technology and data partners, Microsoft, BJSS, Kerv and WorkL for their efforts in bringing this vision to life.

Meanwhile, across the world of our core wellbeing offer, we saw a number of new retailers join our coalition including WHSmith's, BP, Inditex, The Entertainer and Fortnum & Mason. This ongoing growth of our community is testament to the quality of our services and the retail industry's commitment to work together to bring about a happier and healthier sector.

Meanwhile, our percentage renewal rates of current partners remained in the 90s, with many adding additional services such as virtual GP and children and young people counselling, as the benefits of a broader wellbeing offering become apparent.

Continuing to cement our position at the centre of the retail sector and build out our community, we hosted our second and largest festival of wellbeing – Togetherfest. Welcoming over 1,000 retail colleagues from across the country from over 150 retailers, it provided people with a valuable day of learning and experience around workplace wellbeing. Moreover, our third People Leader's Summit in November was also a great success and thank you to the 100s of HR professionals who joined us for the day to share their experiences and best practices.

# Retail Trust

## TRUSTEES' REPORT (continued)

As our coalition grows, we also welcomed a number of new charity partners, ran a successful fundraising campaign at the Retail Week Awards and held our second Gala fundraising dinner in partnership with the Retail Summit which raised £90,000.

In our residential services, we were delighted to open new accommodation on our Marshall Hall Estate in London following a £1.6 million investment. Ten SMART flats were opened in February 2024, taking the total number of properties we run in London to 82. The new flats are SMART home enabled, modern and spacious but sympathetic to the Grade 2 listed building they are in, continuing in our mission to create a digitally enabled portfolio of properties that will improve the lives of our residents by encouraging and supporting independent living.

We also began work on a £1 million renovation of our Hugh Fraser Retirement Estate in Newton Mearns to create a new community hub for older people and the community across East Renfrewshire. Three disused spaces within the estate's Crookfur House are being refurbished by the Retail Trust to build the new facilities, which will cater for more than 1,000 local people a year and provide more support for those most at risk of isolation and with long-term health needs.

I am delighted by the progress we have made in the last 12 months and excited by the ongoing growth of our core services and the number of retail colleagues and families we now reach. Thank you once more to all our stakeholders for their efforts.



Alistair McGeorge  
**Chair of Trustees**

**Date: 24 September 2024**

# 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 2024. 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 key activities:

- Supported Living, for those who have retired from the sector;
- Wellbeing Services, for those still active in the sector;
- Fundraising, creating opportunities for those who work in the sector to engage and partner with us to accomplish our cause.

Our wellbeing activities have become front and centre of our activities to continue to contribute to the Hope, Health and Happiness of all involved in the sector. All of these operations have as their primary objectives the wellbeing of all beneficiary groups involved.

### **STRATEGIC OPERATIONS REPORT**

#### **1. OVERVIEW**

The Trust is the oldest trade charity in the UK covering over 3 million people working in retail and supporting industries through to the end of the reporting period. Our scope is the wellbeing of everyone involved in all forms of retail and retail supporting services, from factory to warehouse, from shop floor to online supply chain and all functions supporting that journey.

#### **Supported Living**

The Trust owns and operates supported living estates for retirees in London (Mill Hill), Derby (Leylands), Glasgow (Crookfur), Liverpool and Salford. 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.

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

Maximising the potential of our physical assets remains key to our sustainability. We opened 10 new digitally-enabled units at Marshall Estate, London, partly funded by a bank loan and began work on a £1m refurbishment of our Glasgow community centre.

We continue to see our void rates below industry standards and have gone to great efforts to create efficiencies wherever we can to help residents deal with the cost-of-living crisis.

There continues to be a strong case for our "smart homes and villages" and for our asset optimisation program to continue across our estates, now the London redevelopment has concluded.

#### **Wellbeing Services**

Our key themes of Hope, Health and Happiness have continued to generate strong engagement from existing and new customers of our wellbeing services. And this year we made a major investment into our data and AI capabilities to draw out learnings and insight from our activities to help retailers prioritise wellbeing. These investments further ensure we are cementing our relevance and

# Retail Trust

## TRUSTEES' REPORT (*continued*)

that of our services to the ever-changing needs of the sector in the current climate of uncertainty.

We made a particular focus this year on the worrying rise in abuse and violence directed towards store staff and our Respect Retail campaign gained us valuable awareness and media exposure. We also introduced specific training to help colleagues deal with the increased abuse.

We also continued to focus on engagement of colleagues with our proactive wellbeing services via investments in marketing and content. This is ensuring that everyone from our partner businesses has access to the support they need.

We have made ongoing investments to our technology and in improving our systems and people to ensure that we can respond to the needs of the sector in a way that is relevant and that moves from being reactive to proactive. In the next 12 months, the focus will be on rolling out our new data platform and encouraging more partners to join the Trust as a wellbeing partner.

### Business Transformation

The digital platform that will provide invaluable data and insights for our retail colleagues has been built with the help of our retail build partners and BJSS. The platform is ready to sell to all our current colleagues and potential new business clients. There will be a need for ongoing development and improvements of the platform that will require additional investment.

Digital investment is planned for our Supported Living residents to enable more access to technology in the coming year. The Trust is also investing heavily in the Glasgow estate and is spending over £1m in rebuilding the residents' communal areas, kitchen and conservatory during 2024/25.

Our website continues to be a valuable resource for our wellbeing partners and the continued evolution of the content and resources, allowing us to intuitively improve the ease of navigating the pages, whilst also ensuring that the learning derived from the engagement with content allows us to prioritise our system development to ensure we deliver valuable information using the best and most efficient means available to us on our platforms.

As we continue to automate our activities, the reporting and management of our reports and our processes becomes much clearer and we recognise that there is still significant room for

improvement if we are to maintain current pace of growth and engagement.

The Trust continues to overhaul the way that we work, future-proofing our systems and processes to remain relevant and responsive to the needs of our customers. Integration remains a key tool to truly transforming our services and leaning out our processes to add value to existing relationships and to create new opportunities for growth and success. We are conscious of the need to continue to remain compliant in stewarding personal data 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.

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

### 2. FINANCIAL REVIEW

In 2023/24, the Trust has benefitted from 29% growth in wellbeing services income, driven by high levels of renewals, the cross-selling of new services and training and a successful year of onboarding new partners.

Total income for the period is up 8.1% to £10.9m from £10.1m in the previous year when excluding the one-off BP donation of £2.5m in 2022/23.

The Trust continued its partnership with Retail Week Awards and held the second Gala dinner with the Retail Summit.

Income from Supported Living housing lettings has grown by 7%. Void rates have reduced slightly to 2.4% in 2023/24 from 2.6% in 2022/23.

Costs have increased by 26.3% during the year, as we invested heavily in our digital capabilities and the internal expertise to leverage our data. We also launched a new 24-hours helpline service. These improved services are expected to underpin the next growth phase of the Retail Trust and help us acquire new partners.

The FRS102 calculation gives a more market-sensitive valuation of the pension scheme than a triennial valuation, this calculation continues to put the pension in an asset position. The Trust has made the decision not to recognise the asset and will consider its policy for provisioning following the outcome of the actuaries' calculations.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

These movements contributed to a net deficit of £2.70m and total comprehensive income of £0.14m during 2023/24. Net assets have decreased in line with other comprehensive income to £35.28m and at 30 April 2024, cash at bank and in hand was £3.91m, £1.55m down on the previous year.

### 3. VALUE FOR MONEY (VFM)

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

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

### DELIVERY OF VFM DURING 2023/24

#### 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.

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

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

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

#### Metric 1 Reinvestment in Housing Property Assets

The reinvestment figure for the year was 1.39% compared to prior year 6.22%.

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

During the year, no new units were added and therefore the metric is 0%.

#### Metric 3 Gearing %

During the year, we recorded 4.79% gearing, compared with 2022/23 at (0.28%). The figure is after drawing down a further £0.57m of bank borrowing from Bank of Scotland. The repayment of a third of the loan began in February 2021 and continues until 2029 when a bullet repayment of the balance is payable or the option to refinance the loan.

#### Metric 4 EBITDA MRI Interest Cover

For 2023/24 the result is (4.18) in comparison to 12.15 in the prior year. This calculation however includes the non-housing areas of the Trust which distorts the result, so when we only include Cottage Homes it is 3.72 and 6.47 for the prior year which provides a more meaningful indicator of the interest cover of the Trust.

#### Metric 5 Headline Social Housing Cost £

Per unit the cost was £12.5k in 2023/24 up from £11.5k in 2022/23.

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

The social housing operating margin was 5.9% and for the Trust overall (24.8%) in 2023/24 compared to 8.3% and 13.8% in 2022/23.

#### Metric 7 Return on Capital Employed

In 2023/24 the figure is (6.3%) compared to 3.8% in 2022/23.

#### Example of VFM delivery

#### WELLBEING SERVICES

Wellbeing services have developed considerably with the ability to deliver on-demand sessions of single telephonic counselling sessions, through our in-house counsellors. Not only do we ensure that people can access support quickly, confidentially and with the confidence that their needs can be met, we offer a number of other significant modules that support all our retail colleagues in different ways such as Menopause training, financial advice, support with grants, as well as 1<sup>st</sup> Line Management training. The offerings that the Trust is able to provide to our colleagues and clients has developed significantly and offers significant VFM.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### **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 this is set at 3 to 6 months of fixed operating costs.

Note 22 reflects the relevance of the increased focus on wellbeing services with a designated reserve being held for use for wellbeing and cost of living crisis support of £2.37m. The pension scheme remains in an FRS102 asset situation and hence the pension reserve remains in a nil position. The Trust has retained earnings of £5.91m. Any remaining excess cash is being built up to enable us to make an optional repayment of the full £3.33m balance of the Tranche B portion of the loan, the remaining funds are held to allow us to remain within our requirement of £1.0m 'free reserves'.

The other reserves are restricted or designated in nature and are described in more detail in Notes 22, 23 and 24. Restricted reserves are used only for the purpose for which the donor has specified. Designated reserves are those reserves which have been set aside by the Trust to be used for a named purpose. If that purpose subsequently is not relevant, then these reserves are transferred back to unrestricted. It is expected that restricted reserves will be spent over the next 2 years and that the designated reserves will be spent over the next 5 years.

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

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

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

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

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

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

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

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

Trustees will also consider:

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

#### **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.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### 4. INVESTMENT

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

As permitted by the Trust's rules, the Board instructed Evelyn Partners Investment Management LLP, to operate on a discretionary basis since 2015. The investment performance is benchmarked against a composite of indexes being UK Government bonds - Markit iBoxx GBP Gilts 1-5 Yrs (10.0%), HFRX Global Hedge Fund (10.0%), Alternatives – MSCI ACWI ex UK NR (35.0%), MSCI UK IMI NR (35%), MSCI UK IMI Core Real Estate NR (5%), SONIA Lending Rate (5.0%).

The actual net return for the year was 7.52% compared with the benchmark of 10.0%. This is lower than the Board's requirement and a review will take place to understand how best to gain the returns that the Board desire. The Trust meets with the investment managers regularly to review performance. The portfolio is maintained to a risk profile as agreed with the Board.

The portfolio was valued at £1.77m at 30 April 2024 in comparison to £1.66m at 30 April 2023.

### 5. FINANCIAL ASSISTANCE

The Trust awarded £387k in financial assistance grants, a decrease of 4% on the previous year. This is driven by the increase in Retail companies asking the Trust to provide administration services for their own hardship funds resulting in individuals requesting financial assistance from specific retail funds rather than our own. The Trust provides administration services for over £2m in hardship funds across multiple Retail companies.

### 6. PENSION

The Trust sponsors group personal pension arrangements with Legal and General which has £1.516m 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 an asset at the year-end of £0.17m for the FS/CARE schemes. This asset was not recognised

in the accounts. This compares with an asset of £0.79m in the previous year

### 7. FUNDING

Traditional fundraising activities (excluding Donations in Kind) continue to be less of an income source for the Trust.

The majority of our income comes from paid for service; residential services, corporate partnerships or wellbeing services, of which some are of a minimum contract duration of one year but with some now incorporating 3 or 4 year contracts.

Sources of funding:

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

This funding model allows the Trust to plan and mitigate against financial incidents and promotes some stability of income. It also allows us to continuously pivot to meet the needs of our clients, coping with the changing wellbeing landscape and the ongoing challenges faced by our beneficiaries.

Within the traditional fundraising disciplines our key focus is on Events, Challenges, Trusts and Institutions and Donors both individual and corporate. However, looking forward, our strategy continues to be driven by our wellbeing services as traditional sources such as Events slowly return to the extent that they existed pre-pandemic.

### 8. FUNDRAISING REGULATOR

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

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

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

- the Trust is committed to protecting data and privacy. We ensure that any information given to us is held securely and safely;
- the Trust holds and processes personal details in accordance with Data Protection Legislation, which is the Data Protection Act

# Retail Trust

## TRUSTEES' REPORT (continued)

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. The Head of Governance is responsible for data

protection and is registered with the ICO as our Data Protection Officer.

We continue to take data protection and data governance seriously and are working to ensure our activities all take place within a framework that respects the rights of the individuals who share their data with us. To support this commitment, we continue to provide training and support to all colleagues as well as actively monitoring processes and systems for vulnerabilities.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

### **2. GOVERNANCE**

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

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

| <b>Sub-committees</b>       | <b>Chair</b>                         |
|-----------------------------|--------------------------------------|
| Risk/Audit/Finance          | Brian Small (resigned) / Paul Allen  |
| Remuneration & Nominations  | Mike Logue (resigned) / Lesley Exley |
| Supported Living & Property | Philip Bell-Brown                    |

### 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.

In the prior year the Board appointed Mazars LLP to act as its internal auditors for a 3-year plan of audits. 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 Chief Financial Officer and subsequently presented to the RAF committee for review.

The means by which the Board reviews the effectiveness of the systems of internal control, together with the robustness of the risk management framework, include standing orders and financial regulations which clearly set out the systems of delegation and authority which are in

place. These are reviewed on a regular basis by the Board. There are also defined policies and procedures with which employees and Board members must comply to ensure the completeness and accuracy of transactions.

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

### 5. RISK

Trustees consider the key risks facing the Trust are:

#### Financial

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

#### Failure to support those in need

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

#### Residential Estates sustainability

There's a risk that voids are not managed sufficiently well to continue to produce trading surpluses which can sustain not only future growth plans but ongoing maintenance and repair costs. This is a constant focus of the Housing team and the low void rates throughout the period, highlight the popularity of the estates.

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

#### Safety

There's a risk of 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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

winter months, we encourage all staff and residents to take the flu jab and COVID boosters, where relevant to limit as much as possible any impact of flu-related outbreaks across our teams, in particular, those working with our elderly residents.

### Data Protection

To mitigate data protection risks the Trust undertakes rigorous work to ensure compliance with GDPR. We audit compliance and provide clear guidance on managing how information is used, passed on, and stored particularly with remote working in place for the majority of employees.

### Cyber Security

The Trust is aware of the risk of cyber-attacks and promotes investment in resources and scrutiny which manages the risk. The Trust has recently become accredited to the Cyber Security Essentials standard.

### Disaster Recovery and External Events

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 viral outbreak

Reputational – in the national press with adverse reports

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.

## 6. FRAUD

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

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

## 7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### 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 2024 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 which establishes corporate partnerships, 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

During the year, we continued to deliver relevant training and resources as standard to all employees. We have introduced clearer guidance for all employees to feel empowered to contribute to the topic of diversity, equality and inclusion in the workplace.

Mental health and wellbeing continue to be at the forefront of our activities and we continue to ensure that our employees are happy and healthy in their personal and professional lives. Our content and resources, which have proven relevant for our partners, has been just as engaging internally and we endeavour to remain open and accepting of all people.

Remote working remains a permanent option for our teams and we have been able to further drive flexible working across the Trust with the opening of our central London hub, making collaboration and supporting each other easier for those who regularly travel away from their base locations for client engagements.

We encourage our employees to "Share the Load". Particularly with managers who often are encouraged through understanding each other's challenges and embracing the learning that other teams have benefitted from through adapting continuously to our changing needs as human beings.

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

### 11. AUDITORS

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

This Trustees Report, including the Strategic report was approved by the Board on 24 September 2024.



Alistair McGeorge

Chairman



Paul Allen

Honorary Treasurer

# Retail Trust

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

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### Opinion

We have audited the financial statements of Retail Trust for the year ended 30 April 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 April 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

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

## **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined the principal risks to be around the potential use of fraudulent journals and management manipulation of accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, using data analytics to focus on higher risk entries; and
- Challenging assumptions and judgements made by management in their accounting estimates.

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

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

10 Queen Street Place  
London  
EC4R 1AG

Date: 31 October 2024

RETAIL TRUST  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 April 2024

|                                         | NOTES | 2024<br>£           | 2023<br>£           |
|-----------------------------------------|-------|---------------------|---------------------|
| <b>INCOME AND ENDOWMENTS from:</b>      |       |                     |                     |
| Charitable income                       | 1     | 1,420,402           | 4,106,871           |
| Cottage Homes                           | 2     | 6,451,271           | 6,051,816           |
| Trading income                          | 3     | 3,012,666           | 2,336,752           |
| Other income                            | 4     | 326                 | 77,470              |
|                                         |       |                     |                     |
| <b>TOTAL INCOME</b>                     |       | <b>10,884,665</b>   | <b>12,572,909</b>   |
|                                         |       |                     |                     |
| <b>EXPENDITURE on:</b>                  |       |                     |                     |
| Raising funds                           | 5     | (1,621,124)         | (1,216,989)         |
| Cottage Homes                           | 2     | (6,013,594)         | (5,505,930)         |
| Helpline, grants and other services     | 6     | (6,014,554)         | (4,083,077)         |
|                                         |       |                     |                     |
| <b>TOTAL EXPENDITURE</b>                |       | <b>(13,649,272)</b> | <b>(10,805,996)</b> |
|                                         |       |                     |                     |
| <b>OPERATING (DEFICIT)/SURPLUS</b>      | 7     | <b>(2,764,607)</b>  | <b>1,766,913</b>    |
| Investment income                       | 8     | 156,334             | 81,576              |
| Pension costs                           | 21    | (96,000)            | (115,000)           |
|                                         |       |                     |                     |
| <b>NET (DEFICIT)/SURPLUS</b>            |       | <b>(2,704,273)</b>  | <b>1,733,489</b>    |
|                                         |       |                     |                     |
| <b>OTHER COMPREHENSIVE INCOME</b>       |       |                     |                     |
| Gain/(Loss) on investments              | 16    | 107,413             | (182,323)           |
| Actuarial surplus in pension scheme     | 21    | 36,000              | 1,156,000           |
|                                         |       |                     |                     |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b> |       | <b>143,413</b>      | <b>973,677</b>      |
|                                         |       |                     |                     |
| <b>TOTAL COMPREHENSIVE INCOME</b>       |       | <b>(2,560,860)</b>  | <b>2,707,166</b>    |

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 23 to 47 form an integral part of these financial statements

|                                                         | NOTES | 2024<br>£         | 2023<br>£         |
|---------------------------------------------------------|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                                     |       |                   |                   |
| Housing properties                                      | 13    | 36,689,713        | 36,801,453        |
| Other tangible fixed assets                             | 14    | 2,136,736         | 2,270,103         |
| Intangible assets                                       | 15    | 1,060,140         | -                 |
| Investments at market value                             | 16    | 2,151,218         | 2,023,106         |
| <b>TOTAL FIXED ASSETS</b>                               |       | <b>42,037,807</b> | <b>41,094,662</b> |
| <b>CURRENT ASSETS</b>                                   |       |                   |                   |
| Debtors                                                 | 18    | 1,588,059         | 2,028,775         |
| Cash and cash equivalents                               | 19    | 3,907,427         | 5,461,261         |
| <b>TOTAL CURRENT ASSETS</b>                             |       | <b>5,495,486</b>  | <b>7,490,036</b>  |
| CREDITORS: amounts falling due within one year          | 20    | (4,278,252)       | (3,070,104)       |
| <b>NET CURRENT ASSETS</b>                               |       | <b>1,217,234</b>  | <b>4,419,932</b>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <b>43,255,041</b> | <b>45,514,594</b> |
| CREDITORS: amounts falling due after more than one year | 20    | (7,975,439)       | (7,674,132)       |
| Pension liability                                       | 21    | -                 | -                 |
| <b>NET ASSETS</b>                                       |       | <b>35,279,602</b> | <b>37,840,462</b> |
| <b>RESERVES</b>                                         |       |                   |                   |
| Unrestricted reserves                                   | 22    | 34,859,151        | 37,441,395        |
| Restricted reserves                                     | 23    | 34,247            | 34,247            |
| Endowment funds                                         | 24    | 386,204           | 364,820           |
| <b>TOTAL RESERVES</b>                                   |       | <b>35,279,602</b> | <b>37,840,462</b> |

The financial statements on pages 18 to 47 were approved by the Trustees and authorised for issue on 24 September 2024 and are signed on their behalf by:



Alistair McGeorge

Chairman



Paul Allen

Honorary Treasurer

|                                                         | NOTES | 2024<br>£         | 2023<br>£         |
|---------------------------------------------------------|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                                     |       |                   |                   |
| Housing properties                                      | 13    | 36,689,713        | 36,801,453        |
| Other tangible fixed assets                             | 14    | 1,935,313         | 2,077,240         |
| Investments at market value                             | 16    | 2,151,218         | 2,023,106         |
| Investment in subsidiaries                              | 17    | 156               | 156               |
| <b>TOTAL FIXED ASSETS</b>                               |       | <b>40,776,400</b> | <b>40,901,955</b> |
| <b>CURRENT ASSETS</b>                                   |       |                   |                   |
| Debtors                                                 | 18    | 4,832,549         | 2,428,559         |
| Cash and cash equivalents                               | 19    | 3,341,387         | 4,062,940         |
| <b>TOTAL CURRENT ASSETS</b>                             |       | <b>8,173,936</b>  | <b>6,491,499</b>  |
| CREDITORS: amounts falling due within one year          | 20    | (2,739,323)       | (1,153,298)       |
| <b>NET CURRENT ASSETS</b>                               |       | <b>5,434,613</b>  | <b>5,338,201</b>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <b>46,211,013</b> | <b>46,240,156</b> |
| CREDITORS: amounts falling due after more than one year | 20    | (7,975,439)       | (7,674,132)       |
| Pension liability                                       | 21    | -                 | -                 |
| <b>NET ASSETS</b>                                       |       | <b>38,235,574</b> | <b>38,566,024</b> |
| <b>RESERVES</b>                                         |       |                   |                   |
| Unrestricted reserves                                   | 22    | 37,815,123        | 38,166,957        |
| Restricted reserves                                     | 23    | 34,247            | 34,247            |
| Endowment funds                                         | 24    | 386,204           | 364,820           |
| <b>TOTAL RESERVES</b>                                   |       | <b>38,235,574</b> | <b>38,566,024</b> |

The total comprehensive (expenditure)/income for the year of the Parent Company is (£330,450) (2023: £3,332,042).

The financial statements on pages 18 to 47 were approved by the Trustees and authorised for issue on 24 September 2024 and are signed on their behalf by:

*Alistair McGeorge*

Alistair McGeorge

Chairman

*Paul Allen*

Paul Allen

Honorary Treasurer

RETAIL TRUST  
CONSOLIDATED AND PARENT STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 April 2024

| <b>CONSOLIDATED</b>                                      | <b>Unrestricted<br/>Reserves<br/>£</b> | <b>Restricted<br/>Reserves<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------|--------------------|
| As at 1 May 2022                                         | 34,723,049                             | 34,247                               | 376,000                          | 35,133,296         |
| Surplus for the year                                     | 1,733,487                              | -                                    | -                                | 1,733,487          |
| Other comprehensive<br>income/(expenditure)              | 984,859                                | -                                    | (11,180)                         | 973,679            |
| Total comprehensive<br>income/(expenditure) for the year | 2,718,346                              | -                                    | (11,180)                         | 2,707,166          |
| As at 30 April 2023                                      | <b>37,441,395</b>                      | <b>34,247</b>                        | <b>364,820</b>                   | <b>37,840,462</b>  |
| As at 1 May 2023                                         | 37,441,395                             | 34,247                               | 364,820                          | 37,840,462         |
| Deficit for the year                                     | (2,704,273)                            | -                                    | -                                | (2,704,273)        |
| Other comprehensive income                               | 122,029                                | -                                    | 21,384                           | 143,413            |
| Total comprehensive<br>income/(expenditure) for the year | (2,582,244)                            | -                                    | 21,384                           | (2,560,860)        |
| <b>As at 30 April 2024</b>                               | <b>34,859,151</b>                      | <b>34,247</b>                        | <b>386,204</b>                   | <b>35,279,602</b>  |
| <b>PARENT</b>                                            | <b>Unrestricted<br/>Reserves<br/>£</b> | <b>Restricted<br/>Reserves<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
| As at 1 May 2022                                         | 34,830,786                             | 34,247                               | 376,000                          | 35,241,033         |
| Surplus for the year                                     | 2,351,314                              | -                                    | -                                | 2,351,314          |
| Other comprehensive<br>income/(expenditure)              | 984,857                                | -                                    | (11,180)                         | 973,677            |
| Total comprehensive<br>income/(expenditure) for the year | 3,336,171                              | -                                    | (11,180)                         | 3,324,991          |
| As at 30 April 2023                                      | <b>38,166,957</b>                      | <b>34,247</b>                        | <b>364,820</b>                   | <b>38,566,024</b>  |
| As at 1 May 2023                                         | 38,166,957                             | 34,247                               | 364,820                          | 38,566,024         |
| Deficit for the year                                     | (473,863)                              | -                                    | -                                | (473,863)          |
| Other comprehensive income                               | 122,029                                | -                                    | 21,384                           | 143,413            |
| Total comprehensive<br>income/(expenditure) for the year | (351,834)                              | -                                    | 21,384                           | (330,450)          |
| <b>As at 30 April 2024</b>                               | <b>37,815,123</b>                      | <b>34,247</b>                        | <b>386,204</b>                   | <b>38,235,574</b>  |

RETAIL TRUST  
CONSOLIDATED STATEMENT OF CASH FLOWS  
for the year ended 30 April 2024

|                                                              | NOTES                 | 2024<br>£          | 2023<br>£              |                          |
|--------------------------------------------------------------|-----------------------|--------------------|------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                       |                    |                        |                          |
| Net (deficit)/surplus                                        |                       | (2,704,273)        | 1,733,489              |                          |
| <b>Adjustments for:</b>                                      |                       |                    |                        |                          |
| Depreciation & Amortisation                                  |                       | 965,509            | 797,420                |                          |
| Pension Costs                                                |                       | 96,000             | 115,000                |                          |
| Pensions asset movement / deficit funding                    |                       | (60,000)           | -                      |                          |
| Amortisation of social housing grant                         |                       | (25,600)           | (25,600)               |                          |
| Decrease/(increase) in debtors                               |                       | 234,620            | (649,118)              |                          |
| Increase in creditors                                        |                       | 1,097,562          | 400,724                |                          |
| <b>NET CASH (OUTFLOWS)/INFLOWS FROM OPERATING ACTIVITIES</b> |                       | <b>(396,182)</b>   | <b>2,371,915</b>       |                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |                       |                    |                        |                          |
| Purchase of fixed assets                                     |                       | (643,219)          | (3,099,404)            |                          |
| Purchase of intangible assets                                |                       | (861,095)          | -                      |                          |
| Additions to investments                                     |                       | (167,138)          | (623,417)              |                          |
| Proceeds from sale of investments                            |                       | 165,987            | 578,685                |                          |
| <b>NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES</b>         |                       | <b>(1,505,465)</b> | <b>(3,144,136)</b>     |                          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |                       |                    |                        |                          |
| Drawdown of new long-term borrowing                          |                       | 5,004,862          | 1,000,000              |                          |
| Repayment of long-term borrowing                             |                       | (4,637,501)        | (187,814)              |                          |
| <b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>            |                       | <b>367,361</b>     | <b>812,186</b>         |                          |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>  |                       | <b>(1,534,286)</b> | <b>39,965</b>          |                          |
| Cash and cash equivalents at the beginning of the year       |                       | 5,501,503          | 5,461,538              |                          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>      |                       | <b>3,967,217</b>   | <b>5,501,503</b>       |                          |
| <b>Cash and cash equivalents</b>                             |                       |                    |                        |                          |
| Cash and cash equivalents                                    | 19                    | 3,907,427          | 5,461,261              |                          |
| Cash held by investment managers                             | 16                    | 59,790             | 40,242                 |                          |
|                                                              |                       | <b>3,967,217</b>   | <b>5,501,503</b>       |                          |
|                                                              |                       |                    |                        |                          |
|                                                              | Balance at 1 May 2023 | Cash Flows         | Other Non-cash changes | Balance at 30 April 2024 |
| Bank and cash                                                | 5,501,503             | (1,534,286)        | -                      | 3,967,217                |
| Loans due within one year                                    | (187,814)             | 187,814            | (40,454)               | (228,268)                |
| Loans due after more than one year                           | (5,396,956)           | 286,453            | 40,454                 | (5,723,863)              |
| <b>Net Debt</b>                                              | <b>(83,267)</b>       | <b>(1,060,019)</b> | <b>-</b>               | <b>(1,984,914)</b>       |

## GENERAL DETAILS

Retail Trust is a company limited by guarantee, incorporated in England and Wales (company number: 04254201), a charity registered in England and Wales (charity number: 1090136) and in Scotland (Scottish charity number: SC 039684) and Registered Social Landlord (number: L4362). The Trust's registered office address is: The Form Rooms, 2<sup>nd</sup> Floor, 22 Tower Street, Covent Garden, London, WC2H 9NS.

## ACCOUNTING BASIS

The format of the financial statements has been presented to company with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland*, the Statement of Recommended Practice for social housing providers (Housing SORP 2018) and the Accounting Direction of Private Registered Providers of Social Housing 2022. 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 2024 on a line-by-line basis.

