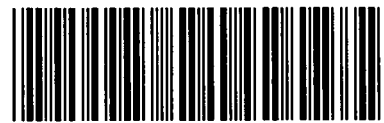


**One World Shop**  
**(Limited by Guarantee)**  
**Report and Financial Statements**  
**For the year ended**  
**31 March 2020**

SATURDAY



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29/08/2020

#268

COMPANIES HOUSE

**Company Number: SC096025**

**Charity Number: SC003072**

## **One World Shop**

### **Report and Financial Statements For the Year Ended 31 March 2020**

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## **One World Shop**

### **Trustees' Annual Report For the Year Ended 31 March 2020**

The trustees of One World Shop, who for the purposes of company law are the directors of the company, are pleased to present their report and the financial statements for the year ended 31 March 2020. The trustees have adopted the provisions of 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).

#### ***Objectives & Activities***

The company's principal activity during the period was the running of fair trade shops in Edinburgh, focused on offering goods from developing countries, with the object of promoting fair trading relationships and encouraging co-operative development in order to create employment and relieve poverty. This primary purpose trading activity is recognised as charitable by HMRC. In parallel with the trading activity, the company has an educational objective to promote fair trade and related development issues.

#### ***Achievements & Performance***

The second full year of trading in our new premises at St John's Church on Princes Street has built on the progress made from last year and shown a moderate increase in sales of approx. 2%, and an encouraging annual profit of £28,733.

We had some significant staff changes this year with Shop Manager Emily Smith leaving us in June 2019 to follow a musical career and Ben Parker, our temporary Manager, leaving in February 2020. A new Sales Manager & Volunteer Co-ordinator, Ania Kinross, was recruited to start in April 2020 but due to the Covid-19 lockdown this was delayed until July.

The shop erected a marquee outside the shop during the Edinburgh Festival in August 2019 and successfully increased customer numbers and sales over the previous year by 13%. The shop also took part in a variety of well attended Fairtrade Fortnight activities with the Edinburgh Fairtrade City Group. We were delighted to welcome Leocadie Voho, a woman cocoa farmer from the Ivory Coast, and two fairtrade sugar farmers from Kasinthula in Malawi to the shop.

Following Government advice for Covid-19, the shop closed on March 23rd 2020 and did not re-open until 29th June 2020. The trustees recognise that closing for three months, and the subsequent slowdown, will have a serious economic impact on the shop for 2020–21 and potentially beyond. The Management Committee and staff are working hard to mitigate the effects and have instigated a variety of measures including taking advantage of the Government's Job Retention Scheme and the £10,000 Business Support Grant. We have also reduced staff hours, re-negotiated some overhead costs and are taking a cautious approach to purchasing. We will continue to be vigilant and take more measures as the situation develops. The shop's reserves are sufficient to cover the projected deficit for 20-21. We aim to keep trading in a spirit of positivity and support for our producers and our mission.

#### ***Financial Review***

Details of income and expenditure for the year are shown in the Statement of Financial Activities on page 6 with further details in the notes to the accounts. During the year, there was a net increase in funds of £28,733.

Income from sales increased to £280,458 (2019: £274,029).

Expenditure during the year amounted to £254,129 (2019: £254,949). Details of the expenditure are shown in note 3 on page 10. Most of the expenditure relates to cost of goods sold, which increased slightly in line with increased turnover, and staff costs which decreased slightly due to some short gaps as post-holders changed.

## **One World Shop**

### **Trustees' Annual Report (continued)**

#### ***Financial Review (continued)***

The charity held total funds of £128,510 at the year end. A designated fund is held for fixed assets, with a balance of £20,756. The balance of £107,754 is held in the general fund and represents the charity's free reserves.

