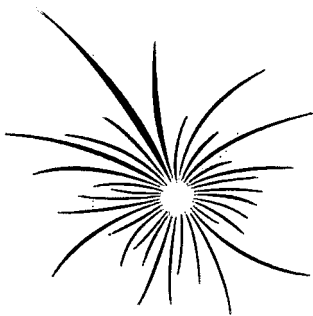


Registered Company No 5077263  
Registered Charity No 1138337  
Office of the Scottish Charity Registrar No SC43833



**THE LAND RESTORATION TRUST**  
**Operating as The Land Trust**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**



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## **CHAIRMAN'S REPORT**

The Land Trust is a charity that is committed to acquiring and managing green space for the benefit of communities to improve the quality of people's lives by creating sustainable, high quality green spaces that deliver environmental, social and economic benefits.

### **Delivering charitable outcomes**

We are proud of our contribution to society through our management of parks and green spaces and the charitable outcomes we deliver. Our site acquisitions in 2018/19 are described in the Chief Executive's report and examples of our work are available to view on our website.

We have continued to build on our charitable objectives and have developed our social value model to improve how we measure the impact that investment in well-managed green space brings to society as a whole.

Our new education strategy, which was launched last summer, has seen us continue our work with young people as we aim to inspire them to live healthy active lives. The completion of the new outdoor classroom at Greenwich Peninsula Ecology Park, London, and the new heritage centre at Port Sunlight River Park, Wirral, will continue to build on this work. Our Green Angels programme which provides vocational training for volunteers and those not in work, has also continued to thrive and will be rolled out on our sites at Hassall Green, Stoke on Trent, thanks in large part to a very generous donation and Fort Burgoyne, Dover, in 2019/20.

Our sites also continue to make a significant impact on the physical and mental well-being of our residents and communities who live around them. Whether it is just going for a walk or taking part in an organised activity the benefits are clear and evidenced and we will continue to develop this work in the future. We are delighted to report a significant increase in activities to support people with mental health conditions with over 4,000 benefitting, up from 1,200 in 2017-18.

While there has been a slight decrease in the number of school visits to our sites (where lack of available funding for travel often presents an obstacle) there has been a rise in the number of children engaging in activities on our sites, and the number of participants on our Green Angels courses continues to rise.

Our place-keeping approach has seen a substantial increase in the number of people attending large scale community events across our sites with 24,000 people attending such events in 2018/19, a rise of 9,000. This is particularly important when it comes to encouraging emotional ownership of our sites and bringing residents and communities together.

Volunteering has also continued to increase, and significantly so in the 64+ age category.

### **Improving our financial performance**

Despite a difficult stock market in the first half of our year, The Land Trust ended the year with £164.1million of funds carried forward, of which £2.3m was classified as General Funds. New endowments added £8.9m and the overall market value of the portfolio rose by £9.8m.

Investment returns on our portfolio remained consistent at around 4%, with total investment income of £5.7 million. This income enabled us to manage our sites sustainably and achieve our charitable outcomes. Costs were well controlled, with a modest rise in spend on charitable activities to £6.5 million.

Throughout 2018/19 the value of our investment portfolio increased by £10.5m, mainly due to realised and unrealised gains of £9.8m, additions to the portfolio of £1.1m and investment management fees of £0.4m.

During the year we completed our review of historic reserves in line with the policy established last year. As a result, and as described in Note 20 to the accounts, there have been some transfers between reserves to better reflect the availability of income to fund general charitable activities. £0.7m, reflecting principally the result of efficiency savings and exceptional investment performance, was transferred to the General Fund to allow us to fund an expansion of our charitable activities.

### **Refreshing the board of trustees**

When we established the charity in 2010, we agreed that to stay fresh and challenging we should ideally remain as trustees for no more than nine years. There has been some rotation of board membership over the years and two years ago we introduced three new trustees. This year it is the turn of Jeff Moore, Jane Garrett and me to retire. I thank Jeff and Jane for their contribution and I am delighted to hand over the chair to William Hiscocks. In anticipation of further retirements next year, I am pleased that in July the board approved the appointment of Jon Irvine, Dr Louise Brooke-Smith, Dr Nick Taylor Buck, Deborah Rees, Nick McLeod-Clarke & Sandra Kelly as Trustees to help us in the areas of biodiversity, master planning, finance and investment management. Jon Irvine was formally appointed to the Board in September 2019 whilst the remaining Trustees will be appointed in December 2019. Biographical details of all trustees are available on our website.

**THE LAND RESTORATION TRUST**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2019**

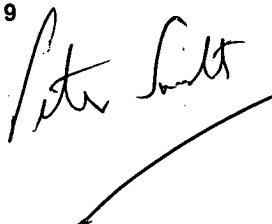
**Acknowledging commitment**

Under our operating model, we engage specialist managing agents to run our sites in line with our strategic objectives. I would like to thank them, and also our member organisations, for the contribution they make to the achievement of our charitable objectives. Our Board of Trustees continue to play a hugely valuable role in the work of the Land Trust, providing a wealth of skills and experience that help us run the charity and achieve our charitable objectives.

Finally, my thanks go to the senior officers and staff of The Land Trust for their continued hard work and commitment this year to improve people's lives

**Peter Smith**      **18<sup>th</sup> September 2019**

**Chairman**

A handwritten signature in black ink, appearing to read 'Peter Smith', with a long, sweeping underline that extends to the right.

**THE LAND RESTORATION TRUST**  
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**CHIEF EXECUTIVE'S REPORT:**

Over the past year we have continued to diversify our income streams in line with our initial vision, seeking to acquire sites funded by both endowments and service charges to increase our charitable delivery. As part of this diversification we have also continued to develop our approach to how we deliver charitable impact around new residential developments and more importantly why.

This is particularly important at a time when demand for new housing is at an all-time high and a substantial number of new large scale developments are coming through the planning system.

Since the late 1940's the country has been successful in building new homes - however, where we have failed is in creating resilient, healthy, sustainable new communities.

The country is littered with post-war estates, that have become synonymous with anti-social behaviour, crime and community breakdown. Some of this is down to housing quality but much of it is down to a failure to create and maintain environments to which people could relate.

We believe that the failure to create and maintain a sustainable green environment in and around these developments is one of the main causes of community breakdown.

If residents do not feel comfortable or safe using green infrastructure around their home they do not meet their neighbours, they can suffer from mental and physical ill health, and the attractiveness and desirability of the locations in which they live can decline.

There is a simple solution to much of this, which is where The Land Trust comes in. We put in place appropriate stewardship of new green infrastructure from day one of a development. We call this 'Place Keeping'.

Our approach, working directly with new residents, helps foster community cohesion, deliver physical and mental health benefits, improve biodiversity and ultimately deliver more resilient, healthy, cohesive communities.

**Site acquisitions**

On this basis, we have continued to grow the residential service charge side of our 'offering' adding a further three sites to our portfolio during the year at St Michaels Hurst Hertfordshire, St Luke's Park Essex and Cardowan near Glasgow.

These developments once complete, will add circa 1,110 residents, as stakeholders in the green infrastructure we manage.

We are also becoming embedded in a considerable number of large-scale proposed schemes for urban extensions and garden villages and towns, which are intended to deliver over 50,000 new homes in the next 10 years.

Our role in 'Place Keeping' with direct relationships with new residents will help deliver resilient new communities and enhance our charitable impact.

The number of new residents in existing developments at Waverley (Rotherham), Beaulieu (Chelmsford) and Upton (Northampton) is growing.

In addition to our new residential sites, we were also pleased to add The Avenue (a former Coking works near Chesterfield) from Homes England and Ash Green Meadows, Guildford, from Bewley Homes to our portfolio with endowment funding. Avenue is a particularly satisfying acquisition, since I was involved in initiating the first stages of reclamation of the site some 20 years ago.

The acquisition of Ash Green, has also opened up neighbouring land to provide approximately 1000 new homes in the area.

Looking ahead to 2019/20, we have a very strong portfolio of sites, both residential and endowment, which we anticipate transferring during the 2019/20 financial year including the first phases of four large residential developments. These developments should deliver around 15,000 new homes and circa 300 hectares of new green infrastructure and Sustainable Drainage (SuD's) over the next 15 years, broadening and deepening our relationship with residents and increasing our charitable impact.

As climate change adaptation becomes more necessary, our role in adopting and managing SUDs with green infrastructure for clients becomes more important.

The number of sites we are involved with in the South East around the Thames Basin Heath Special Protection Area (SPA) also continues to grow as we work with developers and landowners to create opportunities for new developments supported by well-managed green infrastructure. This should see a further six sites, totalling 114 hectares transfer with endowments in the year.

**Delivering Social Value**

To gain a better understanding of the impact we are delivering, we have developed a Social & Economic Value Model that allows us to measure our impact, by assessing the benefits of our green space management against our five key charitable objectives. The model provides evidence based measurable indicators of the benefits of well-managed green space for communities.

After analysing the information provided from all our sites in 2018/19 the results suggested that for every £1 we spend there is an overall economic and social benefit of over £7.50, a significant increase on last year.

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Contributions to this overall value come from:

- Reduced energy consumptions
- Reduced carbon emissions
- Carbon storage
- Health care cost savings
- Health and well-being value
- Educational engagement
- Land management and use
- Tourism
- Volunteering
- Community Engagement

The figures exclude any increase in value of house prices close to our sites as a result of an improved environment.

To be able to put a value on the work we do informs our assessment of future projects and is particularly important in putting a convincing case forward to government, investors and key decision makers for greater investment in green infrastructure.

The model will also help us as we continue to grow our charitable opportunities. For the most part, the sites we presently manage have come with an endowment, but we now have six residential service charge sites under our management with more to follow over the next couple of years. Being able to demonstrate our added value to the residents and the communities with which we work with will help them feel positive about the communities they live in. This will also enable us to demonstrate the value we can add to new strategic residential schemes as they come through the planning system, so that the green spaces are designed and maintained in a way which meets community needs and maximises social value delivered.

We are very conscious of public concern about the onerous terms on which service charges may be levied on residents. However, we do believe that there is an important role for service charges if large residential developments are to be managed for the common good of the community. We are determined that we are fair to all the residents of the estates we manage.

#### **Charitable outputs**

We are proud of our contribution to society through our management of parks and green spaces and the delivery of our charity outputs. A summary of our activities and events is shown below:

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>School Visits</b>	6,278	7,711	7,811	7,448	7,970	<b>7,662</b>
<b>Training Activities</b>	660	802	1,572	1,712	3,591	<b>4,942</b>
<b>Health Activities</b>	8,648	9,501	14,885	20,857	39,391	<b>44,970</b>
<b>Community Activities</b>	18,570	15,887	31,867	54,868	59,403	<b>67,778</b>
<b>Practical Voluntary Work</b>	5,274	8,064	28,595	11,503	10,379	<b>13,420</b>

#### **Grants**

This year we successfully secured two significant grants which will make a huge difference to the sites involved.

We were awarded an initial sum of £0.3 million from the Denise Coates Foundation which should ultimately rise to £0.7 million. The grant will enable The Land Trust to run its flagship Green Angels programme on site at Hassall Green. The planned five year programme will also ensure that extensive improvements are made to the site with four key objectives:

- 1) Make the site safe for regular use by the general public
- 2) Restore and improve habitats
- 3) Increase biodiversity
- 4) Engage with the local community

We also secured £0.2 million through the Rural Development for England Programme to build a new visitor centre and café on our site at Pleasley Pit.

We thank all who have provided financial support throughout the year.

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**Acknowledgements**

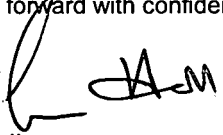
On behalf of my colleagues and Trustees I would like to thank Peter Smith for his guidance ,support and Chairmanship of the Land Trust over the last 9 years since we became independent.

Peter retires leaving the Trust in good health after guiding us through some challenging early years after independence during the depths of a financial crisis.

We will miss his wisdom and foresight.

Finally, I would like to thank our committed team of staff, volunteers, managing partners and our Trustees, without whom none of our achievements would have been possible.

We look forward with confidence to further achievements in 2019/20.

A handwritten signature in black ink, appearing to read 'Euan Hall', is positioned above the printed name.

**Euan Hall**  
**Chief Executive**

**18<sup>th</sup> September 2019**

**THE LAND RESTORATION TRUST**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2019**

**TRUSTEES' REPORT:**

**LEGAL AND ADMINISTRATIVE**

**STRUCTURE**

The Land Restoration Trust, (operating as the Land Trust) is a charity registered with the Charity Commission in England and Wales No 1138337. It is a company limited by guarantee No 5077263 and is registered with the Office of the Scottish Charity Register No SC43833.

