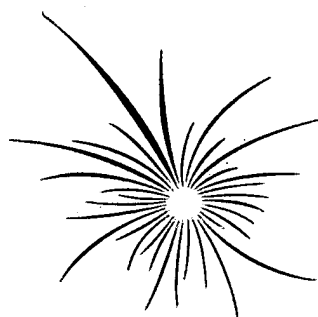


Registered Company No 5077263
Registered Charity No 1138337
Office of the Scottish Charity Registrar No SC43833



THE LAND RESTORATION TRUST
Operating as the Land Trust

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

SATURDAY



A7FHSRPU

A20

29/09/2018

#3

COMPANIES HOUSE

CONTENTS

	PAGE
CHAIRMAN'S REPORT	3
CHIEF EXECUTIVE'S REPORT	5
TRUSTEES' REPORT	8
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF THE LAND RESTORATION TRUST	17
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	19
CHARITY COMPANY STATEMENT OF FINANCIAL ACTIVITIES	20
BALANCE SHEETS	21
CONSOLIDATED STATEMENT OF CASH FLOWS	22
CHARITY STATEMENT OF CASH FLOWS	23
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	24

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

CHAIRMAN'S REPORT

The Land Trust (the "Charity") 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. These Financial Statements reflect both the Charity and the consolidated Land Trust accounts (the "Trust").

We have continued to deliver on our charitable objectives and have developed our social value model over the last 12 months to improve how we measure the value that investment in well-managed green space brings to society as a whole.

Site Acquisitions

In the last few years the Trust has further developed its ambition to manage the substantial open space associated with major residential developments. The Trust takes responsibility for the ownership and management of the open space and, where appropriate the Sustainable Urban Drainage Systems (SuDS), for the benefit of the community, charging appropriate service and management fees.

At the beginning of the year we had two residential service charge sites under our management and during the year we began management of a 75 hectare site at Waverley, near Rotherham.

The 27 hectare site at Liverpool Festival Gardens is now no longer under the management of the Land Trust, having been taken back by Liverpool City Council to enable new developments in the area.

This brings our portfolio under management to 63 sites, totalling 2,367 hectares (including the 464ha of Newlands, Remade & Revive Programme sites that we manage), of which 1,434 hectares is held freehold, with 380 hectares on long lease. We do not have a legal interest in Newlands, Remade and Revive sites.

As house building has recovered following the financial recession we have directed significant efforts to building a pipeline of future developments that we expect to take under management. The timescales involved are considerable and are subject to planning, legal and construction delays. While the pipeline of future activity has developed well, the number of sites brought under management this year fell short of plan. In many cases, contracts are in place and we are confident that they will transfer to us in due course. Income from new endowments fell short of expectations in the year.

Charitable Outputs

As our sites have matured, charitable outputs and outcomes have increased. Our role in delivering sustainable green infrastructure, integrating green space into the built environment and helping to secure not only more housing but better quality environments and better places for people to live, saw us recognised at the High Sheriff of Cheshire Awards for Enterprise with the Land Trust taking home the award for Responsible Business Practice.

Further details of the achievement of our charitable objectives are detailed in the Chief Executive's Report and can be found on our website www.thelandtrust.org.uk.

Financial Performance

The Land Trust ended the year with £144.7million of Funds carried forward, of this £4.3m was classified as General Funds.

Investment returns on our portfolio remained consistent at around 4%, with total investment income of £5.1 million. This enabled us to manage our sites sustainably and to achieve our charitable outcomes. Costs were well controlled, with a modest fall in spend on charitable activities to £5.8 million. Although over the year there were realised and unrealised losses of £2.0m, the value of our investment portfolio increased in the year by around £6.5 million, mainly due to additional capital funds invested in our investment portfolio at the beginning of the financial year.

As at 30th June 2018 the value of the Trust's investment portfolio has increased by £6.0m.

The Trust continues to focus hard on delivering development opportunities. During the year we have restructured the development activity, introduced new processes, streamlined the development pipeline, and enhanced effective cost control. Our priority for the coming year, on the back of this activity is the acquisition of a number of new sites. This will bolster our financial position and increase the reach of our charitable delivery.

The slower conversion of service charge sites and reduction in the number of endowment sites has resulted in the date by which break even is achieved being pushed out beyond the target date in the Trust's original Business Plan.

The Trust has, however, in recent years achieved higher levels of investment income and lower site management costs on a number of sites where the use of income is not restricted to those sites.

Funds received relating to sites, which are not legally restricted, are designated by the Board for the specific site. Within 2017/18 this led to a transfer of £6.7m from General to Designated Funds relating to funds received in earlier years.

On an annual basis, following legal advice, the Trust reviews these designated funds and releases surplus income to the General Fund that is not required for future site expenditure. These funds as part of General Funds are used for other charitable projects. The Trust retains any revenue surplus that is not available for release within the Designated Funds.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

As a result of this review, £2.4m has been released from Designated Funds and moved to General Funds in the year.

Within the year, as part of the review of Designated and General Funds, £1.0m of Funds has been reclassified and transferred to the appropriate funds.

Grants

This year we successfully secured our largest grant to date, being awarded £450,000 from the Heritage Lottery Fund, to create a heritage visitor centre at Port Sunlight River Park on the Wirral.

We also secured £100,000 through the Pioneering Places programme to deliver a programme of arts related activities and education at Fort Burgoyne in Dover.

Also during the year work began on the construction of a classroom at Greenwich Ecological Park to support the Trusts education aims. This work was funded through a combination of donations, grants and a contribution from IKEA.

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

Trustees & Acknowledgments

Our Board of Trustees continue to play a hugely valuable role in the work of the Land Trust, providing a wealth of experience and skills that help us run the charity and achieve our charitable objectives.

During the year we appointed three new Trustees; Patrick Aylmer, Anthony Bickmore and Janet Haddock- Fraser.

Since the end of the financial year Walter Menzies and Ian Piper have retired as Trustees and I thank them both for the wisdom and active support they gave the Trust.

Sarah Whitney took over as Chair of the Audit Committee from Jeffrey Moore within the financial year.

Biographical details of all Trustees are available on the Trust's website www.thelandtrust.org.uk.

Over the last few years we have received invaluable external strategic advice from our Health Advisory Group, led by Trustee Walter Menzies. The Health Advisory Group, with involvement from Public Health England, TCV, MIND and others was set up to help us develop a wider perspective and obtain valuable input into how we might best develop our sites to deliver sustainable health benefits for communities that live and work around our green spaces. Janet Haddock-Fraser has replaced Walter Menzies as Chair of this Committee in 2018/19.

Finally, my thanks go to the Members, my fellow Trustees, senior officers and staff of the Trust for their continued hard work and commitment this year.

Peter Smith 11th September 2018

Chairman



THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

CHIEF EXECUTIVE'S REPORT:

This year I am pleased to report a further increase in the delivery of our charitable objectives across our sites.

Over the past 12 months we have also made significant progress in how we measure the value that green space can play in improving the lives of residents and communities by developing our social value model and working with the Alliance Manchester Business School to assess the positive economic impact of our green spaces.

2017/18 was however a challenging year for the Trust from a growth perspective.

Whilst we have a promising pipeline of projects we are working on, many of these, particularly in the residential service charge sector, are taking longer to come to fruition than anticipated. This necessitated a small restructuring of our teams during the year to refocus staff on the delivery of new sites. On a positive note many of these sites are moving forward and we expect to deliver these in 2018/19.

As the housing market continues to recover from the recession and the Government remains committed to ensuring more homes are built, our role working with developers of large scale urban extensions (sites with greater than 2,000 new homes) is growing. These developments often take place over 10 to 20 years and have substantial areas of green infrastructure and SuDS to be maintained as part of their strategic Master Plans. It is imperative to the developer that the future ownership and management of this green infrastructure is resourced from day one to ensure their 'Placemaking' can be delivered, adding value to the development but perhaps more importantly through the 'Placekeeping' role we undertake helping create vibrant, resilient new communities.

