

EPPING FOREST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Charity Number: 232990

EPPING FOREST

Trustee's Annual Report and Financial Statements for the year ended 31 March 2018

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Trustee's Annual Report for the year ended 31 March 2018

- **Reference and Administration Details**

Charity Name:	Epping Forest
Registered Charity Number:	232990
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Auditor:	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

- **Structure, Governance and Management**

The governing document

The governing documents are the Epping Forest Acts 1878 and 1880 as amended. The charity is constituted as a charitable trust.

Trustee Selection methods

The Mayor and Commonalty and Citizens of London known as the City of London Corporation is the Trustee of Epping Forest. Elected Aldermen and Members of the City of London Corporation are appointed to the Epping Forest and Commons Committee, together with four Verderers - locally elected by Epping Forest Commoners - governing Epping Forest for the Court of Common Council of the City of London Corporation.

Policies and procedures for the appointment, induction and training of Trustee

The City of London Corporation makes available to its Members seminars and briefings on various aspects of the City's activities, including those concerning Epping Forest, as it considers necessary to enable the Members to efficiently carry out their duties.

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Trustee's Annual Report for the year ended 31 March 2018

2. Structure, Governance and Management (continued)

Organisational structure and decision making process

The Committee governing the charity's activities is noted above. The Committee is ultimately responsible to the Court of Common Council of the City of London. The decision making processes of the Court of Common Council are set out in the Standing Orders and Financial Regulations governing all the Court of Common Council's activities.

The Standing Orders and Financial Regulations are available from the Town Clerk at the registered address.

The Charity Governance Code was published in July 2017. The Trustee is supportive of the Code and its aim to assist in the development of high standards of governance throughout the charity sector. At this early point after the release of the Code, the Trustee is currently considering application of the recommended practice to the work of the Epping Forest charity.

Details of related parties and wider networks

Details of any related party transactions are disclosed in Note 16 of the Notes to the financial statements.

Key management personnel remuneration

The Trust considers its key management personnel comprise the Trustees and the Director of Open Spaces who manages the seven open spaces funded by the City of London Corporation.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

The pay of the Director of Open Spaces is reviewed annually in-line with any uplift awarded to employees across the City of London Corporation. The City of London Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for contribution pay and recognition awards. If recruitment or retention of staff proves difficult, consideration is given to the use of market forces supplements in order to increase pay to a level that is competitive relative to similar positions in other organisations.

Risk identification

The Trustee is committed to a programme of risk management as an element of its strategy to preserve the charity's assets, enhance productivity for service users and members of the public and protect the employees.

In order to embed sound practice a Risk Management Group has been established in the City of London Corporation to ensure that risk management policies are applied, that there is an ongoing review of risk management activity and that appropriate advice and support is provided to Members and officers.

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Trustee's Annual Report for the year ended 31 March 2018

2. Structure, Governance and Management (continued)

Risk identification (continued)

The City of London Corporation has approved a strategic risk register for all of its activities. This register helps to formalise existing processes and procedures and enables the City of London Corporation to further embed risk management throughout the organisation.

A key risk register has been prepared for this charity which has been reviewed by the committee acting on behalf of the Trustee. It identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

There are 9 risks which have been identified as affecting all the Open Spaces of which 8 relate to the "green spaces". These are:

- Animal, Plant and Tree Diseases;
- Extreme weather;
- Poor repair and maintenance of buildings;
- Impact of Housing /Highways Development;
- Ensuring the health and safety of staff, contractors and the public;
- Maintaining the City's water bodies;
- IT System Failure; and
- Reputational Risk Associated with Efficiency Changes

There is a system in place for monitoring each of these risks and mitigating actions are undertaken including training, strengthening controls and plans of action.

These risks are then broken down into more site specific risks in each areas own risk register, together with any risks that only relate to that site.

Risks which are specific to Epping Forest:

- Raised Reservoirs – A severe rainfall event could potentially result in overtopping of embankments, leading to the erosion of dams and potential collapse. There are regular inspections of the 5 large raised reservoirs works have been completed at Eagle Pond and Highams Park Lake. Three lakes within the Wanstead Park cascade were declared High Risk by the Environment Agency in December 2017. The Trust is seeking funding to undertake engineering studies of the entire cascade and complete works identified in the scoping evaluations underway for Baldwins and Birch Hall Park Pond.
- Wanstead Park – Heritage at Risk Register – The Grade II* Registered Park and Garden Wanstead Park has been on the "Heritage at Risk" register since 2009. It is listed as in declining condition. The City is one of four landowners of the site. A Parkland Plan which integrates repairs to the cascade and the wider Park heritage is being developed

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Trustee's Annual Report for the year ended 31 March 2018

2. Structure, Governance and Management (continued)

Risk identification (continued)

in partnership with landowners, the Friends and Historic England and potential funding partners are being identified including the Heritage Lottery Fund.