The Charity's governing documents are its Articles of Association. The Articles of Association were amended to meet requirements for registering for the Office of the Scottish Charity Register and the updated Articles of Association were adopted on 2 December 2013.

The Charity has two wholly-owned subsidiaries: Osprey Quay Management Services Company Limited (a charity and a company limited by guarantee) and The Land Restoration Trust Services Limited.

The Land Restoration Trust Services Limited has a further 11 subsidiaries (generally providing management services to particular sites): Space First Limited, Osprey Quay Management Company Limited, Manor Kingsway Management Company Limited, Carr Lodge Management Company Limited, Frickley Management Company Limited, Space First (South East) Limited and Space First (North West) Limited, Space First (Manchester) Limited, Land Trust Residential Services Limited, Beaulieu Estate Management Limited and Land Trust Estates Scotland Limited.

More details are provided in Note 12 to the financial statements

On the 27<sup>th</sup> March 2019, Land Trust Estates Scotland Limited began trading in Scotland.

**THE LAND RESTORATION TRUST DIRECTORS**

The Directors of the Charity are its Trustees for the purpose of Company Law and throughout this report are collectively referred to as the "Trustees". The Trustees serving as at 31st March 2019, who unless otherwise stated, served throughout the year, were:

Peter Smith (Chairman)  
Lady Garrett (Jane)  
William Hiscocks  
Tom Keevil  
Simon MacGillivray  
Walter Menzies (resigned 13<sup>th</sup> June 2018)  
Jeffrey Moore  
Dinah Nichols CB  
Ian Piper (resigned 2<sup>nd</sup> May 2018)  
Sarah Whitney  
Patrick Aylmer  
Anthony Bickmore  
Janet Haddock-Fraser  
Jonathan Irvine (appointed 18<sup>th</sup> September 2019)

Details of all Trustees are available on the Trust's website.

**Chief Executive**

Euan Hall, RD MRICS

**Company Secretary**

Euan Hall, RD MRICS

**KEY MANAGEMENT PERSONNEL**

Chief Executive	Euan Hall RD, MRICS
Director of Finance	Paul Oberg, BA (Hons), CA
Director of Portfolio Management	Alan Carter, BSc (Hons), MRICS



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**YEAR ENDED 31 MARCH 2019**

**PRINCIPAL AND REGISTERED OFFICE**

7 Birchwood One  
Dewhurst Road  
Birchwood  
Warrington WA3 7GB

**PROFESSIONAL ADVISORS**

The Trust's main advisors are:

**EXTERNAL AUDITORS**

Saffery Champness LLP  
71 Queen Victoria Street  
London EC4V 4BE

**SOLICITORS**

The Land Trust operates a framework agreement with various solicitors. Firms are tasked from time to time according to their expertise.

**BANKERS**

Barclays Plc  
1st Floor  
3 Hardman Street  
Spinningfields  
Manchester, M3 3HF

**INVESTMENT MANAGERS**

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London EC4V 4ET

**GOVERNANCE AND MANAGEMENT**

**Trustees – recruitment and emoluments**

Our Trustees have been recruited to provide the skills and experience required to govern the Charity. The Trustees, who comprise the Board of the Company, did not receive any remuneration during the period. When recruited, Trustees are inducted by attending workshops and other training arranged by the Charity. Travelling and subsistence expenses incurred by the Trustees on Board business amounted to £8,921 (2017/18: £6,087) during the year.

The Trustees are generally elected or appointed for a term of 3 years, normally with a maximum period of service of 9 years. Thereafter a Trustee may be re-elected on an annual basis for a period of one year. There is a role description for all Trustees and the Trust's Nominations Committee makes recommendations for the appointment and re-appointment of Trustees to the Board.

All candidates must be able to demonstrate that they can fulfil the requirements of the role. The Charity has a policy to recruit Trustees through an open and transparent process to identify Trustees with the right skills to help the Charity grow and deliver its objectives.

Newly appointed Trustees receive a letter of appointment, an induction programme and on-going updates during their term.

The Trustees have benefited from Trustee Directors & Officers insurance throughout the year and since the year end.

**The Board**

The Board usually meets four times a year, on one occasion for a two-day strategy review. Additional ad hoc meetings of the Board or Trustees take place during the year to appraise new sites or property and to consider acquisitions and finance plans.

**Committees of the Board of Trustees**

While reserving its authority over a number of key areas, the Trust has four standing committees which assist the Board with its work:

**The Audit Committee**

The Audit Committee assists in discharging the Trustees' oversight responsibilities, by overseeing the financial reporting process in order to review the balance, transparency and integrity of the Trust's published financial information. At the end of the financial year, the Audit Committee was made up of six Trustees: Sarah Whitney as Chair, Patrick Aylmer, Lady Garrett (Jane), William Hiscocks, Tom Keevil and Dinah Nichols, with the Chairman, the Director of Finance and the Chief Executive Officer in attendance where appropriate. This committee also reviews the effectiveness of the Trust's internal control, risk-management and compliance systems, the Trust's internal audit and the external audit function, including assessing the performance of both internal and external auditors.

Following a tender process, on 1<sup>st</sup> April 2019, Mazars LLP were replaced as Internal Auditors by BDO LLP.

**Investment Committee**

The Investment Committee reviews the management and performance of the Trust's investments on behalf of the Board of Trustees. The committee recommends to the Board of Trustees an appropriate investment strategy, advises on the selection of investment

**THE LAND RESTORATION TRUST**  
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managers and monitors investment performance against appropriate benchmarks and pre-agreed targets. At the end of the year, this committee was made up of six Trustees: William Hiscocks as Chair, Patrick Aylmer, Tom Keevil, Jeffrey Moore, Peter Smith and Sarah Whitney, with the Chief Executive Officer and Director of Finance in attendance where appropriate.

The Remuneration & HR Committee

The Remuneration & HR Committee oversees the remuneration and terms of employment of the senior staff, and reviews succession planning for senior management. The committee ensures the development of a committed and motivated workforce through the Trust's HR policies and practices. Throughout the financial year, this committee was made up of Dinah Nichols as Chair, Simon MacGillivray, Janet Haddock-Fraser, Lady Garrett (Jane), and Peter Smith, with the Chief Executive Officer in attendance. Lady Garrett joined the committee during the year.

The Nominations Committee

The Nominations Committee assists the Board in fulfilling its responsibilities for ensuring the Trust is appropriately governed and that the Trustees have the necessary skills and experience to further the organisation's charitable objectives. This committee comprises: the Chairman of the Board; the Chairs of the Audit, Investment and Remuneration Committees; and the Chief Executive Officer. The Chief Executive Officer is a non-voting Member.

**Fundraising**

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities. The Trust receives minimal funds directly from the general public. The Trust does not work directly with commercial sponsors but where commercial sponsorship is arranged for an event a clear contract is in place between the Trust and the commercial sponsor. The Trustees are not aware of any complaints made in respect of fundraising during the year.

**Key Management Personnel**

In the opinion of the Board of Directors (who are also the Trust's Trustees), the key personnel of the Trust are considered to be both the Trustees and the Senior Leadership Team.

The Senior Leadership Team is responsible for directing, controlling, running and operating the Trust on a day to day basis.

All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in Note 7 to the accounts.

The pay of the senior staff is reviewed and approved annually by the Remuneration & HR Committee in accordance with the cost of living, comparable average earnings in both the related charity and the commercial development sectors, the Trust's ability to pay and the achievement of business plan objectives, in accordance with the Trust's performance management procedures.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**Health and Safety**

The Board considers the health, safety and well-being of our staff, volunteers, suppliers and visitors to our sites to be a governance priority.

The Board is ultimately responsible for compliance with Health and Safety legislation. The day-to-day responsibility is delegated to the Chief Executive and the Director of Portfolio Management, who are together responsible for compliance, relevant policy development and performance. Health and Safety is a line management responsibility throughout the Trust. Additionally, the Trust are supported by Caldston Ltd, a consultancy with significant experience and qualifications in managing risk in green spaces.

During the course of the year the Trust has reviewed and updated our safety management system to ensure that we continue to improve our safety performance. All staff have completed training sessions outlining both their individual and health and safety responsibilities of the organisation and the individual employees as expressed in the Health and Safety at Work Act 1974. The Trust has a number of proactive monitoring systems in place to ensure these responsibilities are met. We continue to work closely with our managing agents to develop robust and complementary best practice.

The Trust has a Safeguarding Policy in place to which all staff have access. Underpinning the policy are a number of procedures and policies which are subject to periodic review.

**Financial Reporting**

**THE LAND RESTORATION TRUST**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2019**

The Trustees (who are also Directors of The Land Restoration Trust for the purposes of Company Law) are responsible for preparing the Trust's Annual Report, including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for ensuring proper accounting records are kept that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group 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 Trust 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.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives**

The Trust promotes the conservation, protection and improvement of the physical and natural environment anywhere in the United Kingdom and insofar as may be charitable according to the laws of England and Wales and Scotland. Its objectives are to:

1. Advance public education in environmental matters and other ways of better conserving, protecting and improving the physical natural environment;
2. Promote sustainable development for the benefit of the public by the preservation, conservation and protection of the environment and the prudent use of natural resources and promotion of biological diversity;
3. Advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment (sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their needs);
4. Promote the voluntary sector for the benefit of the public by supporting local community based groups to maintain open spaces, woodlands and forests for the benefit of the public to be used as areas of informal recreation, play or other leisure time activities and for any other purpose consistent with this object and for the benefit of the community anywhere in the United Kingdom;
5. Promote urban and rural regeneration in areas of economic and social deprivation by all or any of the following means: i) the advancement of education, training or retraining, particularly among unemployed people and providing unemployed people with work experience, ii) the maintenance and improvement of provision of public amenities, iii) the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such activities, and iv) the protection or conservation or improvement of the environment;
6. Create, provide, improve and maintain, open spaces, woodlands and forests for the benefit of the public to be used as areas of informal recreation, play, sport or other leisure time activities and for any other purpose consistent with this object and for the benefit of the community anywhere in the United Kingdom; and
7. Provide facilities in the interest of social welfare for recreation and leisure time occupation with the object of improving the conditions of life for those living or working anywhere in the United Kingdom.

We describe the various ways in which the Trust has achieved these objectives during the last year within the Chairman's Report and the Chief Executive's Report on pages 3 to 7. Further information is available on the Trust's website.

### **PUBLIC BENEFIT**

A charity is required to meet one or more of the prescribed charitable purposes as set out in the Charities Act 2011. In planning the Trust's activities, the Trustees have had regard to the Charity Commission's guidance (RR2 - Promotion of Urban and Rural Regeneration) on public benefit.

The public benefit lies in the provision of land for a charitable purpose either as a public amenity or in its preservation or conservation.

**THE LAND RESTORATION TRUST**  
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**YEAR ENDED 31 MARCH 2019**

**STRATEGIC REPORT**

**BUSINESS MODEL**

Traditionally, the Land Trust has been funded through investment returns on endowments, provided at the time the site was acquired. The investment income is used to cover the work performed on site, most of which is undertaken by our managing partners. A management fee, which covers part of the Trust's costs is also charged against this income. Additional charitable activity is often delivered through fundraising. This will continue to be the case for many new sites.

Since 2013/14, some of our sites have been funded through service charges paid by the residents of the site. Maintenance work on these sites is also carried out by our managing partners. The service charge sites are managed through a number of trading subsidiaries, so that the trade can be held separately and transparently.

**ACHIEVEMENTS AND PERFORMANCE**

A summary of the activities undertaken by the Trust during the year and its achievements and performance are set out in the Chairman's and Chief Executive's reports on pages 3 to 7 and are more fully described in the Annual Review and on the Trust's website [www.thelandtrust.org.uk](http://www.thelandtrust.org.uk).

**FINANCIAL REVIEW**

**Overview and Income**

The principal sources of income for the Trust in 2018/19 are: investment income, receipts from site funding, and investment income. Receipts from site funding are invested to generate investment income which is used to cover the cost of managing sites for public benefit. In the year ended 31 March 2019 new site funding was £8.9m (2017/18: £0.7m) which represented two new sites (Avenue Country Park & Ash Green Meadows) (2017/18: additional funding for 2 sites).

Whilst site funding (reported in the Statement of Financial Activities under Income and Endowments) is critical to the growth of the Trust, it is more importantly the Trust's investment income that provides the ongoing revenue to fund the Trust's charitable activities. During the year investment income was £5.7m (2017/18: £5.1m).

Income from charitable activities in the year was £0.9m (2017/18: £0.9m).