New Sites

This year we have seen a small increase in the amount of land we have under management taking on a 75 hectare service charge site at Waverley, in Yorkshire, where we now collect service charges from 729 residents. This site is expected to reach 3,900 units over time.

We look forward to continuing to work with residents and communities to not only deliver quality green space management, but to do so in such a way that enhances biodiversity, education, health activities and community engagement. Our service charge management is about more than just grass cutting and litter picking, it is about 'Placekeeping' and helping new communities grow and thrive through the use of our green infrastructure as a positive asset. During 2017/18 we have demonstrated how these green spaces can be shown to be a real asset to the local community who live and work around these spaces.

Existing Sites

It has been another year of significant progress and achievement across our existing sites against our charitable objectives.

We now have three residential service charge sites under management and we are making good progress on those sites, building strong relationships with the residents and making a positive impact on their lives and communities.

Our volunteering work has been given a boost with the introduction of our Green Angels programme at sites in Warrington, South Yorkshire and Chester. Green Angels is a training opportunity with an environmental focus giving participants the chance to learn new skills, enhance their future prospects and make a difference in their community. The project has already seen a number of success stories with many participants going on to find jobs while others have started their own gardening businesses.

Our new education strategy has been approved, while our outdoor classroom at Greenwich Peninsula Ecology Park was successfully funded with construction now close to being completed.

We also agreed a new vision for our site at Wellesley Woodlands, which will allow us to increase delivery on a site that already attracts 200,000 visitors a year.

Benefits

We have always recognised that good quality, well managed green spaces have a positive effect on communities. This is an area where more and more research is being published reinforcing our long held beliefs.

This year we have continued to focus on promoting the benefits of green spaces for health and wellbeing.

This saw us publish the results of our Health for Life project at Countess of Chester Country Park with the results demonstrating that spending time outdoors, carrying out structured activities had a positive impact on the participants' physical and mental well-being.

The £70,000 programme saw nearly 700 events organised at the park for the public and NHS staff from the nearby hospital. Working with the Natural Health Service Centre of Excellence, which includes both the University of Liverpool and Liverpool John Moores University, the activities were academically evaluated, measuring the participant's health and well-being at the start and end of an 8-12 week programme.

In virtually all cases, participants reported feeling healthier and happier as a direct result. There was a dramatic reduction in the time participants spent sitting each day, with a corresponding increase in vigorous physical exercise of nearly 60 per cent.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

The findings of this work are significant and will help consolidate the Land Trust's position in tackling the physical and mental well-being issues that are currently affecting the NHS and our economy.

The value of open space and green infrastructure has been the subject of significant public debate over the year, from the health benefits of outdoor activities to the challenge of funding our public parks. We have therefore spent significant time this year looking at how we can evidence the value of green space, and therefore highlighting the importance of the work carried out by the Land Trust.

We undertook a comprehensive study to assess the overall economic impact that our green spaces have against each of our charitable objectives through a social value model.

This value is calculated across a number of categories including areas such as health care cost savings, value of carbon storage and volunteering.

We also commissioned research with the Alliance Manchester Business School to evidence the positive impact that well managed green spaces, which enhance the local environment, deliver community benefits and support the creation of green places to live, can have on house prices and the local economy, using our site at Port Sunlight River Park.

The park is a former landfill in Wirral, North West England, and located close to some of the most deprived neighbourhoods in the country. In 2014, the Land Trust, working with the land owner Biffa Waste Services Ltd and other partners, transformed the site into a 30 hectare park and wetland, after securing £3.4 million of public and private investment for its creation and long term maintenance.

The results of the research showed the following:

- £7.8 million – estimated total value that the park adds to the value of houses located within 500 metres of the park.
- £8,674 – the average addition per house price within 500 metres of the park.
- £9,874 – the average price increase that visitors to Port Sunlight River Park are willing to pay for a house next to a park compared to the same house next to an industrial site.

The research also highlighted that good quality green space:

- Helps new developments succeed.
- Encourages local investment.
- Generates local business revenue.
- Creates and safeguards local jobs.
- Protects homes and businesses from flood risk.

This work will be particularly valuable as we continue to develop our service charge proposition for developers as we look to transfer more sites to management.

Charitable outcomes

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

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
School visits	3,500	6,278	7,711	7,811	7,448	7,970
Training activities	800	660	802	1,572	1,712	3,591
Health activities	4,500	8,648	9,501	14,885	20,857	39,391
Community activities	8,000	18,570	15,887	31,867	54,868	59,403
Practical voluntary work (days) *	3,000	5,274	8,064	14,474	11,503	10,379

* Practical voluntary Work (days) has reduced in 2017/18 due to the management of Liverpool Festival Gardens reverting back to Liverpool City Council, when our management agreement came to an end and the Council had no funds identified for the site for on-going management.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

Over the last five years the Land Trust has significantly improved in the delivery of its Charitable Outputs. The principal increases have been in Training Activities, Heath Activities and Community Activities. There are a number of reasons for these increases, which is partially down to renewed focus and impetus from our internal team and external Managing Partners to optimise the delivery of charitable impact from our sites.

Health activities have seen a substantial increase and has been a significant focus area for the Trust with the setting up of the Health Advisory Group to assist in the strategic health direction of the Trust. This, associated with some key partnerships which we have established with TCV/Green Gym, MIND and others, has ensured that our delivery in this area has improved. Likewise, training has increased due partly to our innovative Green Angels program, which following the pilot phase in Liverpool has gone from strength to strength. We have also developed an approach to volunteering based not just on people delivering activities on our sites, but on ensuring that our volunteers receiving relevant training which improves their employability/life skills as they donate their time to us.

Finally, community activities have increased, this has been due to a small number of sites which now hold significant local community events such as the Beatrix Potter themed walks at Langdon Lake, and the Rabbits lngs Annual Show each year. Our focus is on using our spaces to bring the communities who live and work around our sites together to build resilience and understanding.

Fundraising and Grants

Fundraising income allows us to add value to the work achieved across our sites and we work closely with our managing partners and local communities to seek out opportunities.

This year we were successful with our biggest grant to date, receiving £450,000 from Heritage Lottery Fund to create a heritage visitor centre at Port Sunlight River Park on the Wirral.

We also secured £100,000 through the Pioneering Places programme to deliver a programme of arts related activities and education at Fort Burgoyne in Dover.

Safeguarding

We undertook a review of our Safeguarding procedures during the year. Whilst Trust staff do not generally interact directly with young or vulnerable people/children, most of our managing partners do. Our review of our policies and procedures and our supervision of managing partners found them to be appropriate.

Moving Forward

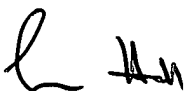
We continue to have a substantial number of opportunities in the pipeline, both service charge and endowment funded, which will increase our delivery of charitable benefits through our management of green infrastructure. As our portfolio continues to grow over the coming years, so will the charitable impact we deliver and the benefits to society as a whole.

Key Management Team

Following changes made in the previous financial year there has been no significant change to our senior management structure over the previous 12 months.

Acknowledgments

Finally I would like to thank our committed team of staff, volunteers, managing partners and our Trustees, without whom none of the achievements in this annual report would have been possible. We look forward with confidence to even greater achievements in 2018/19. Thank you.



Euan Hall
Chief Executive

11th September 2018

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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 13 to the financial statements

On the 28th June 2017, Land Trust Estates Scotland Limited was incorporated as a subsidiary of The Land Restoration Trust Services Limited.

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 2018, who unless otherwise stated, served throughout the year, were:

Peter Smith (Chairman)
Lady Garrett (Jane)
William Hiscocks
Tom Keevil
Simon MacGillivray
Walter Menzies (resigned 13th June 2018)
Jeffrey Moore
Dinah Nichols CB
Ian Piper (resigned 2nd May 2018)
Sarah Whitney
Patrick Aylmer (appointed 15th June 2017)
Anthony Bickmore (appointed 15th June 2017)
Janet Haddock-Fraser (appointed 15th June 2017)

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

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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.