No separate statement of comprehensive income has been presented for the Company alone, as permitted by s408 of the Companies Act 2006. The total comprehensive (expenditure)/income for the year for the parent company is (£330,450) (2023: £3,332,042).

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

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

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

## INCOME

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

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

Income is recognised on the following bases:

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

## **EXPENDITURE**

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

Expenditure is recognised on the following bases:

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

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

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

## **FIXED ASSETS – FREEHOLD HOUSING PROPERTIES**

Freehold housing properties are stated at cost.

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

### **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.

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

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

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

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

## INTANGIBLE ASSETS

Intangible Assets are assets that do not have physical substance but are identifiable and controlled by the Trust and are capitalised where they will bring benefit for more than one year. The balance is amortised (charged) over the economic life of the investment to reflect the pattern of consumption of benefits. Intangible assets are initially recognised at cost. The depreciable amount of an intangible asset is amortised over its useful life. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the Consolidated Statement of Comprehensive Income. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Consolidated Statement of Comprehensive Income.

### Amortisation of intangible assets

Intangible assets are stated at cost less accumulated amortisation. The carrying values of intangible assets are reviewed for impairment if events or change in circumstances indicate the carrying value may not be recoverable.

Amortisation 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:

|                                                       |          |
|-------------------------------------------------------|----------|
| Wellbeing Platform - Infrastructure Build             | 20 years |
| Wellbeing Platform - Dashboard Build & Data ingestion | 5 years  |

## 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 Penny Post Credit Union Limited (previously 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 include cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

### *Debtors and creditors*

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

## LIABILITIES

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

### *Financial assistance grants*

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

## **LIABILITIES (continued)**

### *Grant commitments*

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

### *Social Housing Grant*

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

The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from Homes England 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 Homes England. 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.

## **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.

## **CRITICAL ESTIMATES AND JUDGEMENTS**

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

The present value of the defined benefit pension scheme position depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension position. The Trustees' judgement is that the surplus on the defined benefit pension scheme at 30 April 2024 is not recoverable and therefore has not been recognised in the accounts.

## **PENSION SCHEME**

### *Defined Contribution Scheme*

The Trust 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 contribution 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.

### *Defined Benefits Scheme*

The Trust also operates the Retail Trust Retirement and Death Benefits Scheme, a UK registered trust-based pension scheme that provides defined benefits. 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. This scheme is made up of two categories being a final salary scheme which was closed to new entrants in 2008 and a career average revalued earnings scheme (CARE) which was closed to new entrants in 2013. Both categories of the scheme closed to future accrual on 31 January 2014.

## **PENSION SCHEME (continued)**

### *Defined Benefits Scheme (continued)*

Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees of the Scheme are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of pension scheme member:

- Deferred members: former active members of the Scheme and not yet in receipt of a pension.
- Pensioner members: in receipt of pension

Pension scheme assets are measured at fair market value at the balance sheet date. 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.

Where the scheme is determined to be in a deficit position, this is recognised in full as a liability. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that it can be recovered in future years through reduction in employers' contributions or through a specific reimbursement from the scheme.

## **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.

|                                    | 2024<br>£        | 2023<br>£        |
|------------------------------------|------------------|------------------|
| <b>NOTE 1 - CHARITABLE INCOME</b>  |                  |                  |
| <b>GROUP</b>                       |                  |                  |
| <b>Restricted</b>                  |                  |                  |
| Income from fundraising activities | 35,000           | 302,217          |
| <b>Unrestricted</b>                |                  |                  |
| Gross income from events           | 219,860          | 544,532          |
| Income from fundraising activities | 747,538          | 3,159,893        |
| Gifts in kind                      | 418,004          | 100,229          |
| <b>TOTAL CHARITABLE INCOME</b>     | <b>1,420,402</b> | <b>4,106,871</b> |

**NOTE 2 - COTTAGE HOMES - GROUP**

**a) Turnover, operating costs and operating surplus**

|                                  | TURNOVER         |                  | OPERATING COSTS  |                  | OPERATING SURPLUS |                |
|----------------------------------|------------------|------------------|------------------|------------------|-------------------|----------------|
|                                  | 2024<br>£        | 2023<br>£        | 2024<br>£        | 2023<br>£        | 2024<br>£         | 2023<br>£      |
| Social housing lettings (2b)     | 6,338,003        | 5,903,813        | 5,963,549        | 5,415,438        | 374,454           | 488,375        |
| Other social housing activities: |                  |                  |                  |                  |                   |                |
| - Supporting people              | 50,045           | 90,492           | 50,045           | 90,492           | -                 | -              |
| Non-social housing activities:   |                  |                  |                  |                  |                   |                |
| - Letting                        | 14,170           | 26,011           | -                | -                | 14,170            | 26,011         |
| - Other                          | 23,453           | 5,900            | -                | -                | 23,453            | 5,900          |
| - Amortisation of SHG            | 25,600           | 25,600           | -                | -                | 25,600            | 25,600         |
|                                  | <b>6,451,271</b> | <b>6,051,816</b> | <b>6,013,594</b> | <b>5,505,930</b> | <b>437,677</b>    | <b>545,886</b> |

**The accommodation provided is as follows:**

Total number of units:

|                  | 2024       | 2023       |
|------------------|------------|------------|
| Owned            | 423        | 422        |
| Under management | -          | 1          |
|                  | <b>423</b> | <b>423</b> |

**NOTE 2 - COTTAGE HOMES – GROUP (continued)**

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

|                                      | <b>SUPPORTED HOUSING</b> |                  |
|--------------------------------------|--------------------------|------------------|
|                                      | <b>2024</b>              | <b>2023</b>      |
|                                      | <b>£</b>                 | <b>£</b>         |
| <b>NET RENTAL INCOME</b>             | <b>6,338,003</b>         | <b>5,903,813</b> |
| Management                           | 1,234,916                | 955,491          |
| Services                             | 3,008,631                | 3,073,438        |
| Routine maintenance                  | 289,291                  | 339,533          |
| Planned maintenance                  | 50,860                   | 124,163          |
| Depreciation                         | 678,718                  | 565,694          |
| Other costs                          | 701,133                  | 357,119          |
| <b>TOTAL EXPENSES</b>                | <b>5,963,549</b>         | <b>5,415,438</b> |
| <b>OPERATING SURPLUS</b>             | <b>374,454</b>           | <b>488,375</b>   |
|                                      |                          |                  |
|                                      | <b>2024</b>              | <b>2023</b>      |
|                                      | <b>£</b>                 | <b>£</b>         |
| Analysis of social housing lettings: |                          |                  |
| Rent receivable                      | 2,642,742                | 2,436,170        |
| Service Charges                      | 3,695,261                | 3,467,643        |
| <b>Social housing lettings</b>       | <b>6,338,003</b>         | <b>5,903,813</b> |

**Rental income is stated net of voids as follows:**

|       | <b>2024</b> | <b>2023</b> |
|-------|-------------|-------------|
|       | <b>£</b>    | <b>£</b>    |
| Voids | 155,456     | 160,263     |

The total losses for the year ended 30 April 2024 arising from the irrecoverable debts were £3,354 (2023: £16,903).

### NOTE 3 - TRADING INCOME

|                                | 2024             | 2023             |
|--------------------------------|------------------|------------------|
| GROUP                          | £                | £                |
| <b>Unrestricted</b>            |                  |                  |
| Income from Wellbeing Services | 3,012,666        | 2,336,752        |
| <b>TOTAL TRADING INCOME</b>    | <b>3,012,666</b> | <b>2,336,752</b> |

### NOTE 4 - OTHER INCOME

|                           | 2024       | 2023          |
|---------------------------|------------|---------------|
| GROUP                     | £          | £             |
| Sundry Income             | 326        | 77,470        |
| <b>TOTAL OTHER INCOME</b> | <b>326</b> | <b>77,470</b> |

### NOTE 5 - EXPENDITURE ON RAISING FUNDS

|                                           | 2024             | 2023             |
|-------------------------------------------|------------------|------------------|
| GROUP                                     | £                | £                |
| Direct costs of events                    | 95,594           | 231,082          |
| Employee costs                            | 241,102          | 230,383          |
| Gifts in kind                             | 418,004          | 100,229          |
| Support and other costs                   | 866,424          | 655,295          |
| <b>TOTAL EXPENDITURE ON RAISING FUNDS</b> | <b>1,621,124</b> | <b>1,216,989</b> |

**NOTE 6 – HELPLINES, GRANTS AND OTHER SERVICES**

| <b>GROUP</b>                                      | <b>2024</b><br>£ | <b>2023</b><br>£ |
|---------------------------------------------------|------------------|------------------|
| Counselling services                              | 219,397          | 232,278          |
| Financial assistance, bursaries and scholarships  | 386,794          | 402,580          |
| Charitable services                               | 396,866          | 250,186          |
| Employee costs                                    | 1,582,021        | 1,283,863        |
| Support costs                                     | 3,429,476        | 1,914,170        |
| <b>TOTAL HELPLINES, GRANTS AND OTHER SERVICES</b> | <b>6,014,554</b> | <b>4,083,077</b> |

**NOTE 7 - OPERATING (DEFICIT) / SURPLUS**

| <b>GROUP</b>                                                   | <b>2024</b><br>£ | <b>2023</b><br>£ |
|----------------------------------------------------------------|------------------|------------------|
| <b>Operating (deficit) / surplus is stated after charging:</b> |                  |                  |
| Auditor's remuneration – audit services                        | 41,880           | 38,000           |
| Auditor's remuneration – non-audit services                    | 5,365            | 4,790            |
| Trustees' expenses                                             | 2,671            | 1,324            |
| Depreciation of owned assets                                   | 958,460          | 797,420          |
| Amortisation of intangible assets                              | 7,049            | -                |
| Amortisation of housing grant                                  | (25,600)         | (25,600)         |
| Redundancy costs                                               | 54,668           | -                |

**NOTE 8 - INVESTMENT INCOME**

|                                       | <b>2024</b>    | <b>2023</b>   |
|---------------------------------------|----------------|---------------|
| <b>GROUP</b>                          | <b>£</b>       | <b>£</b>      |
| Interest on bank accounts             | 105,461        | 30,273        |
| Interest on loan                      | 2,550          | 2,450         |
| Interest and dividends on investments | 48,323         | 48,853        |
|                                       | <hr/>          | <hr/>         |
| <b>TOTAL INVESTMENT INCOME</b>        | <b>156,334</b> | <b>81,576</b> |
|                                       | <hr/> <hr/>    | <hr/> <hr/>   |

**NOTE 9 - EMPLOYEES AND EMPLOYEE COSTS**

|                                     | <b>2024</b> | <b>2023</b> |
|-------------------------------------|-------------|-------------|
| <b>GROUP</b>                        | <b>No.</b>  | <b>No.</b>  |
| <b>Average number of employees:</b> |             |             |
| Supported Living                    | 49          | 39          |
| Charitable services                 | 44          | 40          |
| Central support and fundraising     | 31          | 30          |
|                                     | <hr/>       | <hr/>       |
| <b>TOTAL EMPLOYEES</b>              | <b>124</b>  | <b>109</b>  |
|                                     | <hr/> <hr/> | <hr/> <hr/> |

The total number of staff included part time employees. The full time equivalent average number of employees was 98 (2023: 86).

|                                        | <b>2024</b>      | <b>2023</b>      |
|----------------------------------------|------------------|------------------|
| <b>Employee costs during the year:</b> | <b>£</b>         | <b>£</b>         |
| Wages and salaries                     | 4,980,447        | 3,759,401        |
| National Insurance contributions       | 461,943          | 506,706          |
| Pension costs                          | 307,651          | 296,913          |
|                                        | <hr/>            | <hr/>            |
| <b>TOTAL EMPLOYEE COSTS</b>            | <b>5,750,041</b> | <b>4,563,020</b> |
|                                        | <hr/> <hr/>      | <hr/> <hr/>      |

## NOTE 10 - KEY MANAGEMENT PERSONNEL AND THEIR EMOLUMENTS

### GROUP

The key management personnel are defined as the members of the Board, the Chief Executive and the Executive team. The aggregate amount of emoluments paid to the Executive team was £1,270,997 (2023: £1,048,906). This figure includes aggregate pension contributions of £100,775 (2023: £115,175). Members of the Board received no emoluments during the year (2023: £nil).

During the year the Chief Executive received £343,245 (2023: £297,784) including benefits and pension contributions of £20,250 (2023: £18,518).

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

|                      | 2024<br>No. | 2023<br>No. |
|----------------------|-------------|-------------|
| £60,001 to £70,000   | 1           | 2           |
| £70,001 to £80,000   | 1           | 3           |
| £80,001 to £90,000   | 6           | 2           |
| £90,001 to £100,000  | 1           | -           |
| £100,001 to £110,000 | 1           | 1           |
| £110,001 to £120,000 | 1           | -           |
| £120,001 to £130,000 | -           | 2           |
| £140,001 to £150,000 | -           | 1           |
| £180,001 to £190,000 | 1           | -           |
| £190,001 to £200,000 | 1           | -           |
| £240,001 to £250,000 | -           | 1           |
| £280,001 to £290,000 | 1           | -           |
|                      | <b>14</b>   | <b>12</b>   |

## NOTE 11 - TAXATION

### GROUP

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

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

## NOTE 12 - RELATED PARTY TRANSACTIONS

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

There were no other related party transactions during the year.

## NOTE 13 - FIXED ASSETS - HOUSING PROPERTIES

|                                    | 2024<br>£          | 2023<br>£          |
|------------------------------------|--------------------|--------------------|
| <b>GROUP AND PARENT</b>            |                    |                    |
| <b>COST</b>                        |                    |                    |
| Opening as at 1 May 2023           | 42,807,973         | 40,519,799         |
| Additions                          | 508,433            | 2,288,174          |
|                                    | <hr/>              | <hr/>              |
| <b>Closing as at 30 April 2024</b> | <b>43,316,406</b>  | <b>42,807,973</b>  |
|                                    | <hr/>              | <hr/>              |
| <b>DEPRECIATION</b>                |                    |                    |
| Opening as at 1 May 2023           | (6,006,520)        | (5,507,987)        |
| Provided in the year               | (620,173)          | (498,533)          |
|                                    | <hr/>              | <hr/>              |
| <b>Closing as at 30 April 2024</b> | <b>(6,626,693)</b> | <b>(6,006,520)</b> |
|                                    | <hr/>              | <hr/>              |
| <b>NET BOOK VALUE</b>              |                    |                    |
| <b>As at 30 April 2024</b>         | <b>36,689,713</b>  | <b>36,801,453</b>  |
|                                    | <hr/> <hr/>        | <hr/> <hr/>        |
| As at 30 April 2023                | 36,801,453         | 35,011,812         |
|                                    | <hr/> <hr/>        | <hr/> <hr/>        |

**NOTE 14 - OTHER TANGIBLE FIXED ASSETS**

| <b>GROUP</b>               | <b>Fixtures &amp; Fittings<br/>£</b> | <b>Plant and Machinery<br/>£</b> | <b>Comp Equip &amp; Software<br/>£</b> | <b>Freehold Office Buildings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|--------------------------------------|----------------------------------|----------------------------------------|----------------------------------------|--------------------|
| <b>COST</b>                |                                      |                                  |                                        |                                        |                    |
| Opening at 1 May 2023      | 670,135                              | 403,898                          | 1,777,598                              | 1,145,933                              | 3,997,564          |
| Additions                  | 28,993                               | 82,218                           | 93,709                                 | -                                      | 204,920            |
| Closing at 30 April 2024   | 699,128                              | 486,116                          | 1,871,307                              | 1,145,933                              | 4,202,484          |
| <b>DEPRECIATION</b>        |                                      |                                  |                                        |                                        |                    |
| Opening at 1 May 2023      | (278,561)                            | (229,101)                        | (1,020,904)                            | (198,895)                              | (1,727,461)        |
| Provided during the year   | (52,902)                             | (26,968)                         | (242,892)                              | (15,525)                               | (338,287)          |
| Closing at 30 April 2024   | (331,463)                            | (256,069)                        | (1,263,796)                            | (214,420)                              | (2,065,748)        |
| <b>NET BOOK VALUE</b>      |                                      |                                  |                                        |                                        |                    |
| <b>As at 30 April 2024</b> | <b>367,665</b>                       | <b>230,047</b>                   | <b>607,511</b>                         | <b>931,513</b>                         | <b>2,136,736</b>   |
| As at 30 April 2023        | 391,574                              | 174,797                          | 756,695                                | 947,037                                | 2,270,103          |

| <b>PARENT</b>              | <b>Fixtures &amp; Fittings<br/>£</b> | <b>Plant and Machinery<br/>£</b> | <b>Comp Equip &amp; Software<br/>£</b> | <b>Freehold Office Buildings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|--------------------------------------|----------------------------------|----------------------------------------|----------------------------------------|--------------------|
| <b>COST</b>                |                                      |                                  |                                        |                                        |                    |
| Opening at 1 May 2023      | 670,135                              | 403,898                          | 1,410,741                              | 1,145,933                              | 3,630,707          |
| Additions                  | 7,088                                | 82,218                           | 40,322                                 | -                                      | 129,628            |
| Closing at 30 April 2024   | 677,223                              | 486,116                          | 1,451,063                              | 1,145,933                              | 3,760,335          |
| <b>DEPRECIATION</b>        |                                      |                                  |                                        |                                        |                    |
| Opening at 1 May 2023      | (278,561)                            | (229,101)                        | (846,910)                              | (198,895)                              | (1,553,467)        |
| Provided during the year   | (50,386)                             | (26,968)                         | (178,676)                              | (15,525)                               | (271,555)          |
| Closing at 30 April 2024   | (328,947)                            | (256,069)                        | (1,025,586)                            | (214,420)                              | (1,825,022)        |
| <b>NET BOOK VALUE</b>      |                                      |                                  |                                        |                                        |                    |
| <b>As at 30 April 2024</b> | <b>348,276</b>                       | <b>230,047</b>                   | <b>425,477</b>                         | <b>931,513</b>                         | <b>1,935,313</b>   |
| As at 30 April 2023        | 391,574                              | 174,798                          | 563,830                                | 947,038                                | 2,077,240          |

**NOTE 15 – INTANGIBLE ASSETS**

**GROUP**

|                            | <b>Wellbeing<br/>Platform<br/>Infrastructure</b> | <b>Wellbeing<br/>Platform<br/>Dashboard<br/>&amp; Data</b> | <b>Total</b>     |
|----------------------------|--------------------------------------------------|------------------------------------------------------------|------------------|
|                            | <b>£</b>                                         | <b>£</b>                                                   | <b>£</b>         |
| <b>COST</b>                |                                                  |                                                            |                  |
| Opening at 1 May 2023      | -                                                | -                                                          | -                |
| Additions                  | 859,007                                          | 208,182                                                    | 1,067,189        |
|                            | <hr/>                                            | <hr/>                                                      | <hr/>            |
| Closing at 30 April 2024   | 859,007                                          | 208,182                                                    | 1,067,189        |
|                            | <hr/>                                            | <hr/>                                                      | <hr/>            |
| <b>AMORTISATION</b>        |                                                  |                                                            |                  |
| Opening at 1 May 2023      | -                                                | -                                                          | -                |
| Provided during the year   | (3,579)                                          | (3,470)                                                    | (7,049)          |
|                            | <hr/>                                            | <hr/>                                                      | <hr/>            |
| Closing at 30 April 2024   | (3,579)                                          | (3,470)                                                    | (7,049)          |
|                            | <hr/>                                            | <hr/>                                                      | <hr/>            |
| <b>NET BOOK VALUE</b>      |                                                  |                                                            |                  |
| <b>As at 30 April 2024</b> | <b>855,428</b>                                   | <b>204,712</b>                                             | <b>1,060,140</b> |
|                            | <hr/>                                            | <hr/>                                                      | <hr/>            |
| As at 30 April 2023        | -                                                | -                                                          | -                |
|                            | <hr/>                                            | <hr/>                                                      | <hr/>            |

The Wellbeing platform is an internally developed generative AI powered dashboard. It is part of the Retail Trust's 'Better You' data and insights offering which identifies data and patterns from colleagues' interactions with Retail Trust services and wellbeing surveys to provide an overall picture of staff mental health and actionable insights, to address specific issues like stress, financial worries or safety concerns at work. These intangible assets are held in RT Wellbeing Services Limited.

## NOTE 16 - INVESTMENTS

| GROUP AND PARENT              | Market Value            |                         | Cost                    |                         |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                               | 2024<br>£               | 2023<br>£               | 2024<br>£               | 2023<br>£               |
| <b>Restricted</b>             |                         |                         |                         |                         |
| Listed investments            | 315,182                 | 306,031                 | 269,069                 | 266,014                 |
| <b>Unrestricted</b>           |                         |                         |                         |                         |
| Listed investments            | 1,457,496               | 1,358,083               | 1,244,254               | 1,180,500               |
| Unlisted investments and cash | 378,540                 | 358,992                 | 378,540                 | 358,992                 |
|                               | <u>1,836,036</u>        | <u>1,717,075</u>        | <u>1,622,794</u>        | <u>1,539,492</u>        |
| <b>TOTAL INVESTMENTS</b>      | <b><u>2,151,218</u></b> | <b><u>2,023,106</u></b> | <b><u>1,891,863</u></b> | <b><u>1,805,506</u></b> |

### Reconciliation of Market Value Movement:

|                            | Unlisted<br>£         | Listed<br>£             | Cash<br>£            | Total<br>£              |
|----------------------------|-----------------------|-------------------------|----------------------|-------------------------|
| As at 1 May 2023           | 318,750               | 1,664,114               | 40,242               | 2,023,106               |
| Additions                  | -                     | 167,138                 | (167,138)            | -                       |
| Disposals                  | -                     | (165,987)               | 165,987              | -                       |
| Gain                       | -                     | 107,413                 | -                    | 107,413                 |
| Investment income received | -                     | -                       | 35,385               | 35,385                  |
| Investment fee             | -                     | -                       | (14,686)             | (14,686)                |
| <b>As at 30 April 2024</b> | <b><u>318,750</u></b> | <b><u>1,772,678</u></b> | <b><u>59,790</u></b> | <b><u>2,151,218</u></b> |

## NOTE 17 - INVESTMENTS IN SUBSIDIARIES

At 30 April 2024, 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)     | Establishes corporate partnerships, 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

2024

2023

£

£

### AT COST

As at 1 May 2023

156

156

Additions / (disposals) in the year

-

-

As at 30 April 2024

156

156

**NOTE 17 - INVESTMENTS IN SUBSIDIARIES (continued)**

|                                          | CHC             |                 | RTE              |                 | RTWS               |                  |
|------------------------------------------|-----------------|-----------------|------------------|-----------------|--------------------|------------------|
|                                          | 2024            | 2023            | 2024             | 2023            | 2024               | 2023             |
|                                          | £               | £               | £                | £               | £                  | £                |
| <b>SUMMARY PROFIT &amp; LOSS ACCOUNT</b> |                 |                 |                  |                 |                    |                  |
| Turnover                                 | 9,590           | 68,562          | 445,537          | 581,782         | 3,151,262          | 2,372,834        |
| Cost of sales                            | (9,366)         | (16,956)        | (510,517)        | (428,218)       | (1,601,830)        | (2,477,985)      |
| Expenditure - shared costs               | (7,483)         | (41,200)        | (594,760)        | (113,406)       | (3,112,845)        | (563,237)        |
| <b>Net (loss)/profit</b>                 | <b>(7,259)</b>  | <b>10,406</b>   | <b>(659,740)</b> | <b>40,158</b>   | <b>(1,563,413)</b> | <b>(668,388)</b> |
| <b>SUMMARY BALANCE SHEET</b>             |                 |                 |                  |                 |                    |                  |
| Fixed & Intangible Assets                | -               | -               | -                | -               | 1,261,564          | 192,864          |
| Debtors                                  | 779,605         | 1,276,293       | 387,075          | 329,042         | 2,522,043          | 2,595,258        |
| Cash at bank                             | 225,593         | 72,140          | 102,749          | 235,650         | 237,698            | 1,090,530        |
| Creditors                                | (1,050,134)     | (1,386,110)     | (1,176,058)      | (591,186)       | (6,245,954)        | (4,539,888)      |
| <b>Net assets</b>                        | <b>(44,936)</b> | <b>(37,677)</b> | <b>(686,234)</b> | <b>(26,494)</b> | <b>(2,224,649)</b> | <b>(661,236)</b> |
| Retained earnings                        | (44,937)        | (37,678)        | (686,289)        | (26,549)        | (2,224,749)        | (661,336)        |
| Called up share capital                  | 1               | 1               | 55               | 55              | 100                | 100              |
| <b>Shareholder funds</b>                 | <b>(44,936)</b> | <b>(37,677)</b> | <b>(686,234)</b> | <b>(26,494)</b> | <b>(2,224,649)</b> | <b>(661,236)</b> |

Any net profits in a period above are distributed by means of gift aid to the parent charity.

**NOTE 18 - DEBTORS**

|                                             | <b>2024</b>      | <b>2023</b>      |
|---------------------------------------------|------------------|------------------|
| <b>GROUP</b>                                | <b>£</b>         | <b>£</b>         |
| Rents receivable                            | 242,242          | 146,774          |
| Trade debtors                               | 642,424          | 654,769          |
| Other debtors                               | 69,145           | 613,701          |
| Accrued income                              | 76,259           | 212,149          |
| Prepayments                                 | 457,989          | 301,382          |
| Penny Post Credit Union loan - Subordinated | 100,000          | 100,000          |
| <b>TOTAL DEBTORS</b>                        | <b>1,588,059</b> | <b>2,028,775</b> |

|                                                 | <b>2024</b>      | <b>2023</b>      |
|-------------------------------------------------|------------------|------------------|
| <b>PARENT</b>                                   | <b>£</b>         | <b>£</b>         |
| Rents receivable                                | 242,242          | 146,774          |
| Trade debtors                                   | 9,734            | 17,000           |
| Other debtors                                   | 7,859            | 132,462          |
| Accrued income                                  | 63,443           | 133,581          |
| Prepayments                                     | 129,163          | 128,284          |
| Amounts receivable from subsidiary undertakings | 4,280,108        | 1,770,458        |
| Penny Post Credit Union loan - Subordinated     | 100,000          | 100,000          |
| <b>TOTAL DEBTORS</b>                            | <b>4,832,549</b> | <b>2,428,559</b> |

Bad debt provision of £35,742 (2023: £53,621) relating to rental and trading income is netted above within rents receivable and trade debtors. The subordinated loan with Penny Post Credit Union was received on 14 June 2024.

**NOTE 19 - CASH AND CASH EQUIVALENTS**

|                                        | <b>2024</b>      | <b>2023</b>      |
|----------------------------------------|------------------|------------------|
| <b>GROUP</b>                           | <b>£</b>         | <b>£</b>         |
| Cash at bank and in hand               | 1,340,558        | 2,373,344        |
| Short term deposits                    | 2,566,869        | 3,087,917        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>3,907,427</b> | <b>5,461,261</b> |

|                                        | <b>2024</b>      | <b>2023</b>      |
|----------------------------------------|------------------|------------------|
| <b>PARENT</b>                          | <b>£</b>         | <b>£</b>         |
| Cash at bank and in hand               | 774,518          | 975,023          |
| Short term deposits                    | 2,566,869        | 3,087,917        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>3,341,387</b> | <b>4,062,940</b> |

**NOTE 20 - CREDITORS**

| <b>GROUP</b>                                              | <b>2024<br/>£</b> | <b>2023<br/>£</b> |
|-----------------------------------------------------------|-------------------|-------------------|
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                |                   |                   |
| <b>Unrestricted</b>                                       |                   |                   |
| Tax and social security                                   | 155,047           | 142,567           |
| Other creditors                                           | 649,262           | 438,552           |
| Accruals                                                  | 1,062,523         | 936,116           |
| Deferred income                                           | 2,157,552         | 1,339,455         |
| Long term borrowing                                       | 228,268           | 187,814           |
| <b>Restricted</b>                                         |                   |                   |
| Social housing grant                                      | 25,600            | 25,600            |
| <b>TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | <b>4,278,252</b>  | <b>3,070,104</b>  |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>       |                   |                   |
| <b>Unrestricted</b>                                       |                   |                   |
| Long term borrowing                                       | 5,723,863         | 5,396,956         |
| <b>Restricted</b>                                         |                   |                   |
| Social housing grant                                      | 2,251,576         | 2,277,176         |
| <b>TOTAL AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>7,975,439</b>  | <b>7,674,132</b>  |
|                                                           | <b>2024<br/>£</b> | <b>2023<br/>£</b> |
| <b>PARENT</b>                                             |                   |                   |
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                |                   |                   |
| <b>Unrestricted</b>                                       |                   |                   |
| Tax and social security                                   | 798,636           | 170,261           |
| Other creditors                                           | 399,334           | 135,494           |
| Accruals                                                  | 1,004,216         | 632,263           |
| Deferred income                                           | 283,269           | 1,866             |
| Long term borrowing                                       | 228,268           | 187,814           |
| <b>Restricted</b>                                         |                   |                   |
| Social housing grant                                      | 25,600            | 25,600            |
| <b>TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | <b>2,739,323</b>  | <b>1,153,298</b>  |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>       |                   |                   |
| <b>Unrestricted</b>                                       |                   |                   |
| Long term borrowing                                       | 5,723,863         | 5,396,956         |
| <b>Restricted</b>                                         |                   |                   |
| Social housing grant                                      | 2,251,576         | 2,277,176         |
| <b>TOTAL AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>7,975,439</b>  | <b>7,674,132</b>  |

Long term borrowing represents two development loans for the Crookfur & Mill Hill estates. In 2017, a £5m development loan facility was taken out for the Crookfur development and is secured over the freehold of the Crookfur estate. In 2023, a further £1.57m development loan facility was taken out for the Mill Hill development and is secured over the freehold of the Mill Hill estate. At year end, these loan balances were £4.39m and £1.56m respectively. The original terms of the £5m loan was interest only for the first 2 years, with the capital being repayable over the following 23 years at an interest rate of 1.75% over base rate. During the financial year, this loan was renegotiated to a 5 year fixed term loan with interest at 6.027% pa. The £1.57m loan was also renegotiated to a 5 year fixed term with interest at 6.022% pa. Both loans will mature in February 2029 where a bullet repayment or re-finance agreement at prevailing market rates will apply.

