

EPPING FOREST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Charity Number: 232990

EPPING FOREST

Trustee's Annual Report and Financial Statements for the year ended 31 March 2013

Contents	Page
Trustee's Annual Report	2-7
Independent Auditor's Report	8-9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13-26

EPPING FOREST

Trustee's Annual Report for the year ended 31 March 2013

1. Reference and Administration Details

Charity Name:	Epping Forest
Registered Charity Number:	232990
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The Mayor, Commonalty and Citizens of the City of London
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Auditor:	Deloitte LLP Chartered Accountants and Statutory Auditor 2 New Street Square London EC4A 3BZ

2. 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, 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 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.

EPPING FOREST

Trustee's Annual Report for the year ended 31 March 2013

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.

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.

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.

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.

3. 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 Essex. Various 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.

EPPING FOREST

Trustee's Annual Report for the year ended 31 March 2013

4. Achievements and Performance

Key Targets for 2012/13 and review of achievement

The key targets for 2012/13 together with their outcomes were:

- ***Epping Forest 10-Year Management Plan 2011 to 2021*** – Following a major staff initiative, 56 themes have been prepared for public consultation by writing consultants for uploading to public consultation software which is subject to tender.
- ***Epping Forest Branching Out Heritage Lottery Award*** – Butlers Retreat Café/Restaurant completed its first successful year of trading. ‘The View’ Visitor Centre with 220m² of public displays, retail area and learning facility was opened in July 2012 by the Ranger – the Duke of Gloucester. Landscaping including a new boardwalk was completed at Connaught Water.
- ***New Corporate Website*** – The Epping Forest content for the City of London website was comprehensively reviewed and uploaded for the launch of the website in July 2012.
- ***Chingford Golf Course*** – The golf wash-down area has been completed to full environmental standards and interim arrangements put in place to support the completion of a Golf Recovery Plan.
- ***Forest Transport Strategy*** – a Forest-wide 40/30 mph speed limit was implemented in April 2012 and road closures confirmed for Lodge Road, Queens Turn and part of Fairmead Road. Cattle grid and timber fencing installation was delayed while the Grazing Expansion Plan was completed.
- ***Tree Planting fund*** – 30 acres of land was acquired at Horseshoe Hill, Upshire to support the Appeal. Consultants have completed a planting plan and the appeal was launched with a float on the Lord Mayors Show in November 2012 and a planting ceremony in January 2013.
- ***Highams Park*** – A series of public meetings were held with the local community regarding the dam improvements, together with liaison with Walthamstow Scouts. Consultants have been selected to commence the Conservation Management Plan from May 2013.
- ***Jubilee Pond*** – Final restoration and landscaping plans were completed and approved under a Certificate of Lawful Development with work commencing in March 2013.
- ***Forest Standards*** – A range of Forest Standard prototypes are under trial at key sites including bins; benches; bollards and natural play equipment.
- ***Land registration*** – Further detailed work has been completed in partnership with the Land Registry in preparation for full registration.

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

EPPING FOREST

Trustee's Annual Report for the year ended 31 March 2013

5. Financial Review

Review of financial position

Investment income of £15,803 (2011/12 £17,985) was earned during the year. Other income received included £13,077 from donations (2011/12 £9,787), £1,629,921 from grants (2011/12 £3,010,005), £465,032 from sales, fees and charges (2011/12 £518,973) and £264,236 from rents (2011/12 £228,871). The contribution towards the running costs of the charity amounted to £4,622,644 (2011/12 £4,313,121). 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 increase in the market value of the investments held in the Charities Pool reflects the general recovery in the UK and overseas stock markets, together with some relative outperformance achieved by the Fund Manager which was mainly due to favourable asset allocation within the portfolio. The investments are managed by Artemis Investment Management Limited and in the year ended 31 December 2012 achieved a total return of 13.3%, which was a relative outperformance of 1.4% compared to its benchmark, the WM Unconstrained Charity Universe.