INTERNAL AUDITORS

Mazars LLP
Tower Building
Water Street
Liverpool L3 1PQ

INVESTMENT MANAGERS

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

BANKERS

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

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 £6,087 (2016/17: £12,879) 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.

During the financial year, Jeffrey Moore stepped down both as the Chair and from the Committee.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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 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. Tom Keevil and Patrick Aylmer joined the committee during the financial year.

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, Walter Menzies, and Peter Smith, with the Chief Executive Officer in attendance. Janet Haddock-Fraser 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 and does not actively solicit donations. 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 8 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 as 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 but it is also overseen externally by Caldston who are experienced and qualified 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. Underlining the policy are a number of procedures and policies which are subject to periodic review.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

Financial Reporting

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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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.

FINANCIAL REVIEW

Overview and Income

The principal sources of income for the Trust in 2017/18 are: investment income, capital receipts in the form of site funding, and income from charitable activities. Capital receipts are invested to generate investment income which is used to cover the cost of managing sites for public benefit. The Trust received £0.7m of site funding in the year ended 31 March 2018 (2016/17: £7.6m) which represents additional funding for 2 sites (2016/17: 5 sites).

Whilst these capital receipts (reported in the Statement of Financial Activities under Income and Endowments) are 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 £5.1m (2016/17: £5.3m).

Income from charitable activities in the year was £0.9m (2016/17: £0.8m), this increase was mainly due to an increase in grants awarded in 2017/18.

Grant income during the year included:

- Heritage Lottery Fund (HLF) has provided £0.4m towards the creation of a new Heritage Visitor Centre at Port Sunlight Riverside Park as well supporting activities for the local community; and
- The Creative Foundation has provided £0.1m to deliver a programme of arts-related activities and education at Fort Burgoyne.

During the year work began on the construction of a classroom at Greenwich Ecological Park to support education in the local area. This was funded through a contribution from IKEA and various grants.

Income from other trading activities has remained stable at £0.4m (2016/17: £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. Although there has been an increase in income from site activities due to additional works at Greenwich Ecology Park and Southern Park, there has been a fall in income from consultancy income and site maintenance activities due to the change in accounting policy with regards to the exclusion of the Service Charges at Osprey Quay.

Expenditure

Total expenditure in 2017/18 fell to £6.2m (2016/17: £6.5m), mainly due to a fall in investment management fees and legal & professional costs.

The Trust generated a net incoming resource surplus (before gains & losses on investments) of £8.9m (2016/17: £8.8m). 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 two trading subsidiaries, Land Trust Residential Services Limited and Beaulieu Estate Management Limited carrying out the management of Service Charge Sites. Within 2017/18 both of these subsidiaries made losses (£0.02m in total). 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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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 £131.6m as at 31 March 2018 (31 March 2017: £125.1m) due to market forces over the year and the investment of site funding which was recognised in 2016/17 but not invested until 2017/18.

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.

This designation of site funds has led to a transfer of £6.7m from General to Designated Funds.

During the financial year, the Trust reviewed these Designated Funds and identified surplus 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, £2.4m has been released from Designated Funds and moved to General Funds in the year.

During the year, as part of the review of Designated and General Funds, £1.0m 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 21.

As disclosed in Note 20, the balance on the Trust's General Funds after these designations, is £4.3 million as at 31st March 2018 (2016/17: £9.2 million).

The Board adopted a Reserves Policy in 2016/17, as a result of which the minimum level of General Funds for 2017/18 has been calculated as £1.6 million. Following the designation of Site Funds, General Funds comprises funds available to meet any future operating deficit. The current level of General Funds (£4.3m) is to be used to fund operating deficits in line with the Trusts Business Plan and is expected to reduce over time.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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 2018 amounted to £4.3m (2016/17: £9.2m), this reduction is due to the designation of Site Funds and the level of overhead expenditure.

The Designated Funds at 31 March 2018 amounted to £10.7m (2016/17: £5.2m). This represents funding designated for site maintenance. This increase is due to the designation of unrestricted site funds.

Restricted Funds

At 31 March 2018 these funds amounted to £60.8m (2016/17: £70.0m). These funds are restricted due to their Site Funding Agreements.

Endowed Funds

At 31 March 2018, these funds amounted to £68.9m (2016/17: £70.6m) 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 29 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 2018 showed liabilities of £0.94m (2016/17: £0.68m) with assets of £1.07m (2016/17: £0.60m), giving a surplus of £0.13m (2016/17: deficit of £0.08m). Further information on the pension scheme is available in Note 25 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 £0.59m (2016/17: £0.45m). Further information is contained in Note 28 to the financial statements.

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' and 'Changes in 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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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



11th September 2018

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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

For the year ended 31 March 2018

Opinion

We have audited the financial statements of The Land Restoration Trust for the year ended 31 March 2018 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 2018 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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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. 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 Turtington (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants

71 Queen Victoria Street
London
EC4V 4BE

Statutory Auditors

Date: *21 September 2018*

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

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including the consolidated Income and Expenditure Account)
YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Income and Endowments from:						
Donations and Legacies	2	7	-	-	7	21
Charitable Activities	3	328	572	-	900	819
Other Trading Activities	4	377	4	-	381	382
Site Funding	5	174	500	-	674	7,643
Investments	6	2,703	2,425	-	5,128	5,335
Other Income	7	-	-	-	-	1,040
Total Income		3,589	3,501	-	7,090	15,240
Expenditure on:						
Investment Management Fees	9	33	162	233	428	371
Charitable Activities	9	3,776	2,031	-	5,807	6,085
Total Expenditure		3,809	2,193	233	6,235	6,456
Net Gains/(Losses) on Investments		(157)	(763)	(1,114)	(2,034)	15,070
Corporation Tax	10	-	-	-	-	(7)
Net Income/(Expenditure)		(377)	545	(1,347)	(1,179)	23,847
Other Recognised Gains/(Losses)						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme		112	-	-	112	(97)
Transfers		965	(658)	(307)	-	-
Net Movement in Funds		700	(113)	(1,654)	(1,067)	23,750
Reconciliation of Funds						
Total Funds brought forward		14,272	60,962	70,567	145,801	122,051
Total Funds carried forward	20	14,972	60,849	68,913	144,734	145,801
INCOME AND EXPENDITURE ACCOUNT						
Total Income (excluding Permanent Endowment income)					7,090	15,240
Total Expenditure (excluding Permanent Endowment Expenditure & Taxation)					(6,057)	(6,295)
Gains & Losses on Investments (excluding Permanent Endowments)					(1,185)	8,478
Net Income/Expenditure					(152)	17,423

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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

CHARITY COMPANY STATEMENT OF FINANCIAL ACTIVITIES
(Including the Income and Expenditure Account)
YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Income and Endowments from:						
Donations and Legacies	2	7	-	-	7	103
Charitable Activities	3	328	572	-	900	819
Other Trading Activities	4	373	4	-	377	326
Site Funding	5	174	500	-	674	7,643
Investments	6	2,654	2,425	-	5,079	5,312
Other Income	7	-	-	-	-	1,040
Total Income		3,536	3,501	-	7,037	15,243
Expenditure on:						
Investment Management Fees	9	33	162	233	428	371
Charitable Activities	9	3,746	2,031	-	5,777	5,942
Other	9	-	-	-	-	118
Total Expenditure		3,779	2,193	233	6,205	6,431
Net Gains/(Losses) on Investments		(157)	(787)	(1,114)	(2,058)	15,033
Net Income/(Expenditure)		(400)	521	(1,347)	(1,226)	23,845
Other Recognised Gains/(Losses)						
Actuarial (Losses)/Gains on Defined Benefit Pension Scheme		112	-	-	112	(97)
Transfers		965	(658)	(307)	-	-
Net Movement in Funds		677	(137)	(1,654)	(1,114)	23,748
Reconciliation of Funds						
Total Funds brought forward		14,265	59,638	70,567	144,470	120,722
Total Funds carried forward	20	14,942	59,501	68,913	143,356	144,470
INCOME AND EXPENDITURE ACCOUNT						
Total Income (excluding Permanent Endowment income)					7,037	15,243
Total Expenditure (excluding Permanent Endowment Expenditure & Taxation)					(6,027)	(6,270)
Gains & Losses on Investments (excluding Permanent Endowments)					(1,209)	8,441
Net Income/Expenditure					(199)	17,414