Grant income during the year included:

- The Denise Coates Foundation has provided an initial £0.3m towards a site development and improvement programme for Hassall Green as well as the funding for the Green Angels Project; and
- The Rural Development Programme for England has provided £0.2m towards a Café and Visitors Centre at Pleasley Pit.

Income from other trading activities has remained stable at £0.4m (2017/18: £0.4m) in the year. This income is generated from a number of sources which include service charge management & administration fees, food concession licences, grazing licences, site access licences and site visits.

**Expenditure**

Total expenditure in 2018/19 increased to £6.5m (2017/18: £6.2m), mainly due to an increase in Legal & Professional Fees relating to the increased business development activity which has been mitigated by a fall in Staff Costs in the year.

The Trust generated a net incoming resource surplus (before gains & losses on investments) of £9.8m (2017/18: £8.9m). The surplus is taken to the Trust's reserves and those funds with restrictions are held to be applied in accordance with the restrictions.

**Subsidiaries**

The Trust has three trading subsidiaries, Land Trust Residential Services Limited, Beaulieu Estate Management Limited and Land Trust Estates Scotland Limited which carry out the management of Service Charge Sites. Within 2018/19 Land Trust Residential Services Limited and Beaulieu Estate Management Limited both made losses (£0.01m in total (2017/18: £0.02m)). Although losses have continued they have reduced since 2017/18. The Trustees are confident that in the medium term these subsidiaries will become profitable as the number of units under management increases as the sites continue to be built out and further sites are taken on.

Land Trust Estates Scotland Limited began trading at the end of 2018/19, with the management of Cardowan in Glasgow. Land Trust Estates Scotland Limited made a profit of £0.02m in 2018/19 due to Development Fees charged. All distributable profits were donated to The Land Trust (£0.02m)

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**Financial Investment Policy**

The Trust's Investment Policy is reviewed by the Investment Committee which sets out the long-term investment objectives. These are essentially to generate a level of income to meet its related site expenditure requirements whilst maintaining the long term purchasing power of capital and income against inflation.

The Trust aims to observe responsible investment principles and the Trust complies with guidelines laid down by the Charity Commission and the United Nation's Principles for Responsible Investment, taking into consideration the environmental, social, reputational and governance risk characteristics of existing and prospective investments made on a direct or pooled fund basis.

The value of the portfolio increased to £142.1m as at 31 March 2019 (31 March 2018: £131.6m) due to market forces over the year and the investment of site funding which was received in 2018/19.

**Financial Reserves**

The Trustees ensure that an adequate level of reserves is maintained to enable the Trust to manage financial risk and ensure there is sufficient funding for the long term financing of site maintenance.

When the Trust takes on a site on a permanent basis, it commits to keeping the site open to the public in perpetuity and it must therefore plan over the long term. However, as incoming resources are mainly generated from investment returns, the Trust is subject to the effects of short term volatility in these returns. The Trust ensures that, in the face of potentially volatile investment returns, adequate liquid resources are held to meet short term maintenance cost commitments.

Expenditure on our endowment sites is normally met from investment income generated from the investment of site funding received on acquisition. Site expenditure is carefully planned not to exceed available funds. For example, if investment income were to decrease, the level of expenditure to which the Trust commits would also decrease. The Trust monitors reserves on a site-by-site basis. This enables the Trust to maintain an adequate level of reserves for each individual site to cover any short term shortfall in investment income.

The Trust may hold reserves to be applied to future activities in a number of categories:

General Funds

These funds can be used for any of the Trust's charitable purposes.

Designated Funds

These funds, which are otherwise unrestricted, are earmarked by the Trustees for the management of specific sites.

Restricted Funds

These funds are applied to the various specific purposes intended by the donors.

Endowment Funds

These funds are held to generate income to manage the Trust's land.

Site costs are largely met from funds which are classified as Endowed, Restricted or Designated. These funds are managed so that sufficient funds are ring-fenced to ensure the sites can be managed in perpetuity.

In 2017/18 the Board approved the Designation of all current site funds which had been classified as General Funds. The Board also agreed that all future new site funds received would be automatically Designated if on the date of transfer they were classified as being General Funds.

In 2018/19 the Trustees of Osprey Quay Management Services Company Limited designated Site Funds of £0.1m.

During the financial year, the Trust reviewed its Designated Funds and identified surplus net income that was not required for future site expenditure. This income has been transferred to General Funds to use for other charitable projects. As a result of this review, £0.7m has been released from Designated Funds and moved to General Funds in the year (2017/18: £2.4m).

During the year, as part of the review of Designated and General Funds, £1.6m of expenditure was reclassified and has therefore been transferred to the appropriate funds.

The effect of these designations, releases and adjustments within the year are shown in Note 20.

As disclosed in Note 20, the balance on the Trust's General Funds after these transfers, is £2.3 million as at 31st March 2019 (2017/18: £4.3 million).

The Board adopted a Reserves Policy in 2016/17, as a result of which the minimum level of General Funds for 2018/19 has been calculated as £1.3 million. Following the designation of Site Funds, General Funds comprises funds available to meet any future operating deficit. The current level of General Funds (£2.3m) is to be used to fund operating deficits in line with the Trusts Business Plan and is expected to reduce over time.

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The Trust developed a ten year plan in 2012 to achieve its long term sustainability, and a new strategic plan is being developed to ensure the Trust achieves a position where it is making annual surpluses before the General Fund reaches the minimum level. This plan includes contingency plans should that position not be achieved.

**Unrestricted Funds**

These comprise the General Funds and Designated Funding received.

The General Funds at 31 March 2019 amounted to £2.3m (2017/18: £4.3m).

The Designated Funds at 31 March 2019 amounted to £13.0m (2017/18: £10.7m). This represents funding designated for site maintenance. This increase is due to a number of different factors including; gains & losses on investments, designations of site funds and reclassification of funds.

**Restricted Funds**

At 31 March 2019 these funds amounted to £74.5m (2017/18: £60.8m), the main reasons for these increases are new site funding and gains and losses on investments. These funds are restricted due to their Site Funding Agreements,

**Endowed Funds**

At 31 March 2019, these funds amounted to £74.3m (2017/18: £68.9m) and are invested in the Trust's long term discretionary investment portfolio. These funds have been provided on the condition that, with the exception of the Expendable Endowments (the major ones being; Pleasley, Brodsworth and Shirebrook), their capital is retained to generate long term investment income.

An expendable endowment is where under the terms of its funding agreement its capital can be expended, normally this expenditure is only spent on capital items at the point of transfer to the Trust to ensure that the site is 'fit for purpose'.

**Related Parties**

Trustees and Member organisations are considered to be related parties. Details of the transactions with these parties are set out in Note 28 under Related Party transactions.

**Pensions**

During the year the Trust operated a stakeholder defined contribution pension scheme operated by Aviva and available to all staff. The Trust is also a participating employer of the Homes England (formerly the Homes & Communities Agency (HCA)) defined benefit scheme as a result of a number of staff who were members of the HCA Pension Scheme transferring to The Land Restoration Trust on 1 August 2012 under the Transfer of Undertakings (Protection of Employment) Regulations ("TUPE").

The FRS 102 valuation of the Trust share of the HCA Scheme as at 31 March 2019 showed liabilities of £1.1m (2017/18: £0.94m) with assets of £1.2m (2017/18: £1.07m), giving a surplus of £0.1m (2017/18: surplus of £0.13m). Further information on the pension scheme is available in Note 24 to the financial statements.

The estimate of the Exit Debt that would be payable if the Trust ceased as a participating employer in the HCA Pension Scheme was £0.39m (2017/18: £0.59m). Further information is contained in Note 27 to the financial statements.

Since 31<sup>st</sup> March 2019, the Trust has given notice of withdrawal from the Homes England defined benefit scheme and will negotiate the cost of withdrawal.

**PLANS FOR FUTURE PERIODS**

The Trust's plans for future periods are set out in the Chairman's and Chief Executive's Reports on pages 3 to 7.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Trust's risk management processes are designed to enable the Board, on the advice of the Audit Committee which considers reports from the Director of Finance, to conclude whether the major risks to which the Trust is exposed have been identified and reviewed, and systems and procedures have been established to mitigate these risks.

The Trust has currently identified the main risks as the 'Delivery of the Service Charge Pipeline', 'Rapid Expansion/Overtrading' and the 'Impact of unfavourable economic and political conditions'.

Major risks are those which have a combined high impact and probability of occurring and would, if they occurred, have a severe impact on either operational performance or achievement of purpose and objectives, or could damage the Trust's reputation. The Trustees concentrate their efforts on ensuring that the most serious risks are being managed effectively. These are reported regularly to the Board and are also considered in detail periodically by the Audit Committee.

The Trust's approach addresses risk in a wide context, with emphasis on strategic, environmental and operational risks in addition to the more familiar areas of financial risks, compliance with statutory requirements and internal control procedures. The Trust assesses risk in terms of its financial and reputational impact and its impact on the delivery of its key objectives.

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A scheme of delegations is in place and this is periodically reviewed and agreed by the Board, setting out the delegated authority to the Investment, Remuneration & HR, Audit and Nominations Committees, and to the principal officers. The day-to-day management is delegated to the Chief Executive, the principal officers and other Trust staff.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

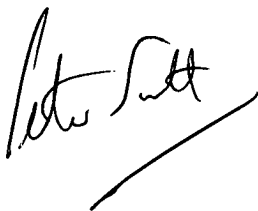
The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees, in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

**AUDITORS**

A resolution to reappoint Saffery Champness LLP will be proposed at the forthcoming Annual General Meeting.

**Peter Smith**  
**Chairman**

**18<sup>th</sup> September 2019**

A handwritten signature in black ink, appearing to read 'Peter Smith', with a long horizontal line drawn underneath it.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAND RESTORATION TRUST**

**For the year ended 31 March 2019**

**Opinion**

We have audited the financial statements of The Land Restoration Trust for the year ended 31 March 2019 which comprise the group and charity statements of financial activities, the group and charity balance sheets, the group and charity statements of cash flow 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 affairs of the group and the parent charitable company as at 31 March 2019 and of the group's incoming resources and application of resources, including its 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 Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**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 and the parent charitable company 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**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

**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' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report, which includes the Directors' Report and the Strategic Report, has been prepared in accordance with applicable legal requirements.

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**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' Annual Report and Strategic Report.

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

- the group or parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; 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**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, 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 the 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 parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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, and to the charitable company's trustees, as a body, in accordance with 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 and trustees those matters we are required to state to them in an auditors 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turlington (Senior Statutory Auditor)  
For and on behalf of

**Saffery Champness LLP**  
**Chartered Accountants**

**71 Queen Victoria Street**  
**London**  
**EC4V 4BE**

**Statutory Auditors**

Date: *1 October 2019*

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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**GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Including the consolidated Income and Expenditure Account)**  
**YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2019 £000's	Year Ended 31/03/2018 £000's
<b>Income and Endowments from:</b>						
Donations and Legacies	2	-7	-	-	7	7
Charitable Activities	3	424	516	-	940	900
Other Trading Activities	4	395	4	-	399	381
Site Funding	5	-	8,904	-	8,904	674
Investments	6	3,046	2,687	-	5,733	5,128
Other Income		-	-	-	-	-
<b>Total Income</b>		<b>3,872</b>	<b>12,111</b>	<b>-</b>	<b>15,983</b>	<b>7,090</b>
<b>Expenditure on:</b>						
Investment Management Fees	8	39	158	224	421	428
Charitable Activities	8	3,689	2,357	-	6,046	5,807
<b>Total Expenditure</b>		<b>3,728</b>	<b>2,515</b>	<b>224</b>	<b>6,467</b>	<b>6,235</b>
Net Gains/(Losses) on Investments		900	3,776	5,163	9,839	(2,034)
Corporation Tax	9	-	-	-	-	-
<b>Net Income/(Expenditure)</b>		<b>1,044</b>	<b>13,372</b>	<b>4,939</b>	<b>19,355</b>	<b>(1,179)</b>
<b>Other Recognised Gains/(Losses)</b>						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme		14	-	-	14	112
Transfers	20	(687)	275	412	-	-
<b>Net Movement in Funds</b>		<b>371</b>	<b>13,647</b>	<b>5,351</b>	<b>19,369</b>	<b>(1,067)</b>
<b>Reconciliation of Funds</b>						
Total Funds brought forward		14,972	60,849	68,913	144,734	145,801
<b>Total Funds carried forward</b>	<b>20</b>	<b>15,343</b>	<b>74,496</b>	<b>74,264</b>	<b>164,103</b>	<b>144,734</b>
<b>INCOME AND EXPENDITURE ACCOUNT</b>						
Total Income (excluding Permanent Endowment income)					15,983	7,090
Total Expenditure (excluding Permanent Endowment Expenditure & Taxation)					(6,296)	(6,057)
Gains & Losses on Investments (excluding Permanent Endowments)					5,906	(1,185)
<b>Net Income/Expenditure</b>					<b>15,593</b>	<b>(152)</b>

There are no new or discontinued activities during the year. The Trust has no recognised gains or losses other than as stated in the Statement of Financial Activities.