Going Concern

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

EPPING FOREST

Trustee's Annual Report for the year ended 31 March 2013

6. Plans for Future Periods

The targets for 2013/14 and beyond are:

- **Management Plan - Pre-consultation document** - Complete consultation during Summer 2013 and publish report.
- **Management Plan – Development** - Continue to develop topic areas with external reviews of learning and education; children's play; car park provision and wayleave management.
- **Golf Course Review** - Implement Recovery Plan and tender contract management arrangements.
- **Epping Forest Branching Out project** – Complete easy access trail at Jubilee Pond and complete development of gateway concept for key strategic entrances to the Forest.
- **Forest Transport Strategy** - Develop plans for 5 safe crossing points in new 40mph zones, including a crossing for Rangers Road.
- **Grazing Strategy Implementation** - Install Boviguard™ barrierless technology; fencing; cattle grids and bypass gates. Secure planning permission for overwintering facility and complete construction.
- **Gifford Wood Appeal** - Support fundraising events including Lord Mayors Tree Party; secure Woodland Grant Funding and plant new wood alongside new memorial structure.
- **Highams Park** - Undertake dam strengthening feasibility study; secure necessary consents and Planning Permission; complete and consult on Conservation Management Plan.
- **Jubilee Pond** - Complete pond lining; landscaping and implement volunteer-led planting scheme.
- **Forest Standard** – Further trial designs for a range of elements will be tested over 2013.
- **Land Registration Project - Phase 2** - Continue land registration process seeking approvals through dedicated Land Registration Working Party.
- **Wanstead Park** - Tender and manage the lake cascade hydrological study. Build on English Heritage's Strategic Assessment to secure funding for a Conservation Management Plan.

7. The Financial Statements

The financial statements consist of the following and include comparative figures for the previous year.

- **Statement of Financial Activities** showing all resources available and all expenditure incurred and reconciling all changes in the funds of the charity.
- **Balance Sheet** setting out the assets and liabilities of the charity.
- **Cash Flow Statement** showing the cash inflows and outflows of the charity for the year.
- **Notes to the Financial Statements** describing the accounting policies adopted and explaining information contained in the financial statements.

The financial statements have been prepared in accordance with statutory requirements and the Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)*.

EPPING FOREST
Trustee's Annual Report for the year ended 31 March 2013

8. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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;
- 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 disclose with reasonable accuracy at any time the financial position of the charity and enables the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's governing documents. 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.

9. Adopted and signed for on behalf of the Trustee.

R.A.H. Chadwick
Chairman of Finance Committee
Guildhall, London

Raymond Michael Catt
Deputy Chairman of
Finance Committee
Guildhall, London

EPHING FOREST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF EPPING FOREST

We have audited the financial statements of Epping Forest for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related Notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustee in accordance with section 144 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 the Trustee 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 the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditor

As explained more fully in the Trustee's Responsibilities Statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013, 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.

EPPING FOREST

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

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.

Deloitte LLP

Chartered Accountants and Statutory Auditor
London, UK

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

EPHING FOREST

Statement of Financial Activities for the year ended 31 March 2013

	Notes	Unrestricted Funds			2012/13	2011/12
		General Fund	Designated Funds	Restricted Fund		
		£	£	£		
Incoming resources						
Incoming resources from generated funds						
Voluntary income		537,635	739,918	365,445	1,642,998	3,019,792
Investment income		15,803	-	-	15,803	17,985
Grant from City of London Corporation		4,622,644	-	-	4,622,644	4,313,121
Incoming resources from charitable activities		729,268	-	-	729,268	747,844
Total incoming resources	4	5,905,350	739,918	365,445	7,010,713	8,098,742
Resources expended						
Charitable activities		5,446,034	143,520	466,528	6,056,082	5,660,801
Governance costs		392,511	-	-	392,511	407,202
Total resources expended	5	5,838,545	143,520	466,528	6,448,593	6,068,003
Net incoming/(outgoing) resources before transfers		66,805	596,398	(101,083)	562,120	2,030,739
Transfer (from)/to designated funds		(66,805)	66,805	-	-	-
Net incoming/(outgoing) resources before other recognised gains		-	663,203	(101,083)	562,120	2,030,739
Other recognised gains						
Net gain on investment assets	10	-	1,081	-	1,081	217
Net movement in funds		-	664,284	(101,083)	563,201	2,030,956
Reconciliation of funds						
Total funds brought forward	14	-	5,777,903	130,118	5,908,021	3,877,065
Total funds carried forward	14	-	6,442,187	29,035	6,471,222	5,908,021

All operations are continuing.