- Rural Payments Agency (RPA) Grants – The Agriculture Bill 2018 presented to Parliament in September 2018 represents the biggest overhaul of farm policy since 1954. The Bill will prepare the way for new post Brexit agricultural schemes which will purchase a range of public benefits which are likely to better reflect the objectives of the Epping Forest charity. Work has been underway since 2017 for a new Countryside Stewardship application which is expected to be submitted in 2019 for implementation from January 2020. The new Stewardship scheme and the transition of the Basic Payment Scheme could lead to reductions in grant aid and the possible loss of funding post Brexit has been flagged with the City of London.
- **Objectives and Activities for the Public Benefit**

The Trustee has due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities.

The purpose of the charity is the preservation of Epping Forest in perpetuity by the City of London Corporation as the Conservators of Epping Forest, as an Open Space for the recreation and enjoyment of the public. The Open Space consists of the lands known as Epping Forest including Wanstead Park and Highams Park in London and part of Copped Hall Park in Essex. Some 1,800 acres of buffer lands have been acquired by the City Corporation around the edges of Epping Forest.

This charity is operated as part of the City of London Corporation's City's Cash. The City of London Corporation is committed to fund the ongoing net operational costs of the charity in accordance with the purpose which is the preservation of Epping Forest in perpetuity by the City of London Corporation as the Conservators of Epping Forest, as an Open Space for the recreation and enjoyment of the public.

4. Achievements and Performance

Key Targets for 2017/18 and review of achievement

The key targets for 2017/18 together with their outcomes were:

- **Management Plan** – Recruitment of new temporary post to push forward next phase of Management Plan as well as other strategy documents such as draft Operational Plan. *Additional resources given to this through the year has brought the plan closer to final stages and will be delivered in full in 2018/19.*
- **Fleet** – Devise and implement new sustainable fleet management plan for Epping Forest vehicles and plant. *Fleet management plans are being developed, in partnership with our other Open Spaces.*

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Trustee's Annual Report for the year ended 31 March 2018

4. Achievements and Performance (continued)

Key Targets for 2017/18 and review of achievement (continued)

- **City of London Corporation (Open Spaces) Act 2018** – Parliamentary process continued into 2017/18 with the Bill receiving Royal Assent on 15th March. The Act has already seen the establishment of a 21 member Epping Forest Consultative Committee.
- **Lodge Review** – To begin rental of non-Forest land lodges and continue preparations for others ready for completion of Open Spaces Bill. *Property at the Warren Estate has been let, with plans for Forest Land Lodges being developed post Open Spaces Act.*
- **Parklife** – Complete application for improved football facilities at Wanstead Flats. *Early gateway stages complete and discussion underway with partner organisations.*

All of the above achievements enhanced the Open Space for the benefit of the public.

5. Financial Review

Review of financial position

Investment income of £2,936 (2016/17: £3,390) was earned during the year. Donations and Legacies comprised £17,104 from donations (2016/17: £9,784), £339,414 from grants (2016/17: £598,777), £6,000 from contributions, (2016/17: £2,000). Income from Charitable Activities comprised £579,698 from fees and charges (2016/17: £464,014), £427,048 from rents (2016/17: £424,604) and £102,925 from sales (2016/17: £133,886).

The contribution towards the running costs of the charity amounted to £4,835,525 (2016/17: £4,563,491). This cost was met by the City of London Corporation's City's Cash.

Additions to land and capital expenditure on buildings are included in the financial statements as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured.

Reserves Policy

The charity is wholly supported by the City of London Corporation which is committed to maintain and preserve Epping Forest out of its City's Cash Funds. These Funds are used to meet the deficit on running expenses on a year by year basis. Consequently, this charity has no free reserves and a reserves policy is therefore inappropriate. The charity has designated a number of unrestricted funds the details of which are set out in Note 14 to the financial statements.

Investment Policy

The charity's investments are held in units of the City of London Charities Pool. The investment policy of the Charities Pool is to provide a real increase in annual income in the long term whilst preserving the value of the capital base. The annual report and financial statements of the Charities Pool are available from the Chamberlain of London.

The majority of the charity's surplus funds are invested within the Charities Pool administered by the City of London Corporation and the interest is received from the Chamberlain of London on cash balances held on behalf of the Trust. The investments are managed by Artemis Investment Management Limited and the performance of the fund is measured against the Fund manager benchmark (FTSE All Share Index).

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Trustee's Annual Report for the year ended 31 March 2018

5. Financial Review (continued)

Investment Policy (continued)

As at 31 March 2018 the Fund achieved a return of +4.28% compared to the FTSE All Share Index return of +1.25%, an out-performance of 3.03%. Over three and five years the Fund has outperformed the index as follows:

	3 Years	5 Years
Fund	5.97%	7.96%
FTSE All Share	5.86%	6.59%
Out performance	0.11%	1.37%

Going Concern

The Trustee considers the Trust to be a going concern. Please see Note 1(b) to the Financial Statements.