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**CHARITY COMPANY STATEMENT OF FINANCIAL ACTIVITIES**  
**(Including the Income and Expenditure Account)**  
**YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2019 £000's	Year Ended 31/03/2018 £000's
<b>Income and Endowments from:</b>						
Donations and Legacies	2	30	-	-	30	7
Charitable Activities	3	424	516	-	940	900
Other Trading Activities	4	383	4	-	387	377
Site Funding	5	-	8,904	-	8,904	674
Investments	6	2,996	2,687	-	5,683	5,079
Other Income		-	-	-	-	-
<b>Total Income</b>		<b>3,833</b>	<b>12,111</b>	<b>-</b>	<b>15,944</b>	<b>7,037</b>
<b>Expenditure on:</b>						
Investment Management Fees	8	39	158	224	421	428
Charitable Activities	8	3,680	2,357	-	6,037	5,777
Other	8	-	-	-	-	-
<b>Total Expenditure</b>		<b>3,719</b>	<b>2,515</b>	<b>224</b>	<b>6,458</b>	<b>6,205</b>
Net Gains/(Losses) on Investments		900	3,669	5,163	9,732	(2,058)
<b>Net Income/(Expenditure)</b>		<b>1,014</b>	<b>13,265</b>	<b>4,939</b>	<b>19,218</b>	<b>(1,226)</b>
<b>Other Recognised Gains/(Losses)</b>						
Actuarial (Losses)/Gains on Defined Benefit Pension Scheme		14	-	-	14	112
Transfers	20	(687)	275	412	-	-
<b>Net Movement in Funds</b>		<b>341</b>	<b>13,540</b>	<b>5,351</b>	<b>19,232</b>	<b>(1,114)</b>
<b>Reconciliation of Funds</b>						
Total Funds brought forward		14,942	59,501	68,913	143,356	144,470
<b>Total Funds carried forward</b>	<b>20</b>	<b>15,283</b>	<b>73,041</b>	<b>74,264</b>	<b>162,588</b>	<b>143,356</b>
<b>INCOME AND EXPENDITURE ACCOUNT</b>						
Total Income (excluding Permanent Endowment income)					15,944	7,037
Total Expenditure (excluding Permanent Endowment Expenditure & Taxation)					(6,287)	(6,027)
Gains & Losses on Investments (excluding Permanent Endowments)					5,799	(1,209)
<b>Net Income/Expenditure</b>					<b>15,456</b>	<b>(199)</b>

There are no new or discontinued activities during the year. The Trust has no recognised gains or losses other than as stated in the Statement of Financial Activities.

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**BALANCE SHEETS AS AT 31 MARCH 2019**

	Note	GROUP		CHARITY	
		31/03/2019 £000's	31/03/2018 £000's	31/03/2019 £000's	31/03/2018 £000's
<b>Fixed Assets</b>					
Tangible Fixed Assets	13	573	253	573	253
Investments	14	142,134	131,634	140,661	130,269
<b>Total Fixed Assets</b>		<b>142,707</b>	<b>131,887</b>	<b>141,234</b>	<b>130,522</b>
<b>Current Assets</b>					
Debtors	15	9,448	1,645	9,457	1,669
Cash in Bank and in Hand		14,084	12,883	13,991	12,823
<b>Total Current Assets</b>		<b>23,532</b>	<b>14,528</b>	<b>23,448</b>	<b>14,492</b>
<b>Liabilities</b>					
Creditors: falling due within one year	16	(2,131)	(1,674)	(2,089)	(1,651)
<b>Net Current Assets</b>		<b>21,401</b>	<b>12,854</b>	<b>21,359</b>	<b>12,841</b>
Creditors: falling due after more than one year	17	(5)	(7)	(5)	(7)
<b>Defined Benefit Pension Scheme Liability</b>	24	-	-	-	-
<b>Total Net Assets</b>		<b>164,103</b>	<b>144,734</b>	<b>162,588</b>	<b>143,356</b>
<b>Funds:</b>					
Endowment Funds	20	74,264	68,913	74,264	68,913
Restricted Funds	20	74,496	60,849	73,041	59,501
Unrestricted Funds	20	15,343	14,972	15,283	14,942
<b>Total Funds</b>		<b>164,103</b>	<b>144,734</b>	<b>162,588</b>	<b>143,356</b>

The financial statements were approved by the Trustees and authorised for issue on 18<sup>th</sup> September 2019 and signed on their behalf by:

Peter Smith  
Trustee



The Land Restoration Trust - Company Number: 5077263

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>GROUP</b>			
	<b>Note</b>	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>
<b>Net Cash provided by (used in) Operating Activities</b>	<b>21</b>	<b>(11,974)</b>	<b>(2,056)</b>
<b>Cash flows from Investing Activities:</b>			
Dividends, interest and rents from investments		5,733	5,128
Investment Management Costs		(421)	(428)
Purchase of Fixed Assets		(381)	(156)
Purchase of Investments		(38,635)	(39,540)
Proceeds from Sale of Investments		35,785	31,872
<b>Net Cash used in Investing Activities</b>		<b>2,081</b>	<b>(3,124)</b>
<b>Cash flows from Financing Activities:</b>			
Additions to Endowments/Site Funding		8,904	674
<b>Net cash provided by Financing Activities</b>		<b>8,904</b>	<b>674</b>
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		<b>(989)</b>	<b>(4,506)</b>
Cash and Cash Equivalents at the beginning of the Reporting Period		15,671	20,177
Cash and Cash Equivalents at the End of the Reporting Period		14,682	15,671
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>	<b>22</b>	<b>(989)</b>	<b>(4,506)</b>

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**CHARITY STATEMENT OF CASH FLOWS**

<b>CHARITY</b>			
	<b>Note</b>	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>
<b>Net Cash provided by (used in) Operating Activities</b>	<b>21</b>	<b>(11,958)</b>	<b>(1,994)</b>
<b>Cash Flows from Investing Activities:</b>			
Dividends, Interest and Rents from Investments		5,683	5,079
Investment Management Costs		(421)	(428)
Purchase of Fixed Assets		(381)	(156)
Purchase of Investments		(38,634)	(39,540)
Proceeds from Sale of Investments		35,785	31,872
<b>Net Cash used in Investing Activities</b>		<b>2,032</b>	<b>(3,173)</b>
<b>Cash Flows from Financing Activities:</b>			
Additions to Endowments/Site Funding		8,904	674
<b>Net Cash provided by Financing Activities</b>		<b>8,904</b>	<b>674</b>
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		<b>(1,022)</b>	<b>(4,493)</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		15,611	20,104
Cash and Cash Equivalents at the End of the Reporting Period		14,589	15,611
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>	<b>22</b>	<b>(1,022)</b>	<b>(4,493)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1 ACCOUNTING POLICIES:**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trust constitutes a Public Benefit Entity as defined by FRS 102.

The Trust has a clear focus on managing its costs and, working within its appetite for risk, seeks to generate maximum income from its investment portfolio.

We continue to review and prepare long term forecasts and projections to show that:

- The projected income from each endowment and site fund is sufficient to meet its expected operating costs; and
- The contribution margin earned from the management of these sites, plus the Disengagement Grant, is sufficient to meet central costs; such that the Trust generate will equate General Funds to remain financially sustainable in the long term.

The financial statements are presented in sterling, rounded to the nearest thousand pounds.

Having considered the financial position of the Trust and the availability of free reserves, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the valuation of investments and pension obligations but professional advice is taken on these areas and they are not thought to represent a significant risk to the Trust.

The Trustees have therefore continued to adopt the Going Concern basis in preparing the annual Financial Statements.

**CONSOLIDATED ACCOUNTS**

The consolidated financial statements include the financial statements of The Land Restoration Trust and all its subsidiary undertakings made up to 31 March 2019.

The acquisition method of accounting has been adopted. The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred

In the Charity's individual financial statements, investments in subsidiary undertakings are stated at cost.

**INCOME**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Trust.

Interest on funds held on deposit is accrued and the amount can be measured reliably by the Trust; this is normally upon notification of the interest payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Income from charitable activities include Endowment Funds and both Restricted and Unrestricted Funds to provide an income for the management of sites and other income received for managing sites not held by the Trust.

Income in relation to each site is accounted for separately, initial funds are classified under Site Funding, with any associated investment income being identified under investments.



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**DONATED SERVICES AND FACILITIES**

Donated professional services and donated facilities are recognised as income when the Trust has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trusts' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Trust which is the amount the Trust would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**INVESTMENT INCOME**

Investment income is recognised on a receivable basis. Withholding Tax from overseas investments is recognised on a received basis.

At 31<sup>st</sup> March 2019 Withholding Tax due to the Trust was £0.33m (31<sup>st</sup> March 2018: £0.25m) based on the exchange rate at that date.

**EXPENDITURE**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to that expenditure. Expenditure is recognised when, and to the extent that, a liability is incurred or increases without a commensurate increase in recognised assets or decrease in liabilities. All expenditure is accounted for on an accruals basis and is classified under appropriate headings that aggregate all costs relating to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**CHARITABLE EXPENDITURE**

Charitable expenditure includes all expenditure associated with the Trust's charitable activities, including support costs. Support costs include central office functions such as general management, finance and accounting, IT and human resources.

**OTHER EXPENDITURE**

Other expenditure represents those items not falling into any other heading.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at historical cost.

The following de-minimis levels of expenditures are set as the value above which a single item will be capitalised:

IT Equipment / Fixtures & Fittings / Office Furniture & Equipment -	£500
Motor Vehicles	- £10,000
Freehold Land	- £500
Freehold and Leasehold Buildings / Structures	- £15,000
Plant & Machinery	- £15,000

Depreciation is provided so as to write off the cost of the assets, other than freehold land, on a straight line basis over their estimated useful lives. Freehold land is not depreciated. The estimated useful lives are:

IT equipment	- 3 years
Fixtures and Fittings	- 5 to 6 years
- Office Fixtures & Fittings	- 4 years
- Office Furniture & Equipment	- 6 years
Motor Vehicles	- n/a
Freehold Land	- 12 to 35 years
Freehold and Leasehold Buildings / Structures	- 5 to 10 years
Plant & Machinery	

**FIXED ASSET INVESTMENTS**

Investments are stated at market value at the balance sheet date.

**DEBTORS**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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**CASH AT BANK AND IN HAND**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**CREDITORS AND PROVISIONS**

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**FINANCIAL INSTRUMENTS**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**RETIREMENT BENEFITS**

The Trust contributes to the Homes England defined benefit pension scheme which is a pension scheme providing benefits based on final pensionable pay, in respect of certain employees. The assets of the scheme are held separately from those of the group. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The Trust's share of the pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and actuarial gains and losses.

The Trust also operates a defined contribution scheme for other staff recruited directly by the Trust. The amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in respect of the period and contributions actually paid are shown as accruals in the balance sheet.

**LEASING COMMITMENTS**

Rentals paid under operating leases are charged to the statement of financial activities over the life of the lease.

Leases where the Land Trust assumes substantially all risks and rewards incidental to ownership of a leased asset, are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as Tangible Fixed assets and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

**GAINS AND LOSSES ON INVESTMENTS**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**FUNDS STRUCTURE**

Funds held by the Trust are:

*Unrestricted General Funds*

These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

*Designated Funds*

These funds have been earmarked out of Unrestricted Funds by the Trustees for specific purposes.

The Trust has established a policy of designating all site funds (identified at the point of transfer to the Trust), that are not restricted to a site.

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On an annual basis and after taking legal advice, the Trust reviews these designated funds and releases surplus income to the General Fund that is not required for future site expenditure to use for other charitable projects. The Trust then retains any revenue surplus that is not available for release within the Designated Funds.

*Restricted Funds*

These are funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

*Permanent Endowment Funds*

These are funds held permanently by the Trust, principally investments. Income arising on these investments can be used in accordance with the terms of Endowments and is taken to Restricted or Unrestricted Funds as appropriate.

*Expendable Endowment Funds*

In certain instances, the Trustees have the power of discretion to convert endowed capital into income, in which case the Fund is known as an Expendable Endowment.

**CORPORATION TAX**

The Land Restoration Trust as a registered charity is exempt from Corporation Tax under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes. Non Charitable Activities carried out within the Trust and the Charity's trading subsidiaries are subject to Corporation Tax.