EPPING FOREST

Balance Sheet as at 31 March 2013

	Notes	2013	2012
		£	£
Fixed Assets			
Heritage Assets	8	387,558	115,600
Tangible Fixed Assets	9	5,030,954	4,631,144
Investments - 1,202 Charities Pool Units	10	8,690	7,609
		<u>5,427,202</u>	<u>4,754,353</u>
Current Assets			
Stocks		32,769	32,363
Debtors	11	371,034	178,289
Cash at bank and in hand		1,171,671	1,308,230
		<u>1,575,474</u>	<u>1,518,882</u>
Creditors: Amounts falling due within one year	12	<u>(488,704)</u>	<u>(302,964)</u>
Net Current Assets		<u>1,086,770</u>	<u>1,215,918</u>
Total Assets less Current Liabilities		6,513,972	5,970,271
Creditors: Amounts falling due after more than one year	13	<u>(42,750)</u>	<u>(62,250)</u>
Net Assets		<u><u>6,471,222</u></u>	<u><u>5,908,021</u></u>
The funds of the charity			
<i>Unrestricted income funds</i>			
Designated Funds	14	6,442,187	5,777,903
Restricted Funds	14	29,035	130,118
Total charity funds		<u><u>6,471,222</u></u>	<u><u>5,908,021</u></u>

Approved and signed for on behalf of the Trustee

The notes at pages 13 to 26 form part of these accounts.

Chris Bilsland
Chamberlain of London

EPPING FOREST

Cash Flow Statement for the year ended 31 March 2013

	Notes	2012/13	2011/12
		£	£
Net cash inflow from operating activities	1	662,056	2,172,986
Returns on investments and servicing of finance	2	15,803	17,985
Capital expenditure		(814,418)	(2,293,537)
Increase/(decrease) in cash in the year		(136,559)	(102,566)

Notes to the Cash Flow Statement

Note 1: Reconciliation of net incoming resources to net cash inflow from operating activities

	£	£
Net incoming resources before other recognised gains	562,120	2,030,739
Depreciation	142,650	101,144
Investment income	(15,803)	(17,985)
(Increase)/decrease in stocks	(406)	2,582
(Increase)/decrease in debtors	(215,580)	214,806
Increase/(decrease) in creditors	199,586	(163,123)
(Decrease)/increase in long term creditors	(19,500)	3,000
Decrease in provisions	8,989	1,823
Net cash inflow from operating activities	662,056	2,172,986

Note 2: Returns on investments and servicing of finance

Investment income received	15,803	17,985
----------------------------	---------------	--------

Note 3: Analysis of changes in net funds

	1 April 2012	Cash Flow	31 March 2013
	£	£	£
Cash at bank and in hand	1,308,230	(136,559)	1,171,671
Change in net funds	1,308,230	(136,559)	1,171,671

Note 4: Reconciliation of net cash flow to movement in net funds

	2013	2012
	£	£
Increase/(decrease) in cash in the year	(136,559)	(102,566)
Net funds balance brought forward	1,308,230	1,410,796
Net funds balance carried forward	1,171,671	1,308,230

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2013

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

The financial statements have been prepared in accordance with the Charities Act 2011 and Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)* and under the historical cost accounting rules (except for investments recorded at valuation), and in accordance with applicable United Kingdom accounting standards.

(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 2016/17, 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) Fixed Assets

Heritage Land and Associated Buildings

Epping Forest comprises 2,476 hectares (6,118 acres) of land stretching 12 miles from Manor Park in East London to just north of Epping in Essex, together with associated buildings. The objectives of the charity are the preservation of Epping Forest 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.

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.

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2013

1. Accounting Policies (continued)

(c) Fixed Assets (continued)

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 10
Infrastructure	15
Heavy vehicles and plant	7

(d) Investments

Investments are pooled with those from other small City of London charities. Underlying Listed Company investments are valued at The Stock Exchange Trading System price at 31 March 2013. Other investments are valued annually at the middle market price at the close of business on 31 March 2013. 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. The net gain on investments shown in the Statement of Financial Activities represents the difference in the market value of investments between 1 April 2012 and 31 March 2013.