6. Plans for Future Periods

The targets for 2018/19 and beyond are:

- Management plan to be completed;
- Events and licencing policies to be approved and adopted;
- Rental options for vacant premises to be researched and initiated;
- Commercial wayleave policy to be implemented;
- Enforcement strategy to be revised following new powers granted in Open Spaces Act.

Our five strategic outcomes are:

- Epping Forest is a welcoming destination for all.
- Epping Forest maintains its beautiful wood pasture, sustaining internationally and nationally important habitats and wildlife.
- Epping Forest is a truly inspiring space for people's health, recreation and enjoyment.
- Epping Forest's heritage is celebrated, well-protected and understood.
- Epping Forest is resilient and responsive to achieving its vision and managing future challenges.

Projects and deliverables to achieve these outcomes will be set out in our Management Plan.

7. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with the Charities Act 2011 and 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 from 1 January 2015.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;

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Trustee's Annual Report for the year ended 31 March 2018

7. Statement of Trustee's Responsibilities (continued)

- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that discloses with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed.

The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Adopted and signed for on behalf of the Trustee on 13 November 2018.

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee
Guildhall, London

Jamie Ingham Clark
Deputy Chairman of Finance Committee
Guildhall, London

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF EPPING FOREST CHARITY

Opinion

We have audited the financial statements of Epping Forest for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, 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 FRS 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 charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 charity 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 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 audit opinion.

Conclusions relating to going concern

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

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 trustee is 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF EPPING FOREST CHARITY (CONTINUED)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee

As explained more fully in the Trustee's Responsibilities Statement set out on pages 7-8, the trustee is 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 trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity'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 trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF EPPING FOREST CHARITY (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils 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 charity's trustee, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Heather Wheelhouse, *Senior Statutory Auditor*

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street

London

EC1A 4AB

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

Date: 13 November 2018

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Statement of Financial Activities for the year ended 31 March 2018

	Notes	Unrestricted Funds				
		General Fund	Designated Funds	Restricted Fund	2017/18	2016/17
		£	£	£	£	£
Income and endowments from:						
Income from						
Donations and legacies		326,283	-	36,235	362,518	610,561
Charitable activities		1,106,671	-	-	1,106,671	1,022,504
Grant from City of London Corporation		4,783,303	52,222	-	4,835,525	4,563,491
Investments		2,936	-	-	2,936	3,390
Total	4	6,219,193	52,222	36,235	6,307,650	6,199,946
Expenditure on:						
Charitable activities		6,216,820	447,598	36,235	6,700,653	6,407,567
Total	5	6,216,820	447,598	36,235	6,700,653	6,407,567
Net gains on investments	10	-	35	-	35	407
Net income/(expenditure)		2,373	(395,341)	-	(392,968)	(207,214)
Transfers between funds		(2,373)	2,373	-	-	-
Net movements in funds		-	(392,968)	-	(392,968)	(207,214)
Reconciliation of funds						
Total funds brought forward	14	-	7,713,107	-	7,713,107	7,920,321
Total funds carried forward	14	-	7,320,139	-	7,320,139	7,713,107

All operations are continuing.

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Balance Sheet as at 31 March 2018

	Notes	2018	2017
		£	£
Fixed Assets			
Heritage Assets	8	382,754	383,715
Tangible Fixed Assets	9	6,179,142	6,546,812
Investments - 438 Charities Pool Units	10	3,854	3,819
		<u>6,565,750</u>	<u>6,934,346</u>
Current Assets			
Stocks		38,023	24,264
Debtors	11	428,599	379,567
Cash at bank and in hand		911,173	772,540
		<u>1,377,795</u>	<u>1,176,371</u>
Creditors: Amounts falling due within one year	12	<u>(578,646)</u>	<u>(358,610)</u>
Net Current Assets		<u>799,149</u>	<u>817,761</u>
Total Assets less Current Liabilities		7,364,899	7,752,107
Creditors: Amounts falling due after more than one year	13	<u>(44,760)</u>	<u>(39,000)</u>
Net Assets		<u>7,320,139</u>	<u>7,713,107</u>
The funds of the charity			
<i>Unrestricted income funds</i>			
Designated Funds	14	<u>7,320,139</u>	<u>7,713,107</u>
Total charity funds		<u>7,320,139</u>	<u>7,713,107</u>

Approved and signed for and on behalf of the Trustee

The Notes at pages 14 to 29 form part of these accounts.