**NOTE 21 - PENSION PROVISIONS AND ARRANGEMENTS**

**GROUP AND PARENT**

*Defined Contribution Scheme*

The Trust sponsors group personal pension (GPP) arrangements which is managed by Legal & General. It is an auto-enrolment scheme with the majority of staff having contributions invested with the GPP and only a small percentage of staff opting out. During the year, the Trust contributed £307,651 (2023: £296,913) to the scheme on behalf of staff. Employer contributions of £25,378 was outstanding at year end and this was paid to the pension provider on 1 May 2024.

*Defined Benefits Scheme*

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

| <b>The main assumptions used by the actuary are:</b> | <b>2024</b><br>% | <b>2023</b><br>% |
|------------------------------------------------------|------------------|------------------|
| Rate of increase in pensions in payment – main       | 3.15             | 3.05             |
| Rate of increase in pensions in payment - CARE       | 2.15             | 2.20             |
| Rate of increase in pensions in deferment - main     | 3.30             | 5.00             |
| Rate of increase in pensions in deferment - CARE     | 2.50             | 2.50             |
| Discount rate                                        | 5.30             | 5.00             |
| Retail Price Index inflation                         | 3.30             | 3.15             |
| Transfer values assumed taken at retirement          | 25%              | 25%              |

| <b>Life expectancies:</b>                    | <b>2024</b> | <b>2023</b> |
|----------------------------------------------|-------------|-------------|
| Aged 65 at balance sheet date - Male S3PMA   | 85.5        | 86.0        |
| Aged 65 at balance sheet date - Female S3PMA | 87.8        | 87.8        |
| Aged 45 at balance sheet date - Male S3PMA   | 86.4        | 87.4        |
| Aged 45 at balance sheet date - Female S3PMA | 88.9        | 89.3        |

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

|                                     | <b>Value of Assets</b> |                  |
|-------------------------------------|------------------------|------------------|
|                                     | <b>2024</b><br>£       | <b>2023</b><br>£ |
| Equities                            | 4,808,000              | 4,862,000        |
| Bonds, LDI and cash                 | 2,855,000              | 2,940,000        |
| Diversified growth fund             | 3,494,000              | 3,506,000        |
| Fair value of assets of the scheme  | 11,157,000             | 11,308,000       |
| Present value of scheme liabilities | (10,990,000)           | (10,521,000)     |
| Adjustments for unrecognised asset  | (167,000)              | (787,000)        |
|                                     | -                      | -                |

**NOTE 21 - PENSION PROVISIONS AND ARRANGEMENTS (continued)**

|                                                                          | <b>2024</b><br><b>£</b> | <b>2023</b><br><b>£</b> |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Change in scheme liabilities</b>                                      |                         |                         |
| Scheme liabilities at 1 May 2023                                         | (10,521,000)            | (14,304,000)            |
| Interest cost                                                            | (508,000)               | (447,000)               |
| Actuarial (loss)/gain                                                    | (677,000)               | 3,550,000               |
| Benefits paid directly by the employer                                   | 716,000                 | 680,000                 |
|                                                                          | <hr/>                   | <hr/>                   |
| <b>Scheme liabilities at 30 April 2024</b>                               | <b>(10,990,000)</b>     | <b>(10,521,000)</b>     |
|                                                                          | <hr/>                   | <hr/>                   |
| <b>Change in scheme assets:</b>                                          |                         |                         |
| Fair value of assets at 1 May 2023                                       | 11,308,000              | 13,263,000              |
| Actuarial gain/(loss) on assets                                          | 54,000                  | (1,607,000)             |
| Employer deficit funding                                                 | 60,000                  | -                       |
| Benefits paid                                                            | (716,000)               | (680,000)               |
| Interest income                                                          | 546,000                 | 412,000                 |
| Administration expenses                                                  | (95,000)                | (80,000)                |
|                                                                          | <hr/>                   | <hr/>                   |
| <b>Fair value of assets at 30 April 2024</b>                             | <b>11,157,000</b>       | <b>11,308,000</b>       |
|                                                                          | <hr/>                   | <hr/>                   |
| <b>Analysis of the amounts recognised in net surplus/(deficit):</b>      |                         |                         |
| Administrative expenses                                                  | 95,000                  | 80,000                  |
| Net interest                                                             | (38,000)                | 35,000                  |
| Interest on irrecoverable surplus                                        | 39,000                  | -                       |
|                                                                          | <hr/>                   | <hr/>                   |
| <b>Amount charges to net surplus/(deficit)</b>                           | <b>96,000</b>           | <b>115,000</b>          |
|                                                                          | <hr/>                   | <hr/>                   |
| <b>Analysis of the amounts recognised in other comprehensive income:</b> |                         |                         |
| Actuarial (losses)/gains on liabilities                                  | (677,000)               | 3,550,000               |
| Return on assets excluding amount included in net interest               | 54,000                  | (1,607,000)             |
| Surplus on scheme not recoverable                                        | 659,000                 | (787,000)               |
|                                                                          | <hr/>                   | <hr/>                   |
| <b>Amount recognised in other comprehensive income</b>                   | <b>36,000</b>           | <b>1,156,000</b>        |
|                                                                          | <hr/>                   | <hr/>                   |

*Future funding obligation*

The Trustees of the Scheme are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the actuary for the Trustees as at 30 June 2022. This valuation revealed a funding shortfall of £670,000. In respect of the deficit in the Scheme as at 30 June 2022, the Trust has agreed to pay £60,000 pa for 6 years beginning 1 May 2024 (2023: £nil). The first £60,000 was due on 1 May 2024, but was paid early on 8 April 2024, and therefore no contributions are expected to be made into the Scheme during the accounting year beginning 1 May 2024.

RETAIL TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 April 2024

**NOTE 22 - UNRESTRICTED RESERVES**

| <b>GROUP AND PARENT</b>            | <b>As at<br/>1-May<br/>2023<br/>£</b> | <b>Surplus /<br/>(Deficit)<br/>for the year<br/>£</b> | <b>Gains /<br/>(Losses)<br/>£</b> | <b>Transfers<br/>between<br/>funds<br/>£</b> | <b>As at<br/>30-Apr<br/>2024<br/>£</b> |
|------------------------------------|---------------------------------------|-------------------------------------------------------|-----------------------------------|----------------------------------------------|----------------------------------------|
| <b>Designated Reserves</b>         |                                       |                                                       |                                   |                                              |                                        |
| Crookfur development               | 144,095                               | -                                                     | -                                 | -                                            | 144,095                                |
| Wellbeing reserve                  | 2,683,933                             | -                                                     | -                                 | (315,241)                                    | 2,368,692                              |
| <b>Other unrestricted reserves</b> |                                       |                                                       |                                   |                                              |                                        |
| Pension scheme reserve             | -                                     | -                                                     | 36,000                            | (36,000)                                     | -                                      |
| Property reserve                   | 29,860,943                            | -                                                     | -                                 | (469,024)                                    | 29,391,919                             |
| Retained earnings                  | 5,477,986                             | (473,863)                                             | 86,029                            | 820,265                                      | 5,910,417                              |
| <b>Parent total reserves</b>       | <b>38,166,957</b>                     | <b>(473,863)</b>                                      | <b>122,029</b>                    | <b>-</b>                                     | <b>37,815,123</b>                      |
| Retained earnings of subsidiaries  | (725,562)                             | (2,230,410)                                           | -                                 | -                                            | (2,955,972)                            |
| <b>Group total reserves</b>        | <b>37,441,395</b>                     | <b>(2,704,273)</b>                                    | <b>122,029</b>                    | <b>-</b>                                     | <b>34,859,151</b>                      |
|                                    |                                       |                                                       |                                   |                                              |                                        |
|                                    | <b>As at<br/>1-May<br/>2022<br/>£</b> | <b>Surplus /<br/>(Deficit)<br/>for the year<br/>£</b> | <b>Gains /<br/>(Losses)<br/>£</b> | <b>Transfers<br/>Between<br/>Funds<br/>£</b> | <b>As at<br/>30-Apr<br/>2023<br/>£</b> |
| <b>Designated Reserves</b>         |                                       |                                                       |                                   |                                              |                                        |
| Crookfur development               | 144,095                               | -                                                     | -                                 | -                                            | 144,095                                |
| Wellbeing reserve                  | 348,000                               | -                                                     | -                                 | 2,335,933                                    | 2,683,933                              |
| <b>Other unrestricted reserves</b> |                                       |                                                       |                                   |                                              |                                        |
| Pension scheme reserve             | (1,041,000)                           | -                                                     | 1,156,000                         | (115,000)                                    | -                                      |
| Property reserve                   | 28,873,417                            | -                                                     | -                                 | 987,526                                      | 29,860,943                             |
| Retained earnings                  | 6,506,275                             | 2,351,311                                             | (171,141)                         | (3,208,459)                                  | 5,477,986                              |
| <b>Parent total reserves</b>       | <b>34,830,787</b>                     | <b>2,351,311</b>                                      | <b>984,859</b>                    | <b>-</b>                                     | <b>38,166,957</b>                      |
| Retained earnings of subsidiaries  | (107,738)                             | (617,824)                                             | -                                 | -                                            | (725,562)                              |
| <b>Group total reserves</b>        | <b>34,723,049</b>                     | <b>1,733,487</b>                                      | <b>984,859</b>                    | <b>-</b>                                     | <b>37,441,395</b>                      |

**NOTE 22 - UNRESTRICTED RESERVES (continued)**

**Property reserve**

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

**Pension reserve**

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

**Designated reserves**

The designated reserves reflect the balances designated for the Crookfur development project, a ringfenced £2.37m for Wellbeing and cost of living crisis support.

**Transfers between funds**

A portion of the Wellbeing reserve was released during the year towards wellbeing activities. In the prior year a donation was received from BP to be used towards cost of living support. The unspent portion of the donation remains in the Wellbeing reserve for use in future financial years.

Pension Scheme represents costs of the scheme.

Property reserve represents the movement of the net position of the property assets at year end.

**NOTE 23 - RESTRICTED RESERVES**

**GROUP AND PARENT**

|                            | Multi-<br>sensory<br>Stimulation<br>£ | Other<br>Trust<br>Funds<br>£ | Wellbeing<br>Services<br>£ | Total<br>£    |
|----------------------------|---------------------------------------|------------------------------|----------------------------|---------------|
| As at 1 May 2022           | 10,247                                | 24,000                       | -                          | 34,247        |
| Income                     | -                                     | -                            | -                          | -             |
| Expenditure                | -                                     | -                            | -                          | -             |
| <b>As at 1 May 2023</b>    | <b>10,247</b>                         | <b>24,000</b>                | <b>-</b>                   | <b>34,247</b> |
| Income                     | -                                     | -                            | 35,000                     | -             |
| Expenditure                | -                                     | -                            | (35,000)                   | -             |
| <b>As at 30 April 2024</b> | <b>10,247</b>                         | <b>24,000</b>                | <b>-</b>                   | <b>34,247</b> |

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

The "Other Trust Funds" is a donation received from City of London Linen & Furnishing Trades Association in 2014 to fund specific equipment, including IT equipment, mobility vehicles and outdoor furniture for residents at the estates.

These funds were not utilised during the year. Both funds are currently under review by the Trustees to find the most practical use of these funds going forward to meet our residents' needs.

The "Wellbeing Services" reserve are corporate donations received for use within the Wellbeing Services area of the charity and were fully expensed during the year.

**NOTE 24 - ENDOWMENT FUNDS**

| <b>GROUP AND PARENT</b>                     | <b>John<br/>Goodenday<br/>Cottage<br/>Homes Trust<br/>£</b> | <b>John<br/>Goodenday<br/>Endowment<br/>Fund<br/>£</b> | <b>John<br/>Walsh<br/>Pension<br/>Fund<br/>£</b> | <b>Total<br/>£</b> |
|---------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------|--------------------|
| As at 1 May 2022                            | 122,414                                                     | 199,969                                                | 53,617                                           | 376,000            |
| Decrease in the market value of investments | (3,640)                                                     | (5,946)                                                | (1,594)                                          | (11,180)           |
|                                             | <hr/>                                                       | <hr/>                                                  | <hr/>                                            | <hr/>              |
| As at 1 May 2023                            | 118,774                                                     | 194,023                                                | 52,023                                           | 364,820            |
| Increase in the market value of investments | 6,962                                                       | 11,373                                                 | 3,049                                            | 21,384             |
|                                             | <hr/>                                                       | <hr/>                                                  | <hr/>                                            | <hr/>              |
| <b>As at 30 April 2024</b>                  | <b>125,736</b>                                              | <b>205,396</b>                                         | <b>55,072</b>                                    | <b>386,204</b>     |
|                                             | <hr/>                                                       | <hr/>                                                  | <hr/>                                            | <hr/>              |

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, the capital is not usable.

**NOTE 25 - CAPITAL COMMITMENTS**

Amounts contracted for in the group but not provided for in the financial statements as at 30 April 2024 is £1,028,654 (2023: £nil).

**RETAIL TRUST**

England & Wales - Charity number 1090136

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# Accounts

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# **RETAIL TRUST**

(A company limited by guarantee)

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

**FOR THE YEAR ENDED 30 APRIL 2023**

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

# Retail Trust

## TRUSTEE REPORT AND FINANCIAL STATEMENTS

For the year ended 30 April 2023

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# Retail Trust

## LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 30 April 2023

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### INCORPORATED AND REGULATORY BODIES

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

**COMPANY SECRETARY:** David Kaye

**TELEPHONE NUMBER:** 020 8201 0110

**CONFIDENTIAL HELPLINE:** 0808 801 0808

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

### BOARD OF TRUSTEES:

Richard Armstrong  
Erin Brookes  
Philip Bell-Brown  
Lesley Exley  
Michael Logue  
David McCorquodale  
Alistair McGeorge - Chairman  
Gita North  
Christopher Powell  
Brian Small – Honorary Treasurer  
Amanda Cox (resigned 22 June 2022)  
Timothy Seal (resigned 22 June 2022)

### 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

The Form Rooms  
2<sup>nd</sup> Floor  
22 Tower Street  
London  
WC2H 9NS

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

### EXECUTIVE TEAM

|                          |                                        |
|--------------------------|----------------------------------------|
| Christopher Brook-Carter | Chief Executive Officer                |
| Neil Duffy               | Commercial Services Director           |
| Poppie Foakes            | Director of Wellbeing Innovation       |
| Peter Foster             | Chief Finance Officer                  |
| Kathy Macintyre          | Director of Supported Living Services  |
| Jamie Malcolm            | Managing Director                      |
| Amy Prendergast          | Transformation and Operations Director |

### AUDITOR - External

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

### AUDITOR - Internal

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

### INVESTMENT MANAGER

Evelyn Partners Group Limited  
25 Moorgate  
London  
EC2R 6AY

### SOLICITOR

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

# Retail Trust

## TRUSTEES' REPORT

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### WHY WE'RE HERE

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

### OUR CAUSE

Creating hope, health and happiness for everyone in retail.

### OUR BELIEFS

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

- **Championing health in retail**

Since 1832 we have been championing health in retail. We are always looking for new opportunities to help and provide hope to our people.

- **All in**

One Trust. We're at our best when we are collaborating seamlessly together with our partners and customers to look after the health of our people.

- **Transforming lives for good**

We make a difference by empowering people to lead happier lives. And we follow through on our word, always.

### OUR STRATEGIC FOCUS 2022/23 AND BEYOND

#### Fundraising

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

#### Property

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

#### Wellbeing

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

### HOW

By focussing on four key elements:

#### Wellbeing Focus

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

#### Organisation and Culture

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

#### Skills & Capability

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

#### Property Focus

# Retail Trust

## TRUSTEES' REPORT

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

# Retail Trust

## TRUSTEES' REPORT (continued)

### **CHAIRMAN'S MESSAGE**

Dear Supporters, Sponsors, Patrons, Volunteers and Colleagues

In another tumultuous year for UK retail, where change continues to dominate the social and industry landscape, the Retail Trust has strengthened its position at the heart of the sector.

As the country moved out of the Covid-19 crisis, any sense we'd be entering a period of stability was quickly dispelled by a cost-of-living crisis and the onset of war in Eastern Europe. It has left many commentators referring to a 'perma-crisis' and an 'age of anxiety'.

Employing almost 3 million colleagues from every walk of life, the retail industry continues to face a huge wellbeing challenge as a result, with an impact on individuals and organisations alike.

According to our own research, the continued squeeze on household finances, increasing customer intolerance and the struggle to achieve work-life balance, have left retail workers feeling anxious and overwhelmed with many sadly questioning their future in the sector.

Since 1832, this organisation's goal has been to champion the hope, health and happiness of everyone who works in retail, whether at the beginning or end of their retail career. That mission has never been more relevant than it is today.

We believe that health and happiness should be accessible to the many, not the few, and in order for industry and society to flourish, business must play a pivotal role in tackling health inequality.

By helping to set standards and working alongside retailers of all sizes we are building a coalition that champions the notion that healthy, happy people create thriving businesses.

Addressing the causes of poor workplace wellbeing, as opposed to only dealing with the symptoms, is a key focus as we look to create systemic change that will help thousands of more families each year.

Our strategy will focus on building the tools and expertise to enable colleagues to look after their own mental, physical and financial health and empower leaders to build cultures where colleagues can thrive. This approach will help underpin the success of a sector whose strength lies in its people.

During a year that has seen a sharp rise in retail theft, an increase in abuse towards retail workers and a deepening cost-of-living crisis we have supported our retail colleagues via our 24-hour helpline, counselling, critical incident support and financial aid. The combined total of in-the-moment helpline support and multiple session brief therapy saw us deliver 17,497 counselling sessions.

Across 59 critical incidents we supported 452 individuals, the majority of which involved the death or suicide of a colleague or customer (74%). Robbery, theft and assaults on colleagues made up 10% of the critical incidents. Furthermore, the ongoing cost-of-living crisis has left thousands struggling financially, which can have a huge impact on mental health. We helped 1,088 people and their families via financial aid, with an average award of £521.88.

Meanwhile, our health of retail report found that managers are still under pressure to support their teams' wellbeing, with 46% saying they had at least one team member experience a mental health issue they didn't feel equipped to deal with. While most (70%) said they have access to tools to support their teams' wellbeing, 83% would welcome more training on how to use them. Addressing this ongoing need, we facilitated mental health and wellbeing training for 2,319 managers and retail colleagues.

Now, more than ever, there is a need for a united front to tackle these worrying trends, so in May 2022 the Retail Trust held its first wellbeing festival for retail colleagues. Together Fest brought 600 colleagues from over 100 partners together for a day of learning and celebration of the sector. Alongside this, in response to the shocking rise in customer abuse aimed at frontline workers, and backed up by robust research, we launched our Respect Retail campaign to protect the wellbeing of colleagues and stop the intolerance epidemic. The campaign secured coverage across national TV, radio,

# Retail Trust

## TRUSTEES' REPORT (continued)

print and online, including BBC News, Daily Express, Daily Mirror, BBC Radio 2, and Retail Week, reaching one billion views. 75 companies pledged their support.

Meanwhile, we continue to ensure that those who have worked in the sector and created value for the industry during their careers have homes and communities to retire to in their time of need. Our vision is to ensure a pathway that provides the foundations to flourish for individuals from the moment they enter retail into their retirement years.

Indeed, our five supported living estates across the UK provide a safe haven and happy community for more than 450 residents. This year we've continued to upgrade central buildings and older housing stock, to ensure our estates meet our residents' changing needs and expectations, acting as a beacon for the social housing sector.

Over £1.7 million has been invested in the refurbishment of Marshall Hall, a beautiful, listed building in the centre of Marshall Estate. The refurbishment created ten new smart flats. Residents of our smart flats benefit from voice-activated power sockets, heating controls and light switches giving them more control over their lives and supporting them to live independently in their own homes for longer, which has a profound effect on their wellbeing. We also introduced super-fast fibre optic broadband to all the other 72 properties within the estate.

And, whilst the challenges the sector faces show no signs of abating, the Retail Trust continues to be in a strong position to work with its partners and its beneficiaries to improve the lives of those working in the industry.

Wellbeing income increased by 5%, while there were notable increases in both renewals and new partnerships these were offset by a drop in workshop revenue as a significant piece of work (line manager training with Aldi) wound down.

Charitable income, excluding a £2.5million one off donation, increased 35% driven by an 81% increase in income from events. Fundraising income increased 14% year-on-year once the one-off donation has been removed.

Supported living income increased by 2.7%.

There was a drop in operating surplus due to an increase in operating costs of 30%. Investments were directed at technology and headcount. The total average employees increased 45% from 75 to 109 as the Trust prepared itself for a new phase of growth aimed at ensuring it would meet the changing needs of the retail sector.

As we look forward, I believe this past year will be seen as critical in laying the foundations for an exciting future for our charity, partners, beneficiaries and residents. That future places us at the heart of how the sector approaches the wellbeing of its people and will ensure that healthy and happy people underpin a thriving retail sector.

With personal best wishes to all



Alistair McGeorge  
**Chair of Trustees**

30/01/2024

# 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 2023. The Trustees are directors under company law and this report represents the directors' Annual Report and the Strategic Report.

### **OBJECTIVES AND ACTIVITIES**

#### **1. KEY OBJECTIVES**

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

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

#### **2. KEY ACTIVITIES**

The TRUST organises its operations around four key activities:

- Supported Living, for those who have retired from the sector;
- Wellbeing Services, for those still active in the sector;
- Fundraising, creating opportunities for those who work in the sector to engage and partner with us to accomplish our cause.

Our Wellbeing activities have become front and centre of our activities to continue to contribute to the Hope, Health and Happiness of all involved in the sector. All of these operations have as their primary objectives the Wellbeing of all beneficiary groups involved.

### **STRATEGIC OPERATIONS REPORT**

#### **1. OVERVIEW**

The TRUST is the oldest trade charity in the UK covering over 3 million people working in retail and supporting industries through to the end of the reporting period. Our scope is the wellbeing of everyone involved in all forms of retail and retail supporting services, from factory to warehouse, from shop floor to online supply chain and all functions supporting that journey.

#### **Supported Living**

The TRUST owns and operates supported living estates for retirees in London (Mill Hill), Derby (Leylands), Glasgow (Crookfur), Liverpool and Salford. 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.

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

Continuing our commitment to the development of smart villages across our Estates, we have made significant progress on our dashboards development, which will allow us to build a working framework at Glasgow and will eventually enable the rollout of the smart village template across all of our estates within the next two years.

Maximising the potential of our physical assets remains key to our sustainability. We are in the final stages of development of 10 new digitally-enabled units at Marshall Estate, London, partly funded by a bank loan.

In Supported Living we continue to invest in the development of "Smart Homes and Villages" for our residents and the provision of smart devices across our estates continues to provide valuable insights and learning for our team across England and in Scotland.

We continue to see our void rates reducing across our properties and as our residents and staff continue to adapt quickly to the new order of life post-pandemic, we are seeing a return to high interest in renting accommodation at our Estates, and using the catering services provided for non-residents through our restaurants.

# Retail Trust

## TRUSTEES' REPORT (continued)

There continues to be a strong case for our “smart homes and villages” and for our asset optimisation program to continue across our estates, now the London redevelopment has concluded.

### **Wellbeing Services**

Our key themes of Hope, Health and Happiness have continued to generate strong engagement from existing and new customers of our wellbeing services. These themes have allowed us to demonstrate the relevance of our services to the ever-changing needs of the sector in the current climate of uncertainty.

We have shone a spotlight on mental wellbeing particularly through our training programmes and created programmes that develop confidence and destigmatise conversations around mental health as evidenced in the feedback we consistently receive from our partners.

To achieve this, we have invested in growing the wellbeing team, increasing engagement with our customers through relevant events, surveys and training, and promoting a focus on high quality services and materials to ensure the sector is effectively supported beyond grant-giving and counselling activities.

We have continued to invest in improving our systems and people to ensure that we can respond to the needs of the sector in a way that is relevant and that moves from being reactive to proactive. Finding the right partners to come on this journey with us is the key focus for our activities in the coming year and we believe we have a unique opportunity to create a wellbeing offering that feels natural for our colleagues to interact with and delivers high-impact to the sector.

### **Business Transformation**

We continued transformation of digital platforms during the year, we completed the updating of our business systems across Marketing, Finance and Wellbeing during the year, further investment is planned for our Supported Living in the coming year.

Our website continues to be a valuable resource for our wellbeing partners and the continued evolution of the content and resources, allow us to intuitively improve the ease of navigating the pages, whilst also ensuring that the learning derived from the engagement with content allows us to prioritise our system development to ensure we deliver valuable information using the best and most efficient means available to us on our platforms.

As we continue to automate our activities, the reporting and management of our reports and our processes becomes much clearer and we recognise that there is still significant room for improvement if we are to maintain current pace of growth and engagement.

Retail Trust continue to overhaul the way that we work, future-proofing our systems and processes to remain relevant and responsive to the needs of our customers. Integration remains a key tool to truly transforming our services and leaning out our processes to add value to existing relationships and to create new opportunities for growth and success.

We are conscious of the need to continue to remain compliant in stewarding personal data 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.

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

# Retail Trust

## TRUSTEES' REPORT (continued)

### 2. FINANCIAL REVIEW

In 2022/23, the Trust has benefitted from 5% growth in Wellbeing services income. This follows the re-structure of the wellbeing team to take a more commercial approach to the services and has resulted in a redefined strategy, with Wellbeing at the helm of Retail Trust's strategy for the next 3 years.

Total income for the period is up 29.85% to £12.6m from £9.7m the previous year. This includes the BP donation of £2.5m. The Trust continued its partnership with Retail Week Awards which has allowed another year of increases in events income. The ability to partner with others in the industry presents further opportunity and will continue to be a strategy going forward.

Income from Supported Living housing lettings has grown by 3%. Void rates have reduced slightly to 2.6% in 2022/23 from 3.04% in 2021/22.

Costs have increased by 24.70% during the year, mainly due to the rise in Supported Living expenditure where the continued impact of rising costs of services had already begun to trickle through into regular operations at the end of 2022. In addition, the ongoing cost of living crisis will continue to have a significant impact on the coming periods. Increased demand for our counselling services, grants and training programmes is expected for the foreseeable future. As such, there is a renewed focus on value addition and value for money reviews of existing contracts for services ahead of 2024.

The FRS102 calculation gives a more market-sensitive valuation of the pension scheme than a triennial valuation, this calculation put the pension into an asset position. The Trust has made the decision not to recognise the asset and will consider its policy for provisioning following the outcome of the actuaries calculations.

These movements contributed to a net surplus of £1.7m and total comprehensive income of almost £1.1m during 2022/23. Net assets have increased in line with other comprehensive income to £37.8m and At 30 April 2023, cash at bank and in hand was £5.46m, £0.71m up on the previous year.

### 3. VALUE FOR MONEY (VFM)

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

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

### DELIVERY OF VFM DURING 2022/23

#### 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.

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### Regulator of Social Housing Value for Money Metrics

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

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

#### Metric 1 Reinvestment in Housing Property Assets

The reinvestment figure for the year was 6.2% compared to prior year 1.50%.

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

During the year, we added 0 units to the Social Housing portfolio.

There is ongoing development of the London conversion of office space into residential property for 10 units during the year.

#### Metric 3 Gearing %

During the year, we recorded (0.28%) gearing, compared with 2021/22 at (1.16%). The figure is after drawing down £1m of bank borrowing from Bank of Scotland. The repayment of a third of the loan began in February 2021 and continues until 2029 when a bullet repayment of the balance is payable or the option to refinance the loan.

#### Metric 4 EBITDA MRI Interest Cover

The figure for 2022/23 indicates interest is covered 12.0 times by cash generated in year.

#### Metric 5 Headline Social Housing Cost £

Per unit the cost was £11.5k in 2022/23 up from £8.5k in 2021/22.

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

Social housing operating margin 8.3% and overall TRUST 13.7% in 2022/23 compared to 28% and 9.24% in 2021/22.

#### Metric 7 Return on Capital Employed

In 2022/23 the figure is 3.8% compared to 2.1% in 2021/22.

### Example of VFM delivery

#### WELLBEING SERVICES

The ability to deliver sessions of single telephonic counselling sessions, on-demand, through our in-house counsellors throughout the past year has allowed us to ensure that people can access support quickly,

confidentially and with the confidence that their needs can be met at the point where they can have the most impact.

## 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 this is set at 3 to 6 months of operating costs.

Note 21 reflects the relevance of the increased focus on Wellbeing services as undesignated reserves reduced to £3.79m from £6.5m. This is after the separation of the BP donation to the designated reserve of £2.68m. An FRS102 gain on pension reserves increases the liability to a nil position. Retail Trust has retained earnings of £3.79m. Any remaining excess cash is being built up to enabling us to make an optional repayment of the full £3.33m balance of the Tranche B portion of the loan, the remaining funds are held to allow us to remain within our requirement of £1.0m 'free reserves'.

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

### 2. KEY MANAGEMENT PERSONNEL REMUNERATION

All key management personnel receive a base salary which is based on factors such as qualification, length of service, experience and performance and their package may include superannuation and fringe benefits. The Trustees review Executive Director packages annually through the TRUST's Remuneration Committee and by reference to its financial performance and individual Executive performance.

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

# Retail Trust

## TRUSTEES' REPORT (continued)

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

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

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

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

Trustees will also consider:

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

### **3. HEALTH AND SAFETY**

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

ensure effective resolution of any issues arising. An annual report is presented to the Board.