#### ***Reserves policy***

The trustees aim to hold reserves equivalent to 6 months' operating expenditure, excluding stock cost. At the year end, the free reserves held were £107,754, which is equivalent to between 11 and 12 months' expenditure. The trustees are satisfied the level of reserves will help cover the serious shortfall caused by the Covid-19 lockdown in the coming year. Once the situation is clearer the trustees will consider the most appropriate use of any excess reserves.

#### ***Structure, Governance and Management***

One World Shop is registered as a Scottish charity and is a company limited by guarantee, with the liability of the members limited to £5 each. The company is governed by the terms of its Memorandum and Articles of Association, which were agreed on incorporation on 18 November 1985.

Members of the Management Committee (the trustees of the charity and directors of the company) are appointed from the members at the Annual General Meeting (AGM) and may also be co-opted at any time during the year, subject to election by the members at the subsequent AGM. The names of those who served as members of the Management Committee during the year are shown on page 4.

Members of the Management Committee receive training in their role as required, including annual away-days with the staff to review business strategy. Day to day operations are delegated to the staff, under direction of the Business Manager.

Further reference and administrative information is shown on page 4.

#### ***Risk management***

The Management Committee have considered the major risks affecting the business of the company, particularly those due to Covid-19 and the dramatically altered high street retail environment. Work on expanding the shop's online capacity has increased and other measures are being considered to mitigate against those risks.

## One World Shop

### Trustees' Annual Report (continued)

#### Reference & Administrative Information

**Charity Name:** One World Shop

**Company registration:** SC096025  
Company Limited by Guarantee

**Charity registration:** Scottish Charity  
SC003072

**Registered office:** St John's Church  
Princes Street  
Edinburgh  
EH2 4BJ

#### Trustees & Directors

Those serving as trustees and company directors at the date of this report are:

Gabrielle Jondet                      Acting Chair  
Sam Elsworthy  
Christopher Horton  
Gilly MacWhirter

The following also served as trustees and company directors during the year:

Kevin McElroy                      Chair, resigned 12 January 2020

**Company Secretary:** Rachel Farey


**Bankers:** RBS  
142-144 Princes Street  
Edinburgh  
EH2 4EQ

**Independent Examiner:** Paul M. Clelland C.A.  
Paul Clelland Accountancy  
Clydeview House  
813 South Street  
Glasgow  
G14 0BX

#### Small Company Provisions

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

#### By Order of the Board

Signed:   
Name: GABRIELLE JONDET.  
Director

Date: 30.07.2020.

Company Registration Number: SC096025

## **Report of the Independent Examiner To the Trustees of One World Shop**

I report on the accounts of One World Shop for the year ended 31 March 2020, which are set out on pages 6 to 15.

### **Respective responsibilities of trustees and examiner**

The directors, as trustees of the charity, are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006, as amended (the 2006 Accounts Regulations). They consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the 2005 Act and to state whether particular matters have come to my attention.

### **Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

### **Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**Paul M Clelland CA**

Date: 25<sup>th</sup> Aug 2020

Member of the Institute of Chartered Accountants of Scotland

Paul Clelland Accountancy  
Suite 1, First Floor West  
Clydeaway House  
813 South Street  
Glasgow  
G14 0BX