(e) Incoming resources

Recognition of incoming resources

All incoming resources are included in the Statement of Financial Activities gross without deduction of expenses in the financial year in which they are entitled to be received.

Voluntary income

Voluntary income comprises public donations and government grants.

Volunteers

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

Grants received

Grants are included in the Statement of Financial Activities in the financial year in which they are entitled to be received.

Grant from City of London Corporation

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.

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2013

1. Accounting Policies (continued)

(e) Incoming resources (continued)

Rental income

Rental income is included in the Charity's incoming resources for the year and amounts due but not received at the year end are included in debtors.

(f) Resources expended

Allocation of costs between different activities

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

(g) Stocks

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

(h) Pension costs

The City of London's Pension Scheme is a funded defined benefits scheme. City of London Corporation staff are eligible for membership of the pension scheme and may be employed in relation to the activities of any of the City Corporation's three main funds, or any combination of them (i.e. City Fund, City's Cash and Bridge House Estates). As the charity is unable to identify its share of the Pension Scheme assets and liabilities, this scheme is accounted for as a defined contribution scheme in the accounts.

(i) 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.

(j) Governance costs

The nature of costs allocated to Governance is detailed in Note 6.

2. Tax Status of the Charity

Epping Forest is a registered charity and as such, its 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.

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2013

4. Incoming Resources

Incoming resources are comprised as follows:

	Unrestricted Funds		Restricted Funds	2012/13	2011/12
	General Fund	Designated Funds			
	£	£			
Incoming resources from generated funds					
Voluntary income - Grants	524,558	739,918	365,445	1,629,921	3,010,005
Voluntary income - Donations	13,077	-	-	13,077	9,787
Investment income - Interest	15,803	-	-	15,803	17,985
	553,438	739,918	365,445	1,658,801	3,037,777
Revenue and capital grants from City of London Corporation	4,622,644	-	-	4,622,644	4,313,121
	5,176,082	739,918	365,445	6,281,445	7,350,898
Incoming resources from charitable activities					
Charges for use of facilities	406,162	-	-	406,162	468,028
Sales	58,870	-	-	58,870	50,945
Rental income	264,236	-	-	264,236	228,871
	729,268	-	-	729,268	747,844
Total incoming resources	5,905,350	739,918	365,445	7,010,713	8,098,742

Grants

Grants were received from the Rural Payments Agency, the Forestry Commission, the Tubney Trust, the Environment Agency, the Heritage Lottery Fund, Natural England, the Football Foundation, Metropolitan Police and the City Bridge Trust.

Sales

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

Designated Funds

Designated funds consist of a capital contribution of £387,488 from the Heritage lottery Fund towards the Epping Forest Branching Out Project, a contribution of £157,430 from Essex County Council and £195,000 from the Metropolitan Police for the use of Wanstead Flats during the Olympics and Paralympics.

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2013

4. Incoming Resources (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. Resources Expended

Resources expended are analysed between activities undertaken directly and support costs as follows:

	Activities undertaken directly £	Support costs £	2012/13 £	2011/12 £
Charitable activity Preservation and operation of Epping Forest	5,534,641	521,441	6,056,082	5,660,801
Governance costs	-	392,511	392,511	407,202
Total resources expended	5,534,641	913,952	6,448,593	6,068,003

No resources are expended 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.

Governance costs

General

Governance costs relate to the general running of the charity, rather than specific activities within the charity and include strategic planning and costs associated with Trustee meetings. These costs are borne by the City of London Corporation and charged to individual charities on the basis of time spent, as part of support costs, where appropriate.

Auditor's remuneration and fees for external financial services

The City of London's external auditor reviews this charity as one of the numerous charities administered by the City of London Corporation. 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.

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2013

5. Resources Expended (continued)

Trustee's expenses

Members of the City of London Corporation are unpaid and do not receive allowances in respect of the 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 2012/13 (2011/12: £Nil).