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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

BALANCE SHEETS AS AT 31 MARCH 2018

		GROUP		CHARITY	
	Note	31/03/2018 £000's	31/03/2017 £000's	31/03/2018 £000's	31/03/2017 £000's
Fixed Assets					
Tangible Fixed Assets	14	253	145	253	145
Investments	15	131,634	125,103	130,269	123,762
Total Fixed Assets		131,887	125,248	130,522	123,907
Current Assets					
Debtors	16	1,645	4,205	1,669	4,235
Cash in Bank and in Hand		12,883	18,286	12,823	18,213
Total Current Assets		14,528	22,491	14,492	22,448
Liabilities					
Creditors: falling due within one year	17	(1,674)	(1,859)	(1,651)	(1,806)
Net Current Assets		12,854	20,632	12,841	20,642
Creditors: falling due after more than one year	18	(7)	-	(7)	-
Defined Benefit Pension Scheme Liability	25	-	(79)	-	(79)
Total Net Assets		144,734	145,801	143,356	144,470
Funds:					
Endowment Funds	20	68,913	70,567	68,913	70,567
Restricted Funds	20	60,849	60,962	59,501	59,638
Unrestricted Funds	20	14,972	14,272	14,942	14,265
Total Funds		144,734	145,801	143,356	144,470

The financial statements were approved by the Trustees and authorised for issue on 11th September 2018 and signed on their behalf by:

Peter Smith
Trustee



THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Net Cash provided by (used in) Operating Activities	22	(2,056)	(3,721)
Cash flows from Investing Activities:			
Dividends, interest and rents from investments		5,128	5,335
Investment Management Costs		(428)	(371)
Purchase of Fixed Assets		(156)	(138)
Purchase of Investments		(39,540)	(56,583)
Proceeds from Sale of Investments		31,872	52,863
Net Cash used in Investing Activities		(3,124)	1,106
Cash flows from Financing Activities:			
Additions to Endowments/Site Funding		674	7,643
Net cash provided by Financing Activities		674	7,643
Change in Cash and Cash Equivalents in the Reporting Period		(4,506)	5,028
Cash and Cash Equivalents at the beginning of the Reporting Period		20,177	15,149
Cash and Cash Equivalents at the End of the Reporting Period		15,671	20,177
Change in Cash and Cash Equivalents in the Reporting Period	23	(4,506)	5,028

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

CHARITY STATEMENT OF CASH FLOWS

	Note	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Net Cash provided by (used in) Operating Activities	22	(1,994)	(4,941)
Cash Flows from Investing Activities:			
Dividends, Interest and Rents from Investments		5,079	5,312
Investment Management Costs		(428)	(371)
Purchase of Fixed Assets		(156)	(138)
Purchase of Investments		(39,540)	(55,279)
Proceeds from Sale of Investments		31,872	52,863
Net Cash used in Investing Activities		(3,173)	2,387
Cash Flows from Financing Activities:			
Additions to Endowments/Site Funding		674	7,643
Net Cash provided by Financing Activities		674	7,643
Change in Cash and Cash Equivalents in the Reporting Period		(4,493)	5,089
Cash and Cash Equivalents at the Beginning of the Reporting Period		20,104	15,015
Cash and Cash Equivalents at the End of the Reporting Period		15,611	20,104
Change in Cash and Cash Equivalents in the Reporting Period	23	(4,493)	5,089

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.

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 2018.

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.

On the 1st April 2017, Osprey Quay Management Services Company Limited, a subsidiary of The Land Trust commenced accounting for the Service Charge Income & Expenditure at Osprey Quay separately.

Therefore all income and expenditure in relation to the operation of the Service Charge at Osprey Quay is not reflected in the 2017/18 Statutory Accounts of Osprey Quay Management Services Company Limited and has therefore not been included within the consolidated accounts.

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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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.

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 31st March 2018 Withholding Tax due to the Trust was £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.

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	– Office Fixtures & Fittings	– 5 to 6 years
	– Office Furniture & Equipment	– 4 years
Motor Vehicles		– 6 years
Freehold and Leasehold Buildings / Structures		– 12 years
Plant & Machinery		– 5 to 10 years

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 and Leasehold Buildings / Structures	– £15,000
Plant & Machinery	– £15,000

FIXED ASSET INVESTMENTS

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

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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.

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 LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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.

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 31/03/2018 £000's
Fundraising Income	7	-	-	7
	7	-	-	7
Year Ended 31/03/17	20	1	-	21

CHARITY

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2018 £000's
Fundraising Income	7	-	-	7
	7	-	-	7
Year Ended 31/03/17	102	1	-	103

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

3 CHARITABLE ACTIVITIES:

GROUP

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2018 £000's
Higher Level Stewardship	-	3	-	3
English Woodland Grants Scheme	-	(16)	-	(16)
Single Farm Payment	107	-	-	107
HLF Grant - Visitor Centre	-	446	-	446
Creative Foundation - Community Events	-	110	-	110
Site Maintenance	221	9	-	230
Other	-	20	-	20
	328	572	-	900
Year Ended 31/03/17	404	415	-	819

CHARITY

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2018 £000's
Higher Level Stewardship	-	3	-	3
English Woodland Grants Scheme	-	(16)	-	(16)
Single Farm Payment	107	-	-	107
HLF Grant - Visitor Centre	-	446	-	446
Creative Foundation - Community Events	-	110	-	110
Site Maintenance	221	9	-	230
Other	-	20	-	20
	328	572	-	900
Year Ended 31/03/17	403	416	-	819

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

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

4 OTHER TRADING ACTIVITIES:

GROUP

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2018 £000's
Consultancy Work	51	-	-	51
Miscellaneous Income	27	-	-	27
Site Activities	158	4	-	162
Site Maintenance	141	-	-	141
	377	4	-	381
Year Ended 31/03/17	297	85	-	382

CHARITY

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2018 £000's
Consultancy Work	51	-	-	51
Miscellaneous Income	10	-	-	10
Site Activities	158	4	-	162
Recharge to Subsidiaries	126	-	-	126
Site Maintenance	28	-	-	28
	373	4	-	377
Year Ended 31/03/17	275	51	-	326

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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

5 SITE FUNDING

	GROUP & CHARITY			Year Ended 31/03/2018 £000's
	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	
New Site Funding	174	500	-	674
	<u>174</u>	<u>500</u>	<u>-</u>	<u>674</u>
Year Ended 31/03/17	<u>2,266</u>	<u>5,377</u>	<u>-</u>	<u>7,643</u>

The site funding in 2016/17 relates to the funding of five new fully managed sites.

6 INCOME FROM INVESTMENTS:

	GROUP			Year Ended 31/03/2018 £000's
	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	
Bank Interest	63	22	-	85
Interest & Dividends from Investments	2,640	2,403	-	5,043
	<u>2,703</u>	<u>2,425</u>	<u>-</u>	<u>5,128</u>
Year Ended 31/03/17	<u>2,770</u>	<u>2,565</u>	<u>-</u>	<u>5,335</u>

	CHARITY			Year Ended 31/03/2018 £000's
	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	
Bank Interest	62	22	-	84
Interest & Dividends from Investments	2,592	2,403	-	4,995
	<u>2,654</u>	<u>2,425</u>	<u>-</u>	<u>5,079</u>
Year Ended 31/03/17	<u>2,747</u>	<u>2,565</u>	<u>-</u>	<u>5,312</u>

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

7 OTHER INCOME

GROUP & CHARITY

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended 31/03/2018 £000's
Other Income	-	-	-	-
	-	-	-	-
Year Ended 31/03/17	40	1,000	-	1,040

The income in 2016/17 mainly reflects the granting of an easement at the Cronton Site (£1.0m).