Dr Peter Kane
Chamberlain of London
13 November 2018

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Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

(a) Basis of Preparation

Epping Forest is a public benefit entity and the financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

(b) Going Concern

The governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. The City of London Corporation is committed to fulfilling this obligation which is reflected through its proactive management of, and ongoing funding for, the services and activities required. The funding is provided from the City of London Corporation's City's Cash, which annually receives considerable income from its managed funds and property investments. Each year a medium term financial forecast is updated for City's Cash. The latest forecast for the period to 2021/22, anticipates that adequate funds will be available to enable the Trust to continue to fulfil its obligations. On this basis, the Trustee considers the Trust to be a going concern for the foreseeable future.

(c) Statement of Cash Flows

The Trust has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity. Statement of Cash Flows is included within the City's Cash Annual Report and Financial Statements 2018 which is publicly available and can be found at www.cityoflondon.gov.uk.

(d) Fixed Assets

Heritage Land and Associated Buildings

Epping Forest comprises 2,485 hectares (6,142 acres) of land stretching 12 miles from Manor Park in East London to just north of Epping in Essex, together with associated buildings. The object of the charity is the preservation of Epping Forest in perpetuity as an Open Space for the recreation and enjoyment of the public. Epping Forest is considered to be inalienable (i.e. may not be disposed of without specific statutory powers).

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these accounts as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

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Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting Policies (continued)

(d) Fixed Assets (continued)

Heritage Land and Associated Buildings

Additions to the original land and capital expenditure on buildings and other assets are included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured.

Tangible Fixed Assets

These are included at historic cost less depreciation on a straight line basis to write off their costs over their estimated useful lives and less any provision for impairment. Land is not depreciated and other fixed assets are depreciated from the year following that of their acquisition. Typical asset lives are as follows:

	Years
Operational buildings	30 to 50
Landscaping/Conservation	up to 50
Improvements and refurbishments to buildings	up to 30
Equipment	5 to 15
Infrastructure	up to 20
Heavy vehicles and plant	7

(e) Recognition of capital expenditure

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised provided that the expenditure is material (generally in excess of £50,000) and the asset yields benefits to the City of London, and the services it provides, for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets which is charged directly within service costs.

(f) Investments

Investments are made in the City of London Charities Pool which is an investment mechanism operating in a similar way to a unit trust. It enables the City of London Corporation to “pool” small charitable investments together and consequently obtain better returns than would be the case if investments were made individually.

Investments are valued annually at the middle market price at the close of business on 31 March. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities. The unrealised gain on investments at the balance sheet date is included in the Trust’s funds.

(g) Income Recognition

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.

(h) Investment Income

Investment income consists of distributions from the Charities Pool and interest receivable on cash balances.

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Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting Policies (continued)

(i) *Volunteers*

No amounts are included in the Statement of Financial Activities for services donated by volunteers, as this cannot be quantified.

(j) *Grants receivable*

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the formal offer of funding is communicated in writing to the Charity. Where there is a performance condition attached to the grant entitlement is only recognised when the conditions have been met.

(k) *Contribution from City's Cash*

The City of London Corporation's City's Cash meets the deficit on running expenses of the charity and also provides grant funding for certain capital works and this income is recognised in the Statement of Financial Activities when it is due from the City of London Corporation's City's Cash.

(l) *Rental income*

Rental income is included within charitable activity income for the year under Income and Endowments.

(m) *Expenditure Recognition*

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.

(n) *Allocation of costs between different activities*

The City of London Corporation charges staff costs to the charitable activity costs on a time spent basis. Associated office accommodation is charged out proportionately to the square footage used. All other costs are charged directly to the charitable activity.

(o) *Stocks*

Stocks are stated at the lower of cost and net realisable value.

(p) *Pension Costs*

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefits scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Cash and Bridge House Estates) or the trusts it supports. The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £592.6m as at 31 March 2018 (£597.9m as at 31 March 2017). Since this net deficit is apportioned between the accounts of the City of London's three main funds, the charity's Trustees do not anticipate that any of the liability will fall on the charity. The

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Notes to the Financial Statements for the year ended 31 March 2018

charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in the accounts.

1. Accounting Policies (continued)

(p) Pension Costs (continued)

The costs of the pension scheme charged to the charity are the employer's contributions disclosed in Note 7 and any employer's pension contributions within support services costs as disclosed at Note 6. A triennial valuation was undertaken as of 31 March 2016 and as a result the employer's contribution rate to be adopted for the financial years 2017/18, 2018/19 and 2019/20 has been set at 21% (2016/17: 17.5%). There are no outstanding or pre-paid contributions at the balance sheet date.

(q) Fund Accounting

The Trust may, at the Trustee's discretion, set aside funds, which would otherwise form part of general funds, for particular purposes. These funds are known as designated funds. The purposes of these funds are described in Note 14 to the accounts. Restricted funds are those received by Epping Forest to be used only for the purpose set out in the conditions of the grant. The purposes of these funds are described in Note 14 to the accounts.

2. Tax Status of the Charity

Epping Forest is a registered charity and as such, its charitable income and gains are exempt from income tax to the extent that they are applied to its charitable objectives.