**2 DONATIONS AND LEGACIES:**

**GROUP**

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2019 £000's
Fundraising Income	7	-	-	7
	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Year Ended 31/03/18	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>

**CHARITY**

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2019 £000's
Fundraising Income	30	-	-	30
	<u>30</u>	<u>-</u>	<u>-</u>	<u>30</u>
Year Ended 31/03/18	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>

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**3 CHARITABLE ACTIVITIES:**

	<b>GROUP</b>			
	<b>Unrestricted Funds £000's</b>	<b>Restricted Funds £000's</b>	<b>Endowment Funds £000's</b>	<b>Year Ended 31/03/2019 £000's</b>
Higher Level Stewardship	-	16	-	16
Single Farm Payment	161	-	-	161
Denise Coates Foundation - Site Development/Improvement Programme	-	291	-	291
Rural Development Programme for England - Café & Visitors Centre	-	164	-	164
Royal Borough of Greenwich - Education & Sports Facilities	-	17	-	17
Site Maintenance	263	-	-	263
Other	-	28	-	28
	<b>424</b>	<b>516</b>	<b>-</b>	<b>940</b>
<b>Year Ended 31/03/18</b>	<b>328</b>	<b>572</b>	<b>-</b>	<b>900</b>

	<b>CHARITY</b>			
	<b>Unrestricted Funds £000's</b>	<b>Restricted Funds £000's</b>	<b>Endowment Funds £000's</b>	<b>Year Ended 31/03/2019 £000's</b>
Higher Level Stewardship	-	16	-	16
Single Farm Payment	161	-	-	161
Denise Coates Foundation - Site Development/Improvement Programme	-	291	-	291
Rural Development Programme for England - Café & Visitors Centre	-	164	-	164
Royal Borough of Greenwich - Education & Sports Facilities	-	17	-	17
Site Maintenance	263	-	-	263
Other	-	28	-	28
	<b>424</b>	<b>516</b>	<b>-</b>	<b>940</b>
<b>Year Ended 31/03/18</b>	<b>328</b>	<b>572</b>	<b>-</b>	<b>900</b>

These activities include Grant Funding that the Trust has been awarded and the income from the management of third party owned sites.

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**4 OTHER TRADING ACTIVITIES:**

**GROUP**

	<b>Unrestricted Funds £000's</b>	<b>Restricted Funds £000's</b>	<b>Endowment Funds £000's</b>	<b>Year Ended 31/03/2019 £000's</b>
Consultancy Work	27	-	-	27
Miscellaneous Income	26	-	-	26
Site Activities	156	5	-	161
Site Maintenance	186	(1)	-	185
	<b>395</b>	<b>4</b>	<b>-</b>	<b>399</b>
<b>Year Ended 31/03/18</b>	<b>377</b>	<b>4</b>	<b>-</b>	<b>381</b>

**CHARITY**

	<b>Unrestricted Funds £000's</b>	<b>Restricted Funds £000's</b>	<b>Endowment Funds £000's</b>	<b>Year Ended 31/03/2019 £000's</b>
Consultancy Work	27	-	-	27
Miscellaneous Income	15	-	-	15
Site Activities	157	5	-	162
Recharge to Subsidiaries	158	-	-	158
Site Maintenance	26	(1)	-	25
	<b>383</b>	<b>4</b>	<b>-</b>	<b>387</b>
<b>Year Ended 31/03/18</b>	<b>373</b>	<b>4</b>	<b>-</b>	<b>377</b>

The main activities relate to consultancy work carried out on behalf of third parties, income earned from the sites, for example grazing licences and wayleave fees and Site Maintenance, i.e. Service Charge Income from the management of Service Charge Sites.

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**5 SITE FUNDING**

	GROUP & CHARITY			Year Ended 31/03/2019 £000's
	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	
New Site Funding	-	8,904	-	8,904
	-	8,904	-	8,904
<b>Year Ended 31/03/18</b>	<b>174</b>	<b>500</b>	<b>-</b>	<b>674</b>

The site funding in 2018/19 relates to two fully managed sites.

**6 INCOME FROM INVESTMENTS:**

	GROUP			Year Ended 31/03/2019 £000's
	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	
Bank Interest	59	24	-	83
Interest & Dividends from Investments	2,987	2,663	-	5,650
	3,046	2,687	-	5,733
<b>Year Ended 31/03/18</b>	<b>2,703</b>	<b>2,425</b>	<b>-</b>	<b>5,128</b>

	CHARITY			Year Ended 31/03/2019 £000's
	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	
Bank Interest	57	24	-	81
Interest & Dividends from Investments	2,939	2,663	-	5,602
	2,996	2,687	-	5,683
<b>Year Ended 31/03/18</b>	<b>2,654</b>	<b>2,425</b>	<b>-</b>	<b>5,079</b>

**7 TRUSTEES' REMUNERATION:**

Expenses claimed by the Trustees in 2018/19 totalled £8,921 (2017/18: £6,087). The Trustees received no remuneration in 2018/19 (2017/18: £nil).

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**8 ANALYSIS OF EXPENDITURE:**

**GROUP**

	<b>Basis of Allocation</b>	<b>Investment Management Fees £000's</b>	<b>Charitable Activities £000's</b>	<b>Other £000's</b>	<b>Year Ended 31/03/2019 £000's</b>
<u>Costs directly charged to activities</u>					
Site Maintenance.	Direct	-	3,278	-	3,278
Project Consultancy	Direct	-	37	-	37
Insurance	Direct	-	101	-	101
Subscriptions	Direct	-	11	-	11
Legal & Professional	Direct	-	496	-	496
Investment Management Costs	Direct	351	-	-	351
Audit & Accountancy fees	Direct	-	33	-	33
Premises Running Costs	Direct	-	56	-	56
Marketing	Direct	-	41	-	41
Recruitment	Direct	-	28	-	28
Director/Trustee Expense	Direct	-	9	-	9
Irrecoverable VAT	Direct	70	157	-	227
<u>Support costs allocated to activities</u>					
Staff Costs	Usage	-	1,481	-	1,481
General Running Costs	Usage	-	192	-	192
Finance Leases	Usage	-	1	-	1
Depreciation	Usage	-	61	-	61
IT Support	Usage	-	48	-	48
Training	Usage	-	16	-	16
		<b>421</b>	<b>6,046</b>	<b>-</b>	<b>6,467</b>
		<b>Unrestricted Funds £000's</b>	<b>Restricted Funds £000's</b>	<b>Endowment Funds £000's</b>	<b>Year Ended £000's</b>
<b>Year Ended 31/03/19</b>					
Investment Management Fees		39	158	224	421
Charitable Activities		3,689	2,357	-	6,046
<b>Total Expenditure</b>		<b>3,728</b>	<b>2,515</b>	<b>224</b>	<b>6,467</b>
<b>Year Ended 31/03/18</b>					
Investment Management Fees		33	162	233	428
Charitable Activities		3,776	2,031	-	5,807
<b>Total Expenditure</b>		<b>3,809</b>	<b>2,193</b>	<b>233</b>	<b>6,235</b>

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		CHARITY			
	Basis of Allocation	Investment Management Fees £000's	Charitable Activities £000's	Other £000's	Year Ended 31/03/2019 £000's
<u>Costs directly charged to activities</u>					
Site Maintenance	Direct	-	3,258	-	3,258
Project Consultancy	Direct	-	37	-	37
Insurance	Direct	-	101	-	101
Subscriptions	Direct	-	11	-	11
Legal & Professional	Direct	-	496	-	496
Investment Management Costs	Direct	351	-	-	351
Audit & Accountancy Fees	Direct	-	25	-	25
Premises Running Costs	Direct	-	56	-	56
Marketing	Direct	-	41	-	41
Recruitment	Direct	-	28	-	28
Director/Trustee Expense	Direct	-	9	-	9
Interest Payable to Group Undertaking	Direct	-	-	-	-
Irrecoverable VAT	Direct	70	157	-	227
<u>Support costs allocated to activities</u>					
Staff Costs	Usage	-	1,481	-	1,481
Finance Leases	Usage	-	1	-	1
General running costs	Usage	-	211	-	211
Depreciation	Usage	-	61	-	61
IT Support	Usage	-	48	-	48
Training	Usage	-	16	-	16
		<u>421</u>	<u>6,037</u>	<u>-</u>	<u>6,458</u>
		Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended £000's
<b>Year Ended 31/03/19</b>					
Investment Management Fees		39	158	224	421
Charitable Activities		3,680	2,357	-	6,037
Other		-	-	-	-
<b>Total Expenditure</b>		<u>3,719</u>	<u>2,515</u>	<u>224</u>	<u>6,458</u>
<b>Year Ended 31/03/18</b>					
Investment Management Fees		33	162	233	428
Charitable Activities		3,746	2,031	-	5,777
Other		-	-	-	-
<b>Total Expenditure</b>		<u>3,779</u>	<u>2,193</u>	<u>233</u>	<u>6,205</u>



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**Basis of Allocation**

Cost allocation includes an element of judgement and the Trust has had to consider the cost/benefit of detailed calculations and record keeping. Bases for calculation include:

- Specific costs have been attributed where possible
- Overheads/Management Fees have been allocated to sites on the basis set out in the individual funding agreements
- Staff and other costs have been allocated based on management estimates of time and usage

Within each site's Funding Agreement, there is a provision for the charging of a management fee to the individual site. In 2018/19 this management fee totalled £0.52m (2017/18: £0.50m). The management fees are included within the Expenditure column of the Analysis of Charitable Funds (see Note 20).

**9 CORPORATION TAX**

The main activity of the Land Trust is to provide charitable activities, therefore no corporation tax is payable on any surplus from these activities.

In 2018/19, Land Trust Residential Services Limited, Beaulieu Estate Management Limited and Land Trust Estates Scotland Limited carried out trading activities and were therefore subject to Corporation Tax.

	<b>GROUP</b>	
	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>
<b>Current Tax</b>		
Current Year	-	-
Prior Year	-	-
<b>Total Current Year</b>	-	-
<b>Deferred Tax</b>		
Current Year	-	-
Prior Year	-	-
<b>Total Deferred Tax</b>	-	-
<b>Tax on Profit on Ordinary Activities</b>	-	-
	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>
Factors affecting the Tax Charge for the Year		
Company Profit on Ordinary Activities Before Tax	14	(17)
Company Profit on Ordinary Activities multiplied by the Standard Rate of Corporation Tax in the UK of 19%	2	(3)
Effects of:		
Reversal of Gift Aid / (Tax Relief on Gift Aid payment treated as a Distribution of Profits)	(4)	-
Expenses that are not deductible in determining Taxable Profit - Legal Expenses	-	-
Loss on trade not carried on with a view to profit not allowed	-	-
Management Expenses - not utilised	-	-
Losses Carried Forward	2	3
<b>Total Current Tax</b>	-	-

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**10 NET INCOME/EXPENDITURE:**

	<b>GROUP</b>		<b>CHARITY</b>	
	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>
This is stated after charging:				
Depreciation	61	48	61	48
Operating leases	51	82	51	82
<u>Auditors' Remuneration</u>				
External Auditors				
- Current Year Audit Fees	25	24	19	18
- Non-Audit Fees	-	-	-	-
- Additional Fees for Prior Year	-	4	-	4
Independent Examination of Service Charges	2	1	-	-

**11 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL:**

	<b>GROUP &amp; CHARITY</b>	
	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>
Wages and Salaries	1,325	1,397
Social Security Costs	134	133
Pension Costs	116	135
	<u>1,575</u>	<u>1,665</u>
Staff Health Assessments	-	4
Contractors	37	118
	<u>1,612</u>	<u>1,787</u>

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**GROUP & CHARITY**

Year Ended 31/03/2019 £000's	Year Ended 31/03/2018 £000's
------------------------------------	------------------------------------

The average number of employees employed by the Trust was:

Business Development & Operations	18.9	20.7
Marketing & Communications	3.8	5.3
Finance & Administration	11.4	11.7
Chief Executive Office	2.0	1.6
<b>Total</b>	<b>36.1</b>	<b>39.3</b>

Employees' emoluments for the staff earning more than £60,000 for the year fell into the following bands:

**GROUP & CHARITY**

Year Ended 31/03/2019 £000's	Year Ended 31/03/2018 £000's
------------------------------------	------------------------------------

£'s	No.	No.
120,000 - 129,999	1	-
110,000 - 119,999	-	1
100,000 - 109,999	-	-
90,000 - 99,999	-	-
80,000 - 89,999	-	-
70,000 - 79,999	2	3
60,000 - 69,999	1	-

The total employer pension contributions for staff earning more than £60,000 were £38,298 in the year 2018/19 (£37,491 in 2017/18).

