

***EPPING FOREST***  
***REPORT AND FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED 31 MARCH 2014***

**Charity Number: 232990**

# **EPPING FOREST**

## **Trustee's Annual Report and Financial Statements for the year ended 31 March 2014**

<b>Contents</b>	<b>Page</b>
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 2014**

### **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:	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

### **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 2014**

#### **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 2014

#### 4. Achievements and Performance

##### Key Targets for 2013/14 and review of achievement

The key targets for 2013/14 together with their outcomes were:

- **Management Plan – Pre-consultation document** – Complete consultation during Summer 2013 and publish report. *Unfortunately delayed and will be completed in 2014.*
- **Management Plan - Development** – Continue to develop topic areas with external reviews of learning and education, children's play, car park provision and wayleave management. *Unfortunately delayed and will be completed in 2014.*
- **Golf Course Review** – Implement Recovery Plan and tender contract management arrangements. *Review underway with all major stakeholders being consulted.*
- **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. *Easy Access trail completed. Gateway concept at final draft stage.*
- **Forest Transport Strategy** – Develop plans for 5 safe crossing points in new 40mph zones, including a crossing for Rangers Road. *Crossing point locations noted and to be reviewed but dependant on future funding. Weight limit restrictions review being conducted to ensure new limits across all minor Forest roads to prevent HGVs and larger goods vehicles entering the Forest road system.*
- **Grazing Strategy Implementation** – Install Boviguard™ barrierless technology; fencing; cattle grids and bypass gates. Secure planning permission for overwintering facility and complete construction. *Contractor appointed to lay the Boviguard cable. ECC (Highways) completed 4 cattle grids with extra work done to provide easier access in by-passes following horse-rider feedback. Planning permission secured in September 2013 and all pre-start conditions satisfied by Nov 2013. Site clearance contractor appointed Jan 2014 and main Construction contractor appointed Mar 2014.*
- **Gifford Wood Appeal** – Support fundraising events including Lord Mayors Tree Party; secure Woodland Grant Funding and plant new wood alongside new memorial structure. *Fundraising events held and new woodland planted in winter 2013/14 through public and educational planting events. Commemorative Lych Gate at main entrance installed and awaiting final inscription.*
- **Highams Park** – Undertake dam strengthening feasibility study; secure necessary consents and Planning Permission; complete and consult on Conservation Management Plan. *Plans for dam strengthening, retaining existing Scout Hut submitted for Planning Permission to local Authority. Conservation Management Plan in draft.*
- **Jubilee Pond** – Complete pond lining; landscaping and implement volunteer-led planting scheme. *Successfully completed to timescale and budget.*
- **Forest Standard** – Further trial designs for a range of elements will be tested over 2013. *All elements tested with some adopted as standards already. Remainder to be rolled out as required.*
- **Land Registration Project – Phase 2** - Continue land registration process seeking approvals through dedicated Land Registration Working Party. *Main land registration work complete – just residual issues raised by registration process to resolve.*
- **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. *Hydrological study complete.*

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 2014**

### **5. Financial Review**

#### **Review of financial position**

Investment income of £6,617 (2012/13 £15,803) was earned during the year. Other income received included £9,197 from donations (2012/13 £13,077), £1,391,238 from grants (2012/13 £1,629,921), £645,842 from sales, fees and charges (2012/13 £465,032) and £338,259 from rents (2012/13 £264,236). The contribution towards the running costs of the charity amounted to £4,822,716 (2012/13 £4,622,644). 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 surplus funds are invested with the Charities Pool administered by the City of London Corporation and the interest is received from the Chamberlain of London on balances held on behalf of the Trust. 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 LLP and in the year ended 31 December 2013 achieved a total return of 24.2%, which was a relative outperformance of 6.9% 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 2014

### 6. Plans for Future Periods

The targets for 2014/15 and beyond are:

- **Forest Transport Strategy** - New section of surfaced ride to be constructed to allow alternative route for horse-riders around cattle grid at Forest Side.
- **Grazing Strategy** – out-wintering facility to be completed before October 2014. Additional wooden fencing and gates to be completed at 2 extra sites to allow grazing to be extended to south and west of main grazing area. Grazing by conservation herd to be expanded to allow free-range extensive and naturalistic grazing of the wood-pasture habitats, including at least 3 sites that have not been grazed for many decades.
- **Land Registration** – definitive boundary map to be prepared on GIS database in the next year. Also completing final phase of the work looking at fewer than 20 difficult cases and outstanding highways dedication issues.
- **Highams Park** – Planning permission to be secured and work to be completed on strengthening dam. Conservation Management Plan to be approved and adopted.
- **Management Plan** – Pre consultation document – full consultation to be carried out through Summer 2014 and report published.
- **Management Plan - Development** – Continue to develop topic areas with external reviews of learning and education, children's play, car park provision and wayleave management. This will set a series of goals for short, medium and long term.
- **Wanstead Park** - 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 2014**

**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 on 23 July 2014.**

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

J.P. Mayhew  
Deputy Chairman of  
Finance Committee  
Guildhall, London

## **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 2014 which comprise the Statement of Financial Activities, the Balance Sheet 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 trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 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 (APB'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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014, 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.

**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 Trustees' 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.

Moore Stephens LLP

Statutory Auditor

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

150 Aldersgate Street  
London  
EC1A 4AB

## EPHING FOREST

### Statement of Financial Activities for the year ended 31 March 2014

	Notes	Unrestricted Funds			2013/14	2012/13
		General Fund	Designated Funds	Restricted Fund		
		£	£	£		
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income		368,938	666,052	365,445	<b>1,400,435</b>	1,642,998
Investment income		6,617	-	-	<b>6,617</b>	15,803
Grant from City of London Corporation		4,701,220	121,496	-	<b>4,822,716</b>	4,622,644
Incoming resources from charitable activities		984,101	-	-	<b>984,101</b>	729,268
<b>Total incoming resources</b>	4	<b>6,060,876</b>	<b>787,548</b>	<b>365,445</b>	<b>7,213,869</b>	<b>7,010,713</b>
<b>Resources expended</b>						
Charitable activities		5,756,623	364,619	381,147	<b>6,502,389</b>	6,056,082
Governance costs		409,256	-	-	<b>409,256</b>	392,511
<b>Total resources expended</b>	5	<b>6,165,879</b>	<b>364,619</b>	<b>381,147</b>	<b>6,911,645</b>	<b>6,448,593</b>
<b>Net (outgoing)/incoming resources before transfers</b>		(105,003)	422,929	(15,702)	<b>302,224</b>	562,120
Transfer (from)/to designated funds		105,003	(105,003)	-	-	-
<b>Net incoming/(outgoing) resources before other recognised gains</b>		-	317,926	(15,702)	<b>302,224</b>	562,120
<b>Other recognised gains</b>						
Net gain on investment assets	10	-	637	-	<b>637</b>	1,081
<b>Net movement in funds</b>		-	318,563	(15,702)	<b>302,861</b>	563,201
<b>Reconciliation of funds</b>						
Total funds brought forward	14	-	6,442,187	29,035	<b>6,471,222</b>	5,908,021
<b>Total funds carried forward</b>	14	-	<b>6,760,750</b>	<b>13,333</b>	<b>6,774,083</b>	<b>6,471,222</b>

All operations are continuing.