### **4. INVESTMENT**

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

As permitted by the TRUST's rules, the Board instructed Evelyn Partners Investment Management LLP, (formerly Smith & Williamson Investment Services Limited) to operate on a discretionary basis since 2015. The investment performance is benchmarked against a composite of indexes being UK Government bonds Markit iBoxx GBP Gilts 1-5 Yrs) (10.0%), HFRX Global Hedge Fund (10.0%), Alternatives – MSCI ACWI ex UK NR (35.0%), MSCI UK Investable Market Index (35%), MSCI UK IMI Core Real Estate NR (5%), SONIA Lending Rate (5.0%).

The actual return in the year was a loss compared with the benchmark of 10.2%. This is in line with the Trust's continued approach of risk avoidance given the volatility of the current 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.

During the year, the portfolio has experienced varied movements, valued at £1.66m by the 30 April 2023.

### **5. FINANCIAL ASSISTANCE**

The Trust awarded £359k in financial assistance grants, a decrease of 26% on the previous year, as we started to review the way that we disburse funds and recognise a growing need for counselling support for adults and now, also, under 16s. The Board receives regular updates on the level of financial grants awarded.

### **6. PENSION**

The TRUST sponsors group personal pension arrangements with Legal and General which has £1.038m 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 an asset at the year-end of £0.78m for the FS/CARE

# Retail Trust

## TRUSTEES' REPORT (continued)

schemes. This asset was not recognised in the accounts. This compares with a deficit of £1.04m in the previous year

### **7. FUNDING**

Traditional fundraising activities (excluding Donations in Kind) continue to be less of an income source for Retail Trust

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

Sources of funding

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

This funding model allows the Trust to plan and mitigate against financial incidents and promotes some stability of income. It also allows us to continuously pivot to meet the needs of our clients, coping with the changing wellbeing landscape and the ongoing challenges faced by our beneficiaries.

Within the traditional fundraising disciplines our key focus is on Events, Challenges, Trusts and Institutions and Donors both individual and corporate. However, looking forward, our strategy continues to be driven by our wellbeing services as traditional sources such as Events slowly return to the extent that they existed pre-pandemic.

### **8. FUNDRAISING REGULATOR**

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

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

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

- the TRUST is committed to protecting data and privacy. We ensure that any information given to us is held securely and safely;

- the TRUST holds and processes personal details in accordance with Data Protection Legislation, which is the Data Protection Act 2018 and the General Data Protection Regulation (EU) 2016/679;
- the TRUST is registered with the Information Commissioner (Registration Number Z8109661);
- all communications to the public shall be truthful and open;
- all monies raised will be for the stated purpose and will comply with our stated mission and purpose;
- all personal information is confidential and is not for sale or given away or disclosed to any third party without the individuals consent;
- no person directly or indirectly employed or volunteering shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation;
- all fundraising activities must protect the reputation and integrity of the TRUST at all times;
- financial contributions will only be accepted if considered ethical;
- we are always sensitive to signs that may indicate that any individual is in vulnerable circumstances, and needs support to make an informed decision. If we reasonably believe the individual lacks capacity to make a decision then a donation will not be accepted or will be returned if already made.

There were no fundraising complaints during the year.

### **9. COMPLAINTS**

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

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

### **10. GDPR**

# Retail Trust

## TRUSTEES' REPORT (continued)

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 continue to review our activities and provide annual training materials with the support of our Data Protection Officer, to help the Trust continue to work towards responsible digital transformation.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

### **2. GOVERNANCE**

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

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

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

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

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

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

#### ***Chair***

|                             |                   |
|-----------------------------|-------------------|
| Risk/Audit/Finance          | Brian Small       |
| Remuneration & Nominations  | Mike Logue        |
| Supported Living & Property | Philip Bell-Brown |

### **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

# Retail Trust

## TRUSTEES' REPORT (continued)

follow ups are considered by the RAF Committee. A schedule of actions is prepared periodically and reviewed with the Chief Finance Officer and subsequently presented to the RAF committee for review.

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

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

### **5. RISK**

Trustees consider the key risks facing the TRUST are:

#### **Financial**

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

#### **Failure to support those in need**

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

#### **Residential Estates sustainability**

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

the period, highlight the popularity of the estates.

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

#### **Safety**

The risk is an incident which would impact residents, visitors or employees. We manage this through a rigorous process of health and safety procedures and independent audits. During the winter months, we encourage all staff and residents to take the flu jab and COVID boosters, where relevant to limit as much as possible any impact of flu-related outbreaks across our teams, in particular, those working with our elderly residents.

#### **Data Protection**

The TRUST undertakes rigorous work to ensure compliance to GDPR. Independent audits continue to be a standard feature with regular updates and clear guidance on managing how information is used, passed on, and stored particularly with remote working in place for the majority of employees.

#### **Cyber Security**

The TRUST is aware of the risk of cyber-attacks and promotes investment in resources and scrutiny which manages the risk.

#### **Disaster Recovery and External Events**

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.

### **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.

# Retail Trust

## TRUSTEES' REPORT (continued)

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

### **7. STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

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

steps for the prevention and detection of fraud and other irregularities.

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

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

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

### **9. SUBSIDIARY UNDERTAKINGS**

At 30 April 2023 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**

During the year, we continued to deliver relevant training and resources as standard to all employees. We have introduced clearer guidance for all employees to feel empowered to contribute to the topic of diversity, equality and inclusion in the workplace.

Mental health and wellbeing continue to be at the forefront of our activities and we continue to ensure that our employees are happy and healthy in their personal and professional lives. Our content and resources, which have proven relevant for our partners,

# Retail Trust

## TRUSTEES' REPORT (continued)

has been just as engaging internally and we endeavour to remain open and accepting of all people.

Remote working remains a permanent option for our teams and we have been able to further drive flexible working across the Trust with the opening of our central London hub, making collaboration and supporting each other easier for those who regularly travel away from their base locations for client engagements.

We encourage our employees to "Share the Load". Particularly with managers who often are encouraged through understanding each other's challenges and embracing the learning that other teams have benefitted from through adapting continuously to our changing needs as human beings.

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

### **11.AUDITORS**

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

This Trustees Report, including the Strategic report was approved by the Board on 30 January 2024.



Alistair McGeorge

Chairman



Brian Small

Honorary Treasurer

# Retail Trust

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

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### Opinion

We have audited the financial statements of Retail Trust for the year ended 30 April 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 April 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

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

## **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, using data analytics to focus on higher risk entries; and
- Challenging assumptions and judgements made by management in their accounting estimates.

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

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

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

10 Queen Street Place  
London  
EC4R 1AG

Date: 30/01/2024

# RETAIL TRUST

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2023

|                                                | NOTES | 2023<br>£    | 2022<br>£   |
|------------------------------------------------|-------|--------------|-------------|
| <b>INCOME AND ENDOWMENTS from:</b>             |       |              |             |
| Charitable income                              | 1     | 4,106,871    | 1,192,862   |
| Cottage Homes                                  | 2     | 6,051,816    | 5,876,190   |
| Trading income                                 | 3     | 2,336,752    | 2,466,075   |
| Other income                                   | 4     | 77,470       | 147,874     |
|                                                |       |              |             |
| <b>TOTAL INCOME</b>                            |       | 12,572,909   | 9,683,001   |
|                                                |       |              |             |
| <b>EXPENDITURE on:</b>                         |       |              |             |
| Raising funds                                  | 5     | (1,216,989)  | (921,223)   |
| Cottage Homes                                  | 2     | (5,505,930)  | (4,248,127) |
| Helpline, grants and other services            | 6     | (4,083,077)  | (3,496,293) |
|                                                |       |              |             |
| <b>TOTAL EXPENDITURE</b>                       |       | (10,805,996) | (8,665,643) |
|                                                |       |              |             |
| <b>OPERATING SURPLUS</b>                       | 7     | 1,766,913    | 1,017,358   |
|                                                |       |              |             |
| Investment income                              | 8     | 81,576       | 52,398      |
| Pension costs                                  | 20    | (115,000)    | (92,000)    |
|                                                |       |              |             |
| <b>NET SURPLUS</b>                             |       | 1,733,489    | 977,756     |
|                                                |       |              |             |
| <b>OTHER COMPREHENSIVE INCOME</b>              |       |              |             |
| Loss on investments                            | 15    | (182,323)    | (48,409)    |
| Actuarial surplus /(deficit) in pension scheme | 20    | 1,156,000    | (275,000)   |
|                                                |       |              |             |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>        |       | 973,677      | (323,409)   |
|                                                |       |              |             |
| <b>TOTAL COMPREHENSIVE INCOME</b>              |       | 2,707,166    | 654,347     |

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 25 to 47 form an integral part of these financial statements

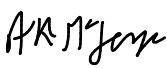
**RETAIL TRUST**
**CONSOLIDATED BALANCE SHEET**

as at 30 April 2023

Company Registration No. 04254201

|                                                         | NOTES | 2023<br>£         | 2022<br>£         |
|---------------------------------------------------------|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                                     |       |                   |                   |
| Housing properties                                      | 13    | 36,801,453        | 35,011,812        |
| Other tangible fixed assets                             | 14    | 2,270,103         | 1,788,607         |
| Investments at market value                             | 15    | 2,023,106         | 2,070,416         |
| <b>TOTAL FIXED ASSETS</b>                               |       | <b>41,094,662</b> | <b>38,870,835</b> |
| <b>CURRENT ASSETS</b>                                   |       |                   |                   |
| Debtors                                                 | 17    | 2,028,775         | 1,379,652         |
| Cash and cash equivalents                               | 18    | 5,461,261         | 5,390,051         |
| <b>TOTAL CURRENT ASSETS</b>                             |       | <b>7,490,036</b>  | <b>6,769,703</b>  |
| CREDITORS: amounts falling due within one year          | 19    | (3,070,104)       | (2,412,740)       |
| <b>NET CURRENT ASSETS</b>                               |       | <b>4,419,932</b>  | <b>4,356,963</b>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <b>45,514,594</b> | <b>43,227,799</b> |
| CREDITORS: amounts falling due after more than one year | 19    | (7,674,132)       | (7,053,503)       |
| Pension liability                                       | 20    | -                 | (1,041,000)       |
| <b>NET ASSETS</b>                                       |       | <b>37,840,462</b> | <b>35,133,296</b> |
| <b>RESERVES</b>                                         |       |                   |                   |
| Unrestricted reserves                                   | 21    | 37,441,395        | 34,723,049        |
| Restricted reserves                                     | 22    | 34,247            | 34,247            |
| Endowment funds                                         | 23    | 364,820           | 376,000           |
| <b>TOTAL RESERVES</b>                                   |       | <b>37,840,462</b> | <b>35,133,296</b> |

The financial statements on pages 20 to 47 were approved by the Trustees and authorised for issue on 30 January 2024 and are signed on their behalf by:

Alistair McGeorge 

Chairman

Brian Small 

Honorary Treasurer

|                                                         | NOTES | 2023<br>£         | 2022<br>£         |
|---------------------------------------------------------|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                                     |       |                   |                   |
| Housing properties                                      | 13    | 36,801,453        | 35,011,812        |
| Other tangible fixed assets                             | 14    | 2,077,240         | 1,724,473         |
| Investments at market value                             | 15    | 2,023,106         | 2,070,416         |
| Investment in subsidiaries                              | 16    | 156               | 156               |
| <b>TOTAL FIXED ASSETS</b>                               |       | <b>40,901,955</b> | <b>38,806,857</b> |
| <b>CURRENT ASSETS</b>                                   |       |                   |                   |
| Debtors                                                 | 17    | 2,428,559         | 3,166,154         |
| Cash and cash equivalents                               | 18    | 4,062,940         | 2,433,112         |
| <b>TOTAL CURRENT ASSETS</b>                             |       | <b>6,491,499</b>  | <b>5,599,266</b>  |
| CREDITORS: amounts falling due within one year          | 19    | (1,153,298)       | (1,070,587)       |
| <b>NET CURRENT ASSETS</b>                               |       | <b>5,338,201</b>  | <b>4,528,679</b>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <b>46,240,156</b> | <b>43,335,536</b> |
| CREDITORS: amounts falling due after more than one year | 19    | (7,674,132)       | (7,053,503)       |
| Pension liability                                       | 20    | -                 | (1,041,000)       |
| <b>NET ASSETS</b>                                       |       | <b>38,566,024</b> | <b>35,241,033</b> |
| <b>RESERVES</b>                                         |       |                   |                   |
| Unrestricted reserves                                   | 21    | 38,166,957        | 34,830,786        |
| Restricted reserves                                     | 22    | 34,247            | 34,247            |
| Endowment funds                                         | 23    | 364,820           | 376,000           |
| <b>TOTAL RESERVES</b>                                   |       | <b>38,566,024</b> | <b>35,241,033</b> |

The total comprehensive income for the year of the Parent Company is £3,332,042 (2022: £864,603).

The financial statements on pages 20 to 47 were approved by the Trustees and authorised for issue on 30 January 2024 and are signed on their behalf by:

Alistair McGeorge 

Chairman

Brian Small 

Honorary Treasurer

**RETAIL TRUST**
**CONSOLIDATED AND PARENT STATEMENT OF CHANGES IN EQUITY**
**for the year ended 30 April 2023**

| <b>CONSOLIDATED</b>                     | <b>Unrestricted<br/>Reserves<br/>£</b> | <b>Restricted<br/>Reserves<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------------------------|----------------------------------------|--------------------------------------|----------------------------------|--------------------|
| As at 1 May 2021                        | 34,059,799                             | 34,247                               | 384,903                          | 34,478,949         |
| Surplus for the year                    | 977,756                                | -                                    | -                                | 977,756            |
| Other comprehensive income              | (314,506)                              | -                                    | (8,903)                          | (323,409)          |
|                                         | 663,250                                | -                                    | (8,903)                          | 654,347            |
| Total comprehensive income for the year |                                        |                                      |                                  |                    |
| As at 30 April 2022                     | <b>34,723,049</b>                      | <b>34,247</b>                        | <b>376,000</b>                   | <b>35,133,296</b>  |
| As at 1 May 2022                        | 34,723,049                             | 34,247                               | 376,000                          | 35,133,296         |
| Surplus for the year                    | 1,733,489                              | -                                    | -                                | 1,733,489          |
| Other comprehensive income              | 984,857                                | -                                    | (11,180)                         | 973,677            |
|                                         |                                        |                                      |                                  |                    |
| Total comprehensive income for the year | 2,718,346                              | -                                    | (11,180)                         | 2,707,166          |
|                                         |                                        |                                      |                                  |                    |
| <b>As at 30 April 2023</b>              | <b>37,441,395</b>                      | <b>34,247</b>                        | <b>364,820</b>                   | <b>37,840,462</b>  |
|                                         |                                        |                                      |                                  |                    |
| <b>PARENT</b>                           | <b>Unrestricted<br/>Reserves<br/>£</b> | <b>Restricted<br/>Reserves<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
| As at 1 May 2021                        | 33,957,281                             | 34,247                               | 384,903                          | 34,376,431         |
| Surplus for the year                    | 1,188,011                              | -                                    | -                                | 1,188,011          |
| Transfers in the year                   | (314,506)                              | -                                    | (8,903)                          | (323,409)          |
| Other comprehensive income              |                                        |                                      |                                  |                    |
|                                         |                                        |                                      |                                  |                    |
| Total comprehensive income for the year | 873,505                                | -                                    | (8,903)                          | 864,602            |
|                                         |                                        |                                      |                                  |                    |
| As at 30 April 2022                     | <b>34,830,786</b>                      | <b>34,247</b>                        | <b>376,000</b>                   | <b>35,241,033</b>  |
| As at 1 May 2022                        | 34,830,786                             | 34,247                               | 376,000                          | 35,241,033         |
| Surplus for the year                    | 2,351,314                              | -                                    | -                                | 2,351,314          |
| Other comprehensive income              | 984,857                                | -                                    | (11,180)                         | 973,677            |
|                                         |                                        |                                      |                                  |                    |
| Total comprehensive income for the year | 3,336,171                              | -                                    | (11,180)                         | 3,324,991          |
|                                         |                                        |                                      |                                  |                    |
| <b>As at 30 April 2023</b>              | <b>38,166,957</b>                      | <b>34,247</b>                        | <b>364,820</b>                   | <b>38,566,024</b>  |

## RETAIL TRUST

### CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 30 April 2023

|                                                        |                          | 2023        | 2022                         |                                |
|--------------------------------------------------------|--------------------------|-------------|------------------------------|--------------------------------|
|                                                        | NOTES                    | £           | £                            |                                |
| CASH FLOWS FROM OPERATING ACTIVITIES                   |                          |             |                              |                                |
| Net surplus                                            |                          | 1,733,489   | 977,756                      |                                |
| Adjustments for:                                       |                          |             |                              |                                |
| Depreciation                                           |                          | 797,420     | 772,100                      |                                |
| Pension Costs                                          |                          | 115,000     | 92,000                       |                                |
| Amortisation of social housing grant                   |                          | (25,600)    | (25,600)                     |                                |
| (Increase) in debtors                                  |                          | (649,118)   | (453,457)                    |                                |
| Increase in creditors                                  |                          | 400,724     | 672,055                      |                                |
|                                                        |                          |             |                              |                                |
| NET CASH INFLOWS FROM OPERATING ACTIVITIES             |                          | 2,371,915   | 2,034,854                    |                                |
| CASH FLOWS FROM INVESTING ACTIVITIES                   |                          |             |                              |                                |
| Purchase of fixed assets                               |                          | (3,099,404) | (789,097)                    |                                |
| Additions to investments                               |                          | (623,417)   | (214,388)                    |                                |
| Proceeds from sale of investments                      |                          | 578,685     | 205,649                      |                                |
| Gain on investment                                     |                          | -           | 887                          |                                |
|                                                        |                          |             |                              |                                |
| NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES          |                          | (3,144,136) | (796,949)                    |                                |
| CASH FLOWS FROM FINANCING ACTIVITIES                   |                          |             |                              |                                |
| Draw down of new long term borrowing                   |                          | 1,000,000   | -                            |                                |
| Repayment of long term borrowing                       |                          | (187,814)   | (194,914)                    |                                |
|                                                        |                          |             |                              |                                |
| NET CASH INFLOWS FROM FINANCING ACTIVITIES             |                          | 812,186     | (194,914)                    |                                |
|                                                        |                          |             |                              |                                |
| NET INCREASE IN CASH AND CASH EQUIVALENTS              |                          | 39,965      | 1,042,991                    |                                |
|                                                        |                          |             |                              |                                |
| Cash and cash equivalents at the beginning of the year |                          | 5,461,538   | 4,418,547                    |                                |
|                                                        |                          |             |                              |                                |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR       |                          | 5,501,503   | 5,461,538                    |                                |
| Cash and cash equivalents                              |                          |             |                              |                                |
| Cash and cash equivalents                              | 18                       | 5,461,261   | 5,390,051                    |                                |
| Cash held by investment managers                       | 15                       | 40,242      | 71,487                       |                                |
|                                                        |                          | 5,501,503   | 5,461,538                    |                                |
|                                                        |                          |             |                              |                                |
|                                                        | Balance at 1<br>May 2022 | Cash Flows  | Other<br>Non-cash<br>changes | Balance at<br>30 April<br>2023 |
| Bank and cash                                          | 5,461,538                | 39,965      | -                            | 5,501,503                      |
| Loans due within one year                              | (171,749)                | 171,749     | (187,814)                    | (187,814)                      |
| Loans due after more than one year                     | (4,600,835)              | (983,935)   | 187,814                      | (5,396,956)                    |
| Net Debt                                               | 688,954                  | (772,221)   | -                            | (83,267)                       |

**GENERAL DETAILS**

The TRUST is a company limited by guarantee, incorporated in England and Wales (company number: 04254201), a charity registered in England and Wales (charity number: 1090136) and in Scotland (Scottish charity number: SC 039684) and Registered Social Landlord (number: L4362). The TRUST's registered office address is: The Form Rooms, 2<sup>nd</sup> Floor, 22 Tower Street, London, WC2H 9NS.

**ACCOUNTING BASIS**

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

**BASIS OF CONSOLIDATION**

The group financial statements consolidate the financial statements of the TRUST and its subsidiary undertakings, Retail Trust Events Limited, Cottage Homes Contracts Limited and RT Wellbeing Services Limited drawn up to 30 April 2023 on a line by line basis.

No separate statement of comprehensive income has been presented for the Company alone, as permitted by s408 of the Companies Act 2006. The total comprehensive income for the year for the parent company is £3,332,042 (2022: £864,603).

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

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

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

**INCOME**

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

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

Income is recognised on the following bases:

## RETAIL TRUST

### ACCOUNTING POLICIES (continued)

for the year ended 30 April 2023

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

### EXPENDITURE

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

Expenditure is recognised on the following bases:

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

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

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

### FIXED ASSETS – FREEHOLD HOUSING PROPERTIES

Freehold housing properties are stated at cost.

**FIXED ASSETS – FREEHOLD HOUSING PROPERTIES (continued)****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.

**Depreciation of housing properties and component accounting**

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

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

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

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

**OTHER TANGIBLE FIXED ASSETS**

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

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

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

Land is not depreciated.

**Impairment of assets**

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

## INVESTMENTS

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

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

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

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

## BASIC FINANCIAL INSTRUMENTS – ASSETS AND LIABILITIES

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

### *Cash and cash equivalents*

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

### *Debtors and creditors*

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

## LIABILITIES

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

### *Financial assistance grants*

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

### *Grant commitments*

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

### *Social Housing Grant*

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

The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from Homes England 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 Homes England. 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.

**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.

**CRITICAL ESTIMATES AND JUDGEMENTS**

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

The present value of the defined benefit pension scheme position depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension position. The Trustees' judgement is that the surplus on the defined benefit pension scheme at 30 April 2023 is not recoverable and therefore has not been recognised in the accounts.

**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.

Where the scheme is determined to be in a deficit position, this is recognised in full as a liability. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that it can be recovered in future years through reduction in employers contributions or through a specific reimbursement from the scheme.

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.

|                                    | 2023<br>£        | 2022<br>£        |
|------------------------------------|------------------|------------------|
| <b>NOTE 1 - CHARITABLE INCOME</b>  |                  |                  |
| <b>GROUP</b>                       |                  |                  |
| <b>Restricted</b>                  |                  |                  |
| Income from fundraising activities | 302,217          | 131,216          |
| <b>Unrestricted</b>                |                  |                  |
| Gross income from events           | 544,532          | 299,974          |
| Income from fundraising activities | 3,159,893        | 576,643          |
| Gifts in kind                      | 100,229          | 185,029          |
| <b>TOTAL CHARITABLE INCOME</b>     | <b>4,106,871</b> | <b>1,192,862</b> |

**NOTE 2 - COTTAGE HOMES - GROUP****a) Turnover, operating costs and operating surplus**

|                                  | TURNOVER         |                  | OPERATING COSTS  |                  | OPERATING SURPLUS |                  |
|----------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
|                                  | 2023<br>£        | 2022<br>£        | 2023<br>£        | 2022<br>£        | 2023<br>£         | 2022<br>£        |
| Social housing lettings (2b)     | 5,903,813        | 5,750,173        | 5,415,438        | 4,179,213        | 488,375           | 1,570,930        |
| Other social housing activities: |                  |                  |                  |                  |                   |                  |
| - Supporting people              | 90,492           | 68,914           | 90,492           | 68,914           | -                 | -                |
| Non-social housing activities:   |                  |                  |                  |                  |                   |                  |
| - Letting                        | 26,011           | 25,503           | -                | -                | 26,011            | 25,503           |
| - Other                          | 5,900            | 6,000            | -                | -                | 5,900             | 6,000            |
| - Amortisation of SHG            | 25,600           | 25,600           | -                | -                | 25,600            | 25,600           |
|                                  | <b>6,051,816</b> | <b>5,876,190</b> | <b>5,505,930</b> | <b>4,248,127</b> | <b>545,886</b>    | <b>1,628,033</b> |

**The accommodation provided is as follows:**

|                        | 2023       | 2022       |
|------------------------|------------|------------|
| Total number of units: |            |            |
| Owned                  | 422        | 422        |
| Under management       | 1          | 1          |
|                        | <b>423</b> | <b>423</b> |

**NOTE 2 - COTTAGE HOMES - GROUP**

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

|                                      | <b>SUPPORTED HOUSING</b> |                  |
|--------------------------------------|--------------------------|------------------|
|                                      | <b>2023</b>              | <b>2022</b>      |
|                                      | <b>£</b>                 | <b>£</b>         |
| <b>NET RENTAL INCOME</b>             | <b>5,903,813</b>         | <b>5,750,173</b> |
| Management                           | 955,491                  | 890,698          |
| Services                             | 3,073,438                | 2,222,487        |
| Routine maintenance                  | 339,533                  | 188,991          |
| Planned maintenance                  | 124,163                  | 63,128           |
| Depreciation                         | 565,694                  | 565,497          |
| Other costs                          | 357,119                  | 248,442          |
| <b>TOTAL EXPENSES</b>                | <b>5,415,438</b>         | <b>4,179,243</b> |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   | <b>488,375</b>           | <b>1,570,930</b> |
|                                      |                          |                  |
|                                      | <b>2023</b>              | <b>2022</b>      |
|                                      | <b>£</b>                 | <b>£</b>         |
| Analysis of social housing lettings: |                          |                  |
| Rent receivable                      | 2,436,170                | 2,342,623        |
| Service Charges                      | 3,467,643                | 3,407,550        |
| <b>Social housing lettings</b>       | <b>5,903,813</b>         | <b>5,750,173</b> |

**Rental income is stated net of voids as follows:**

|       | <b>2023</b> | <b>2022</b> |
|-------|-------------|-------------|
|       | <b>£</b>    | <b>£</b>    |
| Voids | 160,263     | 174,825     |

The total losses for the year ended 30 April 2023 arising from the irrecoverable debts were £16,903 (2022: £41,134).

**NOTE 3 - TRADING INCOME**

|                                | <b>2023</b>      | <b>2022</b>      |
|--------------------------------|------------------|------------------|
| <b>GROUP</b>                   | <b>£</b>         | <b>£</b>         |
| <b>Unrestricted</b>            |                  |                  |
| Income from events             | -                | 232,985          |
| Income from Wellbeing Services | 2,336,752        | 2,233,180        |
|                                | <hr/>            | <hr/>            |
| <b>TOTAL TRADING INCOME</b>    | <b>2,336,752</b> | <b>2,466,075</b> |
|                                | <hr/> <hr/>      | <hr/> <hr/>      |

**NOTE 4 - OTHER INCOME**

|                           | <b>2023</b>   | <b>2022</b>    |
|---------------------------|---------------|----------------|
| <b>GROUP</b>              | <b>£</b>      | <b>£</b>       |
| Sundry Income             | 77,470        | 147,874        |
|                           | <hr/>         | <hr/>          |
| <b>TOTAL OTHER INCOME</b> | <b>77,470</b> | <b>147,874</b> |
|                           | <hr/> <hr/>   | <hr/> <hr/>    |

**NOTE 5 - EXPENDITURE ON RAISING FUNDS**

|                                           | <b>2023</b>      | <b>2022</b>    |
|-------------------------------------------|------------------|----------------|
| <b>GROUP</b>                              | <b>£</b>         | <b>£</b>       |
| Direct costs of events                    | 231,082          | 119,941        |
| Employee costs                            | 230,383          | 198,623        |
| Gifts in kind                             | 100,229          | 185,029        |
| Support and other costs                   | 655,295          | 417,630        |
|                                           | <hr/>            | <hr/>          |
| <b>TOTAL EXPENDITURE ON RAISING FUNDS</b> | <b>1,216,989</b> | <b>921,223</b> |
|                                           | <hr/> <hr/>      | <hr/> <hr/>    |

**NOTE 6 – HELPLINES, GRANTS AND OTHER SERVICES**

|                                                   | <b>2023</b>      | <b>2022</b>      |
|---------------------------------------------------|------------------|------------------|
| <b>GROUP</b>                                      | <b>£</b>         | <b>£</b>         |
| Counselling services                              | 232,278          | 283,231          |
| Financial assistance, bursaries and scholarships  | 402,580          | 487,964          |
| Charitable services                               | 250,186          | 442,842          |
| Employee costs                                    | 1,283,863        | 1,124,436        |
| Support costs                                     | 1,914,170        | 1,157,820        |
|                                                   | <hr/>            | <hr/>            |
| <b>TOTAL HELPLINES, GRANTS AND OTHER SERVICES</b> | <b>4,083,077</b> | <b>3,496,293</b> |
|                                                   | <hr/> <hr/>      | <hr/> <hr/>      |

**NOTE 7 - OPERATING SURPLUS**

|                                                    | <b>2023</b> | <b>2022</b> |
|----------------------------------------------------|-------------|-------------|
| <b>GROUP</b>                                       | <b>£</b>    | <b>£</b>    |
| <b>Operating surplus is stated after charging:</b> |             |             |
| Auditor's remuneration – audit services            | 29,500      | 39,356      |
| Auditor's remuneration – non-audit services        | 3,100       | 3,100       |
| Trustees' expenses                                 | 1,324       | 609         |
| Depreciation of owned assets                       | 797,420     | 746,500     |
| Amortisation of housing grant                      | (25,600)    | (25,600)    |
| Redundancy costs                                   | -           | 7,240       |
|                                                    | <hr/> <hr/> | <hr/> <hr/> |

**NOTE 8 - INTEREST INCOME**

|                                       | <b>2023</b>   | <b>2022</b>   |
|---------------------------------------|---------------|---------------|
| <b>GROUP</b>                          | <b>£</b>      | <b>£</b>      |
| Interest on bank accounts             | 30,273        | 5,060         |
| Interest on loan                      | 2,450         | 1,250         |
| Interest and dividends on investments | 48,853        | 46,088        |
|                                       | <hr/>         | <hr/>         |
| <b>TOTAL INTEREST INCOME</b>          | <b>81,576</b> | <b>52,398</b> |
|                                       | <hr/>         | <hr/>         |

**NOTE 9 - EMPLOYEES AND EMPLOYEE COSTS**

|                                     | <b>2023</b> | <b>2022</b> |
|-------------------------------------|-------------|-------------|
| <b>GROUP</b>                        | <b>No.</b>  | <b>No.</b>  |
| <b>Average number of employees:</b> |             |             |
| Supported Living                    | 39          | 33          |
| Charitable services                 | 40          | 19          |
| Central support and fundraising     | 30          | 23          |
|                                     | <hr/>       | <hr/>       |
| <b>TOTAL EMPLOYEES</b>              | <b>109</b>  | <b>75</b>   |
|                                     | <hr/>       | <hr/>       |

The total number of staff included part time employees. The full time equivalent average number of employees was 86 (2022: 75).

|                                        | <b>2023</b>      | <b>2022</b>      |
|----------------------------------------|------------------|------------------|
| <b>Employee costs during the year:</b> | <b>£</b>         | <b>£</b>         |
| Wages and salaries                     | 3,759,401        | 3,000,263        |
| National Insurance contributions       | 506,706          | 299,900          |
| Pension costs                          | 296,913          | 185,562          |
|                                        | <hr/>            | <hr/>            |
| <b>TOTAL EMPLOYEE COSTS</b>            | <b>4,563,020</b> | <b>3,485,725</b> |
|                                        | <hr/>            | <hr/>            |

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

The key management personnel are defined as the members of the Board, the Chief Executive and the Executive team. The aggregate amount of emoluments paid to the Executive team was £1,048,906 (2022: £781,973). This figure includes aggregate pension contributions of £115,175 (2022: £50,980). Members of the Board received no emoluments during the year (2022: £nil).