3. Indemnity Insurance

The City of London Corporation takes out indemnity insurance in respect of all of its activities. The charity does not contribute to the cost of that insurance.

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Notes to the Financial Statements for the year ended 31 March 2018

4. Income and endowments

Income and endowments are comprised as follows:

	Unrestricted Funds		Restricted Funds	2017/18	2016/17
	General Fund	Designated Funds			
	£	£	£	£	£
Income and endowments from:					
Donations and legacies					
Grants	303,179	-	36,235	339,414	598,777
Donations	17,104	-	-	17,104	9,784
Contributions	6,000	-	-	6,000	2,000
Investments - Interest	2,936	-	-	2,936	3,390
	329,219	-	36,235	365,454	613,951
Revenue and capital grants from City of London Corporation	4,783,303	52,222	-	4,835,525	4,563,491
	5,112,522	52,222	36,235	5,200,979	5,177,442
Income from charitable activities					
Charges for use of facilities	576,698	-	-	576,698	464,014
Sales	102,925	-	-	102,925	133,886
Rental income	427,048	-	-	427,048	424,604
	1,106,671	-	-	1,106,671	1,022,504
Total	6,219,193	52,222	36,235	6,307,650	6,199,946

Grants

Grants were received from the Rural Payments Agency, Museum of London Docklands, the British Legion Poppy Factory, and the City Bridge Trust.

Contributions

Contributions were received from Harlow District Council and Epping Forest District Council.

Sales

This income is generated from the sale of leaflets, books, maps, cards and other publications relating to Epping Forest.

Designated Funds

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Notes to the Financial Statements for the year ended 31 March 2018

Grants were received from City's Cash towards the Epping Forest Branching Out Project and the Photovoltaic Panels installation project at the Warren, Epping Forest in 2017/18.

4. Income and endowments (continued)

Grant from City's Cash

The City of London Corporation's City's Cash meets the deficit on the running expenses of the charity.

Charges for the use of facilities

Fees and charges are made to the public for the use of facilities, admissions and services.

5. Expenditure

Expenditure is analysed between activities undertaken directly and support costs as follows:

	Activities undertaken directly £	Support costs £	2017/18 £	2016/17 £
Charitable activity Preservation and operation of Epping Forest	5,610,868	1,089,785	6,700,653	6,407,567
Total	5,610,868	1,089,785	6,700,653	6,407,567

No expenditure by third parties to undertake charitable work on behalf of the charity.

Charitable activity

Expenditure on the charitable activity includes labour, premises costs, equipment, materials and other supplies and services incurred as the running costs of Epping Forest.

Auditor's remuneration and fees for external financial services

Moore Stephens are the auditors of the City of London City's Cash. The City of London Corporation does not attempt to apportion the audit fee between all the different charities but prefers to treat it as part of the cost to its private funds. No other external financial services were provided for the Trust during the year or in the previous year.

Trustee's expenses

Members of the City of London Corporation are all unpaid and do not receive allowances in respect of City of London Corporation activities in the City. However, Members may claim travelling expenses in respect of activities outside the City and receive allowances in accordance with a scale when attending a conference or activity on behalf of the City of London Corporation. No expenses were claimed in 2017/18 (2016/17: £nil).

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Notes to the Financial Statements for the year ended 31 March 2018

6. Support Costs

The cost of administration which includes the salaries and associated costs of officers of the City of London Corporation, together with premises and office expenses, is allocated by the City of London Corporation to the activities under its control, including this charity, on the basis of employee time spent on the respective services. These expenses include the cost of administrative and technical staff and external consultants who work on a number of the City of London Corporation's activities.

Support costs allocated by the City of London Corporation to the charitable activity are derived as follows:

	Charitable activities £	2017/18 £	2016/17 £
Department			
Chamberlain	166,775	166,775	120,991
Comptroller & City Solicitor	63,619	63,619	53,777
Open Spaces Directorate	80,202	80,202	110,970
Town Clerk	124,290	124,290	118,304
City Surveyor	397,539	397,539	344,019
Information Systems	186,875	186,875	155,105
Other governance and support costs	70,485	70,485	79,359
Total support costs	1,089,785	1,089,785	982,525

The main support services provided by the City of London Corporation are:

Chamberlain	Accounting services, insurance, revenue collection, payments, financial systems and internal audit.
Comptroller and City Solicitor	Property, litigation, contracts, public law and administration of commercial rents and City of London Corporation records.
Open Spaces Directorate	Expenditure incurred by the Directorate, which is recharged to all Open Spaces Committees under the control of the Director of Open Spaces. The apportionments are calculated on the basis of budget resources available to each Open Space charity.
Town Clerk	Committee administration, management services, human resources, public relations, printing and stationery, emergency planning.
City Surveyor	Work undertaken on the management of the Estate properties, surveying services and advice, supervising and administering repairs and maintenance.