The key management personnel of the Trust, during the year, comprised Mr E Hall (Chief Executive), Mr A Carter (Director of Portfolio Management) and Mr P Oberg (Director of Finance). The total employee benefits of the key management personnel of the Trust were £314,821 (2017/18: £294,438).

Termination payments of £7,538 were made in 2018/19 (2017/18: £66,468).

## **12 SUBSIDIARY COMPANIES AND THEIR ACTIVITIES:**

As at 31<sup>st</sup> March 2019, the Trust has two wholly-owned subsidiaries, Osprey Quay Management Services Company Limited (a charity & a company limited by guarantee) and The Land Restoration Trust Services Limited.

The Land Restoration Trust Services Limited has a further 11 subsidiaries, Space First Limited, Osprey Quay Management Company Limited, Manor Kingsway Management Company Limited, Carr Lodge Management Company Limited, Frickley Management Company Limited, Space First (South East) Limited and Space First (North West) Limited, Space First (Manchester) Limited, Land Trust Residential Services Limited, Beaulieu Estate Management Limited and Land Trust Estates Scotland Limited.

Osprey Quay Management Services Company Limited is a company limited by guarantee, registered in England and Wales and incorporated on the 16<sup>th</sup> July 2015. This company obtained charity status on 21<sup>st</sup> April 2016. On the 1<sup>st</sup> October 2016, the assets and liabilities of Osprey Quay Management Company Limited were transferred to this subsidiary, enabling it to manage the open space around Osprey Quay, Portland.

The Land Restoration Trust Services Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 29<sup>th</sup> October 2012. The Land Restoration Trust Services Limited became a subsidiary from 29<sup>th</sup> October 2012. The main activity of The Land Restoration Trust Services Limited is to act as a holding company.

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Space First Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 29<sup>th</sup> October 2012. Space First Limited became a subsidiary from 29<sup>th</sup> October 2012. This company remained dormant throughout the financial year. The main activity of Space First Limited, once it is active, will be the management of open green space around new property developments.

Osprey Quay Management Company Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 20<sup>th</sup> March 2013. Osprey Quay Management Company Limited became a subsidiary from 20<sup>th</sup> March 2013. On the 1<sup>st</sup> October 2016, its assets and liabilities were transferred to Osprey Quay Management Services Company Limited and therefore it ceased to trade from that date.

Manor Kingsway Management Company Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 29<sup>th</sup> May 2014. Manor Kingsway Management Company Limited became a subsidiary from 29<sup>th</sup> May 2014. Manor Kingsway Management Company Limited remained dormant throughout the financial year. Once trading, its main activity will be the management of land and green space for community benefit.

Carr Lodge Management Company Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 29<sup>th</sup> May 2014. Carr Lodge Management Company Limited became a subsidiary from 29<sup>th</sup> May 2014. Carr Lodge Management Company Limited remained dormant throughout the financial year. Once trading, its main activity will be the management of land and green space for community benefit.

Frickley Management Company Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 25<sup>th</sup> November 2014. Frickley Management Company Limited became a subsidiary from 25<sup>th</sup> November 2014. Frickley Management Company Limited remained dormant throughout the financial year. Once trading, its main activity will be the management of land and green space for community benefit.

Space First (North West) Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 23<sup>rd</sup> April 2015. Space First (North West) Limited became a subsidiary from 23<sup>rd</sup> April 2015. Space First (North West) Limited remained dormant throughout the financial year. Once trading, its main activity will be the management of land and green space for community benefit.

Space First (South East) Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 22<sup>nd</sup> April 2015. Space First (South East) Limited became a subsidiary from 22<sup>nd</sup> April 2015. Space First (South East) Limited remained dormant throughout the financial year. Once trading, its main activity will be the management of land and green space for community benefit.

Space First (Manchester) Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 14<sup>th</sup> July 2015. Space First (Manchester) Limited became a subsidiary from 14<sup>th</sup> July 2015. Space First (South East) Limited remained dormant throughout the financial year. Once trading, its main activity will be the management of land and green space for community benefit.

Beaulieu Estate Management Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 29<sup>th</sup> September 2015. Beaulieu Land Management Limited became a subsidiary from 29<sup>th</sup> September 2015. Beaulieu Land Management Limited started trading on 1<sup>st</sup> July 2016, managing the Service Charges for Beaulieu, Chelmsford.

Land Trust Residential Services Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 28<sup>th</sup> January 2016. Land Trust Residential Services became a subsidiary from 28<sup>th</sup> January 2015. Land Trust Residential Services started trading on 1<sup>st</sup> April 2016. At 31<sup>st</sup> March 2019 this company manages 5 sites.

Land Trust Estates Scotland Limited is a company limited by share capital, registered in Scotland and incorporated in the UK on 22<sup>nd</sup> April 2015. Space First (South East) Limited became a subsidiary from 28<sup>th</sup> June 2017. Land Trust Estates Scotland Limited began trading on 27<sup>th</sup> March 2019 managing Cardown, near Glasgow.

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**13 TANGIBLE FIXED ASSETS:**

	<b>GROUP &amp; CHARITY</b>					
	<b>Building Structures £000's</b>	<b>Motor Vehicles £000's</b>	<b>Fixtures &amp; Fittings £000's</b>	<b>IT £000's</b>	<b>Plant &amp; Machinery £000's</b>	<b>Total £000's</b>
<b>Costs Brought Forward</b>	60	12	130	129	118	449
Additions in Year	369	-	2	10	-	381
Disposals in Year	-	-	-	(11)	-	11
Carried Forward	429	12	132	128	118	819
<b>Depreciation Brought Forward</b>	6	3	105	76	6	196
Charge for the Year	9	2	7	30	13	61
Depreciation on Disposals	-	-	-	(11)	-	11
Carried Forward	15	5	112	95	19	246
<b>Net Book Value at 31 March 2019</b>	<b>414</b>	<b>7</b>	<b>20</b>	<b>33</b>	<b>99</b>	<b>573</b>
<b>Net Book Value at 31 March 2018</b>	<b>54</b>	<b>9</b>	<b>25</b>	<b>53</b>	<b>112</b>	<b>253</b>

Fixtures and Fittings with a carrying value of £6,663 (2017/18: £8,401) are held under finance leases.

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**14 FIXED ASSET INVESTMENTS:**

**GROUP**

	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>
<b>Market Value as at 1st April 2018</b>	131,634	125,103
Additions	38,635	39,540
Disposals	(35,785)	(31,872)
Transfers (to) / from Cash Pool	(1,762)	1,315
Cash Introduced / (Withdrawn)	(427)	(418)
Net investment Realised & Unrealised Gains/(Losses)	9,839	(2,034)
<b>Market Value as at 31st March 2019</b>	<b>142,134</b>	<b>131,634</b>

**GROUP**

	<b>Year Ended 31/03/2019 UK £000's</b>	<b>Year Ended 31/03/2019 Overseas £000's</b>	<b>Year Ended 31/03/2018 UK £000's</b>	<b>Year Ended 31/03/2018 Overseas £000's</b>
Investments comprise:				
<u>Listed Investments</u>				
Cash and Short Term Maturity Bonds	-	-	-	-
Fixed Interest Securities	2,401	1,376	2,513	-
Developed Market Equity	39,905	64,229	38,130	59,788
Emerging Market Equity	-	-	-	-
Private Equity & Other	947	1,618	3,120	-
Infrastructure & Operating Property	12,998	-	10,295	-
Contractual & Other Income	4,557	3,014	7,046	-
Balanced Funds	1,473	-	1,365	-
<u>Unlisted investments</u>				
Cash Pool	598	-	2,788	-
Cash Pool Debtors	50	-	3,733	-
Cash Pool Creditors	-	-	(5,593)	527
Foreign Exchange Contracts	(401)	-	-	-
Infrastructure & Operating Property	-	-	-	-
Contractual & Other Income	9,369	-	5,919	1,981
	-	-	22	-
	<b>71,897</b>	<b>70,237</b>	<b>69,338</b>	<b>62,296</b>
		<b>142,134</b>		<b>131,634</b>

The fixed asset investments are held in managed funds. The historical cost of the investments as at 31<sup>st</sup> March 2019 was £115.9m (2017/18: £115.4m), based on a weighted average calculation.

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**CHARITY**

	Year Ended 31/03/2019 £000's	Year Ended 31/03/2018 £000's
Market Value as at 1st April 2018	130,269	123,762
Additions	38,634	39,541
Disposals	(35,785)	(31,872)
Transfers (to) / from Cash Pool	(1,762)	1,315
Cash Introduced / (Withdrawn)	(427)	(418)
Net investment Realised & Unrealised Gains/(Losses)	9,732	(2,059)
Market Value as at 31st March 2019	<b>140,661</b>	<b>130,269</b>

**CHARITY**

	Year Ended 31/03/2019 UK £000's	Year Ended 31/03/2019 Overseas £000's	Year Ended 31/03/2018 UK £000's	Year Ended 31/03/2018 Overseas £000's
Investments comprise:				
<u>Listed Investments</u>				
Cash and Short Term Maturity	-	-	-	-
Bonds	-	-	-	-
Fixed Interest Securities	2,401	1,376	2,513	-
Developed Market Equity	39,905	64,228	38,130	59,788
Emerging Market Equity	-	-	-	-
Private Equity & Other	947	1,618	3,120	-
Infrastructure & Operating	12,999	-	10,295	-
Property	-	-	-	-
Contractual & Other Income	4,557	3,014	7,046	-
<u>Unlisted investments</u>				
Cash Pool	598	-	2,788	-
Cash Pool Debtors	50	-	3,733	-
Cash Pool Creditors	-	-	(5,593)	-
Foreign Exchange Contracts	(401)	-	-	-
Infrastructure & Operating	-	-	-	527
Property	9,369	-	5,919	-
Contractual & Other Income	-	-	22	1,981
	<b>70,425</b>	<b>70,236</b>	<b>67,973</b>	<b>62,296</b>
		<b>140,661</b>		<b>130,269</b>

The fixed asset investments are held in managed funds. The historical cost of the investments as at 31<sup>st</sup> March 2019 was £114.6m (2017/18: £114.1m), based on a weighted average calculation.

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**15 DEBTORS:**

	<b>GROUP</b>		<b>CHARITY</b>	
	<b>31/03/2019</b>	<b>31/03/2018</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Amounts falling due within one year:				
Trade Receivables	8,658	866	8,644	860
Amounts owed from Group Undertakings	-	-	48	62
Prepayments & Accrued Income	227	227	201	199
VAT Receivable	-	40	1	36
Investment Income	562	507	562	507
Deposits	1	5	1	5
Other Tax & Social Security	-	-	-	-
	<b>9,448</b>	<b>1,645</b>	<b>9,457</b>	<b>1,669</b>

The majority of the debtors in 2018/19 relate to the New Site Funding being receivable from our Related Parties in connection with the Avenue site.

**16 CREDITORS: FALLING DUE WITHIN ONE YEAR:**

	<b>GROUP</b>		<b>CHARITY</b>	
	<b>31/03/2019</b>	<b>31/03/2018</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Amounts falling due within one year:				
Trade Creditors	185	225	178	224
Amounts owed to Group Undertakings	-	-	9	-
Corporation Tax	-	-	-	-
Other Tax & Social Security	-	-	-	-
VAT Payable	1	-	-	-
Finance Leases	2	2	2	2
Accruals & Deferred Income	1,943	1,447	1,900	1,425
	<b>2,131</b>	<b>1,674</b>	<b>2,089</b>	<b>1,651</b>

The Accruals relate to estimates of works that had been carried out at year end but not invoiced, the Deferred Income relates to payments which have been received at year end which are in relation to works that are planned to be carried out in the following year.



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**17 CREDITORS: FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>GROUP</b>		<b>CHARITY</b>	
	<b>31/03/2019</b>	<b>31/03/2018</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Amounts falling due after one year:				
Finance Leases	5	7	5	7
	<u>5</u>	<u>7</u>	<u>5</u>	<u>7</u>

**18 FINANCIAL INSTRUMENTS**

	<b>31/03/2019</b>	<b>31/03/2018</b>
	<b>£000's</b>	<b>£000's</b>
<b>GROUP</b>		
Financial Assets measured at Amortised Cost	23,532	14,528
Financial Liabilities measured at Amortised Cost	1,956	1,469
Financial Assets measured at Fair Value	142,134	131,634
Financial Liabilities measured at Fair Value	-	-

Financial assets measured at amortised cost comprise trade debtors, other debtors and cash and cash equivalents.

Financial liabilities measured at amortised costs comprise trade creditors and accruals excluding deferred income.

Financial assets measured at fair value comprise investments and pension surpluses.

Financial liabilities measured at fair value comprise the pension deficit contribution liability.