# EPPING FOREST

## Balance Sheet as at 31 March 2014

	Notes	2014	2013
		£	£
<b>Fixed Assets</b>			
Heritage Assets	8	386,597	387,558
Tangible Fixed Assets	9	5,493,488	5,030,954
Investments - 1,202 Charities Pool Units	10	9,327	8,690
		<u>5,889,412</u>	<u>5,427,202</u>
<b>Current Assets</b>			
Stocks		26,247	32,769
Debtors	11	442,202	371,034
Cash at bank and in hand		826,163	1,171,671
		<u>1,294,612</u>	<u>1,575,474</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(367,191)</u>	<u>(488,704)</u>
<b>Net Current Assets</b>		<u>927,421</u>	<u>1,086,770</u>
<b>Total Assets less Current Liabilities</b>		<b>6,816,833</b>	6,513,972
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(42,750)</u>	<u>(42,750)</u>
<b>Net Assets</b>		<u><u>6,774,083</u></u>	<u><u>6,471,222</u></u>
<b>The funds of the charity</b>			
<i>Unrestricted income funds</i>			
Designated Funds	14	6,760,750	6,442,187
Restricted Funds	14	13,333	29,035
<b>Total charity funds</b>		<u><u>6,774,083</u></u>	<u><u>6,471,222</u></u>

Approved and signed for and on behalf of the Trustee

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

---

Dr Peter Kane  
Chamberlain of London  
23<sup>rd</sup> July 2014

## EPPING FOREST

### Cash Flow Statement for the year ended 31 March 2014

	Notes	2013/14	2012/13
		£	£
Net cash inflow from operating activities	1	435,526	662,056
Returns on investments and servicing of finance	2	6,617	15,803
Capital expenditure		<u>(787,651)</u>	<u>(814,418)</u>
<b>Increase/(decrease) in cash in the year</b>		<b><u>(345,508)</u></b>	<b><u>(136,559)</u></b>

#### 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	302,224	562,120
Depreciation	326,078	142,650
Investment income	(6,617)	(15,803)
Decrease/(increase) in stocks	6,522	(406)
(Increase)/decrease in debtors	(93,636)	(215,580)
(Decrease)/increase in creditors	(121,513)	199,586
(Decrease)/increase in long term creditors	-	(19,500)
Provisions	<u>22,468</u>	<u>8,989</u>
<b>Net cash inflow from operating activities</b>	<b><u>435,526</u></b>	<b><u>662,056</u></b>

##### **Note 2: Returns on investments and servicing of finance**

Investment income received	<u>6,617</u>	<u>15,803</u>
----------------------------	--------------	---------------

##### **Note 3: Analysis of changes in net funds**

	1 April 2013	Cash Flow	1 April 2014
	£	£	£
Cash at bank and in hand	1,171,671	(345,508)	826,163
<b>Change in net funds</b>	<b><u>1,171,671</u></b>	<b><u>(345,508)</u></b>	<b><u>826,163</u></b>

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

	2014	2013
	£	£
Increase/(decrease) in cash in the year	(345,508)	(136,559)
Net funds balance brought forward	<u>1,171,671</u>	<u>1,308,230</u>
<b>Net funds balance carried forward</b>	<b><u>826,163</u></b>	<b><u>1,171,671</u></b>

# EPPING FOREST

## Notes to the Financial Statements for the year ended 31 March 2014

### 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.

Activity is accounted for in the year that it takes place on an accruals basis, not simply when cash payments are made or received. In particular, where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

#### *(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 2017/18, 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 2014**

**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	20
Heavy vehicles and plant	7

*(d) Recognition*

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.

*(e) 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 2014. Other investments are valued annually at the middle market price at the close of business on 31 March 2014. 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 2013 and 31 March 2014.

*(f) 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.

## **EPHING FOREST**

### **Notes to the Financial Statements for the year ended 31 March 2014**

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

##### ***(f) Incoming Resources (continued)***

###### ***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.

###### ***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.

##### ***(g) 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.

##### ***(h) Stocks***

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

##### ***(i) 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.

##### ***(j) 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.

##### ***(k) 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.

## EPPING FOREST

### Notes to the Financial Statements for the year ended 31 March 2014

#### 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.

#### 4. Incoming Resources

Incoming resources are comprised as follows:

	Unrestricted Funds		Restricted Funds	2013/14	2012/13
	General Fund	Designated Funds			
	£	£	£	£	£
<b>Incoming resources from generated funds</b>					
Voluntary income - Grants	359,741	666,052	365,445	<b>1,391,238</b>	1,629,921
Voluntary income - Donations	9,197	-	-	<b>9,197</b>	13,077
Investment income - Interest	6,617	-	-	<b>6,617</b>	15,803
	375,555	666,052	365,445	<b>1,407,052</b>	1,658,801
Revenue and capital grants from City of London Corporation	4,701,220	121,496	-	<b>4,822,716</b>	4,622,644
	5,076,775	787,548	365,445	<b>6,229,768</b>	6,281,445
<b>Incoming resources from charitable activities</b>					
Charges for use of facilities	581,548	-	-	<b>581,548</b>	406,162
Sales	64,294	-	-	<b>64,294</b>	58,870
Rental income	338,259	-	-	<b>338,259</b>	264,236
	984,101	-	-	<b>984,101</b>	729,268
<b>Total incoming resources</b>	6,060,876	787,548	365,445	<b>7,213,869</b>	7,010,713

#### Grants

Grants were received from the Rural Payments Agency, the Forestry Commission, the Environment Agency, the Heritage Lottery Fund, Natural England, the Football Foundation, Creative and Cultural Industries Ltd 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.

## EPPING FOREST

### Notes to the Financial Statements for the year ended 31 March 2014

#### 4. Incoming Resources (continued)

##### Designated Funds

Designated funds consist of a capital contribution of £653,691 from the Heritage lottery Fund towards the Epping Forest Branching Out Project and a contribution of £12,361 from Essex County Council.

##### Restricted Fund

Grant from the City Bride trust of £365,445 to provide educational and biodiversity services to support communities within the Greater London area.

##### 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 £	2013/14 £	2012/13 £
Charitable activity Preservation and operation of Epping Forest	5,894,452	607,937	<b>6,502,389</b>	6,056,082
Governance costs	-	409,256	<b>409,256</b>	392,511
<b>Total resources expended</b>	5,894,452	1,017,193	<b>6,911,645</b>	6,448,593

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.

## EPPING FOREST

### Notes to the Financial Statements for the year ended 31 March 2014

#### 5. Resources Expended (continued)

##### *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 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 2013/14 (2012/13: £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 £	2013/14 £	2012/13 £
<b>Department</b>				
Chamberlain	-	124,524	<b>124,524</b>	108,267
Comptroller & City Solicitor	-	68,672	<b>68,672</b>	69,961
Open Spaces Directorate	169,149	-	<b>169,149</b>	149,597
Town Clerk	-	108,596	<b>108,596</b>	111,545
City Surveyor	273,751	86,775	<b>360,526</b>	303,378
Information Systems	95,023	-	<b>95,023</b>	75,978
Other governance and support costs	70,014	20,689	<b>90,703</b>	95,226
<b>Total support costs</b>	<b>607,937</b>	<b>409,256</b>	<b>1,017,193</b>	<b>913,952</b>

## EPPING FOREST

### Notes to the Financial Statements for the year ended 31 March 2014

#### 6. Support Costs (continued)

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

<b>Chamberlain</b>	Accounting services, insurance, revenue collection, payments, financial systems and internal audit.
<b>Comptroller and City Solicitor</b>	Property, litigation, contracts, public law and administration of commercial rents and City of London Corporation records.
<b>Open Spaces Directorate</b>	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.
<b>Town Clerk</b>	Committee administration, management services, human resources, public relations, printing and stationery, emergency planning.
<b>City Surveyor</b>	Work undertaken on the management of the Estate properties, surveying services and advice, supervising and administering repairs and maintenance.
<b>Information Systems</b>	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.
<b>Other support and governance costs</b>	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 2013/14 is 92 (2012/13 92) at a cost of £2,748,204 (2012/13 £2,745,021). 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 £	<b>Total</b> £
2013/14 Charitable activities	92	2,230,941	154,846	362,417	<b>2,748,204</b>
2012/13 Charitable activities	92	2,233,835	155,948	355,238	<b>2,745,021</b>

No employees earned more than £60,000 per annum (2012/13 £Nil).