8 TRUSTEES' REMUNERATION:

Expenses claimed by the Trustees in 2017/18 totalled £6,087 (2016/17: £12,879). The Trustees received no remuneration in 2017/18 (2016/17: £nil).

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

9 ANALYSIS OF EXPENDITURE:

		GROUP			
	Basis of Allocation	Investment Management Fees £000's	Charitable Activities £000's	Other £000's	Year Ended 31/03/2018 £000's
<u>Costs directly charged to activities</u>					
Site Maintenance.	Direct	-	3,212	-	3,212
Fundraising	Direct	-	-	-	-
Project Consultancy	Direct	-	60	-	60
Insurance	Direct	-	78	-	78
Subscriptions	Direct	-	12	-	12
Legal & Professional	Direct	-	150	-	150
Investment Management Costs	Direct	357	-	-	357
Audit & Accountancy fees	Direct	-	37	-	37
Premises Running Costs	Direct	-	77	-	77
Marketing	Direct	-	42	-	42
Recruitment	Direct	-	9	-	9
Director/Trustee Expense	Direct	-	6	-	6
Irrecoverable VAT	Direct	71	155	-	226
<u>Support costs allocated to activities</u>					
Staff Costs	Usage	-	1,686	-	1,686
General Running Costs	Usage	-	182	-	182
Finance Leases	Usage	-	-	-	-
Depreciation	Usage	-	48	-	48
IT Support	Usage	-	39	-	39
Training	Usage	-	14	-	14
		428	5,807	-	6,235
		Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended £000's
Year Ended 31/03/18					
Investment Management Fees		33	162	233	428
Charitable Activities		3,776	2,031	-	5,807
Total Expenditure		3,809	2,193	233	6,235
Year Ended 31/03/17					
Investment Management Fees		21	138	212	371
Charitable Activities		3,994	2,091	-	6,085
Total Expenditure		4,015	2,229	212	6,456

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

CHARITY					
	Basis of Allocation	Investment Management Fees £000's	Charitable Activities £000's	Other £000's	Year Ended 31/03/2018 £000's
<u>Costs directly charged to activities</u>					
Site Maintenance	Direct	-	3,112	-	3,112
Fundraising	Direct	-	-	-	-
Project Consultancy	Direct	-	60	-	60
Insurance	Direct	-	78	-	78
Subscriptions	Direct	-	12	-	12
Legal & Professional	Direct	-	149	-	149
Investment Management Costs	Direct	357	-	-	357
Audit & Accountancy Fees	Direct	-	30	-	30
Premises Running Costs	Direct	-	77	-	77
Marketing	Direct	-	42	-	42
Recruitment	Direct	-	9	-	9
Director/Trustee Expense	Direct	-	6	-	6
Interest Payable to Group Undertaking	Direct	-	-	-	-
Irrecoverable VAT	Direct	71	155	-	226
<u>Support costs allocated to activities</u>					
Staff Costs	Usage	-	1,684	-	1,684
Finance Leases	Usage	-	-	-	-
General running costs	Usage	-	262	-	262
Depreciation	Usage	-	48	-	48
IT Support	Usage	-	39	-	39
Training	Usage	-	14	-	14
		428	5,777	-	6,205
		Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Year Ended £000's
Year Ended 31/03/18					
Investment Management Fees		33	162	233	428
Charitable Activities		3,746	2,031	-	5,777
Other		-	-	-	-
Total Expenditure		3,779	2,193	233	6,205
Year Ended 31/03/17					
Investment Management Fees		21	138	212	371
Charitable Activities		3,838	2,104	-	5,942
Other		118	-	-	118
Total Expenditure		3,977	2,242	212	6,431

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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 2017/18 this management fee totalled £0.50m (2016/17: £0.47m). The management fees are included within the Expenditure column of the Analysis of Charitable Funds (see Note 21).

10 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 2017/18, Land Trust Residential Services Limited and Beaulieu Estate Management Limited carried out trading activities and were therefore subject to Corporation Tax.

GROUP

	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Current Tax		
Current Year	-	-
Prior Year	-	-
Total Current Year	-	7
Deferred Tax		
Current Year	-	-
Prior Year	-	-
Total Deferred Tax	-	-
Tax on Profit on Ordinary Activities	-	7
	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Factors affecting the Tax Charge for the Year		
Company Profit on Ordinary Activities Before Tax	(17)	57
Company Profit on Ordinary Activities multiplied by the Standard Rate of Corporation Tax in the UK of 19% / 20%	(3)	11
Effects of:		
Reversal of Gift Aid / (Tax Relief on Gift Aid payment treated as a Distribution of Profits)	-	(16)
Expenses that are not deductible in determining Taxable Profit - Legal Expenses	-	7
Loss on trade not carried on with a view to profit not allowed	-	6
Management Expenses - not utilised	-	(1)
Losses Carried Forward	3	-
Total Current Tax	-	7

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

11 NET INCOME/EXPENDITURE:

	GROUP		CHARITY	
	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
This is stated after charging:				
Depreciation	48	17	48	17
Operating leases	82	77	82	77
<u>Auditors' Remuneration</u>				
External Auditors				
- Current Year Audit Fees	24	23	18	17
- Non-Audit Fees	-	1	-	1
- Additional Fees for Prior Year	4	2	4	2
Independent Examination of Service Charges	1	2	-	-
Interest and similar charges payable to Group Undertakings	-	-	-	118

12 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL:

	GROUP & CHARITY	
	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Wages and Salaries	1,397	1,378
Social Security Costs	133	146
Pension Costs	135	124
	<u>1,665</u>	<u>1,648</u>
Staff Health Assessments	4	5
Contractors	118	49
	<u>1,787</u>	<u>1,702</u>

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

Year Ended
31/03/2018

Year Ended
31/03/2017

The average number of employees employed by the Trust was:

Business Development & Operations	20.7	20.2
Marketing & Communications	5.3	5.9
Finance & Administration	11.7	9.2
Chief Executive Office	1.6	2.0
Total	39.3	37.3

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

GROUP & CHARITY

Year Ended
31/03/2018

Year Ended
31/03/2017

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

The total employer pension contributions for staff earning more than £60,000 were £37,491 in the year 2017/18 (£36,023 in 2016/17).

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 £261,543 (2016/17 - £363,300, this fall was due to a change in management structure in 2016/17).

Termination payments of £66,468 were made in 2017/18 (2016/17: £nil).

13 SUBSIDIARY COMPANIES AND THEIR ACTIVITIES:

As at 31st March 2018, 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 16th July 2015. This company obtained charity status on 21st April 2016. On the 1st 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 29th October 2012. The Land Restoration Trust Services Limited became a subsidiary from 29th October 2012. The main activity of The Land Restoration Trust Services Limited is to act as a holding company.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

Space First Limited is a company limited by share capital, registered in England and Wales and incorporated in the UK on 29th October 2012. Space First Limited became a subsidiary from 29th 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 20th March 2013. Osprey Quay Management Company Limited became a subsidiary from 20th March 2013. On the 1st 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 29th May 2014. Manor Kingsway Management Company Limited became a subsidiary from 29th 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 29th May 2014. Carr Lodge Management Company Limited became a subsidiary from 29th 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 25th November 2014. Frickley Management Company Limited became a subsidiary from 25th 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 23rd April 2015. Space First (North West) Limited became a subsidiary from 23rd 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 22nd April 2015. Space First (South East) Limited became a subsidiary from 22nd 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 14th July 2015. Space First (Manchester) Limited became a subsidiary from 14th 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 29th September 2015. Beaulieu Land Management Limited became a subsidiary from 29th September 2015. Beaulieu Land Management Limited started trading on 1st 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 28th January 2016. Land Trust Residential Services became a subsidiary from 28th January 2015. Land Trust Residential Services started trading on 1st April 2016, managing the Services Charges for a site at Upton, Northamptonshire.