**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS:**

	<b>GROUP</b>				
	<b>----- Unrestricted Funds -----</b>				
	<b>Designated</b>	<b>General</b>	<b>Pension</b>	<b>Restricted</b>	<b>Endowment</b>
	<b>Funds</b>	<b>Funds</b>	<b>Reserve</b>	<b>Funds</b>	<b>Funds</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Tangible Fixed Assets	-	112	-	461	-
Investments (fixed and current)	9,056	2,720	-	57,564	72,794
Current Assets	4,285	189	-	17,534	1,524
Current Liabilities	(338)	(676)	-	(1,063)	(54)
Long Term Liabilities	-	(5)	-	-	-
Defined Pension Scheme Asset	-	-	-	-	-
	<u>13,003</u>	<u>2,340</u>	<u>-</u>	<u>74,496</u>	<u>74,264</u>
					<u>164,103</u>

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**CHARITY**

**----- Unrestricted Funds -----**

	<b>Designated</b>	<b>General</b>	<b>Pension</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total Funds</b>
	<b>Funds</b>	<b>Funds</b>	<b>Reserve</b>	<b>Funds</b>	<b>Funds</b>	<b>31/03/2019</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Tangible Fixed Assets	-	112	-	461	-	573
Investments (fixed and current)	9,056	2,720	-	56,091	72,794	140,661
Current Assets	4,182	179	-	17,563	1,524	23,448
Current Liabilities	(334)	(627)	-	(1,074)	(54)	(2,089)
Long Term Liabilities	-	(5)	-	-	-	(5)
Defined Pension Scheme Asset	-	-	-	-	-	-
	<b>12,904</b>	<b>2,379</b>	<b>-</b>	<b>73,041</b>	<b>74,264</b>	<b>162,588</b>

**20 ANALYSIS OF CHARITABLE FUNDS:**

**GROUP & CHARITY**

	<b>No. of</b>	<b>Balance at</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains /</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>Funds</b>	<b>31/03/18</b>	<b>£000's</b>	<b>£000's</b>	<b>(Losses)</b>	<b>£000's</b>	<b>31/03/19</b>
		<b>£000's</b>		<b>£000's</b>	<b>£000's</b>		<b>£000's</b>
<b>Endowment Funds</b>							
<b>Permanent Endowment Funds</b>							
> £5m	2	18,200	-	(60)	1,358	(125)	19,373
£2m to £5m	9	26,007	-	(84)	1,940	346	28,209
£1m to £2m	5	7,486	-	(24)	558	(14)	8,006
£0 to £1m	3	1,039	-	(3)	77	7	1,120
<b>Total</b>	<b>19</b>	<b>52,732</b>	<b>-</b>	<b>(171)</b>	<b>3,933</b>	<b>214</b>	<b>56,708</b>
<b>Expendable Endowment Funds</b>							
£2m to £5m	5	15,846	-	(52)	1,205	196	17,195
£0 to £1m	1	335	-	(1)	25	2	361
<b>Total</b>	<b>6</b>	<b>16,181</b>	<b>-</b>	<b>(53)</b>	<b>1,230</b>	<b>198</b>	<b>17,556</b>
<b>Total Endowment Funds</b>	<b>25</b>	<b>68,913</b>	<b>-</b>	<b>(224)</b>	<b>5,163</b>	<b>412</b>	<b>74,264</b>

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	<b>GROUP</b>					
	<b>Balance at 31/03/18 £000's</b>	<b>Income £000's</b>	<b>Expenditure £000's</b>	<b>Gains / (Losses) £000's</b>	<b>Transfers £000's</b>	<b>Balance at 31/03/19 £000's</b>
<b>Restricted Funds</b>						
Fort Burgoyne	13,049	535	(482)	897	-	13,999
Avenue	-	7,264	(51)	-	-	7,213
Elba Park	3,823	-	(15)	293	(104)	3,997
Frickley	3,758	-	(12)	287	(206)	3,827
Fryston	3,018	4	(14)	232	(107)	3,133
Newlands	3,152	24	(401)	-	-	2,775
Rabbit Ings	2,674	-	(9)	208	(101)	2,772
Carr Lodge	2,433	-	(9)	198	(136)	2,486
Bromborough Dock	2,272	67	(168)	117	(15)	2,273
Bitmac Tip (Port Clarence)	2,254	-	(143)	144	-	2,255
New Park Springs	2,050	-	(7)	153	(48)	2,148
Monkton	2,001	-	(7)	152	(28)	2,118
Omega	1,792	-	(6)	132	-	1,918
Warrington CRA 1	1,181	467	(172)	-	434	1,910
East Ketley	1,888	-	(13)	-	-	1,875
Knowle Haven	1,586	67	(33)	117	-	1,737
Wellesley Woodlands	1,506	67	(9)	109	-	1,673
The Spinney (Park Prewitt)	1,590	-	(13)	106	(31)	1,652
Ash Green Meadows	-	1,658	(47)	31	-	1,642
Oliver Road Lagoons	1,385	53	(30)	93	-	1,501
Other	9,437	1,905	(874)	507	617	11,592
<b>Total Restricted Funds</b>	<b>60,849</b>	<b>12,111</b>	<b>(2,515)</b>	<b>3,776</b>	<b>275</b>	<b>74,496</b>

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	<b>CHARITY</b>					
	<b>Balance at 31/03/18 £000's</b>	<b>Income £000's</b>	<b>Expenditure £000's</b>	<b>Gains / (Losses) £000's</b>	<b>Transfers £000's</b>	<b>Balance at 31/03/19 £000's</b>
<b>Restricted Funds</b>						
Fort Burgoyne	13,049	535	(482)	897	-	13,999
Avenue	-	7,264	(51)	-	-	7,213
Elba Park	3,823	-	(15)	293	(104)	3,997
Frickley	3,758	-	(12)	287	(206)	3,827
Fryston	3,018	4	(14)	232	(107)	3,133
Newlands	3,152	24	(401)	-	-	2,775
Rabbit Ings	2,674	-	(9)	208	(101)	2,772
Carr Lodge	2,433	-	(9)	198	(136)	2,486
Bromborough Dock	2,272	67	(168)	117	(15)	2,273
Bitmac Tip (Port Clarence)	2,254	-	(143)	144	-	2,255
New Park Springs	2,050	-	(7)	153	(48)	2,148
Monkton	2,001	-	(7)	152	(28)	2,118
Omega	1,792	-	(6)	132	-	1,918
Warrington CRA 1	1,181	467	(172)	-	434	1,910
East Ketley	1,888	-	(13)	-	-	1,875
Knowle Haven	1,586	67	(33)	117	-	1,737
Wellesley Woodlands	1,506	67	(9)	109	-	1,673
The Spinney (Park Prewitt)	1,590	-	(13)	106	(31)	1,652
Ash Green Meadows	-	1,658	(47)	31	-	1,642
Oliver Road Lagoons	1,385	53	(30)	93	-	1,501
Other	8,089	1,905	(874)	400	617	10,137
<b>Total Restricted Funds</b>	<b>59,501</b>	<b>12,111</b>	<b>(2,515)</b>	<b>3,669</b>	<b>275</b>	<b>73,041</b>

		<b>GROUP</b>					
	<b>No. of Funds</b>	<b>Balance at 31/03/18 £000's</b>	<b>Income £000's</b>	<b>Expenditure £000's</b>	<b>Gains / (Losses) £000's</b>	<b>Transfers £000's</b>	<b>Balance at 31/03/19 £000's</b>
<b>Unrestricted Funds</b>							
General Funds	1	4,304	991	(2,140)	185	(1,000)	2,340
Pension Reserve	1	-	-	(14)	14	-	-
Designated Funds	76	10,668	2,881	(1,574)	715	313	13,003
<b>Total Unrestricted Funds</b>		<b>14,972</b>	<b>3,872</b>	<b>(3,728)</b>	<b>914</b>	<b>(687)</b>	<b>15,343</b>

		<b>CHARITY</b>					
	<b>No. of Funds</b>	<b>Balance at 31/03/18 £000's</b>	<b>Income £000's</b>	<b>Expenditure £000's</b>	<b>Gains / (Losses) £000's</b>	<b>Transfers £000's</b>	<b>Balance at 31/03/19 £000's</b>
<b>Unrestricted Funds</b>							
General Funds	1	4,274	1,000	(2,134)	185	(946)	2,379
Pension Reserve	1	-	-	(14)	14	-	-
Designated Funds	75	10,668	2,833	(1,571)	715	259	12,904
<b>Total Unrestricted Funds</b>		<b>14,942</b>	<b>3,833</b>	<b>(3,719)</b>	<b>914</b>	<b>(687)</b>	<b>15,283</b>

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**Endowment Funds**

The Endowment Funds are held permanently by the Charity, for the specific purposes intended by the donor.

**Restricted Funds**

These funds are applied to the various specific purposes intended by the donors.

**Designated Funds**

These funds, which are unrestricted, are earmarked by the Trustees for the management of specific sites.

**General Funds**

These funds can be used for any of the Trusts charitable activities.

**Transfers**

During 2017/18, the Trust established a policy of designating all unrestricted site funds (identified at the point of transfer) for use on that site and as disclosed in Note1, these designated funds are reviewed on an annual basis.

During the year, the Trust reviewed these designated funds and released surplus income to the General Fund that is not required for future site expenditure to use for other charitable purposes.

As part of this review, funds were identified as being misclassified according to legal advice previously received. These misclassifications were therefore transferred to the appropriate funds.

The 'Transfers' column above in the 'Analysis of Charitable Funds' reflects all transfers between the funds within the year. The main transfers were as follows:

Designation of Unrestricted Site Funds:	£0.1m	(General Funds to Designated Funds)
Release of Surplus Income:	£0.7m	(Designated Funds to General Funds)
Reclassification of Funds:	£1.6m	(General Funds to Designated, Restricted & Endowment Funds)

These designated funds will be reviewed as part of the annual review of funds in 2019/20.

**21 NOTES TO THE STATEMENT OF CASH FLOWS:**

	<b>GROUP</b>	
	<b>Year Ended 31/03/2019 £000's</b>	<b>Year Ended 31/03/2018 £000's</b>
<b>Reconciliation of Net Income to Net Cash Flow from Operating Activities</b>		
Net Income for the Reporting Period (as per the Statement of Financial Activities)	19,355	(1,179)
Adjustments for:		
Site Funding / Endowments Received	(8,904)	(674)
Dividends, Interest and Rents from Investments	(5,733)	(5,128)
(Gains) / Losses on Investments	(9,839)	2,034
Investment Management Costs	421	428
Difference between Pension Contributions Paid and Charges Made	13	33
Depreciation Charges	61	48
Decrease / (Increase) in Debtors	(7,803)	2,560
Increase / (Decrease) in Creditors	455	(178)
<b>Net Cash provided by (used in) Operating Activities</b>	<b>(11,974)</b>	<b>(2,056)</b>

**CHARITY**

Year Ended 31/03/2019 £000's	Year Ended 31/03/2018 £000's
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**Reconciliation of Net Income to Net Cash Flow from Operating Activities**

Net Income for the Reporting Period (as per the Statement of Financial Activities)	19,218	(1,226)
Adjustments for:		
Site Funding / Endowments Received	(8,904)	(674)
Dividends, Interest and Rents from Investments	(5,683)	(5,079)
(Gains) / Losses on Investments	(9,732)	2,058
Investment Management Costs	421	428
Difference between Pension Contributions Paid and Charges Made	13	33
Depreciation Charges	61	48
Decrease / (Increase) in Debtors	(7,788)	2,566
Increase / (Decrease) in Creditors	436	(148)
<b>Net Cash provided by (used in) Operating Activities</b>	<b>(11,958)</b>	<b>(1,994)</b>

**22 ANALYSIS OF CASH AND CASH EQUIVALENTS:**

**GROUP**

	Year Ended 31/03/2018 £000's	Cashflow net	Year Ended 31/03/2019 £000's
Cash in Bank and in Hand	5,013	(569)	4,444
Cash held for Long Term Investment purposes (included in Fixed Asset Investments)	2,788	(2,190)	598
Cash held for Short-Term Investment purposes	7,870	1,770	9,640
<b>Total Cash and Cash Equivalents</b>	<b>15,671</b>	<b>(989)</b>	<b>14,682</b>

**CHARITY**

	Year Ended 31/03/2018 £000's	Cashflow net	Year Ended 31/03/2019 £000's
Cash in Bank and in Hand	4,953	(602)	4,351
Cash held for Long Term Investment purposes (included in Fixed Asset Investments)	2,788	(2,190)	598
Cash held for Short-Term Investment purposes	7,870	1,770	9,640

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**Total Cash and Cash Equivalents**

**15,611**

**(1,022)**

**14,589**

**23 GUARANTEE COMPANY AND LIABILITY OF MEMBERS:**

The Land Restoration Trust is a company limited by guarantee and therefore does not have any share capital.