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Notes to the Financial Statements for the year ended 31 March 2018

6. Support Costs (continued)

Information Systems

The support and operation of the City of London Corporation's central and corporate systems on the basis of usage of the systems; the provision of "desktop" and network support services and small IS development projects that might be required by the charity.

Other support and governance costs

Contribution towards various costs including publishing the annual report and financial statements, central training, the occupational health, union costs and the environmental and sustainability section.

7. Staff Numbers and Costs

The average actual number of staff employed by the City of London Corporation charged to Epping Forest in 2017/18 is 81 (2016/17: 81) at a cost of £2,769,071 (2016/17: £2,702,413). The table below sets out the employment costs and the number of average actual staff charged directly to the charity.

	No of employees	Gross Pay £	Employers' National Insurance £	Employers' Pension Contribution £	Total £
2017/18 Charitable activities	81	2,131,997	199,110	437,964	2,769,071
2016/17 Charitable activities	81	2,139,689	202,231	360,493	2,702,413

There was one employee whose total employee benefits were above the £60,000 threshold (2016/17: 1).

The number of directly charged staff earning more than £60,000 in bands of £10,000 is set out below.

Employees who earn more than £60,000 per annum		
Band £	No of full time equivalent employees 2017/18	No of full time equivalent employees 2016/17
60,000-69,999	-	-
70,000-79,999	-	1.0
80,000-89,999	1.0	-
90,000-99,999	-	-

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Notes to the Financial Statements for the year ended 31 March 2018

100,000-109,999	-	-
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7. Staff Numbers and Costs (continued)

The Trust considers its key management personnel comprise the Trustees and the Director of Open Spaces who manages the seven open spaces funded by the City of London Corporation. The proportion of the Director's employment benefits, including employer pension contributions, allocated to this charity amounted to £22,251 in 2017/18 (2016/17: £29,700). Trustees are unpaid and do not receive allowances.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

8. Heritage Assets

At 31 March 2018 the net book value of heritage assets relating to direct charitable purposes amounts to £382,754 (31 March 2017: £383,715) as set out below.

	2014	2015	2016	2017	2018
	£	£	£	£	£
<u>Cost</u>					
At 1 April	388,382	388,382	388,382	388,382	388,382
Additions	-	-	-	-	-
At 31 March	388,382	388,382	388,382	388,382	388,382
<u>Depreciation</u>					
At 1 April	824	1,785	2,746	3,707	4,667
Charge for year	961	961	961	960	961
At 31 March	1,785	2,746	3,707	4,667	5,628
<u>Net book value</u>					
At 31 March	386,597	385,636	384,675	383,715	382,754
At 31 March	387,558	386,597	385,636	384,675	383,715

Since 1878 the primary purpose of the Charity has been the preservation of Epping Forest for the recreation and enjoyment of the public. As set out in Note 1(d), the original heritage land and buildings are not recognised in the Financial Statements.

Policies for the preservation and management of Epping Forest are contained in the Epping Forest Conservation Management Plan 2010. Records of heritage assets owned and maintained

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Notes to the Financial Statements for the year ended 31 March 2018

by Epping Forest can be obtained from the Director of Open Spaces at the principal address as set out on page 2.

8. Heritage Assets (continued)

Additions made to heritage land or buildings, where relevant information is available, are included at historic cost less accumulated depreciation in accordance with Note 1 (d). The values cover more recent land acquisitions and restoration of the fountain at 'The View'.

9. Tangible Fixed Assets

At 31 March 2018 the net book value of tangible fixed assets relating to direct charitable purposes amounts to £6,179,142 (31 March 2017: £6,546,812) as set out below.

	Land and Buildings £	Infrastructure £	Vehicles £	Equipment £	Total £
<u>Cost</u>					
At 1 April 2017	3,661,845	4,319,274	93,109	328,409	8,402,637
Additions	-	(3,107)	-	81,329	78,222
At 31 March 2018	3,661,845	4,316,167	93,109	409,738	8,480,859
<u>Depreciation</u>					
At 1 April 2017	906,455	589,664	35,909	323,797	1,855,825
Charge for year	197,832	231,148	14,300	2,612	445,892
At 31 March 2018	1,104,287	820,812	50,209	326,409	2,301,717
<u>Net book value</u>					
At 31 March 2018	2,557,558	3,495,355	42,900	83,329	6,179,142
At 31 March 2017	2,755,390	3,729,610	57,200	4,612	6,546,812

10. Fixed Asset Investments

The investments are held in the City of London Corporation Charities Pool as a registered UK charity with the Charities Commission (charity number 1021138) and are used internally by the City of London Corporation as a Unit trust. The value of investments held by the charity as follows:

	Designated Fund £	2018 £	2017 £
Market Value 1 April	3,819	3,819	3,412
Disposals at market value	-	-	-
Gain/(loss) for the year	35	35	407
Market Value 31 March	3,854	3,854	3,819
Cost 31 March	438	438	438

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Notes to the Financial Statements for the year ended 31 March 2018

Units in Charities Pool	438	438	438
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The Charities Pool is a UK registered unit trust.