# One World Shop

## Statement of Financial Activities ( including Income and Expenditure Account )

For the Year Ended 31 March 2020

|   | Note     | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---|----------|--------------------|--------------------|
| <b>Income from:</b>                           |          |                    |                    |
| <b>Donations</b>                              | <b>2</b> |                    |                    |
| Donations                                     |          | 2,220              | 3,454              |
| <b>Charitable activities</b>                  |          |                    |                    |
| Turnover from sales of fair trade goods       |          | 280,458            | 274,029            |
| <b>Investments</b>                            |          |                    |                    |
| Dividends                                     |          | -                  | 3                  |
| Bank interest                                 |          | 180                | 88                 |
| <b>Total income</b>                           |          | <b>282,858</b>     | <b>277,574</b>     |
| <b>Expenditure on:</b>                        |          |                    |                    |
| <b>Charitable activities:</b>                 |          |                    |                    |
| Costs of charitable trading                   |          | 142,836            | 138,181            |
| Staff costs                                   |          | 72,200             | 79,184             |
| Occupancy costs                               |          | 15,511             | 11,738             |
| Shop overheads                                |          | 8,650              | 9,484              |
| Administrative costs                          |          | 11,709             | 13,138             |
| Other costs                                   |          | 3,223              | 3,224              |
| <b>Total expenditure</b>                      | <b>3</b> | <b>254,129</b>     | <b>254,949</b>     |
| <b>Net income before gains on investments</b> |          | <b>28,729</b>      | <b>22,625</b>      |
| <b>Gains on investments</b>                   | <b>4</b> |                    | -                  |
| <b>Net income</b>                             |          | <b>28,733</b>      | <b>22,625</b>      |
| <b>Net movement in funds</b>                  |          | <b>28,733</b>      | <b>22,625</b>      |
| <b>Reconciliation of funds:</b>               |          |                    |                    |
| Funds brought forward                         |          | 99,777             | 77,152             |
| <b>Funds carried forward</b>                  |          | <b>128,510</b>     | <b>99,777</b>      |

The above statement includes all gains and losses recognised during the year.

All activities are regarded as continuing.

All activities in the current and previous year relate to the charity's unrestricted funds.

The notes on pages 8 to 15 form part of these financial statements.

# One World Shop

## Balance Sheet at 31 March 2020

|  | Note | 2020<br>£      | 2019<br>£     |
|--|------|----------------|---------------|
| <b>Fixed Assets</b>                          |      |                |               |
| Tangible assets                              | 5    | 20,756         | 23,144        |
| Programme related investments                | 6    | <u>371</u>     | <u>367</u>    |
|  |      | 21,127         | 23,511        |
| <b>Current Assets</b>                        |      |                |               |
| Stock of goods for resale                    |      | 28,943         | 25,326        |
| Debtors                                      | 7    | 7,648          | 7,860         |
| Cash at bank and in hand                     |      | <u>104,161</u> | <u>89,888</u> |
|  |      | 140,752        | 123,074       |
| <b>Creditors:</b>                            |      |                |               |
| Amounts falling due within one year          | 8    | <u>16,788</u>  | <u>26,059</u> |
| <b>Net Current Assets</b>                    |      | <u>123,964</u> | <u>97,015</u> |
| <b>Total Assets less Current Liabilities</b> |      | 145,091        | 120,526       |
| <b>Creditors:</b>                            |      |                |               |
| Amounts falling due after more than one year | 9    | <u>16,581</u>  | <u>20,749</u> |
| <b>Total Net Assets</b>                      |      | <u>128,510</u> | <u>99,777</u> |
| <b>Funds:</b>                                |      |                |               |
| <b>Unrestricted funds:</b>                   |      |                |               |
| General fund                                 | 13   | 107,754        | 76,633        |
| Fixed assets fund                            | 13   | <u>20,756</u>  | <u>23,144</u> |
| <b>Total Funds</b>                           |      | <u>128,510</u> | <u>99,777</u> |

For the year ended 31 March 2020 the company was entitled to exemption from an audit under sections 475 and 477 of the Companies Act 2006 ("the Act") relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue

Signed: 

Name: GABRIELLE JONDET.

Director

Date: 30.07.2020

The notes on pages 8 to 15 form part of these financial statements.



## **One World Shop**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **1. Accounting Policies**

##### ***Basis of Accounting***

The financial statements have been prepared on the historical cost basis and in accordance with the requirements of:

- the Companies Act 2006
- 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 (FRS102) issued on 16 July 2014 (Charities SORP (FRS102)); and
- the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The charity constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. In particular, the impact of the COVID-19 pandemic has been assessed, as outlined in the trustees' annual report, with no significant impact on the going concern position of the charity. Accordingly, the accounts have been prepared on a going concern basis.