Land Trust Estates Scotland Limited is a company limited by share capital, registered in Scotland and incorporated in the UK on 22nd April 2015. Space First (South East) Limited became a subsidiary from 28th June 2017. Land Trust Estates Scotland Limited Limited remained dormant throughout the financial year. Once trading, its main activity will be the management of land and green space for community benefit.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

14 TANGIBLE FIXED ASSETS:

	GROUP & CHARITY					
	Building Structures £000's	Motor Vehicles £000's	Fixtures & Fittings £000's	IT £000's	Plant & Machinery £000's	Total £000's
Costs Brought Forward	59	12	111	111	-	293
Additions in Year	1	-	19	18	118	156
Disposals in Year	-	-	-	-	-	-
Carried Forward	60	12	130	129	118	449
Depreciation Brought Forward	1	1	99	47	-	148
Charge for the Year	5	2	6	29	6	48
Depreciation on Disposals	-	-	-	-	-	-
Carried Forward	6	3	105	76	6	196
Net Book Value at 31 March 2018	54	9	25	53	112	253
Net Book Value at 31 March 2017	58	11	12	64	-	145

Fixtures and Fittings with a carrying value of £8,401 (2016/17: £nil) are held under finance leases.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

15 FIXED ASSET INVESTMENTS:

	GROUP	
	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Market Value as at 1st April 2017	125,103	105,058
Additions	39,540	56,583
Disposals	(31,872)	(52,863)
Transfers from Cash Pool	1,315	1,612
Cash Introduced / Withdrawn	(418)	(357)
Net investment Realised & Unrealised Gains/(Losses)	(2,034)	15,070
Market Value as at 31st March 2018	131,634	125,103

	GROUP			
	Year Ended 31/03/2018 UK £000's	Year Ended 31/03/2018 Overseas £000's	Year Ended 31/03/2017 UK £000's	Year Ended 31/03/2017 Overseas £000's
Investments represented by:				
<u>Listed Investments</u>				
Cash and Short Term Maturity Bonds	-	-	-	-
Fixed Interest Securities	2,513	-	2,459	-
Developed Market Equity	38,130	59,788	40,019	57,299
Emerging Market Equity	-	-	-	1,002
Private Equity & Other	3,120	-	2,487	1,075
Infrastructure & Operating	10,295	-	6,838	-
Property	-	-	-	-
Contractual & Other Income	7,046	-	1,813	3,959
Balanced Funds	1,365	-	1,341	-
<u>Unlisted investments</u>				
Cash Pool	2,788	-	1,891	-
Cash Pool Debtors	3,733	-	220	-
Cash Pool Creditors	(5,593)	527	(1,728)	-
Infrastructure & Operating	-	-	-	707
Property	5,919	1,981	5,721	-
Contractual & Other Income	22	-	-	-
	69,338	62,296	61,061	64,042
		131,634		125,103

The fixed asset investments are held in managed funds. The historical cost of the investments as at 31st March 2018 was £115.4m (2016/17: £103.9m), based on a weighted average calculation.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

	CHARITY	
	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Market Value as at 1st April 2017	123,762	105,058
Additions	39,541	55,279
Disposals	(31,872)	(52,863)
Transfers from Cash Pool	1,315	1,612
Cash Introduced / Withdrawn	(418)	(357)
Net investment Realised & Unrealised Gains/(Losses)	(2,059)	15,033
Market Value as at 31st March 2018	130,269	123,762

	CHARITY			
	Year Ended 31/03/2018 UK £000's	Year Ended 31/03/2018 Overseas £000's	Year Ended 31/03/2017 UK £000's	Year Ended 31/03/2017 Overseas £000's
Investments represented by:				
<u>Listed Investments</u>				
Cash and Short Term Maturity Bonds	-	-	-	-
Fixed Interest Securities	2,513	-	2,459	-
Developed Market Equity	38,130	59,788	40,019	57,299
Emerging Market Equity	-	-	-	1,002
Private Equity & Other	3,120	-	2,487	1,075
Infrastructure & Operating	10,295	-	6,838	-
Property	-	-	-	-
Contractual & Other Income	7,046	-	1,813	3,959
<u>Unlisted investments</u>				
Cash Pool	2,788	-	1,891	-
Cash Pool Debtors	3,733	-	220	-
Cash Pool Creditors	(5,593)	-	(1,728)	-
Infrastructure & Operating	-	527	-	707
Property	5,919	-	5,721	-
Contractual & Other Income	22	1,981	-	-
	67,973	62,296	59,720	64,042
		130,269		123,762

The fixed asset investments are held in managed funds. The historical cost of the investments as at 31st March 2018 was £114.1m (2016/17: £102.6m), based on a weighted average calculation.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

16 DEBTORS:

	GROUP		CHARITY	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	£000's	£000's	£000's	£000's
Amounts falling due within one year:				
Trade Receivables	866	3,180	860	3,178
Amounts owed from Group Undertakings	-	-	62	48
Prepayments & Accrued Income	227	291	199	277
VAT Receivable	40	6	36	4
Investment Income	507	723	507	723
Deposits	5	5	5	5
Other Tax & Social Security	-	-	-	-
	1,645	4,205	1,669	4,235

The majority of the debtors in 2017/18 relate to the New Site Funding being receivable from our Related Parties.

17 CREDITORS: FALLING DUE WITHIN ONE YEAR:

	GROUP		CHARITY	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	£000's	£000's	£000's	£000's
Amounts falling due within one year:				
Trade Creditors	225	158	224	158
Amounts owed to Group Undertakings	-	-	-	-
Corporation Tax	-	7	-	-
Other Tax & Social Security	-	-	-	-
VAT Payable	-	-	-	-
Finance Leases	2	-	2	-
Accruals & Deferred Income	1,447	1,694	1,425	1,648
	1,674	1,859	1,651	1,806

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.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

18 CREDITORS: FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		CHARITY	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	£000's	£000's	£000's	£000's
Amounts falling due after one year:				
Finance Leases	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>
	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>

19 FINANCIAL INSTRUMENTS

	31/03/2018	31/03/2017
	£000's	£000's
GROUP		
Financial Assets measured at Amortised Cost	14,528	22,194
Financial Liabilities measured at Amortised Cost	1,469	1,728
Financial Assets measured at Fair Value	131,634	125,103
Financial Liabilities measured at Fair Value	-	79

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.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS:

	GROUP				
	----- Unrestricted Funds -----				
	Designated Funds	General Funds	Pension Reserve	Restricted Funds	Endowment Funds
	£000's	£000's	£000's	£000's	£000's
Tangible Fixed Assets	-	94	-	159	-
Investments (fixed and current)	7,328	2,502	-	52,526	69,278
Current Assets	3,707	2,202	-	8,926	(307)
Current Liabilities	(367)	(487)	-	(762)	(58)
Long Term Liabilities	-	(7)	-	-	-
Defined Pension Scheme Asset	-	-	-	-	-
	10,668	4,304	-	60,849	68,913
					144,734

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

CHARITY

	----- Unrestricted Funds -----					
	Designated Funds £000's	General Funds £000's	Pension Reserve £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 31/03/2018 £000's
Tangible Fixed Assets	-	94	-	159	-	253
Investments (fixed and current)	7,328	2,500	-	51,163	69,278	130,269
Current Assets	3,707	2,151	-	8,941	(307)	14,492
Current Liabilities	(367)	(464)	-	(762)	(58)	(1,651)
Long Term Liabilities	-	(7)	-	-	-	(7)
Defined Pension Scheme Asset	-	-	-	-	-	-
	10,668	4,274	-	59,501	68,913	143,356