During the year the Chief Executive received £297,784 (2022: £258,666) including benefits and pension contributions of £18,518 (2022: £19,680).

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

|                      | <b>2023</b> | <b>2022</b> |
|----------------------|-------------|-------------|
|                      | <b>No.</b>  | <b>No.</b>  |
| £60,001 to £70,000   | 4           | 3           |
| £70,001 to £80,000   | 2           | 4           |
| £80,001 to £90,000   | 4           | 1           |
| £90,001 to £100,000  | 1           | 1           |
| £110,001 to £120,000 | -           | 1           |
| £120,001 to £130,000 | 1           | -           |
| £130,001 to £140,000 | -           | 1           |
| £140,001 to £150,000 | 1           | -           |
| £170,001 to £180,000 | 1           | -           |
| £180,001 to £190,000 | 1           | -           |
| £230,001 to £240,000 | -           | 1           |
| £250,001 to £260,000 | 1           | -           |
|                      | <hr/>       | <hr/>       |
|                      | <b>16</b>   | <b>12</b>   |
|                      | <hr/>       | <hr/>       |

**NOTE 11 - TAXATION****GROUP**

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

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

**NOTE 12 - RELATED PARTY TRANSACTIONS**

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

There were no other related party transactions during the year.

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

|                                    | <b>2023</b>        | <b>2022</b>        |
|------------------------------------|--------------------|--------------------|
|                                    | <b>£</b>           | <b>£</b>           |
| <b>GROUP AND PARENT</b>            |                    |                    |
| <b>COST</b>                        |                    |                    |
| Opening as at 1 May 2022           | 40,519,799         | 40,056,138         |
| Additions                          | 2,288,174          | 463,661            |
| <b>Closing as at 30 April 2023</b> | <b>42,807,973</b>  | <b>40,519,799</b>  |
| <b>DEPRECIATION</b>                |                    |                    |
| Opening as at 1 May 2022           | (5,507,987)        | (5,005,109)        |
| Provided in the year               | (498,533)          | (502,878)          |
| <b>Closing as at 30 April 2023</b> | <b>(6,006,520)</b> | <b>(5,507,987)</b> |
| <b>NET BOOK VALUE</b>              |                    |                    |
| <b>As at 30 April 2023</b>         | <b>36,801,453</b>  | <b>35,011,812</b>  |
| As at 30 April 2022                | 35,011,812         | 35,051,029         |

**NOTE 14 - OTHER TANGIBLE FIXED ASSETS**

| <b>GROUP</b>               | <b>Fixtures &amp;<br/>Fittings<br/>£</b> | <b>Plant and<br/>Machinery<br/>£</b> | <b>Motor<br/>Vehicles<br/>£</b> | <b>Comp Equip<br/>&amp; Software<br/>£</b> | <b>Freehold Office<br/>Buildings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|------------------------------------------|--------------------------------------|---------------------------------|--------------------------------------------|--------------------------------------------|--------------------|
| <b>COST</b>                |                                          |                                      |                                 |                                            |                                            |                    |
| Opening at 1 May 2022      | 577,869                                  | 293,228                              | 11,409                          | 1,200,147                                  | 1,145,933                                  | 3,228,586          |
| Additions                  | 92,266                                   | 110,670                              | -                               | 577,451                                    | -                                          | 780,387            |
| Disposals                  | -                                        | -                                    | (11,409)                        | -                                          | -                                          | (11,409)           |
| Closing at 30 April 2022   | 670,135                                  | 403,898                              | -                               | 1,777,598                                  | 1,145,933                                  | 3,997,564          |
| <b>DEPRECIATION</b>        |                                          |                                      |                                 |                                            |                                            |                    |
| Opening at 1 May 2022      | (223,092)                                | (211,975)                            | (11,405)                        | (810,138)                                  | (183,369)                                  | (1,439,979)        |
| Provided during the year   | (55,469)                                 | (17,126)                             | -                               | (210,766)                                  | (15,526)                                   | (298,887)          |
| Disposals                  | -                                        | -                                    | 11,405                          | -                                          | -                                          | 11,405             |
| Closing at 30 April 2023   | (278,561)                                | (229,101)                            | -                               | (1,020,904)                                | (198,895)                                  | (1,727,461)        |
| <b>NET BOOK VALUE</b>      |                                          |                                      |                                 |                                            |                                            |                    |
| <b>As at 30 April 2023</b> | <b>391,574</b>                           | <b>174,797</b>                       | <b>-</b>                        | <b>756,695</b>                             | <b>947,037</b>                             | <b>2,270,103</b>   |
| As at 30 April 2022        | 354,777                                  | 81,253                               | 4                               | 390,009                                    | 962,564                                    | 1,788,607          |

| <b>PARENT</b>              | <b>Fixtures &amp;<br/>Fittings<br/>£</b> | <b>Plant and<br/>Machinery<br/>£</b> | <b>Motor<br/>Vehicles<br/>£</b> | <b>Comp Equip<br/>&amp; Software<br/>£</b> | <b>Freehold Office<br/>Buildings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|------------------------------------------|--------------------------------------|---------------------------------|--------------------------------------------|--------------------------------------------|--------------------|
| <b>COST</b>                |                                          |                                      |                                 |                                            |                                            |                    |
| Opening at 1 May 2022      | 577,869                                  | 293,228                              | 11,409                          | 1,011,667                                  | 1,145,933                                  | 3,040,106          |
| Additions                  | 92,266                                   | 110,670                              | -                               | 399,074                                    | -                                          | 602,010            |
| Disposals                  | -                                        | -                                    | (11,409)                        | -                                          | -                                          | (11,409)           |
| Closing at 30 April 2023   | 670,135                                  | 403,898                              | -                               | 1,410,741                                  | 1,145,933                                  | 3,630,707          |
| <b>DEPRECIATION</b>        |                                          |                                      |                                 |                                            |                                            |                    |
| Opening at 1 May 2022      | (223,092)                                | (211,974)                            | (11,405)                        | (685,793)                                  | (183,369)                                  | (1,315,633)        |
| Provided during the year   | (55,469)                                 | (17,126)                             | -                               | (161,118)                                  | (15,526)                                   | (249,239)          |
| Disposals                  | -                                        | -                                    | 11,405                          | -                                          | -                                          | 11,405             |
| Closing at 30 April 2023   | (278,561)                                | (229,100)                            | -                               | (846,911)                                  | (198,895)                                  | (1,553,467)        |
| <b>NET BOOK VALUE</b>      |                                          |                                      |                                 |                                            |                                            |                    |
| <b>As at 30 April 2023</b> | <b>391,574</b>                           | <b>174,798</b>                       | <b>-</b>                        | <b>563,830</b>                             | <b>947,038</b>                             | <b>2,077,240</b>   |
| As at 30 April 2022        | 354,777                                  | 81,254                               | 4                               | 325,874                                    | 962,564                                    | 1,724,473          |

## NOTE 15 - INVESTMENTS

| GROUP AND PARENT              | Market Value     |                  | Cost             |                  |
|-------------------------------|------------------|------------------|------------------|------------------|
|                               | 2023             | 2022             | 2023             | 2022             |
|                               | £                | £                | £                | £                |
| <b>Restricted</b>             |                  |                  |                  |                  |
| Listed investments            | 306,031          | 308,985          | 266,014          | 249,546          |
| <b>Unrestricted</b>           |                  |                  |                  |                  |
| Listed investments            | 1,358,083        | 1,371,194        | 1,180,500        | 1,107,421        |
| Unlisted investments and cash | 358,992          | 390,237          | 358,992          | 390,237          |
|                               | 1,717,075        | 1,761,431        | 1,539,492        | 1,497,658        |
| <b>TOTAL INVESTMENTS</b>      | <b>2,023,106</b> | <b>2,070,416</b> | <b>1,805,506</b> | <b>1,747,204</b> |

## Reconciliation of Market Value Movement:

|                             | Unlisted       | Listed           | Cash          | Total            |
|-----------------------------|----------------|------------------|---------------|------------------|
|                             | £              | £                | £             | £                |
| As at 1 May 2022            | 318,750        | 1,680,179        | 71,487        | 2,070,416        |
| Additions                   | -              | 623,417          | (623,417)     | -                |
| Disposals                   | -              | (578,685)        | 578,685       | -                |
| Gain / (loss)               | -              | (60,797)         | -             | (60,797)         |
| Investment income received  | -              | -                | 35,915        | 35,915           |
| Investment income withdrawn | -              | -                | (7,759)       | (7,759)          |
| Investment fee              | -              | -                | (14,669)      | (14,669)         |
| <b>As at 30 April 2023</b>  | <b>318,750</b> | <b>1,664,114</b> | <b>40,242</b> | <b>2,023,106</b> |

**NOTE 16 - INVESTMENTS IN SUBSIDIARIES**

At 30 April 2023, the Group and Parent had interests in the following subsidiaries:

| <b>Subsidiaries</b>                   | <b>Nature of business</b>                                                       | <b>Type of shares held</b> | <b>Proportion held</b> | <b>Country of incorporation</b> |
|---------------------------------------|---------------------------------------------------------------------------------|----------------------------|------------------------|---------------------------------|
| 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****2023****2022****£****£****AT COST**

As at 1 May 2022

156

156

Additions / (disposals) in the year

-

-

**As at 30 April 2023****156****156**

**NOTE 16 - INVESTMENTS IN SUBSIDIARIES (continued)**

|                                          | CHC             |                 | RTE             |                 | RTWS             |              |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|--------------|
|                                          | 2023            | 2022            | 2023            | 2022            | 2023             | 2022         |
|                                          | £               | £               | £               | £               | £                | £            |
| <b>SUMMARY PROFIT &amp; LOSS ACCOUNT</b> |                 |                 |                 |                 |                  |              |
| Turnover                                 | 68,562          | 295,057         | 581,782         | 226,045         | 2,372,834        | 2,269,396    |
| Cost of sales                            | (16,956)        | (302,663)       | (428,218)       | (148,231)       | (2,477,985)      | (1,862,754)  |
| Expenditure - shared costs               | (41,200)        | (23,662)        | (113,406)       | (74,506)        | (563,237)        | (399,590)    |
| <b>Net profit</b>                        | <b>10,406</b>   | <b>(31,268)</b> | <b>40,158</b>   | <b>3,308</b>    | <b>(668,388)</b> | <b>7,052</b> |
| <b>SUMMARY BALANCE SHEET</b>             |                 |                 |                 |                 |                  |              |
| Fixed Assets                             | -               | -               | -               | -               | 192,864          | 64,135       |
| Debtors                                  | 1,276,293       | 35,505          | 329,042         | 259,784         | 2,595,258        | 548,981      |
| Cash at bank                             | 72,140          | 188,811         | 235,650         | 72,383          | 1,090,530        | 2,695,746    |
| Creditors                                | (1,386,110)     | (272,399)       | (591,186)       | (398,819)       | (4,539,888)      | (3,301,710)  |
| <b>Net assets</b>                        | <b>(37,677)</b> | <b>(48,083)</b> | <b>(26,494)</b> | <b>(66,652)</b> | <b>(661,236)</b> | <b>7,152</b> |
| Retained earnings                        | (37,678)        | (48,084)        | (26,549)        | (66,707)        | (661,336)        | 7,052        |
| Called up share capital                  | 1               | 1               | 55              | 55              | 100              | 100          |
| <b>Shareholder funds</b>                 | <b>(37,677)</b> | <b>(48,083)</b> | <b>(26,494)</b> | <b>(66,652)</b> | <b>(661,236)</b> | <b>7,152</b> |

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

**NOTE 17 - DEBTORS**

|                                         | 2023             | 2022             |
|-----------------------------------------|------------------|------------------|
| GROUP                                   | £                | £                |
| Rents receivable                        | 128,143          | 77,011           |
| Trade debtors                           | 673,400          | 446,310          |
| Other debtors                           | 613,701          | 445,183          |
| Accrued income                          | 212,149          | 68,794           |
| Prepayments                             | 301,382          | 242,354          |
| Voyager Alliance CU loan - Subordinated | 100,000          | 100,000          |
| <b>TOTAL DEBTORS</b>                    | <b>2,028,775</b> | <b>1,379,652</b> |

|                                                 | 2023             | 2022             |
|-------------------------------------------------|------------------|------------------|
| PARENT                                          | £                | £                |
| Rents receivable                                | 146,774          | 77,011           |
| Trade debtors                                   | 17,000           | 72               |
| Other debtors                                   | 132,462          | 445,183          |
| Accrued income                                  | 133,581          | 68,794           |
| Prepayments                                     | 128,284          | 96,372           |
| Amounts receivable from subsidiary undertakings | 1,770,458        | 2,378,722        |
| Voyager Alliance CU loan - Subordinated         | 100,000          | 100,000          |
| <b>TOTAL DEBTORS</b>                            | <b>2,428,559</b> | <b>3,166,154</b> |

Bad debt provision of £53,621 (2022: £41,134) relating to rental and trading income is netted above within rent receivable and trade debtors. The subordinated loan is now recoverable and will be collected in 2024.

**NOTE 18 - CASH AND CASH EQUIVALENTS**

|                                        | 2023             | 2022             |
|----------------------------------------|------------------|------------------|
| GROUP                                  | £                | £                |
| Cash at bank and in hand               | 2,373,344        | 4,390,051        |
| Short term deposits                    | 3,087,917        | 1,000,000        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>5,461,261</b> | <b>5,390,051</b> |

|                                        | 2023             | 2022             |
|----------------------------------------|------------------|------------------|
| PARENT                                 | £                | £                |
| Cash at bank and in hand               | 975,023          | 1,433,112        |
| Short term deposits                    | 3,087,917        | 1,000,000        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>4,062,940</b> | <b>2,433,112</b> |

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2023

#### NOTE 19 - CREDITORS

| GROUP                                                     | 2023<br>£        | 2022<br>£        |
|-----------------------------------------------------------|------------------|------------------|
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                |                  |                  |
| <b>Unrestricted</b>                                       |                  |                  |
| Tax and social security                                   | 142,567          | 86,576           |
| Other creditors                                           | 438,552          | 139,653          |
| Accruals                                                  | 936,116          | 870,147          |
| Deferred income                                           | 1,339,455        | 1,119,015        |
| Long term borrowing                                       | 187,814          | 171,749          |
| <b>Restricted</b>                                         |                  |                  |
| Social housing grant                                      | 25,600           | 25,600           |
| <b>TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | <b>3,070,104</b> | <b>2,412,740</b> |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>       |                  |                  |
| <b>Unrestricted</b>                                       |                  |                  |
| Long term borrowing                                       | 5,396,956        | 4,600,835        |
| <b>Restricted</b>                                         |                  |                  |
| Deferred Income - Grants                                  | -                | 149,892          |
| Social housing grant                                      | 2,277,176        | 2,302,776        |
| <b>TOTAL AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>7,674,132</b> | <b>7,053,503</b> |
| <b>PARENT</b>                                             |                  |                  |
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                |                  |                  |
| <b>Unrestricted</b>                                       |                  |                  |
| Tax and social security                                   | 170,261          | 86,576           |
| Other creditors                                           | 135,494          | 22,884           |
| Accruals                                                  | 632,263          | 695,582          |
| Deferred income                                           | 1,866            | 68,196           |
| Long term borrowing                                       | 187,814          | 171,749          |
| <b>Restricted</b>                                         |                  |                  |
| Social housing grant                                      | 25,600           | 25,600           |
| <b>TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | <b>1,153,298</b> | <b>1,070,587</b> |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>       |                  |                  |
| <b>Unrestricted</b>                                       |                  |                  |
| Long term borrowing                                       | 5,396,956        | 4,600,835        |
| <b>Restricted</b>                                         |                  |                  |
| Deferred Income - Grants                                  | -                | 149,892          |
| Social housing grant                                      | 2,277,176        | 2,302,776        |
| <b>TOTAL AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>7,674,132</b> | <b>7,053,503</b> |

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 £4.77m. Interest only was charged in the first 2 years whilst the development was taking place commencing July 2018. The capital is repayable over the following 23 years. Interest is payable at 1.75% over base rate. After 10 years of the 25-year loan term, a bullet repayment or re-finance agreement at prevailing market rates at this time will apply. An additional £1m was drawn down in the year.

**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 £784,030. Currently, 90% of staff have contributions invested with the GPP, which is managed by Legal and General and the TRUST contributed £296,913 (2022: £139,353) 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.

|                                                      | 2023<br>% | 2022<br>% |
|------------------------------------------------------|-----------|-----------|
| <b>The main assumptions used by the actuary are:</b> |           |           |
| Rate of increase in pensions in payment - main       | 3.05      | 3.75      |
| Rate of increase in pensions in payment - CARE       | 2.20      | 2.40      |
| Rate of increase in pensions in deferment - main     | 5.00      | 4.00      |
| Rate of increase in pensions in deferment - CARE     | 2.50      | 2.50      |
| Discount rate                                        | 5.00      | 3.20      |
| Retail Price Index inflation                         | 3.15      | 4.00      |
| Transfer values assumed taken at retirement          | 25%       | 20%       |

|                                         | 2023<br>% | 2022<br>% |
|-----------------------------------------|-----------|-----------|
| <b>Life expectancies:</b>               |           |           |
| 65 at balance sheet date - Male S3PMA   | 115.0     | 115.0     |
| 66 at balance sheet date - Female S3PMA | 125.0     | 125.0     |
| 65 in 20 years - Male CMI 2018          | 1.25      | 1.25      |
| 66 in 20 years - Female CMI 2018        | 1.25      | 1.25      |

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

|                                     | Value of Assets |              |
|-------------------------------------|-----------------|--------------|
|                                     | 2023<br>£       | 2022<br>£    |
| Equities                            | 4,862,000       | 5,305,200    |
| Bonds, LDI and cash                 | 2,940,000       | 3,713,640    |
| Diversified growth fund             | 3,506,000       | 4,244,160    |
|                                     |                 |              |
| Fair value of assets of the scheme  | 11,308,000      | 13,263,000   |
| Present value of scheme liabilities | (10,521,000)    | (14,304,000) |
| Adjustments for unrecognised asset  | (787,000)       | -            |
|                                     |                 |              |
|                                     | -               | (1,041,000)  |

At 30 April 2023, the scheme owed the Charity £nil (2022: £4,417) in respect of overpaid contributions and tax-free payments made by the TRUST on behalf of the scheme.

# RETAIL TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2023

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

|                                                                          | 2023<br>£           | 2022<br>£           |
|--------------------------------------------------------------------------|---------------------|---------------------|
| <b>Change in scheme liabilities</b>                                      |                     |                     |
| Scheme liabilities at 1 May 2022                                         | (14,304,000)        | (15,911,000)        |
| Interest cost                                                            | (447,000)           | (296,000)           |
| Actuarial gain                                                           | 3,550,000           | 1,228,000           |
| Benefits paid directly by the employer                                   | 680,000             | 675,000             |
| <b>Scheme liabilities at 30 April 2023</b>                               | <b>(10,521,000)</b> | <b>(14,304,000)</b> |
| <b>Change in scheme assets:</b>                                          |                     |                     |
| Fair value of assets at 1 May 2022                                       | 13,263,000          | 15,237,000          |
| Actuarial (loss) on assets                                               | (1,607,000)         | (1,503,000)         |
| Benefit paid                                                             | (680,000)           | (675,000)           |
| Interest income                                                          | 412,000             | 282,000             |
| Administration expenses                                                  | (80,000)            | (78,000)            |
| <b>Fair value of assets at 30 April 2023</b>                             | <b>11,308,000</b>   | <b>13,263,000</b>   |
| <b>Analysis of the amounts recognised in net surplus/(deficit):</b>      |                     |                     |
| Administrative expenses                                                  | 80,000              | 78,000              |
| Net interest                                                             | 35,000              | 14,000              |
| <b>Amount charges to net surplus/(deficit)</b>                           | <b>115,000</b>      | <b>92,000</b>       |
| <b>Analysis of the amounts recognised in other comprehensive income:</b> |                     |                     |
| Actuarial gains/(losses) on liabilities                                  | 3,550,000           | 1,228,000           |
| Return on assets excluding amount included in net interest               | (1,607,000)         | (1,503,000)         |
| Surplus on scheme not recoverable                                        | (787,000)           | -                   |
| <b>Amount recognised in other comprehensive income</b>                   | <b>1,156,000</b>    | <b>(275,000)</b>    |

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 2024 (2023: nil).

# RETAIL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2023

### NOTE 21 - UNRESTRICTED RESERVES

| GROUP AND PARENT                   | As at<br>01-May<br>2022<br>£ | Surplus /<br>(Deficit)<br>for the year<br>£ | Gains /<br>Losses<br>£ | Transfers between<br>funds<br>£ | As at<br>30-Apr<br>2023<br>£ |
|------------------------------------|------------------------------|---------------------------------------------|------------------------|---------------------------------|------------------------------|
| <b>Designated Reserves</b>         |                              |                                             |                        |                                 |                              |
| Crookfur development               | 144,095                      | -                                           | -                      | -                               | 144,095                      |
| Wellbeing reserve                  | 348,000                      |                                             |                        | 2,335,933                       | 2,683,933                    |
| <b>Other unrestricted reserves</b> |                              |                                             |                        |                                 |                              |
| Pension scheme reserve             | (1,041,000)                  | -                                           | 1,156,000              | (115,000)                       | -                            |
| Property reserve                   | 28,873,417                   | -                                           | -                      | 987,526                         | 29,860,943                   |
| Retained earnings                  | 6,506,274                    | 2,351,311                                   | (171,141)              | (3,208,459)                     | 5,477,985                    |
| <b>Parent total reserves</b>       | <b>34,830,786</b>            | <b>2,351,311</b>                            | <b>984,859</b>         | <b>-</b>                        | <b>38,166,957</b>            |
| Retained earnings of subsidiaries  | (107,737)                    | (617,824)                                   | -                      | -                               | (725,561)                    |
| <b>Group total reserves</b>        | <b>34,723,049</b>            | <b>1,733,487</b>                            | <b>984,859</b>         | <b>-</b>                        | <b>37,441,395</b>            |

|                                    | As at<br>01-May<br>2021<br>£ | Surplus /<br>(Deficit)<br>for the year<br>£ | Gains /<br>Losses<br>£ | Transfers<br>Between<br>Funds<br>£ | As at<br>30-Apr<br>2022<br>£ |
|------------------------------------|------------------------------|---------------------------------------------|------------------------|------------------------------------|------------------------------|
| <b>Designated Reserves</b>         |                              |                                             |                        |                                    |                              |
| Crookfur development               | 144,095                      | -                                           | -                      | -                                  | 144,095                      |
| Wellbeing reserve                  | -                            | -                                           | -                      | 348,000                            | 348,000                      |
| <b>Other unrestricted reserves</b> |                              |                                             |                        |                                    |                              |
| Pension scheme reserve             | (674,000)                    | -                                           | (275,000)              | (92,000)                           | (1,041,000)                  |
| Property reserve                   | 28,707,632                   | -                                           | -                      | 165,785                            | 28,873,417                   |
| Retained earnings                  | 5,779,554                    | 1,188,011                                   | (39,506)               | (421,785)                          | 6,506,274                    |
| <b>Parent total reserves</b>       | <b>33,957,281</b>            | <b>1,188,011</b>                            | <b>(314,506)</b>       | <b>-</b>                           | <b>34,830,786</b>            |
| Retained earnings of subsidiaries  | 102,518                      | (210,255)                                   | -                      | -                                  | (107,737)                    |
| <b>Group total reserves</b>        | <b>34,059,799</b>            | <b>977,756</b>                              | <b>(314,506)</b>       | <b>-</b>                           | <b>34,723,049</b>            |

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2023

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

##### Property reserve

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

##### Pension reserve

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

##### Designated reserves

The designated reserves reflect the balances designated for the Crookfur development project, a ringfenced £2.68m for Wellbeing and cost of living crisis support.

##### Transfers between funds

Wellbeing reserve was released during the year towards wellbeing activities. In the year a donation was made by BP to be used towards cost of living support. The donation not spent in year has been transferred to the Wellbeing reserve for use in the next financial year.

Pension Scheme represents costs of the scheme.

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

#### NOTE 22 - RESTRICTED RESERVES

| GROUP AND PARENT           | Multi-sensory<br>Stimulation<br>£ | Other<br>Trust<br>Funds<br>£ | Total<br>£    |
|----------------------------|-----------------------------------|------------------------------|---------------|
| As at 1 May 2021           | 10,247                            | 24,000                       | 34,247        |
| Income                     | -                                 | -                            | -             |
| Expenditure                | -                                 | -                            | -             |
| <b>As at 1 May 2022</b>    | <b>10,247</b>                     | <b>24,000</b>                | <b>34,247</b> |
| Income                     | -                                 | -                            | -             |
| Expenditure                | -                                 | -                            | -             |
| <b>As at 30 April 2023</b> | <b>10,247</b>                     | <b>24,000</b>                | <b>34,247</b> |

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

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

These funds have not been utilised during the year. The "Multi-sensory Stimulation" fund requires some review to ensure we make the most practical use of these funds to suit our resident's needs and as such, this is likely to remain unused through 2023/24 also.

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2023

#### NOTE 23 - ENDOWMENT FUNDS

| GROUP AND PARENT                            | John<br>Goodenday<br>Cottage<br>Homes Trust<br>£ | John<br>Goodenday<br>Endowment<br>Fund<br>£ | John<br>Walsh<br>Pension<br>Fund<br>£ | Total<br>£     |
|---------------------------------------------|--------------------------------------------------|---------------------------------------------|---------------------------------------|----------------|
| As at 1 May 2021                            | 125,312                                          | 204,704                                     | 54,887                                | 384,903        |
| Increase in the market value of investments | (2,898)                                          | (4,735)                                     | (1,270)                               | (8,903)        |
| <b>As at 1 May 2022</b>                     | <b>122,414</b>                                   | <b>199,969</b>                              | <b>53,617</b>                         | <b>376,000</b> |
| Increase in the market value of investments | (3,640)                                          | (5,946)                                     | (1,594)                               | (11,180)       |
| <b>As at 30 April 2023</b>                  | <b>118,774</b>                                   | <b>194,023</b>                              | <b>52,023</b>                         | <b>364,820</b> |

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

#### NOTE 24 - CAPITAL COMMITMENTS

Amounts contracted for in the group but not provided for in the financial statements as at 30 April 2023 is £nil (2022: £nil).

**RETAIL TRUST**

England & Wales - Charity number 1090136

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# Accounts

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# **RETAIL TRUST**

(A company limited by guarantee)

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

**FOR THE YEAR ENDED 30 APRIL 2022**

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

# Retail Trust

## TRUSTEE REPORT AND FINANCIAL STATEMENTS

For the year ended 30 April 2022

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# Retail Trust

## TRUSTEES' REPORT

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### LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 30 April 2022

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#### INCORPORATED AND REGULATORY BODIES

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

**COMPANY SECRETARY:** David Kaye

**TELEPHONE NUMBER:** 020 8201 0110

**CONFIDENTIAL HELPLINE:** 0808 801 0808

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

#### BOARD OF TRUSTEES:

Paul Armstrong (Appointed 08/12/2021)  
Erin Brookes  
Philip Bell-Brown  
Amanda Cox (Resigned 22/06/2022)  
Lesley Exley  
Helena Feltham (Resigned 08/12/2021)  
Simon Ledsham (Resigned 08/12/2021)  
Michael Logue  
Karen McCormick (Resigned 22/03/2022)  
David McCorquodale  
Alistair McGeorge - Chairman  
Gita North  
Christopher Powell  
Timothy Seal (Resigned 22/06/2022)  
Brian Small – Honorary Treasurer

#### ACTUARY

Barnett Waddingham LLP  
Decimal Place  
Chiltern Avenue  
Amersham  
HP6 5FG

#### BANKERS

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

#### INSURANCE BROKER

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

#### REGISTERED OFFICE

2<sup>nd</sup> Floor  
The Form Rooms  
22 Tower Street  
London  
WC2H 9NS

#### EXECUTIVE TEAM

|                          |                                        |
|--------------------------|----------------------------------------|
| Christopher Brook-Carter | Chief Executive Officer                |
| Neil Duffy               | Commercial Services Director           |
| Poppie Foakes            | Director of Wellbeing Innovation       |
| Peter Foster             | Chief Finance Officer                  |
| Kathy Macintyre          | Director of Supported Living Services  |
| Jamie Malcolm            | Managing Director                      |
| Amy Prendergast          | Transformation and Operations Director |

#### AUDITOR - External

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

#### AUDITOR - Internal

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

#### INVESTMENT MANAGER

Evelyn Partners  
25 Moorgate  
London  
EC2R 6AY

#### SOLICITOR

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

### WHY WE'RE HERE

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

### OUR CAUSE

Creating hope, health and happiness for everyone in retail.