##### ***Income***

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Income received by way of grants and donations is included in full in the Statement of Financial Activities when receivable. Where entitlement is conditional on the delivery of a specific performance by the charity, grants are recognised when the charity earns the right to consideration by its performance. Where a grant or donation is given for a specific purpose, it is included in restricted income and any unexpended portion is carried forward as a restricted fund.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided). It is stated after trade discounts and is net of VAT where applicable.

##### ***Expenditure***

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. The charity has opted not to report on the activity basis. Expenditure is instead reported by cost type.

Commitments paid in respect of operating leases are recognised on a straight line basis over the lease term.

##### ***Tangible Fixed Assets and Depreciation***

Tangible fixed assets are capitalised and are stated at cost less accumulated depreciation, which is provided to write off the cost of the assets over their estimated useful lives, as follows:

|                       |                        |
|-----------------------|------------------------|
| Tenant's improvements | 10 years straight line |
| Office equipment      | 4 years straight line  |
| Fixtures & fittings   | 5 years straight line  |

## **One World Shop**

### **Notes to the Financial Statements (continued)**

#### **1. Accounting Policies (continued)**

##### ***Programme Related Investments***

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing bid price or trading price. The Statement of Financial Activities includes the net gains, losses and impairment arising on revaluation and disposals throughout the year.

All investments held by the charity are programme related. Any losses on investment value are treated as impairment and charged to expenditure. Gains are taken to the Statement of Financial Activities either to reverse previous impairment, or as unrealised or realised gains.

##### ***Stocks***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated using the average cost method.

##### ***Other Basic Financial Instruments***

The charity only has financial assets and 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.

##### ***Taxation***

The company is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. No charge to corporation tax arose during the year. The charity is registered for VAT. All items in the accounts are included net of applicable VAT.

##### ***Pensions***

The company makes pension contributions to three defined contribution pension schemes for its employees. Contributions are charged to expenditure as they become payable.

The company has an employee who was formerly a member of a multi-employer defined benefit scheme with TPT Retirement Solutions. The company makes ongoing contributions towards their share of the scheme deficit, in accordance with guidance from the scheme administrators. Further information is contained in Note 12 to the accounts.

##### ***Funds***

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

***Restricted funds*** are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

***Unrestricted funds*** are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

**One World Shop**  
**Notes to the Financial Statements (continued)**

| <b>2. Donations</b>          | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|------------------------------|-----------------------------|-----------------------------|
| Donations including gift aid | 728                         | 2,128                       |
| Memberships & subscriptions  | 1,492                       | 1,326                       |
| <b>Total donations</b>       | <b>2,220</b>                | <b>3,454</b>                |

Donations above include a total of £48 donated by trustees during the year.

| <b>3. Expenditure</b>                | <b>£</b>       | <b>£</b>       |
|--------------------------------------|----------------|----------------|
| <i>Costs of charitable trading</i>   |                |                |
| Opening stock                        | 25,326         | 26,690         |
| Purchases                            | 146,453        | 136,817        |
| Closing stock                        | (28,943)       | (25,326)       |
|                                      | <b>142,836</b> | <b>138,181</b> |
| Staff costs                          | 72,200         | 79,184         |
| Occupancy costs                      | 15,511         | 11,738         |
| Shop overheads                       | 8,650          | 9,484          |
| Administrative costs                 | 11,709         | 13,138         |
| Other costs                          | 3,223          | 3,224          |
| <b>Total expenditure</b>             | <b>254,129</b> | <b>254,949</b> |
| <i>Expenditure includes:</i>         |                |                |
| <b>Governance costs:</b>             | <b>£</b>       | <b>£</b>       |
| Independent examiner's remuneration: | 825            | 800            |
| Board meetings & AGM                 | 505            | 181            |
|                                      | <b>1,330</b>   | <b>981</b>     |
| Operating lease payments             | 12,712         | 10,409         |
| Employer's pension contributions     | 3,679          | 4,772          |
| <b>Analysis of Staff costs</b>       | <b>2020</b>    | <b>2019</b>    |
|                                      | <b>£</b>       | <b>£</b>       |
| Gross salaries                       | 67,219         | 66,919         |
| Social Security costs                | 763            | 1,291          |
| Pension costs                        | 3,679          | 4,772          |
| Pension deficit liability introduced | -              | 6,202          |
| Recruitment                          | 539            | -              |
|                                      | <b>72,200</b>  | <b>79,184</b>  |