21 ANALYSIS OF CHARITABLE FUNDS:

	GROUP & CHARITY						
	No. of Funds	Balance at 31/03/17 £000's	Income £000's	Expenditure £000's	Gains / (Losses) £000's	Transfers £000's	Balance at 31/03/18 £000's
Endowment Funds							
Permanent Endowment Funds							
> £5m	2	18,555	-	(61)	(294)	-	18,200
£2m to £5m	9	26,513	-	(88)	(418)	-	26,007
£1m to £2m	5	7,631	-	(25)	(120)	-	7,486
£0 to £1m	3	1,060	-	(4)	(17)	-	1,039
Expendable Endowments							
£2m to £5m	5	16,467	-	(54)	(260)	(307)	15,846
£0 to £1m	1	341	-	(1)	(5)	-	335
Total Endowments Funds		70,567	-	(233)	(1,114)	(307)	68,913

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

	Balance at 31/03/17 £000's	Income £000's	Expenditure £000's	GROUP Gains / (Losses) £000's	Transfers £000's	Balance at 31/03/18 £000's
Restricted Funds						
Fort Burgoyne	13,063	592	(413)	(193)	-	13,049
Elba Park	4,007	2	(13)	(63)	(110)	3,823
Frickley	3,920	-	(13)	(62)	(87)	3,758
Newlands	3,454	23	(347)	-	22	3,152
Fryston	3,170	-	(10)	(50)	(92)	3,018
Rabbit Ings	2,814	-	(9)	(45)	(86)	2,674
Carr Lodge	2,706	-	(9)	(43)	(221)	2,433
Bromborough Dock	1,888	503	(94)	(25)	-	2,272
Bitmac Tip (Port Clarence)	2,292	-	(7)	(31)	-	2,254
New Park Springs	2,091	-	(7)	(33)	(1)	2,050
Monkton	2,073	(5)	(7)	(33)	(27)	2,001
East Ketley	1,884	-	4	-	-	1,888
Omega	1,824	-	(4)	(28)	-	1,792
The Spinney (Park Prewitt)	1,628	-	(15)	(23)	-	1,590
Knowle Haven	1,603	62	(54)	(25)	-	1,586
Wellesley Woodlands	1,000	535	(3)	(26)	-	1,506
Other	11,545	1,789	(1,192)	(83)	(56)	12,003
Total Restricted Funds	60,962	3,501	(2,193)	(763)	(658)	60,849

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

			CHARITY				
	Balance at 31/03/17 £000's	Income £000's	Expenditure £000's	Gains / (Losses) £000's	Transfers £000's	Balance at 31/03/18 £000's	
Restricted Funds							
Fort Burgoyne	13,063	592	(413)	(193)	-	13,049	
Elba Park	4,007	2	(13)	(63)	(110)	3,823	
Frickley	3,920	-	(13)	(62)	(87)	3,758	
Newlands	3,454	23	(347)	-	22	3,152	
Fryston	3,170	-	(10)	(50)	(92)	3,018	
Rabbit Ings	2,814	-	(9)	(45)	(86)	2,674	
Carr Lodge	2,706	-	(9)	(43)	(221)	2,433	
Bromborough Dock	1,888	503	(94)	(25)	-	2,272	
Bitmac Tip (Port Clarence)	2,292	-	(7)	(31)	-	2,254	
New Park Springs	2,091	-	(7)	(33)	(1)	2,050	
Monkton	2,073	(5)	(7)	(33)	(27)	2,001	
East Ketley	1,884	-	4	-	-	1,888	
Omega	1,824	-	(4)	(28)	-	1,792	
The Spinney (Park Prewitt)	1,628	-	(15)	(23)	-	1,590	
Knowle Haven	1,603	62	(54)	(25)	-	1,586	
Wellesley Woodlands	1,000	535	(3)	(26)	-	1,506	
Other	10,221	1,789	(1,192)	(107)	(56)	10,655	
Total Restricted Funds	59,638	3,501	(2,193)	(787)	(658)	59,501	

				GROUP				
Unrestricted Funds	No. of Funds	Balance at 31/03/17 £000's	Income £000's	Expenditure £000's	Gains / (Losses) £000's	Transfers £000's	Balance at 31/03/18 £000's	
General Funds	1	9,190	2,360	(3,144)	(95)	(4,007)	4,304	
Pension Reserve	1	(79)	-	(33)	112	-	-	
Designated Funds	58	5,161	1,229	(632)	(62)	4,972	10,668	
Total Unrestricted Funds		14,272	3,589	(3,809)	(45)	965	14,972	

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

		CHARITY					
	No. of Funds	Balance at 31/03/17 £000's	Income £000's	Expenditure £000's	Gains / (Losses) £000's	Transfers £000's	Balance at 31/03/18 £000's
Unrestricted Funds							
General Funds	1	9,183	2,307	(3,114)	(95)	(4,007)	4,274
Pension Reserve	1	(79)	-	(33)	112	-	-
Designated Funds	58	5,161	1,229	(632)	(62)	4,972	10,668
Total Unrestricted Funds		14,265	3,536	(3,779)	(45)	965	14,942

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

In 2017/18 the Trust established a policy of designating all site funds (identified at the point of transfer to the Trust), that are not restricted to a site for use on the site.

During the year and after taking legal advice, 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 projects. As part of this review funds were identified as being misclassified and 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:	£6.7m	(General Funds to Designated Funds)
Release of Surplus Income:	£2.4m	(Designated Funds to General Funds)
Reclassification of Funds:	£1.0m	(Restricted & Endowment Funds to General & Designated Funds)

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

22 NOTES TO THE STATEMENT OF CASH FLOWS:

	GROUP	
	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Reconciliation of Net Income to Net Cash Flow from Operating Activities		
Net Income for the Reporting Period (as per the Statement of Financial Activities)	(1,179)	23,847
Adjustments for:		
Site Funding / Endowments Received	(674)	(7,643)
Dividends, Interest and Rents from Investments	(5,128)	(5,335)
(Gains) / Losses on Investments	2,034	(15,070)
Investment Management Costs	428	371
Difference between Pension Contributions Paid and Charges Made	33	25
Depreciation Charges	48	17
Decrease / (Increase) in Debtors	2,560	216
Increase / (Decrease) in Creditors	(178)	(149)
Net Cash provided by (used in) Operating Activities	(2,056)	(3,721)

	CHARITY	
	Year Ended 31/03/2018 £000's	Year Ended 31/03/2017 £000's
Reconciliation of Net Income to Net Cash Flow from Operating Activities		
Net Income for the Reporting Period (as per the Statement of Financial Activities)	(1,226)	23,845
Adjustments for:		
Site Funding / Endowments Received	(674)	(7,643)
Dividends, Interest and Rents from Investments	(5,079)	(5,312)
(Gains) / Losses on Investments	2,058	(15,033)
Investment Management Costs	428	371
Difference between Pension Contributions Paid and Charges Made	33	25
Depreciation Charges	48	17
Decrease / (Increase) in Debtors	2,566	177
Increase / (Decrease) in Creditors	(148)	(1,388)
Net Cash provided by (used in) Operating Activities	(1,994)	(4,941)

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

23 ANALYSIS OF CASH AND CASH EQUIVALENTS:

	GROUP		
	Year Ended 31/03/2017 £000's	Cashflow net	Year Ended 31/03/2018 £000's
Cash in Bank and in Hand	8,186	(3,173)	5,013
Cash held for Long Term Investment purposes (included in Fixed Asset Investments)	1,891	897	2,788
Cash held for Short-Term Investment purposes	10,100	(2,230)	7,870
Total Cash and Cash Equivalents	20,177	(4,506)	15,671

	CHARITY		
	Year Ended 31/03/2017 £000's	Cashflow net	Year Ended 31/03/2018 £000's
Cash in Bank and in Hand	8,113	(3,160)	4,953
Cash held for Long Term Investment purposes (included in Fixed Asset Investments)	1,891	897	2,788
Cash held for Short-Term Investment purposes	10,100	(2,230)	7,870
Total Cash and Cash Equivalents	20,104	(4,493)	15,611

24 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 2018, the company had eight Members (31 March 2017: eight).