### OUR BELIEFS

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

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

### OUR STRATEGIC FOCUS 2021/22 AND BEYOND

#### Fundraising

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

#### Property

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

#### Wellbeing

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

#### HOW

By focussing on four key elements...

#### Wellbeing Focus

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

#### Organisation and Culture

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

#### Skills & Capability

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

#### Property Focus

# Retail Trust

## TRUSTEES' REPORT

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

# Retail Trust

## TRUSTEES' REPORT (continued)

### **CHAIRMAN'S MESSAGE**

Dear Supporters, Sponsors, Patrons, Volunteers and Colleagues

In a 12-month period characterised by post-pandemic uncertainty, global unrest, and a cost-of-living crisis that has seen prices soar for everything from food to energy and left many struggling, I am confident when I say that the Retail Trust has never been more relevant in its 190 years to the ongoing health of the UK retail industry and its people.

Our data tells a challenging story for the sector, with a majority of retail workers experiencing a deterioration in their mental health, and many considering leaving the industry altogether. Moreover, there has been a sharp increase in the number who worry about money every day.

Against this turbulent backdrop it is heartening to see how far the industry has come and how committed it remains to improving workplace wellbeing with a significant increase in the number of organisations and people turning to us for help.

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

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

We believe that for industry and society to flourish, business must play a pivotal role in solving the challenges of health inequality, and alongside our partners, we are setting standards and building the tools and expertise that ensure health and happiness at work are the domain of the many not the few.

This focus has led to the introduction of new services to better meet the needs of struggling colleagues such as counselling for children and young people and our provision of mental health and wellbeing training services for 3,870 managers and retail staff.

Some 263,768 people accessed our helpline and digital self-help support, we provided 7,460 telephone counselling calls for in-the-moment support and in total delivered 10,316 counselling sessions to colleagues for a range of mental health worries, and provided £487,964 in financial aid to those struggling the most.

Despite the challenges COVID-19 has placed on running a programme of live events, we launched and hosted our first Leaders Summit, attracting over 100 HRDs and their teams from retailers across the country. The event created an open environment for participants to share best practice, discuss the unique challenges faced by the retail industry and set the standard in workplace wellbeing for the future happiness of our retail colleagues.

Meanwhile, our supported living estates continue to deliver industry leading support. Our five supported living estates across the UK in London, Derby, Glasgow, Liverpool and Salford provide a much-needed safe haven and happy community for more than 450 residents. With access to the latest smart home technology in our digitally-enabled properties, our residents are able to fully enjoy the highest quality of life in their later years.

Income from residential services grew by 5.6% with a return to average void rates of 3% from an all-time high of 6.2% last year.

We have commenced the refurbishment of Marshall Hall, a beautiful, listed building on the Marshall Estate in London, to create ten new smart flats with works completed in December 2022.

Charitable income grew by 26% year on year with a further decline in gifts in kind of 17%, which continues to fall as the economy struggles to make sense of ever-changing market conditions. Gifts in kind aside, there was a 44% increase in income from fundraising activities where we saw the impact of better engagement with our corporate partners drum up support for our activities to promote the wellbeing of our colleagues in the sector. We remain grateful to all who have supported so generously even in these most unexpected times.

# Retail Trust

## TRUSTEES' REPORT (continued)

Our cash position remains robust with immediate cash of £4.4m allowing us to ringfence funds towards our business transformation projects. Our investments recovered to £2.1m from £1.8m following the volatile stock markets this time last year, and our total reserves have grown to £35.1m, an increase as a result of the growth in engagement with our wellbeing services and support from the sector. The robustness of our balance sheet creates the perfect foundation for us to focus on our wellbeing strategy as we seek to ensure the Trust sits at the heart of how retail looks after its people.

Our cause, part of the DNA of the Retail Trust for 190 years, is to create hope, health and happiness for everyone who works in retail. I am pleased to report that we have continued to grow our coalition of people, leaders and brands who believe in our mission.

As the UK's largest industry, we have only just begun to scratch the surface of the good we can do. Together we will effect change that benefits our colleagues, their communities, the companies they work for and the retail industry as a whole.

With personal best wishes to all

A handwritten signature in black ink, reading 'Alistair McGeorge'.

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 2022. The Trustees are directors under company law and this report represents the directors' Annual Report and the Strategic Report.

### **OBJECTIVES AND ACTIVITIES**

#### **1. KEY OBJECTIVES**

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

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

#### **2. KEY ACTIVITIES**

The TRUST organises its operations around four key activities:

- Supported Living, for those who have retired from the sector;
- Wellbeing Services, for those still active in the sector;
- Fundraising, creating opportunities for those who work in the sector to engage and partner with us

to accomplish our cause.

Our Learning & Development activities were discontinued last year as we recognised the need to target our efforts more robustly towards the focus of the industry. As such our Wellbeing activities have become front and centre of our activities to continue to contribute to the Hope, Health and Happiness of all involved in the sector. All of these operations have as their primary objectives the Wellbeing of all beneficiary groups involved.

### **STRATEGIC OPERATIONS REPORT**

#### **1. OVERVIEW**

The TRUST is the oldest trade charity in the UK covering over 3 million people working in retail and supporting industries through to the end of the reporting period. Our scope is the wellbeing of everyone involved in all forms of retail and retail supporting services, from factory to warehouse, from shop floor to online supply chain and all functions supporting that journey particularly in the wake of the coronavirus pandemic.

#### **Supported Living**

The TRUST owns and operates supported living estates for retirees in London (Mill Hill), Derby (Leylands), Glasgow (Crookfur), Liverpool and Salford. 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.

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

During the past year, we continuously reviewed safety control measures across all Estates to protect residents and staff and reduce the spread of the COVID-19 virus.

Continuing our commitment to the development of smart villages across our Estates, we have made significant progress on our dashboards development, which will allow us to build a working framework at Glasgow and will eventually enable the rollout of the smart village template across all of our estates within the next two years.

Maximising the potential of our physical assets remains key to our sustainability. In February 2022, we commenced the development of 10 new digitally-enabled units at Marshall Estate, London, partly funded by a bank loan. This is a change to our plans to commence the development of 12 new digitally-enabled units at Leyland's Estate, Derby fully funded by

# Retail Trust

## TRUSTEES' REPORT (continued)

a Bank of Scotland loan. The latter is now on hold, and the change in programme was driven by key reports prepared for us by professional surveyors to ensure we are embarking on this programme of works in a responsible and sustainable manner.

In Supported Living we continue to invest in the development of "Smart Homes and Villages" for our residents and the provision of smart devices across our estates continues to provide valuable insights and learning for our team across England and in Scotland.

We continue to see our void rates reducing across our properties and as our residents and staff continue to adapt quickly to the new order of life post-pandemic, we are seeing a return to high interest in renting accommodation at our Estates, and using the catering services provided for non-residents through our restaurants.

There continues to be a strong case for our "smart homes and villages" and for our asset optimisation program.

### **Wellbeing Services**

The re-brand and launch of our key themes of Hope, Health and Happiness at the beginning of the year, has generated strong engagement from existing and new customers of our wellbeing services. These themes have allowed us to demonstrate the relevance of our services to the ever-changing needs of the sector in the current climate of uncertainty.

We have shone a spotlight on mental wellbeing particularly through our training programmes and created programmes that develop confidence and destigmatise conversations around mental health as evidenced in the feedback we consistently receive from our partners.

During the last year, Retail Trust received immense and invaluable support from Social Business Trust, to review and transform our wellbeing strategy for the next three years. This has allowed us to define our ambition to triple our Social Return on Investment by 2024 from £69m to £210m.

To achieve this, we have invested in growing the wellbeing team, increasing engagement with our customers through relevant events, surveys and training, and promoting a focus on high quality services and materials to ensure the sector is effectively supported beyond grant-giving and counselling activities.

We have continued to invest in improving our systems and people to ensure that we can respond to the needs of the sector in a way that is relevant and that moves from being reactive to proactive. Finding the right partners to come on this journey with us is the key focus for our activities in the coming year and we believe we have a unique opportunity to create a wellbeing offering that feels natural for our colleagues to interact with and delivers high-impact to the sector.

### **Business Transformation**

With our continued transformation of our digital platforms, we have invested in updating our business systems across Marketing, Finance and Wellbeing during the year, with further investment planned for our Supported Living and Innovation business areas in the coming year.

Our website continues to be a valuable resource for our wellbeing partners and the continued evolution of the content and resources, allow us to intuitively improve the ease of navigating the pages, whilst also ensuring that the learning derived from the engagement with content allows us to prioritise our system development to ensure we deliver valuable information using the best and most efficient means available to us on our platforms.

As we continue to automate our activities, the reporting and management of our reports and our processes becomes much clearer and we recognise that there is still significant room for improvement if we are to maintain current pace of growth and engagement.

To this end, in the next financial period, we plan to overhaul the way that we work, future-proofing our systems and processes to remain relevant and responsive to the needs of our customers. Integration remains a key tool to truly transforming our services and leaning out our processes to add value to existing relationships and to create new opportunities for growth and success.

We are conscious of the need to continue to remain compliant in stewarding personal data on behalf of its owners: our helpline callers, residents, donors, and other contacts. A hallmark of responsible business practice in the digital age is managing these data resources in an ethical manner and in line with GDPR guidelines as they have evolved for the UK in the past 18 months.

# Retail Trust

## TRUSTEES' REPORT (continued)

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

### **2. FINANCIAL REVIEW**

In 2021/22, the Trust has benefitted from 27% growth in Wellbeing services income. This follows the re-structure of the wellbeing team to take a more commercial approach to the services and has resulted in a redefined strategy, with Wellbeing at the helm of Retail Trust's strategy for the next 3 years.

Total income for the period is up 13.8% to £9.68m from £8.5m the previous year. The Trust partnered with Retail Week Awards to minimise the risk of hosting an event so soon after the pandemic, which has allowed a return to regular activities in events income. The ability to partner with others in the industry presents a great opportunity to minimise risk and is an approach that will be continued going forward.

Income from Supported Living housing lettings has grown by 4.6%, following the addition of a further 13 properties at our Glasgow estate in September 2021. Void rates have recovered to 3.04% in 2021/22 from 6.8% in 2020/21, a reflection of coming out of the pandemic and lockdowns and their negative impact on Housing operations.

Learning and Development programs ceased in February 2022, as we recognised the challenges with our model were primarily due to a shift in the focus of the sector to Wellbeing and supporting people in Retail with more immediate support through grants and counselling.

Costs have increased by 8.4% during the year, with a notable rise in Supported Living expenditure where the impact of rising costs of services had already begun to trickle through into regular operations at the end of 2022. While these were expected costs, it would be careless not to mention that the ongoing cost of living crisis will have a significant impact on the coming periods. Increased demand for our counselling services, grants and training programmes will likely dwarf the costs faced in the period 2021/22. As such, there is a renewed focus on value addition and value for money reviews of existing contracts for services ahead of 2023.

A 17.4% decline in Gifts In Kind £0.18m, does not capture the significant support received from Social

Business Trust (SBT) during the year as it would have been impossible to justify the cost of engaging with such a partner if their activities weren't provided entirely pro-bono. The support and engagement invested by the organisation would have cost over £0.6m and has already begun to contribute to a new focus on Wellbeing Innovation for the Trust. We continue to partner with SBT and review and re-align our activities to our updated strategy for the next 3 years.

The FRS102 calculation gives a more market-sensitive valuation of the pension scheme than a triennial valuation. As there is a triennial valuation currently underway for the period ending 30 June 2022, the Trust has made no further provision for the pension scheme and will consider its policy for provisioning following the outcome of the actuaries calculations.

These movements contributed to a net surplus of £1m and total comprehensive income of almost £0.65m during 2021/22. Net assets have increased in line with other comprehensive income to £35.0m. At 30 April 2022, cash at bank and in hand was £5.39m, £1.04m up on the previous year.

### **3. VALUE FOR MONEY (VFM)**

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

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

### **DELIVERY OF VFM DURING 2021/22**

#### **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,

# Retail Trust

## TRUSTEES' REPORT (continued)

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.

In 2021/22, Retail Trust created £129.2m in social value, an increase of 31% from £99m in 2020/21. This translates to a Social Return on Investment (SROI), of £15.63 per £1 spent. A 33% increase on the prior year value of £11.73. Wellbeing generates £97.5m of this result, nearly as much as the £98.9m the Trust created in 2020/21. Of this figure, £29.7m was created through "in-the-moment" single telephone counselling sessions and a further £7.5m was generated from website use. A significant indicator of the relevance of our services and justification for the refresh of our wellbeing strategy during the year.

We have continued to work with Loop, formerly Social Profit Calculator, to ensure we robustly measure those impacts and to ensure we use relevant KPIs in our calculations.

We maintain our belief that the measurement of the outputs provides the strongest evidence of the value for money we deliver.

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

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

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

#### **Metric 1 Reinvestment in Housing Property Assets**

The reinvestment figure for the year was 1.50% compared to prior year 2.4%. With the completion of phase I and II in Scotland, the London conversion of office space into residential property is a much smaller project for 10 units compared with 43 units.

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

During the year, we added 0 units to the Social Housing portfolio.

#### **Metric 3 Gearing %**

During the year, we recorded (1.16%) gearing, compared with 2020/21 at 1.57%. The figure is after drawing down £5m of bank borrowing from Bank of Scotland. The repayment of a third of the loan began in February 2021 and continues until 2029 when a bullet repayment of the balance is payable or the option to refinance the loan.

#### **Metric 4 EBITDA MRI Interest Cover**

The figure for 2021/22 indicates interest is covered 10.2 times by cash generated in year.

#### **Metric 5 Headline Social Housing Cost £**

Per unit the cost was £8.4k in 2021/22 up from £7.65k in 2020/21 due to the pause in redevelopment during the year.

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

Social housing operating margin 28.33% and overall TRUST 9.24% in 2021/22 compared to 30.93% and 2.16% in 2020/21.

#### **Metric 7 Return on Capital Employed**

In 2021/22 the figure is 2.1% compared to 0.43% in 2020/21.

### **Example of VFM delivery**

#### **WELLBEING SERVICES**

The ability to deliver 7.4k sessions of single telephonic counselling sessions, on-demand, through our in-house counsellors throughout the past year has allowed us to ensure that people can access support quickly, confidentially and with the confidence that their needs can be met at the point where they can have the most impact.

### **POLICIES**

#### **1. RESERVES**

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

Note 21 reflects the relevance of the increased focus on Wellbeing services as undesignated reserves grew to £7.87m from £5.78m. An FRS102 loss on pension reserves increases the liability by £0.367m in the year.

# Retail Trust

## TRUSTEES' REPORT (continued)

Retail Trust has 'free' reserves of £6.8m, being the difference between the pension reserve and retained earnings. Some of these funds have been designated towards the provision of £0.348m financial aid during the coming period 2022/23 and further investment is anticipated in future towards delivery of a turbo-charged wellbeing service. The majority of the Trust's excess cash is being maintained in recognition of our liability relating to the facility agreement used to fund much of the investment in Glasgow. This is to allow the Trust to make an optional repayment of the full £3.33m balance of the Tranche B portion of the loan the remaining funds are held to allow us to remain within our requirement of £1.0m 'free reserves'. As the organisation evolves, this figure of £1.0m will need to be revised to ensure coverage of 6 months of necessary operational costs, at any time.

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

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

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

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

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

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

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

staff below Executive Director Level.

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

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

Trustees will also consider:

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

### **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 continue to weather the impact of COVID-19 and any resurgence of the virus in the coming year.

# Retail Trust

## TRUSTEES' REPORT (continued)

### 4. INVESTMENT

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

As permitted by the TRUST's rules, the Board instructed Evelyn Partners Investment Management LLP, (formerly Smith & Williamson Investment Services Limited) to operate on a discretionary basis since 2015. The investment performance is benchmarked against a composite of indexes being UK Government bonds Markit iBoxx GBP Gilts 1-5 Yrs) (10.0%), HFRX Global Hedge Fund (10.0%), Alternatives – MSCI ACWI ex UK NR (35.0%), MSCI UK Investable Market Index (35%), MSCI UK IMI Core Real Estate NR (5%), SONIA Lending Rate (5.0%).

The actual return in the year was 4.9% which compares with the benchmark of 10.2%. This is in line with the Trust's continued approach of risk avoidance given the volatility of the current 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.

During the year, the portfolio has experienced varied movements, valued at £1.75m at 30 April 2022.

### 5. FINANCIAL ASSISTANCE

The Trust awarded £488k in financial assistance grants, a decrease of 49% on the previous year, as we started to review the way that we disburse funds and recognise a growing need for counselling support for adults and now, also, under 16s. A generous campaign run by Barclays allowed us to purchase 100 laptops, cost of which is included in the amount disbursed, to address digital poverty in the sector for those wishing to further their education. These were awarded based on the TRUST's grants policy and guidelines which take into account the financial status and specific needs of each applicant. The Board receives regular updates on the level of financial grants awarded.

### 6. PENSION

The TRUST sponsors group personal pension arrangements with Legal and General which has £1.038m 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 £1.04m for the FS/CARE schemes. This compares with a deficit of £0.6m in the previous year

### 7. FUNDING

Traditional fundraising activities (excluding Donations in Kind) continue to be less of an income source for Retail Trust

The majority, 96.6% of our income comes from paid for service; residential services, corporate partnerships or wellbeing services, all of which are subject to a minimum contract duration of one year.

Sources of funding

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

This funding model allows the Trust to plan and mitigate against financial incidents and promotes some stability of income. It also allows us to continuously pivot to meet the needs of our clients, coping with the changing wellbeing landscape and the ongoing challenges faced by our beneficiaries.

Within the traditional fundraising disciplines our key focus is on Events, Challenges, Trusts and Institutions and Donors both individual and corporate. However, looking forward, our strategy continues to be driven by our wellbeing services as traditional sources such as Events slowly return to the extent that they existed pre-pandemic.

### 8. FUNDRAISING REGULATOR

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

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

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

# Retail Trust

## TRUSTEES' REPORT (continued)

- 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 a Data Protection Officer who 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 continue to review our activities and provide annual training materials with the support of our Data Protection Officer, to help the Trust continue to work towards responsible digital transformation.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

### **2. GOVERNANCE**

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

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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       |
| Remuneration & Nominations  | Mike Logue        |
| Supported Living & Property | Philip Bell-Brown |

### **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 in May

2018. 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 Chief Financial Officer and subsequently presented to the RAF committee for review.

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

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

### **5. RISK**

Trustees consider the key risks facing the TRUST are:

#### **Financial**

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

#### **Failure to support those in need**

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

#### **Residential Estates sustainability**

The risk that voids are not managed sufficiently well to continue to produce trading surpluses which can sustain not only future growth plans but ongoing maintenance and repair costs. This is a constant focus of the Housing team and the low void rates of 3.4% at the end of the period, highlight the popularity of the

# Retail Trust

## TRUSTEES' REPORT (continued)

estates.

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

### **Safety**

The risk is an incident which would impact residents, visitors or employees. We manage this through a rigorous process of health and safety procedures and independent audits. During the winter months, we encourage all staff and residents to take the flu jab and COVID boosters, where relevant to limit as much as possible any impact of flu-related outbreaks across our teams, in particular, those working with our elderly residents.

### **Data Protection**

The TRUST undertakes rigorous work to ensure compliance to GDPR. Independent audits continue to be a standard feature with regular updates and clear guidance on managing how information is used, passed on, and stored particularly with remote working in place for the majority of employees.

### **Cyber Security**

The TRUST is aware of the risk of cyber-attacks and promotes investment in resources and scrutiny which manages the risk. A full update of the Trust's Business Continuity Plan has been completed with the various system updates that have taken place in the financial year and a further review and update of the Trust's Disaster Recovery Plan, insurances and audits are planned for the coming year.

### **Disaster Recovery and External Events**

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 reviewed to include a communications

process for our stakeholders in the event of localised and national lockdowns such as were experienced during the COVID-19 pandemic.

## **6. FRAUD**

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

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

## **7. STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (continued)

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 2022 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**

During the year, we continued to deliver relevant training and resources as standard to all employees. We have introduced clearer guidance for all employees to feel empowered to contribute to the topic of diversity, equality and inclusion in the workplace.

Mental health and wellbeing continue to be at the forefront of our activities and we continue to ensure that our employees are happy and healthy in their personal and professional lives. Our content and resources, which have proven relevant for our partners, has been just as engaging internally and we endeavour to remain open and accepting of all people.

Remote working remains a permanent option for our teams and we have been able to further drive flexible working across the Trust with the opening of our central London hub, making collaboration and supporting each other easier for those who regularly travel away from their base locations for client engagements.

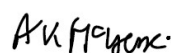
We encourage our employees to "Share the Load". Particularly with managers who often are encouraged through understanding each other's challenges and embracing the learning that other teams have benefitted from through adapting continuously to our changing needs as human beings.

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

### **11. AUDITORS**

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

This Trustees Report, including the Strategic report was approved by the Board on 23 March 2023.



Alistair McGeorge

Chairman



Brian Small

Honorary Treasurer

# Retail Trust

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

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### Opinion

We have audited the financial statements of Retail Trust for the year ended 30 April 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 April 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Retail Trust

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

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

# Retail Trust

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

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We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined the principal risks to be around the potential use of fraudulent journals and management manipulation of accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual descriptions or for significant values; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
5 April 2023

10 Queen Street Place  
London  
EC4R 1AG

# RETAIL TRUST

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2022

|                                               | NOTES | 2022<br>£          | 2021<br>£          |
|-----------------------------------------------|-------|--------------------|--------------------|
| <b>INCOME AND ENDOWMENTS from:</b>            |       |                    |                    |
| Charitable income                             | 1     | 1,192,862          | 942,123            |
| Supported Living                              | 2     | 5,876,190          | 5,619,271          |
| Trading income                                | 3     | 2,466,075          | 1,769,393          |
| Other income                                  | 4     | 147,874            | 176,218            |
|                                               |       |                    |                    |
| <b>TOTAL INCOME</b>                           |       | <b>9,683,001</b>   | <b>8,507,005</b>   |
|                                               |       |                    |                    |
| <b>EXPENDITURE on:</b>                        |       |                    |                    |
| Raising funds                                 | 5     | (921,223)          | (798,103)          |
| Supported Living                              | 2     | (4,248,127)        | (3,808,568)        |
| Helpline, grants and other services           | 6     | (3,496,293)        | (3,386,486)        |
|                                               |       |                    |                    |
| <b>TOTAL EXPENDITURE</b>                      |       | <b>(8,665,643)</b> | <b>(7,993,157)</b> |
|                                               |       |                    |                    |
| <b>OPERATING SURPLUS</b>                      | 7     | <b>1,017,358</b>   | <b>513,848</b>     |
| Investment income                             | 8     | 52,398             | 62,065             |
| Pension costs                                 | 20    | (92,000)           | (126,000)          |
|                                               |       |                    |                    |
| <b>NET SURPLUS</b>                            |       | <b>977,756</b>     | <b>449,913</b>     |
|                                               |       |                    |                    |
| <b>OTHER COMPREHENSIVE INCOME</b>             |       |                    |                    |
| (Loss)/Gains on investments                   | 15    | (48,409)           | 285,588            |
| Actuarial (deficit)/surplus in pension scheme | 20    | (275,000)          | 1,825,000          |
|                                               |       |                    |                    |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>       |       | <b>(323,409)</b>   | <b>2,110,588</b>   |
|                                               |       |                    |                    |
| <b>TOTAL COMPREHENSIVE INCOME</b>             |       | <b>654,347</b>     | <b>2,560,501</b>   |

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 25 to 47 form an integral part of these financial statements

**RETAIL TRUST**
**CONSOLIDATED BALANCE SHEET**

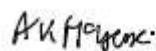
as at 30 April 2022

Company Registration No. 04254201

|                                                         | NOTES | 2022<br>£         | 2021<br>£         |
|---------------------------------------------------------|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                                     |       |                   |                   |
| Housing properties                                      | 13    | 35,011,812        | 35,051,029        |
| Other tangible fixed assets                             | 14    | 1,788,607         | 1,732,392         |
| Investments at market value                             | 15    | 2,070,416         | 2,107,190         |
| <b>TOTAL FIXED ASSETS</b>                               |       | <b>38,870,835</b> | <b>38,890,611</b> |
| <b>CURRENT ASSETS</b>                                   |       |                   |                   |
| Debtors                                                 | 17    | 1,379,653         | 926,196           |
| Cash and cash equivalents                               | 18    | 5,390,051         | 4,350,844         |
| <b>TOTAL CURRENT ASSETS</b>                             |       | <b>6,769,703</b>  | <b>5,277,040</b>  |
| CREDITORS: amounts falling due within one year          | 19    | (2,412,740)       | (1,886,282)       |
| <b>NET CURRENT ASSETS</b>                               |       | <b>4,356,963</b>  | <b>3,390,758</b>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <b>43,227,79</b>  | <b>42,281,369</b> |
| CREDITORS: amounts falling due after more than one year | 19    | (7,053,503)       | (7,128,420)       |
| Pension liability                                       | 20    | (1,041,000)       | (674,000)         |
| <b>NET ASSETS</b>                                       |       | <b>35,133,296</b> | <b>34,478,949</b> |
| <b>RESERVES</b>                                         |       |                   |                   |
| Unrestricted reserves                                   | 21    | 34,723,049        | 34,059,799        |
| Restricted reserves                                     | 22    | 34,247            | 34,247            |
| Endowment funds                                         | 23    | 376,000           | 384,903           |
| <b>TOTAL RESERVES</b>                                   |       | <b>35,133,296</b> | <b>34,478,949</b> |

The financial statements on pages 20 to 47 were approved by the Trustees and authorised for issue on 23 March 2023 and are signed on their behalf by:

Alistair McGeorge



Chairman

Brian Small



Honorary Treasurer

as at 30 April 2022

|                                                         | NOTES | 2022<br>£         | 2021<br>£         |
|---------------------------------------------------------|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                                     |       |                   |                   |
| Housing properties                                      | 13    | 35,011,812        | 35,051,029        |
| Other tangible fixed assets                             | 14    | 1,724,473         | 1,620,604         |
| Investments at market value                             | 15    | 2,070,416         | 2,107,190         |
| Investment in subsidiaries                              | 16    | 156               | 156               |
| <b>TOTAL FIXED ASSETS</b>                               |       | <b>38,806,857</b> | <b>38,778,979</b> |
| <b>CURRENT ASSETS</b>                                   |       |                   |                   |
| Debtors                                                 | 17    | 3,166,154         | 2,359,395         |
| Cash and cash equivalents                               | 18    | 2,433,112         | 2,153,992         |
| <b>TOTAL CURRENT ASSETS</b>                             |       | <b>5,599,266</b>  | <b>4,513,387</b>  |
| CREDITORS: amounts falling due within one year          | 19    | (1,070,587)       | (1,113,515)       |
| <b>NET CURRENT ASSETS</b>                               |       | <b>4,528,679</b>  | <b>3,399,872</b>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <b>43,335,536</b> | <b>42,178,851</b> |
| CREDITORS: amounts falling due after more than one year | 19    | (7,053,503)       | (7,128,420)       |
| Pension liability                                       | 20    | (1,041,000)       | (674,000)         |
| <b>NET ASSETS</b>                                       |       | <b>35,241,033</b> | <b>34,376,431</b> |
| <b>RESERVES</b>                                         |       |                   |                   |
| Unrestricted reserves                                   | 21    | 34,830,786        | 33,957,281        |
| Restricted reserves                                     | 22    | 34,247            | 34,247            |
| Endowment funds                                         | 23    | 376,000           | 384,903           |
| <b>TOTAL RESERVES</b>                                   |       | <b>35,241,033</b> | <b>34,376,431</b> |

The total comprehensive income for the year of the Parent Company is £864,603 (2021: £2,656,047).