10. Fixed Asset Investments (continued)

The geographical spread of listed investments at 31 March was as follows:

	2018 £	2017 £
Equities		
UK	3,008	2,973
Overseas	472	538
Bonds – UK & Overseas	25	21
Pooled Units - UK	262	189
Cash held by Fund Manager	87	98
Total Funds	3,854	3,819

11. Debtors

Debtors consist of amounts owing to the charity due within one year. The debtors figure consists of the following amounts:

	2018 £	2017 £
Rental Debtors	-	29,607
Other Debtors	343,948	277,629
Payments in Advance	32,955	32,799
Recoverable VAT	51,696	39,532
Total at 31 March	428,599	379,567

12. Creditors: due within one year

The creditors figure consists of the following amounts:

	2018 £	2017 £
Trade Creditors	144,811	56,280
Accruals	263,483	189,467
Other Creditors	66,227	39,333
Receipts in Advance	104,125	73,530
Total at 31 March	578,646	358,610

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Notes to the Financial Statements for the year ended 31 March 2018

13. Creditors: due after more than one year

These consist of rent deposits held on behalf of the tenants. These deposits are refundable upon either the expiry of the term of the lease, or vacant possession of the premises.

	2018	2017
	£	£
Sundry Deposits	44,760	39,000
Total at 31 March	44,760	39,000

14. Epping Forest Analysis of Net Assets by Fund at 31 March 2018

	Unrestricted Funds		2018	2017
	General Fund	Designated Fund		
	£	£	£	£
Fixes Assets				
Heritage Assets	-	382,754	382,754	383,715
Tangible Fixed Assets	-	6,179,142	6,179,142	6,546,812
Investments	-	3,854	3,854	3,819
Total Fixed Assets	-	6,565,750	6,565,750	6,934,346
Current Assets	623,406	754,389	1,377,795	1,176,371
Current Liabilities	(623,406)	-	(623,406)	(397,610)
Total Net Assets	-	7,320,139	7,320,139	7,713,107

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Notes to the Financial Statements for the year ended 31 March 2018

15. Movement of funds during the year to 31 March 2018

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
Unrestricted Funds						
<i>General Funds</i>	-	6,219,193	(6,216,820)	(2,373)	-	-
	-	6,219,193	(6,216,820)	(2,373)	-	-
<i>Designated Funds</i>						
Tangible Fixed Assets	6,546,812	52,222	(445,892)	26,000	-	6,179,142
Heritage Assets	383,715	-	(961)	-	-	382,754
Capital Fund	538,804	-	-	-	-	538,804
Sports Ground Deposit	3,915	-	-	-	35	3,950
Golf Course Machinery	27,716	-	-	-	-	27,716
Fund	5,801	-	-	-	-	5,801
E.N. Buxton Knighton Wood						
Heritage Lottery Fund						
Match Funding	42,744	-	(321)	-	-	42,423
Green Arc Funding	16,510	-	(424)	-	-	16,086
Grazing Account	21,090	-	-	2,373	-	23,463
Metropolitan Police Olympic						
Contribution	100,000	-	-	-	-	100,000
Funding for Capital Projects	26,000	-	-	(26,000)	-	-
	7,713,107	52,222	(447,598)	2,373	35	7,320,139
Total Unrestricted Funds	7,713,107	6,271,415	(6,664,418)	-	35	7,320,139
Restricted Funds						
City Bridge Trust	-	36,235	(36,235)	-	-	-
Total Restricted Funds	-	36,235	(36,235)	-	-	-
Total Funds	7,713,107	6,307,650	(6,700,653)	-	35	7,320,139

Notes to the funds

Unrestricted funds

1) General fund

The General fund has a balance of nil as the operating deficit of the charity is financed by the City of London Corporation.

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Notes to the Financial Statements for the year ended 31 March 2018

Unrestricted Designated Funds

2) Sports Grounds deposit

A sum of money was invested in 1968 relating to the Sports Ground.

15. Movement of funds during the year to 31 March 2018 (continued)

Notes to the funds (continued)

3) Golf Course machinery fund

The purpose of this fund is to provide for the future replacement of plant and equipment at Chingford Golf Course. No purchases were made during 2017/18.

4) E.N. Buxton Knighton Wood

A gift was made in 1930 to be spent on maintaining the beauty of Knighton Wood. The unused balance of the fund was invested in 1931 for future use. Charity Pool units relating to E.N. Buxton Knighton Wood were sold in 2016/17. It is anticipated this will be spent in 2018/19.

5) Heritage Lottery Fund

Epping Forest was awarded a £4.76m Stage 3 grant by Heritage Lottery Fund in March 2009, towards the £6.8m cost of the 'Branching Out' project. The fund is used to finance the costs of the project that are not met by the grant and are to be provided by Epping Forest. The scheme was completed in 2017/18. Verification of final accounts is underway.