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 £	Governance £	2012/13 £	2011/12 £
Department				
Chamberlain	-	108,267	108,267	123,144
Comptroller & City Solicitor	-	69,961	69,961	85,405
Open Spaces Directorate	149,597	-	149,597	152,180
Town Clerk	-	111,545	111,545	117,309
City Surveyor	220,048	83,330	303,378	248,903
Information Systems	75,978	-	75,978	57,247
Other governance and support costs	75,818	19,408	95,226	120,973
Total support costs	521,441	392,511	913,952	905,161

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2013

6. Support Costs (continued)

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.
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 full time equivalent number of staff employed by the City of London Corporation charged to Epping Forest in 2012/13 is 92 (2011/12 91) at a cost of £2,745,021 (2011/12 £2,704,408). The table below sets out the employment costs and the number of full time equivalent staff charged directly to the charity.

	No of employees	Gross Pay £	Employers' National Insurance £	Employers' Pension Contribution £	Total £
2012/13 Charitable activities	92	2,233,835	155,948	355,238	2,745,021
2011/12 Charitable activities	91	2,196,852	151,024	356,532	2,704,408

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2013

No employees earned more than £60,000 per annum (2011/12 £Nil).

8. Heritage Assets

At 31 March 2013 the net book value of heritage assets relating to direct charitable purposes amounts to £387,558 (31 March 2012 £115,600) as set out below.

	Heritage £	Total £
<u>Cost</u>		
At 1 April 2012	115,600	115,600
Additions	272,782	272,782
At 31 March 2013	388,382	388,382
<u>Depreciation</u>		
At 1 April 2012	-	-
Charge for year	824	824
At 31 March 2013	824	824
<u>Net book value</u>		
At 31 March 2013	387,558	387,558
At 31 March 2012	115,600	115,600

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 accounting policy 1(c), 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 by Epping Forest are held by the Director of Open Spaces.

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 (c).

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2013

9. Tangible Fixed Assets

At 31 March 2013 the net book value of tangible fixed assets relating to direct charitable purposes amounts to £5,030,954 (31 March 2012 £4,631,144) as set out below.

	Land and Buildings £	Infrastructure £	Vehicles £	Equipment £	Total £
<u>Cost</u>					
At 1 April 2012	3,487,345	1,196,324	21,609	315,350	5,020,628
Additions	109,938	428,639	-	3,059	541,636
At 31 March 2013	3,597,283	1,624,963	21,609	318,409	5,562,264
<u>Depreciation</u>					
At 1 April 2012	55,311	187,114	7,425	139,634	389,484
Charge for year	68,632	20,253	4,728	48,213	141,826
At 31 March 2013	123,943	207,367	12,153	187,847	531,310
<u>Net book value</u>					
At 31 March 2013	3,473,340	1,417,596	9,456	130,562	5,030,954
At 31 March 2012	3,432,034	1,009,210	14,184	175,716	4,631,144

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 is as follows:

	Designated Fund £	2013 £	2012 £
Market Value 1 April	7,609	7,609	7,392
Gain for the year	1,081	1,081	217
Market Value 31 March	8,690	8,690	7,609
Cost 31 March	1,202	1,202	1,202

The increase in the market value of the investments held in the Charities Pool reflects the general recovery in the UK and overseas stock markets, together with some relative outperformance achieved by the Fund Manager which was mainly due to favourable asset allocation within the portfolio.

The Charities Pool is a UK registered unit trust.

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2013

11. Debtors

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

	2013 £	2012 £
Rental Debtors	25,909	17,531
Other Debtors	263,509	80,396
Payments in Advance	29,269	38,089
Recoverable VAT	52,347	42,273
Total	371,034	178,289

12. Creditors: due within one year

The creditors figure consists of the following amounts:

	2013 £	2012 £
Trade Creditors	91,876	19,005
Accruals	516,557	195,616
Other Creditors	(180,630)	20,715
Receipts In Advance	60,901	67,628
Total	488,704	302,964

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.