A full list of the status of the subsidiaries is shown in Note 13.

25 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 £59,517 (2016/17: £55,586). Contributions totaling £nil (2016/17: £nil) were payable to the fund at the year end and are included in creditors.

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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 1st 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 1st August 2012. Any calculated liability that has arisen from employees' service before 31st 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.

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

	31st March 2018	31st March 2017
Discount Rate	2.70%	2.60%
Future salary increases	2.00%	3.60%
Future Pension increases	2.30%	2.10%
Proportion of employees opting for early retirement	n/a	n/a
Post-retirement mortality	S2PMA - CMI 2017 (1.50% long term rate)	S2PMA -1 CMI 2015 (1.25% long term rate)
Future medical cost increase	n/a	n/a

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

	31st March 2018 Years	31st March 2017 Years
Male	22.7	23.1
Female	24.4	25.2

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

	31st March 2018 Years	31st March 2017 Years
Male	23.8	24.9
Female	25.9	27.1

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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

	31st March 2018 £'000's	31st March 2017 £'000's
Current Service Charge	110	84
Net interest on the net defined benefit pension liability	1	(3)
Benefit changes, gains/(loss) on curtailment and	-	-
Gains/(loss) on settlement	-	-
Administrative expenses	2	1
	<u>113</u>	<u>82</u>

£'000's

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

Defined benefit obligation at 1st April 2017	678
Current Service cost	110
Interest cost	18
Contributions by Scheme participants	16
Actuarial losses/(gains)	151
Liabilities assumed in a business combination	-
Plan introductions, changes, curtailments and settlements	-
Benefits paid	(32)
Defined benefit obligation at 31st March 2018	<u>941</u>

Change in fair value of share of plan assets:

	£'000's
Share of Plan assets at 1st April 2017	599
Interest income	17
Return on plan assets (excluding net interest on the net defined benefit liability)	389
Plan introductions, changes, curtailments and settlements	-
Assets acquired in a business combination	-
Contributions by employer	81
Contributions by scheme participants	16
Benefits paid	(32)
Administrative expenses	(2)
Share of Plan assets at 31st March 2018	<u>1,068</u>

The actual gain on the share of plan assets was £425,900 (2017: - £100,700).

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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

	Fair value of assets	
	31st March	31st March
	2018	2017
	£'000's	£'000's
Equity instruments	274	176
Debt instruments	527	297
Property	-	-
Other assets	267	126
	1,068	599

The amounts included in the fair value of the plan assets include £nil (2015/16: £nil) relating to property occupied by the entity.

Pension Assets / (Liabilities)

	31st March	31st March
	2018	2017
	£'000's	£'000's
Present Value of Scheme Liabilities	(941)	(678)
Fair Value of Plan Assets	1,068	599
Net Pension Assets	127	(79)

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

26 OPERATING LEASE COMMITMENTS:

At 31 March 2018 the Trust had commitments under non-cancellable operating leases as set out below;

	GROUP & CHARITY			
	31/03/2018 £000's	31/03/2017 £000's	31/03/2018 £000's	31/03/2017 £000's
	Land & Buildings		Other	
Within one year:	45	56	-	11
Within two to five years	22	70	-	3
After five years	-	-	-	-
	67	126	-	14

27 CAPITAL COMMITMENTS:

There were no capital commitments at 31st March 2018 (2017: £nil).

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

28 CONTINGENT LIABILITIES:

On 1st 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 1st August 2012, that would be payable if The Land Restoration Trust ceased to be a participating employer in the Scheme on 31 March 2018 has been provided by the Scheme's actuary, Mercer. This liability has been estimated as £591,100 (2016/17: £447,400).

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.

29 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 £8,616 (2016/17: £nil) The Trust also recognised £nil of funding receivable (2016/17: £4,393,756) from the Homes England. At the year-end, the creditor balance for Homes England was £nil (2016/17: £nil), and the debtor balance was £910 (2016/17: £2.3m).
- ii. During the year the Trust used the services of National Trust for site maintenance activities at a cost of £60,258 (2016/17: £61,081). The creditor balance at year end was £nil (2016/17: £nil).
- iii. During the year the Trust used the services of Groundwork for site maintenance activities at a cost of £451,706 (2016/17: £483,529). At the year-end, the creditor balance for Groundwork was £27,157 (2016/17: £nil). The Trust also recognised £nil of income from Groundwork (2016/17: £nil). At the year-end, the debtor balance from Groundwork was £nil (2016/17: £nil).
- iv. During the year the Trust paid to the Town and Country Planning Association £17,297 (2016/17: £3,094), principally in sponsorship of events limited to our activities, the creditor balance for Town and Country Planning Association was £88 (2016/17: £nil). The Trust also recognised £nil of income from Town and Country Planning Association (2015/16: £nil). At the year-end, the debtor balance from Town and Country Planning Association was £nil (2016/17: £nil).
- v. During the year the Trust used the services of the Woodland Trust for site maintenance activities at a cost of £4,332 (2016/17: £7,360). At the year-end, the creditor balance for the Woodland Trust was £nil (2016/17: £nil).
- vi. During the year the Trust used the services of Wildlife Trusts for site maintenance activities at a cost of £269,921 (2016/17: £302,444). At the year-end, the creditor balance for the Wildlife Trust was £16,383 (2016/17: £26,501). The Trust also recognised £1,360 of income from Wildlife Trusts (2016/17: £5,409). At the year-end, the debtor balance from Wildlife Trusts was £nil (2016/17: £nil).
- vii. During the year the Trust used the services of The Conservation Volunteers for site maintenance activities at a cost of £530,091 (2016/17: £491,769). At the year-end, the creditor balance for The Conservation Volunteers was £2,371 (2016/17: £4,252). The Trust also recognised £540 of income from The Conservation Volunteers (2016/17: £nil). At the year-end, the debtor balance from The Conservation Volunteers was £nil (2016/17: £907).
- viii. There were no transactions with the Princes' Trust Foundation during the year.

The Land Trust also incurred expenses of £660 with the Canal and River Trust in 2017/18 (2016/17: £1,000), there were no creditor or debtor balances as at 31st March 2018.

The Land Trust is a member of Anglia Farmers Ltd. The Land Trust incurred expenses of £20,281 with Anglia Farmers Ltd in 2017/18 (2016/17: £56,779), at 31 March 2018 there was a creditor balance of £1,295 (2016/17: £nil) and a £nil debtor balance (2016/17: £nil).

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

Recharge of Costs:	£nil (2016/17: £2,176)
Management Fees:	£nil (2016/17: £8,779)
Gift Aid Receipt:	£nil (2016/17: £76,471)
Interest Paid:	£nil (2016/17: £27,515)
Revaluation of Loan:	£nil (2016/17: £90,764)

At the 31st March 2018, the intercompany balance between the Land Trust and Osprey Quay Management Company Limited was a credit of £nil (2016/17: £nil).

THE LAND RESTORATION TRUST
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2018

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

Recharge of Costs:	£477 (2016/17: £2,700)
Management Fees:	£6,024 (2016/17: £8,779)

At the 31st March 2018, the intercompany balance between the Land Trust and Osprey Quay Management Services Company Limited was a debit of £297 (2015/16: debit of £5,650).

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

Recharge of Costs:	£2,261 (2016/17: £664)
Labour & Overhead Recharge:	£22,080 (2016/17: £15,108)

At the 31st March 2018, the intercompany balance between the Land Trust and Beaulieu Estate Management was a debit of £35,240 (2016/17: £19,426).

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

Recharge of Costs:	£17,160 (2016/17: £5,583)
Labour & Overhead Recharge:	£78,310 (2016/17: £70,038)
Gift Aid Receipt:	£nil (2016/17: £5,520)

At the 31st March 2018, the intercompany balance between the Land Trust and Land Trust Residential Services Limited was a debit of £26,738 (2016/17: £22,497).

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

30 POST BALANCE SHEET EVENTS

There are no post balance sheet events.