6) Capital fund

The Epping Forest capital fund was established under the Epping Forest and Open Spaces Act 1878. The fund finances the purchase, construction, or repair of Forest buildings and can also be used to purchase further charitable land. The income of the fund is comprised of income from the sale of buildings and by any contribution the City of London Corporation may wish to make to the fund.

7) Green Arc Funding

The Green Arc Partnership takes a strategic view of future 'green' infrastructure, principally the provision of further public open space in London's peri-urban fringe and metropolitan green belt. The City of London is the lead authority holds the funding and meets expenditure when required. Expenditure amounted to £424 in 2017/18 (2016/17: £9,614) and no contribution was received during the financial year (2016/17: £2,000).

8) Grazing Account

The purpose of this fund is to provide for the future purchase of cattle. £2,373 was transferred into reserve as at 31 March 2018 (2016/17: £10,617).

9) Tangible Fixed assets

Land and associated buildings acquired prior to 1 April 2009 are considered to be heritage assets. They are included as fixed assets at historic cost, less provision for depreciation and any impairment. The net book value of tangible fixed assets at 31 March 2018 was £6,179,142 and is represented by a designated income fund. (2016/17: £6,546,812).

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Notes to the Financial Statements for the year ended 31 March 2018

10) Heritage assets

Additions made to heritage land or buildings. The net book value of heritage assets to direct charitable purposes at 31 March 2018 was £382,754 (2016/17: £383,715).

15. Movement of funds during the year to 31 March 2018 (continued)

Notes to the funds (continued)

11) Metropolitan Police Olympic Contribution

The City of London Corporation received a payment of £195,000 as a fee-in-lieu-of-rent in compensation for the temporary use of part of Wanstead Flats for 90 days spanning the 2012 Olympic and Paralympic Games. No expenditure incurred during the accounting period.

The balance of £100,000 will be used for future projects at Wanstead Park and Wanstead Flats.

12) Funding for Capital Projects

As part of an Open Spaces wide Fleet Management project a disposal exercise of redundant fleet and equipment was undertaken in 2016/17. It was agreed to use the income raised to fund energy efficiency improvement works. £26,000 was transferred into reserve as at 31 March 2017. Photovoltaic energy panels at Harrow Road Changing Rooms, Epping Forest were installed in 2017/18. Funds were fully utilised.

Restricted funds

13) City Bridge Trust

Funding from City Bridge Trust towards an environmental learning programme designed to improve London's engagement and sense of wellbeing with respect to green spaces; as well as a sector – specific evaluation. A grant of £36,235 was given by the City Bridge Trust in 2017/18. 2017/18 was the second year of this three year grant. (2016/17: £48,400).

16. Related Party Transactions

The City of London Corporation as well as being the Trustee also provides management, surveying and administrative services for the charity. The costs incurred by the City of London Corporation in providing these services are charged to the charity. The City of London Corporation also provides banking services, allocating all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is set out in the Statement of Financial Activities under "Expenditure on charitable activities" and an explanation of these services is set out in Note 6 for support costs of £1,089,785 (2016/17: £982,525). The City of London Corporation's City's Cash meets the deficit on running expenses of the charity. This amounted to £4,835,525 (2016/17: £4,563,491) as shown in Note 4 to the financial statements.

The City of London Corporation is also the Trustee of a number of other charitable trusts, and with the exception of the City Bridge Trust (charity number 1035628) and the West Wickham Common and Spring Park Wood Coulsdon and Other Commons (charity numbers 232988 and

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Notes to the Financial Statements for the year ended 31 March 2018

232989), these trusts do not undertake transactions with Epping Forest. A full list of other charitable trusts of which the City of London Corporation is Trustee is available on application to the Chamberlain of the City of London.

16. Related Party Transactions (continued)

The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually. Investment income consists of distribution from the Charities Pool and interest receivable on cash balances. Investment income of £2,936 was earned during the year (2016/17: £3,390).

Members of the City of London Corporation responsible for managing the Trust are required to comply with the Relevant Authority (model code of conduct) Order 2001 issued under the Local Government Act 2000 and the City of London Corporation's guidelines which require that:

- Members sign a declaration agreeing to abide by the City of London Corporation's code of conduct.
- A register of interests is maintained.
- Pecuniary and non-pecuniary interests are declared during meetings.
- Members do not participate in decisions where they have an interest.

There are corresponding arrangements for staff to recognise interests and avoid possible conflicts of those interests. In this way, as a matter of policy and procedure, the City Corporation ensures that Members and officers do not exercise control over decisions in which they have an interest. There are no material transactions with organisations related by virtue of Members and officers interests which require separate reporting. Transactions are undertaken by the Trust on a normal commercial basis.