The liability of Members is limited. In the event of the company being wound up during a Member's period of membership or within one year afterwards, an amount not exceeding the sum of £1 may be required from that Member towards the payment of the debts and liabilities of the company incurred before membership ceased.

As at 31 March 2019, the company had eight Members (31 March 2018: eight).

A full list of the status of the subsidiaries is shown in Note 12.

**24 PENSION COMMITMENTS:**

The Land Restoration Trust operates both a defined contribution and a defined benefit pension scheme which require contributions to be made to separately administered funds for the benefit of the employees. Further details of these schemes are provided below:

The Land Restoration Trust defined contribution pension scheme

The Trust operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to profit or loss amounted to £52,688 (2017/18: £53,987). Contributions totaling £nil (2017/18: £nil) were payable to the fund at the year end and are included in creditors.

Homes England (formerly the Homes & Communities Agency (HCA)) defined benefit pension scheme

The Trust became a Participating Employer of the Homes England Pension Scheme on 1<sup>st</sup> August 2012 when 10 staff were transferred to The Land Restoration Trust under the Transfer of Undertakings (Protection of Employment) regulations ("TUPE") who were members of the HCA Pension Scheme.

The Land Restoration Trust's obligation to any pension liabilities relate to the proportion of the calculated liability that has arisen from employee service from 1<sup>st</sup> August 2012. Any calculated liability that has arisen from employees' service before 31<sup>st</sup> July 2012 is covered by the Homes England.

Under the schemes, the employees are entitled to retirement benefits varying between 40 and 65 per cent of final salary on attainment of a retirement age of 60.

No other post-retirement benefits are provided. The schemes are fully funded schemes.

The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 31 March 2017. The benefit obligations have been rolled-forward from the corresponding valuation for accounting purposes as at 31 March 2017 to the year end measurement date allowing for interest on the liabilities, the accrual of further benefits by active members, the actual benefits paid out and an estimate of the effect of any changes in the actuarial assumptions. We have assumed that all other experience during the projection, apart from investment returns, contributions, benefit payments, administration expenses and insurance premiums, has been in line with the assumptions made at the start of the year.

Since 31<sup>st</sup> March 2019, the Trust has given notice of withdrawal from the Homes England defined benefit scheme and will negotiate the cost of withdrawal.

The principal assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation include:

	<b>31st March</b>	<b>31st March</b>
	<b>2019</b>	<b>2018</b>
Discount Rate	2.40%	2.70%
Future salary increases	2.10%	2.00%
Future Pension increases	2.20%	2.30%
Proportion of employees opting for early retirement	n/a	n/a
Post-retirement mortality	S2PMA - CMI 2017 (1.50% long term rate)	S2PMA - CMI 2017 (1.50% long term rate)
Future medical cost increase	n/a	n/a

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The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	<b>31st March</b>	<b>31st March</b>
	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Male	22.9	22.7
Female	24.7	24.4

The average life expectancy for an employee retiring at 65 who is aged 45 at the reporting date is:

	<b>31st March</b>	<b>31st March</b>
	<b>2018</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Male	24.3	23.8
Female	26.5	25.9

Amounts recognised in profit or loss in respect of the defined benefit schemes are as follows:

	<b>31st March</b>	<b>31st March</b>
	<b>2019</b>	<b>2018</b>
	<b>£'000's</b>	<b>£'000's</b>
Current Service Charge	65	110
Net interest on the net defined benefit pension liability	(4)	1
Benefit changes, gains/(loss) on curtailment and	-	-
Gains/(loss) on settlement	-	-
Administrative expenses	2	2
	<u>63</u>	<u>113</u>

**£'000's**

Changes in the share of the present value of the defined benefit obligation :

Defined benefit obligation at 1st April 2018	941
Current Service cost	65
Interest cost	25
Contributions by Scheme participants	13
Actuarial losses/(gains)	82
Liabilities assumed in a business combination	-
Plan introductions, changes, curtailments and settlements	-
Benefits paid	(26)
<b>Defined benefit obligation at 31st March 2019</b>	<b><u>1,100</u></b>



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Change in fair value of share of plan assets:

	£'000's
Share of Plan assets at 1st April 2018	1,068
Interest income	29
Return on plan assets (excluding net interest on the net defined benefit liability)	65
Plan introductions, changes, curtailments and settlements	-
Assets acquired in a business combination	-
Contributions by employer	49
Contributions by scheme participants	13
Benefits paid	(26)
Administrative expenses	(2)
<b>Share of Plan assets at 31st March 2019</b>	<b>1,196</b>

The actual gain on the share of plan assets was £94,000 (2018: - £405,800).

The analysis of the scheme assets at the reporting date were as follows:

	Fair value of assets	
	31st March 2019 £'000's	31st March 2018 £'000's
Equity instruments	307	274
Debt instruments	546	527
Property	-	-
Other assets	343	267
	<b>1,196</b>	<b>1,068</b>

The amounts included in the fair value of the plan assets include £nil (2017/18: £nil) relating to property occupied by the entity.

**Pension Assets / (Liabilities)**

	31st March 2019 £'000's	31st March 2018 £'000's
Present Value of Scheme Liabilities	(1,100)	(941)
Fair Value of Plan Assets	1,196	1,068
<b>Net Pension Assets</b>	<b>96</b>	<b>127</b>

In line with FRS102, The Land Restoration Trust is not recognising the Pension Scheme Asset.

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**25 OPERATING LEASE COMMITMENTS:**

At 31 March 2019 the Trust had commitments under non-cancellable operating leases as set out below;

	GROUP & CHARITY			
	31/03/2019 £000's	31/03/2018 £000's	31/03/2019 £000's	31/03/2018 £000's
	Land & Buildings		Other	
Within one year:	24	45	-	11
Within two to five years	-	22	-	3
After five years	-	-	-	-
	<u>24</u>	<u>67</u>	<u>-</u>	<u>14</u>

**26 CAPITAL COMMITMENTS:**

There were no capital commitments at 31<sup>st</sup> March 2019 (2018: £nil).

**27 CONTINGENT LIABILITIES:**

On 1<sup>st</sup> August 2012 The Land Restoration Trust became a participating employer of the Homes England (formerly Homes & Communities Agency (HCA)) Pension Scheme. An estimation of the Section 75 exit debt, for liability arising for obligations since 1<sup>st</sup> August 2012, that would be payable if The Land Restoration Trust ceased to be a participating employer in the Scheme on 31 March 2019 has been provided by the Scheme's actuary, Mercer. This liability has been estimated as £389,600 (2017/18: £591,000).

The true valuation of the liability will only be known when The Land Restoration Trust ceases to be a participating employer of the Homes England Pension Scheme. There is currently no intention for The Land Restoration Trust to leave the Scheme.

**28 RELATED PARTY TRANSACTIONS:**

The Trust has considered the disclosure requirements of the Statement of Recommended Practice for Charities and believes that the following related party transactions, all of which were made on an arm's length basis, require disclosure.

The related party transactions for the eight organisations below, who are Members of the Trust, have all been disclosed as a supplier to the Trust:

- i. During the year the Homes England recharged expenses of £1,510 (2017/18: £8,616) The Trust also recognised £7,264,068 of funding receivable (2017/18: £nil) from the Homes England. At the year-end, the creditor balance for Homes England was £nil (2017/18: £nil), and the debtor balance was £7.2m (2017/18: £910).
- ii. During the year the Trust used the services of National Trust for site maintenance activities at a cost of £31,379 (2017/18: £60,258). The creditor balance at year end was £nil (2017/18: £nil).
- iii. During the year the Trust used the services of Groundwork for site maintenance activities at a cost of £519,515 (2017/18: £451,706). At the year-end, the creditor balance for Groundwork was £nil (2017/18: £27,157). The Trust also recognised £575 of income from Groundwork (2017/18: £nil). At the year-end, the debtor balance from Groundwork was £nil (2017/18: £nil).
- iv. During the year the Trust used the services of the Town and Country Planning Association at a cost of £10,164 (2017/18: £17,297), principally in sponsorship of events linked to our activities, the creditor balance for Town and Country Planning Association was £nil (2017/18: £88). The Trust also recognised £nil of income from Town and Country Planning Association (2017/18: £nil). At the year-end, the debtor balance from Town and Country Planning Association was £nil (2017/18: £nil).
- v. During the year the Trust used the services of the Woodland Trust for site maintenance activities at a cost of £nil (2017/18: £4,332). At the year-end, the creditor balance for the Woodland Trust was £nil (2017/18: £nil).
- vi. During the year the Trust used the services of Wildlife Trusts for site maintenance activities at a cost of £285,569 (2017/18: £269,921). At the year-end, the creditor balance for the Wildlife Trust was £14,082 (2017/18: £16,383). The Trust also

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recognised £1,566 of income from Wildlife Trusts (2017/18: £1,360). At the year-end, the debtor balance from Wildlife Trusts was £nil (2017/18: £nil).

- vii. During the year the Trust used the services of The Conservation Volunteers for site maintenance activities at a cost of £518,144 (2017/18: £530,091). At the year-end, the creditor balance for The Conservation Volunteers was £1,249 (2017/18: £2,371). The Trust also recognised £2,117 of income from The Conservation Volunteers (2017/18: £540). At the year-end, the debtor balance from The Conservation Volunteers was £2,117 (2017/18: £nil).
- viii. There were no transactions with the Princes' Trust Foundation during the year.

The Land Trust also incurred expenses of £300 with the Canal and River Trust in 2018/19 (2017/18: £660), there were no creditor or debtor balances as at 31<sup>st</sup> March 2019 (2017/18: £nil).

The Land Trust is a member of Anglia Farmers Ltd. The Land Trust incurred expenses of £26,688 with Anglia Farmers Ltd in 2018/19 (2017/18: £20,281), at 31 March 2019 there was a creditor balance of £500 credit (2017/18: £1,295) and a £nil debtor balance (2017/18: £nil).

During the year the Trust used the services of Wirral Autistic Society t/a Autism Together for site maintenance activities at a cost of £39,065 (2017/18: £22,832). At the year-end, the creditor balance for Wirral Autistic Society t/a Autism Together was £nil (2017/18: £nil). The Trust also recognised £nil of income from Wirral Autistic Society t/a Autism Together (2017/18: £nil). At the year-end, the debtor balance from Wirral Autistic Society t/a Autism Together was £nil (2017/18: £nil).

During the year the Land Trust had the following transactions with its subsidiary, Osprey Quay Management Services Company Limited;

Recharge of Costs:	£394 (2017/18: £477)
Management Fees:	£6,235 (2017/18: £6,024)

At the 31<sup>st</sup> March 2019, the intercompany balance between the Land Trust and Osprey Quay Management Services Company Limited was a debit of £30 (2017/18: credit of £297).

During the year the Land Trust had the following transactions with its subsidiary, Beaulieu Estate Management Limited;

Recharge of Costs:	£15,960 (2017/18: £2,261)
Labour & Overhead Recharge:	£48,135 (2017/18: £22,080)

At the 31<sup>st</sup> March 2019, the intercompany balance between the Land Trust and Beaulieu Estate Management was a debit of £39,082 (2017/18: debit of £35,240).

During the year the Land Trust had the following transactions with its subsidiary, Land Trust Residential Services Limited;

Recharge of Costs:	£2,656 (2017/18: £17,160)
Labour & Overhead Recharge:	£83,615 (2017/18: £78,310)
Gift Aid Receipt:	£nil (2017/18: £nil)

At the 31<sup>st</sup> March 2019, the intercompany balance between the Land Trust and Land Trust Residential Services Limited was a debit of £8,744 (2017/18: £26,738).

During the year the Land Trust had the following transactions with its subsidiary, Land Trust Estates Scotland Limited;

Recharge of Costs:	£350 (2017/18: £nil)
Labour & Overhead Recharge:	£1,081 (2017/18: £nil)
Gift Aid Receipt:	£23,112 (2017/18: £nil)

At the 31<sup>st</sup> March 2019, the intercompany balance between the Land Trust and Land Trust Estates Scotland Limited was a credit of £8,771 (2017/18: £nil).

The Land Trust had no other transactions with any of its other subsidiaries.

## **29 POST BALANCE SHEET EVENTS**

Since 31<sup>st</sup> March 2019, the Trust has given notice of withdrawal from the Homes England defined benefit scheme and will negotiate the cost of withdrawal.

Jonathan Irvine was appointed to the Board on 18th September 2019.