The average number of staff employed directly during the year, on a headcount basis, was 7 (2019: 7).

The total amount of employee benefits, including employer national insurance and pension contributions, paid in respect of key management personnel was £45,742 (2019: £45,860). No employee had emoluments of more than £60,000.

# One World Shop

## Notes to the Financial Statements (continued)

### 4. Transactions with Trustees and Related Parties

During the year, the following transactions took place with trustees:

- travel expenses of £nil were reimbursed to one trustee (2019: £42 to one trustee).
- Chris Horton, a trustee, was paid £4,200 for providing accountancy services to the charity. In addition, he held a salaried post for part of the year to cover short term staff absence. He was paid total remuneration of £1,000 in this capacity.

### 5. Tangible Fixed Assets

|                       | Tenant's<br>improve-<br>ments | Office<br>equipment | Fixtures &<br>fittings | Total  |
|-----------------------|-------------------------------|---------------------|------------------------|--------|
| Cost                  | £                             | £                   | £                      | £      |
| At 1 April 2019       | 27,230                        | 16,982              | 14,340                 | 58,552 |
| Additions             | -                             | 448                 | -                      | 448    |
| At 31 March 2020      | 27,230                        | 17,430              | 14,340                 | 59,000 |
| <i>Depreciation</i>   |                               |                     |                        |        |
| At 1 April 2019       | 4,086                         | 16,982              | 14,340                 | 35,408 |
| Charge for the year   | 2,724                         | 112                 | -                      | 2,836  |
| At 31 March 2020      | 6,810                         | 17,094              | 14,340                 | 38,244 |
| <i>Net Book Value</i> |                               |                     |                        |        |
| At 31 March 2020      | 20,420                        | 336                 | -                      | 20,756 |
| At 31 March 2019      | 23,144                        | -                   | -                      | 23,144 |

### 6. Programme related investments

|                             | 2020<br>£ | 2019<br>£ |
|-----------------------------|-----------|-----------|
| Market value at 1 April     | 367       | 392       |
| Unrealised (losses) / gains | 4         | - 3       |
| Impairment in value         | -         | (22)      |
| Market value at 31 March    | 371       | 367       |

The closing market value of programme related investments is made up of investments in the following organisations:

|                             |     |     |
|-----------------------------|-----|-----|
| Traidcraft plc              | -   | -   |
| Shared Interest Society Ltd | 222 | 222 |
| Triodos Bank NV             | 149 | 145 |
|                             | 371 | 367 |

### 7. Debtors

|                                     | £     | £     |
|-------------------------------------|-------|-------|
| <i>Amounts due within one year:</i> |       |       |
| Trade debtors                       | 4,198 | 5,446 |
| Prepayments and other debtors       | 3,450 | 2,414 |
|                                     | 7,648 | 7,860 |

# One World Shop

## Notes to the Financial Statements (continued)

### 8. Creditors: amounts falling due within one year

|                                      | 2020          | 2019          |
|--------------------------------------|---------------|---------------|
|                                      | £             | £             |
| Loans from individuals (see note 10) | 3,528         | 4,076         |
| Trade creditors                      | 8,663         | 15,908        |
| Tax & social security                | 1,462         | 1,859         |
| Accruals and other creditors         | 3,135         | 4,216         |
|                                      | <u>16,788</u> | <u>26,059</u> |