The financial statements on pages 20 to 47 were approved by the Trustees and authorised for issue on 23 March 2023 and are signed on their behalf by:

Alistair McGeorge

*Alistair McGeorge*

Chairman

Brian Small

*Brian Small*

Honorary Treasurer

# RETAIL TRUST

## CONSOLIDATED AND PARENT STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2022

| CONSOLIDATED                            | Unrestricted<br>Reserves<br>£ | Restricted<br>Reserves<br>£ | Endowment<br>Funds<br>£ | Total<br>£        |
|-----------------------------------------|-------------------------------|-----------------------------|-------------------------|-------------------|
| As at 1 May 2020                        | 31,552,389                    | 34,247                      | 331,812                 | 31,918,448        |
| Surplus for the year                    | 449,913                       | -                           | -                       | 449,913           |
| Transfers in the year                   | -                             | -                           | -                       | -                 |
| Other comprehensive income              | 2,057,497                     | -                           | 53,091                  | 2,110,588         |
| Total comprehensive income for the year | 2,507,410                     | -                           | 53,091                  | 2,560,501         |
| As at 30 April 2021                     | <b>34,059,799</b>             | <b>34,247</b>               | <b>384,903</b>          | <b>34,478,949</b> |
| As at 1 May 2021                        | 34,059,799                    | 34,247                      | 384,903                 | 34,478,949        |
| Surplus for the year                    | 977,756                       | -                           | -                       | 977,756           |
| Other comprehensive income              | (314,506)                     | -                           | (8,903)                 | (323,409)         |
| Total comprehensive income for the year | 663,250                       | -                           | (8,903)                 | 654,347           |
| As at 30 April 2022                     | <b>34,723,049</b>             | <b>34,247</b>               | <b>376,000</b>          | <b>35,133,296</b> |
| PARENT                                  | Unrestricted<br>Reserves<br>£ | Restricted<br>Reserves<br>£ | Endowment<br>Funds<br>£ | Total<br>£        |
| As at 1 May 2020                        | 31,354,325                    | 34,247                      | 331,812                 | 31,720,384        |
| Surplus for the year                    | 545,459                       | -                           | -                       | 545,459           |
| Transfers in the year                   | -                             | -                           | -                       | -                 |
| Other comprehensive income              | 2,057,497                     | -                           | 53,091                  | 2,110,588         |
| Total comprehensive income for the year | 2,602,956                     | -                           | 53,091                  | 2,656,047         |
| As at 30 April 2021                     | <b>33,957,281</b>             | <b>34,247</b>               | <b>384,903</b>          | <b>34,376,431</b> |
| As at 1 May 2021                        | 33,957,281                    | 34,247                      | 384,903                 | 34,376,431        |
| Surplus for the year                    | 1,188,011                     | -                           | -                       | 1,188,011         |
| Other comprehensive income              | (314,506)                     | -                           | (8,903)                 | (323,409)         |
| Total comprehensive income for the year | 873,505                       | -                           | (8,903)                 | 864,603           |
| As at 30 April 2022                     | <b>34,830,786</b>             | <b>34,247</b>               | <b>376,000</b>          | <b>35,241,033</b> |

# RETAIL TRUST

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2022

|                                                        |                          | 2022       | 2021                             |                             |
|--------------------------------------------------------|--------------------------|------------|----------------------------------|-----------------------------|
|                                                        | NOTES                    | £          | £                                |                             |
| CASH FLOWS FROM OPERATING ACTIVITIES                   |                          |            |                                  |                             |
| Net surplus                                            |                          | 977,756    | 449,913                          |                             |
| Adjustments for:                                       |                          |            |                                  |                             |
| Depreciation                                           |                          | 772,100    | 705,661                          |                             |
| Pension Costs                                          |                          | 92,000     | 126,000                          |                             |
| Amortisation of social housing grant                   |                          | (25,600)   | (25,600)                         |                             |
| Increase/(decrease) in debtors                         |                          | (453,457)  | 400,361                          |                             |
| Increase/(decrease) in creditors                       |                          | 672,055    | 109,173                          |                             |
|                                                        |                          |            |                                  |                             |
| NET CASH INFLOWS FROM OPERATING ACTIVITIES             |                          | 2,034,854  | 1,765,508                        |                             |
| CASH FLOWS FROM INVESTING ACTIVITIES                   |                          |            |                                  |                             |
| Purchase of fixed assets                               |                          | (789,097)  | (1,059,324)                      |                             |
| Additions to investments                               |                          | (214,388)  | (348,615)                        |                             |
| Proceeds from sale of investments                      |                          | 205,649    | 353,858                          |                             |
| Gain on investment                                     |                          | 887        | 1,900                            |                             |
|                                                        |                          |            |                                  |                             |
| NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES          |                          | (796,949)  | (1,052,181)                      |                             |
| CASH FLOWS FROM FINANCING ACTIVITIES                   |                          |            |                                  |                             |
| Draw down of new long term borrowing                   |                          | -          | 775,000                          |                             |
| Repayment of long term borrowing                       |                          | (194,914)  | (32,502)                         |                             |
|                                                        |                          |            |                                  |                             |
| NET CASH (OUTFLOWS)/INFLOWS FROM FINANCING ACTIVITIES  |                          | (194,914)  | 742,498                          |                             |
|                                                        |                          |            |                                  |                             |
| NET INCREASE IN CASH AND CASH EQUIVALENTS              |                          | 1,042,991  | 1,455,825                        |                             |
|                                                        |                          |            |                                  |                             |
| Cash and cash equivalents at the beginning of the year |                          | 4,418,547  | 2,962,722                        |                             |
|                                                        |                          |            |                                  |                             |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR       |                          | 5,461,538  | 4,418,547                        |                             |
| Cash and cash equivalents                              |                          |            |                                  |                             |
| Cash and cash equivalents                              | 18                       | 5,390,051  | 4,350,844                        |                             |
| Cash held by investment managers                       | 15                       | 71,487     | 67,703                           |                             |
|                                                        |                          | 5,461,538  | 4,418,547                        |                             |
|                                                        |                          |            |                                  |                             |
|                                                        | Balance at 1<br>May 2021 | Cash Flows | Movement<br>from >1yr to<br><1yr | Balance at 30<br>April 2022 |
| Bank and cash                                          | 4,418,547                | 1,042,991  |                                  | 5,461,538                   |
| Loans due within one year                              | (167,454)                | 167,454    | (171,749)                        | (171,749)                   |
| Loans due after more than one year                     | (4,800,044)              | 27,460     | 171,749                          | (4,600,835)                 |
| Net Debt                                               | (548,951)                | 1,237,905  | -                                | 688,954                     |

## GENERAL DETAILS

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

## ACCOUNTING BASIS

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

## BASIS OF CONSOLIDATION

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

No separate statement of comprehensive income has been presented for the Company alone, as permitted by s408 of the Companies Act 2006. The total comprehensive income for the year for the parent company is £769,642 (2021: £2,656,047).

## GOING CONCERN

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

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

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

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

## INCOME

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

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

Income is recognised on the following bases:

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

**EXPENDITURE**

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

Expenditure is recognised on the following bases:

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

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

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

**FIXED ASSETS – FREEHOLD HOUSING PROPERTIES**

Freehold housing properties are stated at cost.

**Cost of housing properties**

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

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

**FIXED ASSETS – FREEHOLD HOUSING PROPERTIES (continued)****Depreciation of housing properties and component accounting**

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

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

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

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

**OTHER TANGIBLE FIXED ASSETS**

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

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

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

Land is not depreciated.

**Impairment of assets**

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

## INVESTMENTS

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

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

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

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

## BASIC FINANCIAL INSTRUMENTS – ASSETS AND LIABILITIES

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

### *Cash and cash equivalents*

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

### *Debtors and creditors*

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

## LIABILITIES

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

### *Financial assistance grants*

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

### *Grant commitments*

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

### *Social Housing Grant*

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

The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from Homes England 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 Homes England. 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.

## 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.

|                                    | 2022<br>£        | 2021<br>£      |
|------------------------------------|------------------|----------------|
| <b>NOTE 1 - CHARITABLE INCOME</b>  |                  |                |
| <b>GROUP</b>                       |                  |                |
| <b>Restricted</b>                  |                  |                |
| Income from fundraising activities | 131,216          | 237,808        |
| <b>Unrestricted</b>                |                  |                |
| Gross income from events           | 299,974          | 79,985         |
| Income from fundraising activities | 576,643          | 400,359        |
| Gifts in kind                      | 185,029          | 223,971        |
| <b>TOTAL CHARITABLE INCOME</b>     | <b>1,192,862</b> | <b>942,123</b> |

**NOTE 2 - COTTAGE HOMES - GROUP****a) Turnover, operating costs and operating surplus**

|                                  | TURNOVER         |                  | OPERATING COSTS  |                  | OPERATING SURPLUS |                  |
|----------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
|                                  | 2022<br>£        | 2021<br>£        | 2022<br>£        | 2021<br>£        | 2022<br>£         | 2021<br>£        |
| Social housing lettings (2b)     | 5,750,173        | 5,443,204        | 4,179,213        | 3,711,058        | 1,570,930         | 1,732,146        |
| Other social housing activities: |                  |                  |                  |                  |                   |                  |
| - Supporting people              | 68,914           | 97,510           | 68,914           | 97,510           | -                 | -                |
| Non-social housing activities:   |                  |                  |                  |                  |                   |                  |
| - Letting                        | 25,503           | 25,477           | -                | -                | 25,503            | 25,477           |
| - Other                          | 6,000            | 27,480           | -                | -                | 6,000             | 27,480           |
| - Amortisation of SHG            | 25,600           | 25,600           | -                | -                | 25,600            | 25,600           |
|                                  | <b>5,876,190</b> | <b>5,619,271</b> | <b>4,248,127</b> | <b>3,808,568</b> | <b>1,628,033</b>  | <b>1,810,703</b> |

**The accommodation provided is as follows:**

|                        | 2022       | 2021       |
|------------------------|------------|------------|
| Total number of units: |            |            |
| Owned                  | 422        | 422        |
| Under management       | 1          | 1          |
|                        | <b>423</b> | <b>423</b> |

**NOTE 2 - COTTAGE HOMES - GROUP****b) Income and Expenditure from social housing lettings**

|                                      | <b>SUPPORTED HOUSING</b> |                  |
|--------------------------------------|--------------------------|------------------|
|                                      | <b>2022</b>              | <b>2021</b>      |
|                                      | <b>£</b>                 | <b>£</b>         |
| <b>NET RENTAL INCOME</b>             | <b>5,750,173</b>         | <b>5,443,204</b> |
| Management                           | 890,698                  | 764,090          |
| Services                             | 2,222,487                | 1,974,381        |
| Routine maintenance                  | 188,991                  | 135,610          |
| Planned maintenance                  | 63,128                   | 198,369          |
| Depreciation                         | 565,497                  | 524,129          |
| Other costs                          | 248,442                  | 114,480          |
| <b>TOTAL EXPENSES</b>                | <b>4,179,243</b>         | <b>3,711,058</b> |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   | <b>1,570,930</b>         | <b>1,732,146</b> |
|                                      |                          |                  |
|                                      | <b>2022</b>              | <b>2021</b>      |
|                                      | <b>£</b>                 | <b>£</b>         |
| Analysis of social housing lettings: |                          |                  |
| Rent receivable                      | 2,342,623                | 2,080,597        |
| Service Charges                      | 3,407,550                | 3,362,607        |
| <b>Social housing lettings</b>       | <b>5,750,173</b>         | <b>5,443,204</b> |

**Rental income is stated net of voids as follows:**

|       | <b>2022</b> | <b>2021</b> |
|-------|-------------|-------------|
|       | <b>£</b>    | <b>£</b>    |
| Voids | 174,825     | 372,355     |

The total losses for the year ended 30 April 2022 arising from the irrecoverable debts were £41,134 (2021: £25,577).

**NOTE 3 - TRADING INCOME**

|                                | <b>2022</b>      | <b>2021</b>      |
|--------------------------------|------------------|------------------|
| <b>GROUP</b>                   | <b>£</b>         | <b>£</b>         |
| <b>Unrestricted</b>            |                  |                  |
| Income from events             | 232,895          | 8,550            |
| Income from Wellbeing Services | 2,233,180        | 1,760,843        |
|                                |                  |                  |
| <b>TOTAL TRADING INCOME</b>    | <b>2,466,075</b> | <b>1,769,393</b> |

**NOTE 4 - OTHER INCOME**

|                           | <b>2022</b>    | <b>2021</b>    |
|---------------------------|----------------|----------------|
| <b>GROUP</b>              | <b>£</b>       | <b>£</b>       |
| Sundry Income             | 147,874        | 176,218        |
|                           |                |                |
| <b>TOTAL OTHER INCOME</b> | <b>147,874</b> | <b>176,218</b> |

**NOTE 5 - EXPENDITURE ON RAISING FUNDS**

|                                           | <b>2022</b>    | <b>2021</b>    |
|-------------------------------------------|----------------|----------------|
| <b>GROUP</b>                              | <b>£</b>       | <b>£</b>       |
| Direct costs of events                    | 119,941        | 22,566         |
| Employee costs                            | 198,623        | 225,373        |
| Gifts in kind                             | 185,029        | 223,971        |
| Support and other costs                   | 417,630        | 326,193        |
|                                           |                |                |
| <b>TOTAL EXPENDITURE ON RAISING FUNDS</b> | <b>921,223</b> | <b>798,103</b> |

**NOTE 6 – WELLBEING SERVICES**

|                                                  | <b>2022</b>      | <b>2021</b>      |
|--------------------------------------------------|------------------|------------------|
| <b>GROUP</b>                                     | <b>£</b>         | <b>£</b>         |
| Counselling services                             | 283,231          | 384,153          |
| Financial assistance, bursaries and scholarships | 487,964          | 959,083          |
| Charitable services                              | 442,842          | 273,669          |
| Employee costs                                   | 1,124,436        | 795,355          |
| Support costs                                    | 1,157,820        | 974,226          |
|                                                  |                  |                  |
| <b>TOTAL WELLBEING SERVICES</b>                  | <b>3,496,293</b> | <b>3,386,486</b> |

**NOTE 7 - OPERATING SURPLUS**

|                                                    | <b>2022</b> | <b>2021</b> |
|----------------------------------------------------|-------------|-------------|
| <b>GROUP</b>                                       | <b>£</b>    | <b>£</b>    |
| <b>Operating surplus is stated after charging:</b> |             |             |
| Auditor's remuneration – audit services            | 39,356      | 31,510      |
| Auditor's remuneration – non-audit services        | 3,100       | 3,100       |
| Trustees' expenses                                 | 609         | 468         |
| Depreciation of owned assets                       | 746,500     | 680,061     |
| Amortisation of housing grant                      | (25,600)    | (25,600)    |
| Redundancy costs                                   | 7,240       | 13,234      |

**NOTE 8 - INTEREST INCOME**

|                                       | <b>2022</b>   | <b>2021</b>   |
|---------------------------------------|---------------|---------------|
| <b>GROUP</b>                          | <b>£</b>      | <b>£</b>      |
| Interest on bank accounts             | 5,060         | 9,912         |
| Interest on loan                      | 1,250         | 2,500         |
| Interest and dividends on investments | 46,088        | 49,653        |
|                                       |               |               |
| <b>TOTAL INTEREST INCOME</b>          | <b>52,398</b> | <b>62,065</b> |

**NOTE 9 - EMPLOYEES AND EMPLOYEE COSTS**

|                                     | <b>2022</b> | <b>2021</b> |
|-------------------------------------|-------------|-------------|
| <b>GROUP</b>                        | <b>No.</b>  | <b>No.</b>  |
| <b>Average number of employees:</b> |             |             |
| Supported Living                    | 33          | 33          |
| Charitable services                 | 19          | 19          |
| Central support and fundraising     | 23          | 25          |
|                                     |             |             |
| <b>TOTAL EMPLOYEES</b>              | <b>75</b>   | <b>77</b>   |

The total number of staff included part time employees. The full time equivalent average number of employees was 75 (2021: 65).

|                                        | <b>2022</b>      | <b>2021</b>      |
|----------------------------------------|------------------|------------------|
| <b>Employee costs during the year:</b> | <b>£</b>         | <b>£</b>         |
| Wages and salaries                     | 3,000,263        | 2,481,033        |
| National Insurance contributions       | 299,900          | 226,626          |
| Pension costs                          | 185,562          | 160,420          |
|                                        |                  |                  |
| <b>TOTAL EMPLOYEE COSTS</b>            | <b>3,485,725</b> | <b>2,868,079</b> |

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

The key management personnel are defined as the members of the Board, the Chief Executive and the Executive team. The aggregate amount of emoluments paid to the Executive team was £781,973 (2021: £656,769). This figure includes aggregate pension contributions of £50,980 (2021: £43,791). Members of the Board received no emoluments during the year (2021: £nil).

During the year the Chief Executive received £258,666 (2021: £225,596) including benefits and pension contributions of £19,680 (2021: £16,736).

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

|                      | <b>2022</b> | <b>2021</b> |
|----------------------|-------------|-------------|
|                      | <b>No.</b>  | <b>No.</b>  |
| £60,001 to £70,000   | 3           | 2           |
| £70,001 to £80,000   | 4           | 2           |
| £80,001 to £90,000   | 1           | 1           |
| £90,000 to £100,000  | 1           | -           |
| £110,001 to £120,000 | 1           | -           |
| £130,001 to £140,000 | 1           | -           |
| £180,000 to £190,000 | -           | -           |
| £230,000 to £240,000 | 1           | 1           |
|                      | <hr/>       | <hr/>       |
|                      | <b>12</b>   | <b>6</b>    |
|                      | <hr/>       | <hr/>       |

**NOTE 11 - TAXATION****GROUP**

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

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

**NOTE 12 - RELATED PARTY TRANSACTIONS**

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

There were no other related party transactions during the year.

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

|                                    | <b>2022</b>        | <b>2021</b>        |
|------------------------------------|--------------------|--------------------|
|                                    | <b>£</b>           | <b>£</b>           |
| <b>GROUP AND PARENT</b>            |                    |                    |
| <b>COST</b>                        |                    |                    |
| Opening as at 1 May 2021           | 40,056,138         | 39,234,616         |
| Additions                          | 463,661            | 821,522            |
| <b>Closing as at 30 April 2022</b> | <b>40,519,799</b>  | <b>40,056,138</b>  |
| <b>DEPRECIATION</b>                |                    |                    |
| Opening as at 1 May 2021           | (5,005,109)        | (4,537,428)        |
| Provided in the year               | (502,878)          | (467,681)          |
| <b>Closing as at 30 April 2022</b> | <b>(5,507,987)</b> | <b>(5,005,109)</b> |
| <b>NET BOOK VALUE</b>              |                    |                    |
| <b>As at 30 April 2022</b>         | <b>35,011,812</b>  | <b>35,051,029</b>  |
| As at 30 April 2021                | 35,051,029         | 34,697,188         |

**NOTE 14 - OTHER TANGIBLE FIXED ASSETS**

| <b>GROUP</b>               | <b>Fixtures &amp;<br/>Fittings<br/>£</b> | <b>Plant and<br/>Machinery<br/>£</b> | <b>Motor<br/>Vehicles<br/>£</b> | <b>Comp Equip<br/>&amp; Software<br/>£</b> | <b>Freehold Office<br/>Buildings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|------------------------------------------|--------------------------------------|---------------------------------|--------------------------------------------|--------------------------------------------|--------------------|
| <b>COST</b>                |                                          |                                      |                                 |                                            |                                            |                    |
| Opening at 1 May 2021      | 551,049                                  | 240,013                              | 11,409                          | 954,746                                    | 1,145,933                                  | 2,903,150          |
| Additions                  | 26,820                                   | 53,215                               | -                               | 245,401                                    | -                                          | 325,436            |
| Closing at 30 April 2022   | 577,869                                  | 293,228                              | 11,409                          | 1,200,147                                  | 1,145,933                                  | 3,228,586          |
| <b>DEPRECIATION</b>        |                                          |                                      |                                 |                                            |                                            |                    |
| Opening at 1 May 2021      | (178,983)                                | (199,728)                            | (11,405)                        | (612,786)                                  | (167,856)                                  | (1,170,758)        |
| Provided during the year   | (44,109)                                 | (12,247)                             | -                               | (197,351)                                  | (15,514)                                   | (269,221)          |
| Closing at 30 April 2022   | (223,092)                                | (211,975)                            | (11,405)                        | (810,137)                                  | (183,370)                                  | (1,439,979)        |
| <b>NET BOOK VALUE</b>      |                                          |                                      |                                 |                                            |                                            |                    |
| <b>As at 30 April 2022</b> | <b>354,777</b>                           | <b>81,253</b>                        | <b>4</b>                        | <b>390,010</b>                             | <b>962,563</b>                             | <b>1,788,607</b>   |
| As at 30 April 2021        | 372,066                                  | 40,285                               | 4                               | 341,960                                    | 978,077                                    | 1,732,392          |

| <b>PARENT</b>              | <b>Fixtures &amp;<br/>Fittings<br/>£</b> | <b>Plant and<br/>Machinery<br/>£</b> | <b>Motor<br/>Vehicles<br/>£</b> | <b>Comp Equip<br/>&amp; Software<br/>£</b> | <b>Freehold Office<br/>Buildings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|------------------------------------------|--------------------------------------|---------------------------------|--------------------------------------------|--------------------------------------------|--------------------|
| <b>COST</b>                |                                          |                                      |                                 |                                            |                                            |                    |
| Opening at 1 May 2021      | 551,049                                  | 240,013                              | 11,409                          | 766,266                                    | 1,145,933                                  | 2,714,670          |
| Additions                  | 26,820                                   | 53,215                               | -                               | 245,401                                    | -                                          | 325,436            |
| Closing at 30 April 2022   | 577,869                                  | 293,228                              | 11,409                          | 1,011,667                                  | 1,145,933                                  | 3,040,106          |
| <b>DEPRECIATION</b>        |                                          |                                      |                                 |                                            |                                            |                    |
| Opening at 1 May 2021      | (178,983)                                | (199,727)                            | (11,405)                        | (536,096)                                  | (167,855)                                  | (1,094,066)        |
| Provided during the year   | (44,109)                                 | (12,247)                             | -                               | (149,697)                                  | (15,514)                                   | (221,567)          |
| Closing at 30 April 2022   | (223,092)                                | (211,974)                            | (11,405)                        | (685,793)                                  | (183,369)                                  | (1,315,633)        |
| <b>NET BOOK VALUE</b>      |                                          |                                      |                                 |                                            |                                            |                    |
| <b>As at 30 April 2022</b> | <b>354,777</b>                           | <b>81,254</b>                        | <b>4</b>                        | <b>325,874</b>                             | <b>962,563</b>                             | <b>1,724,473</b>   |
| As at 30 April 2021        | 372,066                                  | 40,286                               | 4                               | 230,170                                    | 978,078                                    | 1,620,604          |

## NOTE 15 - INVESTMENTS

| GROUP AND PARENT              | Market Value     |                  | Cost             |                  |
|-------------------------------|------------------|------------------|------------------|------------------|
|                               | 2022             | 2021             | 2022             | 2021             |
|                               | £                | £                | £                | £                |
| <b>Restricted</b>             |                  |                  |                  |                  |
| Listed investments            | 308,985          | 319,885          | 249,546          | 247,673          |
| <b>Unrestricted</b>           |                  |                  |                  |                  |
| Listed investments            | 1,371,194        | 1,400,852        | 1,107,421        | 1,084,620        |
| Unlisted investments and cash | 390,238          | 386,453          | 390,237          | 386,453          |
|                               | 1,761,432        | 1,787,305        | 1,497,658        | 1,471,073        |
| <b>TOTAL INVESTMENTS</b>      | <b>2,070,417</b> | <b>2,107,190</b> | <b>1,747,204</b> | <b>1,718,746</b> |

## Reconciliation of Market Value Movement:

|                             | Unlisted       | Listed           | Cash          | Total            |
|-----------------------------|----------------|------------------|---------------|------------------|
|                             | £              | £                | £             | £                |
| As at 1 May 2021            | 318,750        | 1,720,737        | 67,703        | 2,107,190        |
| Additions                   | -              | 214,388          | (214,388)     | -                |
| Disposals                   | -              | (205,649)        | 205,649       | -                |
| Gain / (loss)               | -              | (49,298)         | 887           | (48,409)         |
| Investment income received  | -              | -                | 32,067        | 32,067           |
| Investment income withdrawn | -              | -                | (4,793)       | (4,793)          |
| Investment fee              | -              | -                | (15,638)      | (15,638)         |
| <b>As at 30 April 2022</b>  | <b>318,750</b> | <b>1,680,178</b> | <b>71,487</b> | <b>2,070,417</b> |

**NOTE 16 - INVESTMENTS IN SUBSIDIARIES**

At 30 April 2022, 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****2022****2021****£****£****AT COST**

As at 1 May 2021

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Additions / (disposals) in the year

-

-

**As at 30 April 2022****156****156**

**NOTE 16 - INVESTMENTS IN SUBSIDIARIES (continued)**

|                                          | CHC             |                 | RTE             |                 | RTWS         |                |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|--------------|----------------|
|                                          | 2022            | 2021            | 2022            | 2021            | 2022         | 2021           |
|                                          | £               | £               | £               | £               | £            | £              |
| <b>SUMMARY PROFIT &amp; LOSS ACCOUNT</b> |                 |                 |                 |                 |              |                |
| Turnover                                 | 295,057         | 124,177         | 226,045         | 8,583           | 2,269,396    | 1,760,843      |
| Cost of sales                            | (302,663)       | (117,662)       | (148,231)       | (76,856)        | (1,862,754)  | (1,233,676)    |
| Expenditure - shared costs               | (23,662)        | (21,465)        | (74,506)        | (1,742)         | (399,590)    | (339,685)      |
| <b>Net profit</b>                        | <b>(31,268)</b> | <b>(14,950)</b> | <b>3,308</b>    | <b>(70,015)</b> | <b>7,052</b> | <b>187,482</b> |
| <b>SUMMARY BALANCE SHEET</b>             |                 |                 |                 |                 |              |                |
| Fixed Assets                             | -               | -               | -               | -               | 64,135       | 111,790        |
| Debtors                                  | 35,503          | 59,533          | 259,784         | 48,476          | 548,981      | 550,219        |
| Cash at bank                             | 188,810         | 413,957         | 72,383          | 90,755          | 2,695,746    | 1,692,141      |
| Creditors                                | (272,400)       | (488,439)       | (398,819)       | (209,191)       | (3,301,710)  | (2,166,568)    |
| <b>Net assets</b>                        | <b>(48,087)</b> | <b>(14,949)</b> | <b>(66,652)</b> | <b>(69,960)</b> | <b>7,152</b> | <b>187,582</b> |
| Retained earnings                        | (48,088)        | (14,950)        | (66,707)        | (70,015)        | 7,052        | 187,482        |
| Called up share capital                  | 1               | 1               | 55              | 55              | 100          | 100            |
| <b>Shareholder funds</b>                 | <b>(48,087)</b> | <b>(14,949)</b> | <b>(66,652)</b> | <b>(69,960)</b> | <b>7,152</b> | <b>187,582</b> |

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

**NOTE 17 - DEBTORS**

|                                         | 2022             | 2021           |
|-----------------------------------------|------------------|----------------|
| GROUP                                   | £                | £              |
| Rents receivable                        | 77,011           | 157,427        |
| Trade debtors                           | 446,310          | 346,483        |
| Other debtors                           | 445,183          | 160,613        |
| Accrued income                          | 68,794           | 50,278         |
| Prepayments                             | 242,355          | 111,395        |
| Voyager Alliance CU loan - Subordinated | 100,000          | 100,000        |
| <b>TOTAL DEBTORS</b>                    | <b>1,379,653</b> | <b>926,196</b> |

|                                                 | 2022             | 2021             |
|-------------------------------------------------|------------------|------------------|
| PARENT                                          | £                | £                |
| Rents receivable                                | 77,011           | 157,426          |
| Trade debtors                                   | 72               | 5,588            |
| Other debtors                                   | 445,183          | 160,613          |
| Accrued income                                  | 68,794           | 48,611           |
| Prepayments                                     | 96,372           | 100,496          |
| Amounts receivable from subsidiary undertakings | 2,378,722        | 1,786,661        |
| Voyager Alliance CU loan - Subordinated         | 100,000          | 100,000          |
| <b>TOTAL DEBTORS</b>                            | <b>3,166,154</b> | <b>2,359,395</b> |

Bad debt provision of £41,134 (2021: £nil) relating to rental and trading income is netted above within rent receivable and trade debtors.  
The subordinated loan is recoverable in 2023.

**NOTE 18 - CASH AND CASH EQUIVALENTS**

|                                        | 2022             | 2021             |
|----------------------------------------|------------------|------------------|
| GROUP                                  | £                | £                |
| Cash at bank and in hand               | 4,390,051        | 2,850,844        |
| Short term deposits                    | 1,000,000        | 1,500,000        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>5,390,051</b> | <b>4,350,844</b> |

|                                        | 2022             | 2021             |
|----------------------------------------|------------------|------------------|
| PARENT                                 | £                | £                |
| Cash at bank and in hand               | 1,433,112        | 653,992          |
| Short term deposits                    | 1,000,000        | 1,500,000        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>2,433,112</b> | <b>2,153,992</b> |

## NOTE 19 - CREDITORS

| GROUP                                                     | 2022<br>£        | 2021<br>£        |
|-----------------------------------------------------------|------------------|------------------|
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                |                  |                  |
| <b>Unrestricted</b>                                       |                  |                  |
| Tax and social security                                   | 86,576           | 64,714           |
| Other creditors                                           | 139,653          | 190,550          |
| Accruals                                                  | 870,147          | 561,225          |
| Deferred income                                           | 1,119,015        | 876,739          |
| Long term borrowing                                       | 171,749          | 167,454          |
| <b>Restricted</b>                                         |                  |                  |
| Social housing grant                                      | 25,600           | 25,600           |
| <b>TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | <b>2,412,740</b> | <b>1,886,282</b> |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>       |                  |                  |
| <b>Unrestricted</b>                                       |                  |                  |
| Long term borrowing                                       | 4,600,835        | 4,800,044        |
| <b>Restricted</b>                                         |                  |                  |
| Deferred Income - Grants                                  | 149,892          | -                |
| Social housing grant                                      | 2,302,776        | 2,328,376        |
| <b>TOTAL AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>7,053,503</b> | <b>7,128,420</b> |
| <b>PARENT</b>                                             |                  |                  |
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                |                  |                  |
| <b>Unrestricted</b>                                       |                  |                  |
| Tax and social security                                   | 86,576           | 64,714           |
| Other creditors                                           | 22,884           | 274,649          |
| Accruals                                                  | 695,582          | 492,573          |
| Deferred income                                           | 68,196           | 88,525           |
| Long term borrowing                                       | 171,749          | 167,454          |
| <b>Restricted</b>                                         |                  |                  |
| Social housing grant                                      | 25,600           | 25,600           |
| <b>TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | <b>1,070,587</b> | <b>1,113,515</b> |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>       |                  |                  |
| <b>Unrestricted</b>                                       |                  |                  |
| Long term borrowing                                       | 4,600,835        | 4,800,044        |
| <b>Restricted</b>                                         |                  |                  |
| Deferred Income - Grants                                  | 149,892          | -                |
| Social housing grant                                      | 2,302,776        | 2,328,376        |
| <b>TOTAL AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | <b>7,053,503</b> | <b>7,128,420</b> |

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 £4.77m. Interest only was charged in the first 2 years whilst the development was taking place commencing July 2018. The capital is repayable over the following 23 years. Interest is payable at 1.75% over base rate. After 10 years of the 25-year loan term, a bullet repayment or re-finance agreement at prevailing market rates at this time will apply.