	2013 £	2012 £
Sundry Deposits	42,750	62,250
Total	42,750	62,250

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2013

14. Movement of funds during the year to 31 March 2013

	Balance at 1 April 2012	Net incoming/ (outgoing) resources	Revaluation of investments	Balance at 31 March 2013
	£	£	£	£
Unrestricted Funds				
<i>General Funds</i>	-	-	-	-
	-	-	-	-
<i>Designated Funds</i>				
Tangible Fixed Assets	4,631,144	399,810	-	5,030,954
Heritage Assets	115,600	271,958	-	387,558
Capital Fund	808,304	(269,500)	-	538,804
Sports Ground Deposit	2,868	-	389	3,257
Golf Course Machinery Fund (CGC)	27,716	-	-	27,716
E.N. Buxton Knighton Wood	4,732	-	670	5,402
G.Gardner Bequest	148	-	22	170
Heritage Lottery Fund Match Funding	132,275	61,576	-	193,851
Green Arc Funding	37,539	(270)	-	37,269
Grazing Account	17,577	3,629	-	21,206
Fisheries Enhancement Partnership	-	1,600	-	1,600
Metropolitan Police Olympic Contribution	-	194,400	-	194,400
	5,777,903	663,203	1,081	6,442,187
Total Unrestricted Funds	5,777,903	663,203	1,081	6,442,187
Restricted Funds				
Tubney Trust	101,210	(72,518)	-	28,692
City Bridge Trust	28,908	(28,565)	-	343
Total Restricted Funds	130,118	(101,083)	-	29,035
Total Funds	5,908,021	562,120	1,081	6,471,222

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2013

14 Movement of funds during the year to 31 March 2013 (continued)

Notes to the funds

Unrestricted funds

1) Accumulated fund

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

Unrestricted Designated Funds

2) Sports Grounds deposit

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

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 2012/13 (2011/12 £28,000).

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.

5) G. Gardner bequest

£50 was received in 1933 for the erection of seats fronting the drive, Snaresbrook. The seats were erected at a cost of £35 and the balance of the legacy was invested for future use.

6) 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.

7) 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.

8) 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.

9) Grazing Account

The purpose of this fund is to provide for the future purchase of cattle.

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2013

14 Movement of funds during the year to 31 March 2013 (continued)

Notes to the funds (continued)

10) *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 2013 was £5,030,954 and is represented by a designated income fund.

11) *Heritage assets*

Additions made to heritage land or buildings.

12) *Fisheries Enhancement Partnership*

A contribution of £10,000 was received from the Environment Agency towards the cost of fisheries improvements. £8,400 was utilised in 2012/13.

13) *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. It has been agreed that the payment would be used for the benefit of Wanstead Flats. £600 was utilised in 2012/13.

Restricted funds

14) *'Branching Out' Project – Tubney Trust*

A contribution of £171,301 was received from the Tubney Trust in 2011/12 towards the cost of the 'Branching Out' project. £72,518 was utilised in 2012/13.

15) *City Bridge Trust*

Funding from the City Bridge Trust to provide educational and biodiversity services to support communities within the Greater London area.

15. Pensions

The triennial valuation undertaken as at 31 March 2010 revealed a reduced funding level of 86% (from 87% in 2007). Following this valuation, the contribution rates to be applied for 2011/12, 2012/13 and 2013/14 are 17.5%.

In 2012/13, the total employer's contributions to the pension fund for staff employed on City's Cash activities (including Epping Forest) were £6.1m amounting to 17.5% of pensionable pay. The figures for 2011/12 were £6.0m and 17.5% of pensionable pay.

Although the Pension Fund is a defined benefit scheme, for the purpose of FRS 17 City's Cash (and therefore Epping Forest) is unable to identify its share of the underlying assets and liabilities. Consequently the pension arrangements are treated as a defined contributions scheme in the City's Cash and these accounts. The deficit of the scheme calculated in accordance with FRS 17 by independent consulting actuaries at 31 March 2013 is £342m (2011/12 £351m).

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2013

16. Related Party Transactions

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 8 concerning 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 "Resources expended" and an explanation of these services is set out in note 6 for support costs of £913,952. The City of London Corporation's City's Cash meets the deficit on running expenses of the charity. This amounted to £4,622,644 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, with the exception of the City Bridge Trust (charity number 1035628), 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.

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.

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.