### 9. Creditors: amounts falling due after more than one year

|  | £             | £             |
|--|---------------|---------------|
| Loans from individuals (see note 10)                           | 11,006        | 13,986        |
| Provision for pension deficit funding obligation (see note 12) | 5,575         | 6,763         |
|  | <u>16,581</u> | <u>20,749</u> |

### 10. Loans

Loans repayable, included within creditors, are analysed as follows:

|   | £             | £             |
|---|---------------|---------------|
| Wholly repayable within five years: other loans     | 13,106        | 17,642        |
| Not wholly repayable within five years: other loans | 1,428         | 420           |
|   | <u>14,534</u> | <u>18,062</u> |

All loans are unsecured. All loans not wholly repayable within five years are interest free, and are repayable by monthly instalments over five years from September 2019 (for 2019 balance) or September 2021 (for 2020 balance).

### 11. Operating Lease Commitment

At the balance sheet date, the charity had future minimum payments under non-cancellable operating leases for premises and equipment as follows:

|                                    | £             | £             |
|------------------------------------|---------------|---------------|
| Payable in less than one year      | 7,462         | 11,837        |
| Payable between one and five years | 3,318         | 5,530         |
|                                    | <u>10,780</u> | <u>17,367</u> |

## One World Shop

### Notes to the Financial Statements (continued)

#### 12. Pension Commitments

The company has one employee who was formerly a member of TPT Retirement Solutions Growth Plan 3 ("the Plan"), a multi-employer scheme which provides benefits to some 950 non-associated participating employers. This scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

---

|                                       |                       |  |
|---------------------------------------|-----------------------|--|
| <i>Deficit contributions</i>          |                       |  |
| From 1 April 2019 to 31 January 2025: | £11,243,000 per annum | (payable monthly and increasing by 3% each on 1st April) |

---

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

---

|   |                       |  |
|---|-----------------------|--|
| <i>Deficit contributions</i>            |                       |  |
| From 1 April 2016 to 30 September 2025: | £12,945,440 per annum | (payable monthly and increasing by 3% each on 1st April) |
| From 1 April 2016 to 30 September 2028: | £54,560 per annum     | (payable monthly and increasing by 3% each on 1st April) |

---

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**One World Shop**

**Notes to the Financial Statements (continued)**

**12. Pension Commitments (cont.)**

| <i>Present value of provision</i> | <b>31/3/20</b>      | <b>31/3/19</b>      |
|-----------------------------------|---------------------|---------------------|
|                                   | <b>£</b>            | <b>£</b>            |
| Present value of provision        | <b><u>5,575</u></b> | <b><u>6,763</u></b> |

Note that the provision at 31/3/18 was not included in the 2018 accounts. It was introduced to the 2019 accounts by way of a charge to the income and expenditure account in 2019 equivalent to the level of the provision which ought to have been in place at that date.

| <i>Reconciliation of opening and closing provisions</i>  | <b>£</b>            | <b>£</b>            |
|--|---------------------|---------------------|
| Provision at start of period                             | <b>6,763</b>        | 6,202               |
| Unwinding of the discount factor (interest expense)      | <b>85</b>           | 99                  |
| Deficit contribution paid                                | <b>(1,122)</b>      | (799)               |
| Remeasurements - impact of any change in assumptions     | <b>(151)</b>        | 62                  |
| Remeasurements - amendments to the contribution schedule | <b>-</b>            | 1,199               |
|  | <b><u>5,575</u></b> | <b><u>6,763</u></b> |

| <i>Assumptions</i> | <b>31/3/20</b>     | <b>31/3/19</b>     |
|--------------------|--------------------|--------------------|
|                    | <b>%</b>           | <b>%</b>           |
| Rate of discount   | <b><u>2.53</u></b> | <b><u>1.39</u></b> |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