**NOTE 20 - PENSION PROVISIONS AND ARRANGEMENTS****GROUP AND PARENT**

The TRUST operates a closed retirement and death benefits scheme with two categories of historic membership. The first category, the final salary pension scheme, was closed to new entrants in 2008. The second category, the career average scheme (CARE), was closed to new entrants in March 2013. Both categories of the scheme closed to future accrual on 31 January 2014 and were replaced by a Group Personal Pension (GPP) which has a current value of £784,030. Currently, 90% of staff have contributions invested with the GPP, which is managed by Legal and General and the TRUST contributed £139,353 (2021: £128,085) to the scheme on behalf of staff.

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

| <b>The main assumptions used by the actuary are:</b> | <b>2022</b><br>% | <b>2021</b><br>% |
|------------------------------------------------------|------------------|------------------|
| Rate of increase in pensions in payment - main       | 3.75             | 3.30             |
| Rate of increase in pensions in payment - CARE       | 2.40             | 2.25             |
| Rate of increase in pensions in deferment - main     | 4.00             | 3.40             |
| Rate of increase in pensions in deferment - CARE     | 2.50             | 2.50             |
| Discount rate                                        | 3.20             | 1.90             |
| Retail Price Index inflation                         | 4.00             | 3.40             |
| Transfer values assumed taken at retirement          | 20%              | 20%              |

| <b>Life expectancies:</b>               | <b>2022</b><br>% | <b>2021</b><br>% |
|-----------------------------------------|------------------|------------------|
| 65 at balance sheet date - Male S3PMA   | 115.0            | 115.0            |
| 66 at balance sheet date - Female S3PMA | 125.0            | 125.0            |
| 65 in 20 years - Male CMI 2018          | 1.25             | 1.25             |
| 66 in 20 years - Female CMI 2018        | 1.25             | 1.25             |

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

|                                     | <b>Value of Assets</b> |                  |
|-------------------------------------|------------------------|------------------|
|                                     | <b>2022</b><br>£       | <b>2021</b><br>£ |
| Equities                            | 5,305,200              | 6,552,000        |
| Bonds and gilts                     | 3,713,640              | 4,723,000        |
| Diversified growth fund             | 4,244,160              | 3,915,000        |
| Cash                                | -                      | 47,000           |
|                                     | <hr/>                  | <hr/>            |
| Fair value of assets of the scheme  | 13,263,000             | 15,237,000       |
| Present value of scheme liabilities | (14,304,000)           | (15,911,000)     |
|                                     | <hr/>                  | <hr/>            |
|                                     | <b>(1,041,000)</b>     | <b>(674,000)</b> |
|                                     | <hr/>                  | <hr/>            |

At 30 April 2022, the scheme owed the Charity £4,417 (2021: £4,417) in respect of overpaid contributions and tax-free payments made by the TRUST on behalf of the scheme.

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

|                                                                          | <b>2022</b>         | <b>2021</b>         |
|--------------------------------------------------------------------------|---------------------|---------------------|
|                                                                          | <b>£</b>            | <b>£</b>            |
| <b>Change in scheme liabilities</b>                                      |                     |                     |
| Scheme liabilities at 1 May 2021                                         | (15,911,000)        | (15,436,000)        |
| Interest cost                                                            | (296,000)           | (256,000)           |
| Actuarial gain/(loss)                                                    | 1,228,000           | (1,024,000)         |
| Benefits paid directly by the employer                                   | 675,000             | 805,000             |
|                                                                          | <hr/>               | <hr/>               |
| <b>Scheme liabilities at 30 April 2022</b>                               | <b>(14,304,000)</b> | <b>(15,911,000)</b> |
|                                                                          | <hr/>               | <hr/>               |
| <b>Change in scheme assets:</b>                                          |                     |                     |
| Fair value of assets at 1 May 2021                                       | 15,237,000          | 13,063,000          |
| Actuarial (loss)/gain on assets                                          | (1,503,000)         | 2,849,000           |
| Benefit paid                                                             | (675,000)           | (805,000)           |
| Interest income                                                          | 282,000             | 215,000             |
| Administration expenses                                                  | (78,000)            | (85,000)            |
|                                                                          | <hr/>               | <hr/>               |
| <b>Fair value of assets at 30 April 2022</b>                             | <b>13,263,000</b>   | <b>15,237,000</b>   |
|                                                                          | <hr/>               | <hr/>               |
| <b>Pension liability recognised at 30 April 2022</b>                     | <b>(1,041,000)</b>  | <b>(674,000)</b>    |
|                                                                          | <hr/> <hr/>         | <hr/> <hr/>         |
| <b>Analysis of the amounts recognised in net surplus:</b>                |                     |                     |
| Administrative expenses                                                  | 78,000              | 85,000              |
| Net interest                                                             | 14,000              | 41,000              |
|                                                                          | <hr/>               | <hr/>               |
| <b>Amount charges to net surplus</b>                                     | <b>92,000</b>       | <b>126,000</b>      |
|                                                                          | <hr/> <hr/>         | <hr/> <hr/>         |
| <b>Analysis of the amounts recognised in other comprehensive income:</b> |                     |                     |
| Actuarial gains/(losses) on liabilities                                  | 1,228,000           | (1,024,000)         |
| Return on assets excluding amount included in net interest               | (1,503,000)         | (2,849,000)         |
|                                                                          | <hr/>               | <hr/>               |
| <b>Amount recognised in other comprehensive income</b>                   | <b>(275,000)</b>    | <b>1,825,000</b>    |
|                                                                          | <hr/> <hr/>         | <hr/> <hr/>         |

The last actuarial valuation of the Scheme was performed by the actuary for the Trustees as at 30 June 2019, which reported a surplus of £1,096,000. As there was a surplus in the Scheme the Employer has not needed to pay any contributions into the scheme over the year to 30 April 2022 (2021: nil). In the financial year ending 30 April 2022, the employer's contributions were £nil and the triennial valuation to 30 June 2022 will determine if a contribution is required in the period ending April 2023.

# RETAIL TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022

### NOTE 21 - UNRESTRICTED RESERVES

| GROUP AND PARENT                       | As at<br>01-May<br>2021<br>£ | Surplus /<br>(Deficit)<br>for the year<br>£ | Gains /<br>Losses<br>£ | Transfers between<br>funds<br>£ | As at<br>30-Apr<br>2022<br>£ |
|----------------------------------------|------------------------------|---------------------------------------------|------------------------|---------------------------------|------------------------------|
| <b>Designated Reserves</b>             |                              |                                             |                        |                                 |                              |
| Crookfur<br>development                | 144,095                      | -                                           | -                      | -                               | 144,095                      |
| Wellbeing and<br>Financial Aid         |                              |                                             |                        | 348,000                         | 348,000                      |
| <b>Other unrestricted<br/>reserves</b> |                              |                                             |                        |                                 |                              |
| Pension scheme<br>reserve              | (674,000)                    | -                                           | (275,000)              | (92,000)                        | (1,041,000)                  |
| Property reserve                       | 28,707,632                   | -                                           | -                      | 165,785                         | 28,873,417                   |
| Retained earnings                      | 5,779,554                    | 1,188,011                                   | (39,506)               | (421,785)                       | 6,506,274                    |
| <b>Parent total reserves</b>           | <b>33,957,281</b>            | <b>1,188,011</b>                            | <b>(314,506)</b>       | <b>-</b>                        | <b>34,830,786</b>            |
| Retained earnings of<br>subsidiaries   | 102,518                      | (210,255)                                   | -                      | -                               | (107,737)                    |
| <b>Group total reserves</b>            | <b>34,059,799</b>            | <b>977,756</b>                              | <b>(314,506)</b>       | <b>-</b>                        | <b>34,723,049</b>            |

|                                        | As at<br>01-May<br>2020<br>£ | Surplus /<br>(Deficit)<br>for the year<br>£ | Gains /<br>Losses<br>£ | Transfers<br>between<br>funds<br>£ | As at<br>30-Apr<br>2021<br>£ |
|----------------------------------------|------------------------------|---------------------------------------------|------------------------|------------------------------------|------------------------------|
| <b>Designated Reserves</b>             |                              |                                             |                        |                                    |                              |
| Crookfur<br>development                | 144,095                      | -                                           | -                      | -                                  | 144,095                      |
| Wellbeing and<br>Financial Aid         | -                            | -                                           | -                      | 348,000                            | 348,000                      |
| <b>Other unrestricted<br/>reserves</b> |                              |                                             |                        |                                    |                              |
| Pension scheme<br>reserve              | (2,373,000)                  | -                                           | 1,825,000              | (126,000)                          | (674,000)                    |
| Property reserve                       | 30,712,633                   | -                                           | -                      | (2,005,001)                        | 28,707,632                   |
| Retained earnings                      | 2,870,597                    | 545,459                                     | 232,497                | 1,783,001                          | 5,431,554                    |
| <b>Parent total reserves</b>           | <b>31,354,325</b>            | <b>545,459</b>                              | <b>2,057,497</b>       | <b>-</b>                           | <b>33,957,281</b>            |
| Retained earnings of<br>subsidiaries   | 198,064                      | (95,546)                                    | -                      | -                                  | 102,518                      |
| <b>Group total reserves</b>            | <b>31,552,389</b>            | <b>449,913</b>                              | <b>2,057,497</b>       | <b>-</b>                           | <b>34,059,799</b>            |

**NOTE 21 - UNRESTRICTED RESERVES (continued)****Property reserve**

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

**Pension reserve**

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

**Designated reserves**

The designated reserves reflect the balances designated for the Crookfur development project, a ringfenced £100k designated for financial aid in 2022/23 and legacy donations of £248k designated for release in 2022/23 towards Wellbeing activities.

**Transfers between funds**

Crookfur development represents pre-development costs utilised from amounts previously designated. The Trust plans to undertake a review of the asset optimisation plans at Glasgow during the coming year to determine whether to undesignated these funds, given the timeline for the commencement of further works at this estate.

Pension Scheme represents costs of the scheme.

**NOTE 22 - RESTRICTED RESERVES**

| <b>GROUP AND PARENT</b>    | <b>Multi-sensory<br/>Stimulation<br/>£</b> | <b>Other<br/>Trust<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|--------------------------------------------|----------------------------------------|--------------------|
| As at 1 May 2020           | 10,247                                     | 24,000                                 | 34,247             |
| Income                     | -                                          | -                                      | -                  |
| Expenditure                | -                                          | -                                      | -                  |
| <b>As at 1 May 2021</b>    | <b>10,247</b>                              | <b>24,000</b>                          | <b>34,247</b>      |
| Incoming resources         | -                                          | -                                      | -                  |
| Outgoing resources         | -                                          | -                                      | -                  |
| <b>As at 30 April 2022</b> | <b>10,247</b>                              | <b>24,000</b>                          | <b>34,247</b>      |

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

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

These funds have not been utilised during the year. It is anticipated that we will make use of some of the "Other Trust Funds" during the coming year. The "Multi-sensory Stimulation" fund requires some review to ensure we make the most practical use of these funds to suit our resident's needs and as such, this is likely to remain unused through 2022/23 also.

**NOTE 23 - ENDOWMENT FUNDS**

| <b>GROUP AND PARENT</b>                     | <b>John<br/>Goodenday<br/>Cottage<br/>Homes Trust<br/>£</b> | <b>John<br/>Goodenday<br/>Endowment<br/>Fund<br/>£</b> | <b>John<br/>Walsh<br/>Pension<br/>Fund<br/>£</b> | <b>Total<br/>£</b> |
|---------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------|--------------------|
| As at 1 May 2020                            | 108,027                                                     | 176,469                                                | 47,316                                           | 331,813            |
| Increase in the market value of investments | 17,285                                                      | 28,235                                                 | 7,571                                            | 53,091             |
| <b>As at 1 May 2021</b>                     | <b>125,312</b>                                              | <b>204,704</b>                                         | <b>54,887</b>                                    | <b>384,903</b>     |
| Increase in the market value of investments | (2,898)                                                     | (4,735)                                                | (1,270)                                          | (8,903)            |
| <b>As at 30 April 2022</b>                  | <b>122,414</b>                                              | <b>199,969</b>                                         | <b>53,617</b>                                    | <b>376,000</b>     |

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

**NOTE 24 - OPERATING LEASE COMMITMENTS**

At 30 April 2022 the TRUST had no annual commitments under operating leases.

|                   | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|-------------------|-------------------|-------------------|
| Within one year   | -                 | 4,320             |
| One to five years | -                 | -                 |
|                   | <b>-</b>          | <b>4,320</b>      |

**NOTE 25 - CAPITAL COMMITMENTS**

Amounts contracted for in the group but not provided for in the financial statements as at 30 April 2022 is £nil (2021: £nil).

**NOTE 26 - POST BALANCE SHEET EVENTS**

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

**RETAIL TRUST**

England & Wales - Charity number 1090136

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# Accounts

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# **RETAIL TRUST**

(A company limited by guarantee)

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

**FOR THE YEAR ENDED 30 APRIL 2021**

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

# Retail Trust

## TRUSTEE REPORT AND FINANCIAL STATEMENTS

For the year ended 30 April 2021

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# Retail Trust

## TRUSTEES' REPORT

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### LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 30 April 2021

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#### INCORPORATED AND REGULATORY BODIES

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

**COMPANY SECRETARY:** David Kaye

**TELEPHONE NUMBER:** 020 8201 0110

**CONFIDENTIAL HELPLINE:** 0808 801 0808

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

#### BOARD OF TRUSTEES:

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

#### ACTUARY

Barnett Waddingham LLP  
Decimal Place  
Chiltern Avenue  
Amersham  
HP6 5FG

#### BANKERS

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

#### INSURANCE BROKER

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

#### REGISTERED OFFICE

Marshall Estate  
Hammers Lane  
Mill Hill  
London  
NW7 4DQ

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

#### EXECUTIVE TEAM

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

#### AUDITOR - External

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

#### AUDITOR - Internal

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

#### INVESTMENT MANAGER

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

#### SOLICITOR

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

### WHY WE'RE HERE

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

### OUR CAUSE

Creating hope, health and happiness for everyone in retail.

### OUR BELIEFS

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

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

### OUR STRATEGIC FOCUS 2020/21

#### Fundraising

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

#### Learning & Development

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

#### Property

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

#### Wellbeing

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

### HOW

By focussing on four key elements...

#### Wellbeing Focus

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

# Retail Trust

## TRUSTEES' REPORT

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### **Organisation and Culture**

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

### **Skills & Capability**

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

### **Property Focus**

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### CHAIRMAN'S MESSAGE

Dear Supporters, Sponsors, Patrons, Volunteers and Colleagues

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

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

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

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

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

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

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

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

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

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

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

With personal best wishes to ALL

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

Alistair McGeorge  
**Chair of Trustees**

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

### OBJECTIVES AND ACTIVITIES

#### 1. KEY OBJECTIVES

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

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

#### 2. KEY ACTIVITIES

The TRUST organises its operations around four key activities:

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

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

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

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

### STRATEGIC OPERATIONS REPORT

#### 1. OVERVIEW

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

#### Supported Living

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

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

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

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

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

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

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

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

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

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

### Wellbeing Services

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

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

### Learning & Development

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

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

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

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

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

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

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

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

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

### Business Transformation

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

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

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

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

## 2. FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

## 3. VALUE FOR MONEY (VFM)

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### DELIVERY OF VFM DURING 2020/21

#### Social Impact

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

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

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

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

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

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

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

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

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

#### Metric 1 Reinvestment in Housing Property Assets

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

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

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

#### Metric 3 Gearing %

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

#### Metric 4 EBITDA MRI Interest Cover

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

#### Metric 5 Headline Social Housing Cost £

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

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

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

#### Metric 7 Return on Capital Employed

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

#### Examples of VFM delivery

##### SMART HOMES

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

### WELLBEING SERVICES

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

### POLICIES

#### 1. RESERVES

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

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

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

#### 2. KEY MANAGEMENT PERSONNEL REMUNERATION

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

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

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

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

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

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

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

Trustees will also consider:

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### 3. HEALTH AND SAFETY

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

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

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

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

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

### 4. INVESTMENT

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

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

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

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

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

### 5. GRANTS, BURSARIES & SCHOLARSHIPS

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

### 6. PENSION

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

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

### 7. FUNDING

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

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

Sources of funding

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

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

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

### 8. FUNDRAISING REGULATOR

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

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

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

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

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

There were no fundraising complaints during the year.

### 9. COMPLAINTS

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

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

### 10. GDPR

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

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

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

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

#### **2. GOVERNANCE**

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

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

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

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

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

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

#### ***Chair***

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

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

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

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

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

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

### 5. RISK

Trustees consider the key risks facing the TRUST are:

#### Financial

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

#### Failure to support those in need

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

#### Residential Estates sustainability

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

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

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

#### Safety

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

#### Data Protection

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

Independent audits will be a standard feature going forward.

#### Cyber Security

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

#### Disaster Recovery and COVID-19

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

Financial – a loss exceeding £1m

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

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

Industry – a huge loss in the community which we serve

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

Our Business Continuity Planning and Disaster

# Retail Trust

## TRUSTEES' REPORT (*continued*)

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

### 6. FRAUD

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

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

### 7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

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

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

### 9. SUBSIDIARY UNDERTAKINGS

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

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

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

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

# Retail Trust

## TRUSTEES' REPORT (continued)

Retail Trust is the ultimate controlling party of all subsidiaries.

### 10. DIVERSITY AND EQUALITY

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

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

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

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

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

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

### 11. AUDITORS

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

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



Alistair McGeorge

Chairman



Brian Small

Honorary Treasurer

# Retail Trust

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

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### Opinion

We have audited the financial statements of Retail Trust for the year ended 30 April 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 April 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Retail Trust

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

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

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

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

# Retail Trust

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

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

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

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

10 Queen Street Place  
London  
EC4R 1AG

# RETAIL TRUST

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2021

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

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

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

# RETAIL TRUST

## CONSOLIDATED BALANCE SHEET

as at 30 April 2021

Company Registration No. 04254201

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

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

*Alistair McGeorge*

Alistair McGeorge

Chairman

*Brian Small*

Brian Small

Honorary Treasurer

# RETAIL TRUST

## CHARITY BALANCE SHEET

as at 30 April 2021

Company Registration No. 04254201

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

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

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

*A K McGeorge*

Alistair McGeorge

Chairman

*Brian Small*

Brian Small

Honorary Treasurer

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

for the year ended 30 April 2021

| <b>GROUP</b>                            | <b>Unrestricted<br/>Reserves<br/>£</b> | <b>Restricted<br/>Reserves<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------------------------|----------------------------------------|--------------------------------------|----------------------------------|--------------------|
| As at 1 May 2019                        | 31,719,517                             | 814,247                              | 348,388                          | 32,882,152         |
| Surplus for the year                    | 199,000                                | -                                    | -                                | 199,000            |
| Transfers in the year                   | 780,000                                | (780,000)                            | -                                | -                  |
| Other comprehensive income              | (1,146,128)                            | -                                    | (16,576)                         | (1,162,704)        |
| 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         |
| As at 1 May 2020                        | 31,552,389                             | 34,247                               | 331,812                          | 31,918,448         |
| Surplus for the year                    | 449,913                                | -                                    | -                                | 449,913            |
| Other comprehensive income              | 2,057,497                              | -                                    | 53,091                           | 2,110,588          |
| Total comprehensive income for the year | 2,507,410                              | -                                    | 53,091                           | 2,560,501          |
| <b>As at 30 April 2021</b>              | <b>34,059,799</b>                      | <b>34,247</b>                        | <b>384,903</b>                   | <b>34,478,949</b>  |

| <b>PARENT</b>                           | <b>Unrestricted<br/>Reserves<br/>£</b> | <b>Restricted<br/>Reserves<br/>£</b> | <b>Endowment<br/>Funds<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------------------------|----------------------------------------|--------------------------------------|----------------------------------|--------------------|
| As at 1 May 2019                        | 31,610,471                             | 814,247                              | 348,388                          | 32,773,106         |
| Surplus for the year                    | 109,982                                | -                                    | -                                | 109,982            |
| Transfers in the year                   | 780,000                                | (780,000)                            | -                                | -                  |
| Other comprehensive income              | (1,146,128)                            | -                                    | (16,576)                         | (1,162,704)        |
| Total comprehensive income for the year | (256,146)                              | (780,000)                            | (16,576)                         | (1,052,722)        |
| As at 30 April 2020                     | 31,354,325                             | 34,247                               | 331,812                          | 31,720,384         |
| As at 1 May 2020                        | 31,354,325                             | 34,247                               | 331,812                          | 31,720,384         |
| Surplus for the year                    | 545,459                                | -                                    | -                                | 545,459            |
| Other comprehensive income              | 2,057,497                              | -                                    | 53,091                           | 2,110,588          |
| Total comprehensive income for the year | 2,602,956                              | -                                    | 53,091                           | 2,656,047          |
| <b>As at 30 April 2021</b>              | <b>33,957,281</b>                      | <b>34,247</b>                        | <b>384,903</b>                   | <b>34,376,431</b>  |

## RETAIL TRUST

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2021

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

## RETAIL TRUST

### ACCOUNTING POLICIES

for the year ended 30 April 2021

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## GENERAL DETAILS

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

## ACCOUNTING BASIS

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

## BASIS OF CONSOLIDATION

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

## GOING CONCERN

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

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

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

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

## INCOME

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

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

Income is recognised on the following bases:

## RETAIL TRUST

### ACCOUNTING POLICIES (continued) for the year ended 30 April 2021

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

## EXPENDITURE

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

Expenditure is recognised on the following bases:

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

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

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

## FIXED ASSETS – FREEHOLD HOUSING PROPERTIES

Freehold housing properties are stated at cost.

### Cost of housing properties

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

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

## RETAIL TRUST

ACCOUNTING POLICIES (continued)  
for the year ended 30 April 2021

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

#### Depreciation of housing properties and component accounting

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

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

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

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

### OTHER TANGIBLE FIXED ASSETS

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

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

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

Land is not depreciated.

#### Impairment of assets

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

## RETAIL TRUST

ACCOUNTING POLICIES (continued)  
for the year ended 30 April 2021

### INVESTMENTS

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

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

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

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

### BASIC FINANCIAL INSTRUMENTS – ASSETS AND LIABILITIES

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

#### *Cash and cash equivalents*

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

#### *Debtors and creditors*

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

### LIABILITIES

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

#### *Financial assistance grants*

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

#### *Grant commitments*

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

#### *Social Housing Grant*

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

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

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

## RETAIL TRUST

ACCOUNTING POLICIES (continued)  
for the year ended 30 April 2021

### INTEREST PAYABLE

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

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

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

### PENSION SCHEME

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

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

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

### ENDOWMENT FUNDS

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

### RESTRICTED RESERVES

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

### DESIGNATED RESERVES

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

# RETAIL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

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

## NOTE 2 - COTTAGE HOMES - GROUP

### a) Turnover, operating costs and operating surplus

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

### The accommodation provided is as follows:

#### Total number of units:

|                  | 2021       | 2020       |
|------------------|------------|------------|
| Owned            | 422        | 409        |
| Under management | 1          | 1          |
|                  | <b>423</b> | <b>410</b> |

## NOTE 2 - COTTAGE HOMES - GROUP

## b) Income and Expenditure from social housing lettings

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

Rental income is stated net of voids as follows:

|       | 2021<br>£ | 2020<br>£ |
|-------|-----------|-----------|
| Voids | 372,355   | 161,907   |

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

**NOTE 3 - TRADING INCOME**

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

**NOTE 4 - OTHER INCOME**

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

**NOTE 5 - EXPENDITURE ON RAISING FUNDS**

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

**NOTE 6 – WELLBEING SERVICES**

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

**NOTE 7 - OPERATING SURPLUS**

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

**NOTE 8 - INTEREST INCOME**

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

**NOTE 9 - EMPLOYEES AND EMPLOYEE COSTS**

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

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

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

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

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

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

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

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

**NOTE 11 - TAXATION****GROUP**

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

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

**NOTE 12 - RELATED PARTY TRANSACTIONS**

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

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

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

# RETAIL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

### NOTE 14 - OTHER TANGIBLE FIXED ASSETS

| GROUP                    | Fixtures &<br>Fittings<br>£ | Plant and<br>Machinery<br>£ | Motor<br>Vehicles<br>£ | Comp Equip<br>& Software<br>£ | Freehold Office<br>Buildings<br>£ | Total<br>£  |
|--------------------------|-----------------------------|-----------------------------|------------------------|-------------------------------|-----------------------------------|-------------|
| <b>COST</b>              |                             |                             |                        |                               |                                   |             |
| Opening at 1 May 2020    | 534,360                     | 205,823                     | 11,409                 | 769,482                       | 1,145,933                         | 2,667,007   |
| Additions                | 16,689                      | 34,190                      | -                      | 186,922                       | -                                 | 237,801     |
| Disposals                | -                           | -                           | -                      | (1,658)                       | -                                 | (1,658)     |
| Closing at 30 April 2021 | 551,049                     | 240,013                     | 11,409                 | 954,746                       | 1,145,933                         | 2,903,150   |
| <b>DEPRECIATION</b>      |                             |                             |                        |                               |                                   |             |
| Opening at 1 May 2020    | (137,324)                   | (192,127)                   | (11,379)               | (441,264)                     | (152,342)                         | (934,436)   |
| Provided during the year | (41,659)                    | (7,601)                     | (26)                   | (173,180)                     | (15,514)                          | (237,980)   |
| Disposals                | -                           | -                           | -                      | 1,658                         | -                                 | 1,658       |
| Closing at 30 April 2021 | (178,983)                   | (199,728)                   | (11,405)               | (612,786)                     | (167,856)                         | (1,170,758) |
| <b>NET BOOK VALUE</b>    |                             |                             |                        |                               |                                   |             |
| As at 30 April 2021      | 372,066                     | 40,285                      | 4                      | 341,960                       | 978,077                           | 1,732,392   |
| As at 30 April 2020      | 397,036                     | 13,696                      | 30                     | 328,218                       | 993,591                           | 1,732,571   |

| PARENT                   | Fixtures &<br>Fittings<br>£ | Plant and<br>Machinery<br>£ | Motor<br>Vehicles<br>£ | Comp Equip<br>& Software<br>£ | Freehold Office<br>Buildings<br>£ | Total<br>£  |
|--------------------------|-----------------------------|-----------------------------|------------------------|-------------------------------|-----------------------------------|-------------|
| <b>COST</b>              |                             |                             |                        |                               |                                   |             |
| Opening at 1 May 2020    | 534,360                     | 205,823                     | 11,409                 | 665,002                       | 1,145,933                         | 2,562,527   |
| Additions                | 16,689                      | 34,190                      | -                      | 102,922                       | -                                 | 153,801     |
| Disposals                | -                           | -                           | -                      | (1,658)                       | -                                 | (1,658)     |
| Closing at 30 April 2021 | 551,049                     | 240,013                     | 11,409                 | 766,266                       | 1,145,933                         | 2,714,670   |
| <b>DEPRECIATION</b>      |                             |                             |                        |                               |                                   |             |
| Opening at 1 May 2020    | (137,324)                   | (192,127)                   | (11,379)               | (414,701)                     | (152,342)                         | (907,873)   |
| Provided during the year | (41,659)                    | (7,600)                     | (26)                   | (123,053)                     | (15,513)                          | (187,851)   |
| Disposals                | -                           | -                           | -                      | 1,658                         | -                                 | 1,658       |
| Closing at 30 April 2021 | (178,983)                   | (199,727)                   | (11,405)               | (536,096)                     | (167,855)                         | (1,094,066) |
| <b>NET BOOK VALUE</b>    |                             |                             |                        |                               |                                   |             |
| As at 30 April 2021      | 372,066                     | 40,286                      | 4                      | 230,170                       | 978,078                           | 1,620,604   |
| As at 30 April 2020      | 397,036                     | 13,696                      | 30                     | 250,301                       | 993,591                           | 1,654,654   |

## NOTE 15 - INVESTMENTS

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

## Reconciliation of Market Value Movement:

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

## NOTE 16 - INVESTMENTS IN SUBSIDIARIES

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

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

### PARENT

2021

2020

£

£

### AT COST

As at 1 May 2020

156

156

Additions / (disposals) in the year

-

-

As at 30 April 2021

156

156

NOTE 16 - INVESTMENTS IN SUBSIDIARIES (continued)

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

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

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 17 - DEBTORS

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

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

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

#### NOTE 18 - CASH AND CASH EQUIVALENTS

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

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

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 19 - CREDITORS

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

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

**NOTE 20 - PENSION PROVISIONS AND ARRANGEMENTS****GROUP AND PARENT**

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

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

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

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

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

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

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

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

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

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

# RETAIL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

### NOTE 21 - UNRESTRICTED RESERVES

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

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

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

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

##### Property reserve

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

##### Pension reserve

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

##### Designated reserves

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

##### Transfers between funds

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

Pension Scheme represents costs of the scheme.

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

#### NOTE 22 - RESTRICTED RESERVES

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

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

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

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

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

## RETAIL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2021

#### NOTE 23 - ENDOWMENT FUNDS

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

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

#### NOTE 24 - OPERATING LEASE COMMITMENTS

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

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

#### NOTE 25 - CAPITAL COMMITMENTS

Amounts contracted for in the group but not provided for in the financial statements as at 30 April 2021 is £nil (2020: £3,181,013).

#### NOTE 26 - POST BALANCE SHEET EVENTS

There were no post balance sheet events subsequent to year end.