# One World Shop

## Notes to the Financial Statements (continued)

### 13. Movement in Funds

|                              | At<br>01/04/19 | Movement in Funds |                         |           | At<br>31/03/20 |
|------------------------------|----------------|-------------------|-------------------------|-----------|----------------|
|                              |                | Income<br>& gains | Expenditure<br>& losses | Transfers |                |
| <b>Unrestricted funds:</b>   |                |                   |                         |           |                |
| Designated Fixed Assets fund | (a) 23,144     | -                 | (2,836)                 | 448       | <b>20,756</b>  |
| General fund                 | 76,633         | 282,862           | (251,293)               | (448)     | <b>107,754</b> |
| <b>Total funds</b>           | <b>99,777</b>  | <b>282,862</b>    | <b>(254,129)</b>        | <b>-</b>  | <b>128,510</b> |

#### Note:

#### **Purpose of Designated Fund:**

(a) Designated fixed assets fund: This fund corresponds to the net book value of fixed assets. Annual depreciation is charged to this fund and the cost of any fixed assets purchased is transferred into the fund. The opening net book value has been transferred in to the fund.

### 14. Analysis of Net Assets between Funds

|                                     | Unrestricted Funds |               | Total<br>Funds  |
|-------------------------------------|--------------------|---------------|-----------------|
|                                     | General            | Designated    |                 |
|                                     | £                  | £             | £               |
| Tangible fixed assets               | -                  | 20,756        | <b>20,756</b>   |
| Programme-related investments       | 371                | -             | <b>371</b>      |
| Stock                               | 28,943             | -             | <b>28,943</b>   |
| Debtors                             | 7,648              | -             | <b>7,648</b>    |
| Cash on deposit, at bank & in hand  | 104,161            | -             | <b>104,161</b>  |
| Creditors due within one year       | (16,788)           | -             | <b>(16,788)</b> |
| Creditors due in more than one year | (16,581)           | -             | <b>(16,581)</b> |
| <b>Net assets at 31 March 2020</b>  | <b>107,754</b>     | <b>20,756</b> | <b>128,510</b>  |

### 15. Movement in Funds - Prior Year

|                              | At<br>01/04/18 | Movement in Funds |                         |           | At<br>31/03/19 |
|------------------------------|----------------|-------------------|-------------------------|-----------|----------------|
|                              |                | Income<br>& gains | Expenditure<br>& losses | Transfers |                |
| <b>Unrestricted funds:</b>   |                |                   |                         |           |                |
| Designated Fixed Assets fund | -              | -                 | (2,724)                 | 25,868    | <b>23,144</b>  |
| General fund                 | 77,152         | 277,574           | (252,225)               | (25,868)  | <b>76,633</b>  |
| <b>Total funds</b>           | <b>77,152</b>  | <b>277,574</b>    | <b>(254,949)</b>        | <b>-</b>  | <b>99,777</b>  |

### 16. Analysis of Net Assets between Funds - Prior Year

|                                     | Unrestricted Funds |               | Total<br>Funds  |
|-------------------------------------|--------------------|---------------|-----------------|
|                                     | General            | Designated    |                 |
|                                     | £                  | £             | £               |
| Tangible fixed assets               | -                  | 23,144        | <b>23,144</b>   |
| Programme-related investments       | 367                | -             | <b>367</b>      |
| Stock                               | 25,326             | -             | <b>25,326</b>   |
| Debtors                             | 7,860              | -             | <b>7,860</b>    |
| Cash on deposit, at bank & in hand  | 89,888             | -             | <b>89,888</b>   |
| Creditors due within one year       | (26,059)           | -             | <b>(26,059)</b> |
| Creditors due in more than one year | (20,749)           | -             | <b>(20,749)</b> |
| <b>Net assets at 31 March 2019</b>  | <b>76,633</b>      | <b>23,144</b> | <b>99,777</b>   |