**EPPING FOREST**  
**Notes to the Financial Statements for the year ended 31 March 2014**

**8. Heritage Assets**

At 31 March 2014 the net book value of heritage assets relating to direct charitable purposes amounts to £386,597 (31 March 2013 £387,558) as set out below.

	2010/11	2011/12	2012/13	2013/14
	£	£	£	£
<b><u>Cost</u></b>				
At 1 April	-	-	115,600	388,382
Additions	-	115,600	272,782	-
<b>At 31 March</b>	-	<b>115,600</b>	<b>388,382</b>	<b>388,382</b>
<b><u>Depreciation</u></b>				
At 1 April	-	-	-	824
Charge for year	-	-	824	961
<b>At 31 March</b>	-	-	<b>824</b>	<b>1,785</b>
<b><u>Net book value</u></b>				
<b>At 31 March</b>	-	<b>115,600</b>	<b>387,558</b>	<b>386,597</b>
At 31 March	-	-	115,600	387,558

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 2014**

**9. Tangible Fixed Assets**

At 31 March 2014 the net book value of tangible fixed assets relating to direct charitable purposes amounts to £5,493,488 (31 March 2013 £5,030,954) as set out below.

	Land and Buildings £	Infrastructure £	Vehicles £	Equipment £	Total £
<b><u>Cost</u></b>					
At 1 April 2013	3,597,283	1,624,963	21,609	318,409	<b>5,562,264</b>
Additions	49,246	728,405	-	10,000	<b>787,651</b>
<b>At 31 March 2014</b>	<b>3,646,529</b>	<b>2,353,368</b>	<b>21,609</b>	<b>328,409</b>	<b>6,349,915</b>
<b><u>Depreciation</u></b>					
At 1 April 2013	123,943	207,367	12,153	187,847	<b>531,310</b>
Charge for year	191,202	80,362	4,728	48,825	<b>325,117</b>
<b>At 31 March 2014</b>	<b>315,145</b>	<b>287,729</b>	<b>16,881</b>	<b>236,672</b>	<b>856,427</b>
<b><u>Net book value</u></b>					
<b>At 31 March 2014</b>	<b>3,331,384</b>	<b>2,065,639</b>	<b>4,728</b>	<b>91,737</b>	<b>5,493,488</b>
At 31 March 2013	3,473,340	1,417,596	9,456	130,562	<b>5,030,954</b>

**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 £	2014 £	2013 £
Market Value 1 April	8,690	<b>8,690</b>	7,609
Gain for the year	637	<b>637</b>	1,081
<b>Market Value 31 March</b>	<b>9,327</b>	<b>9,327</b>	8,690
<b>Cost 31 March</b>	<b>1,202</b>	<b>1,202</b>	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 2014**

**10. Fixed Asset Investments (continued)**

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

	<b>2014</b>	2013
	£	£
Equities		
UK	<b>6,939</b>	6,778
Overseas	<b>1,791</b>	1,364
Bonds - UK	<b>261</b>	313
Pooled Units - UK	<b>121</b>	87
Cash held by Fund Manager	<b>215</b>	148
<b>Total Funds</b>	<b>9,327</b>	8,690

**11. Debtors**

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

	<b>2014</b>	2013
	£	£
Rental Debtors	<b>54,003</b>	25,909
Other Debtors	<b>263,507</b>	263,509
Payments in Advance	<b>30,352</b>	29,269
Recoverable VAT	<b>94,340</b>	52,347
<b>Total</b>	<b>442,202</b>	371,034

**12. Creditors: due within one year**

The creditors figure consists of the following amounts:

	<b>2014</b>	2013
	£	£
Trade Creditors	<b>73,308</b>	91,876
Accruals	<b>266,079</b>	516,557
Other Creditors	<b>(43,391)</b>	(180,630)
Receipts In Advance	<b>71,195</b>	60,901
<b>Total</b>	<b>367,191</b>	488,704

## EPPING FOREST

### Notes to the Financial Statements for the year ended 31 March 2014

#### 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.

	2014 £	2013 £
Sundry Deposits	42,750	42,750
<b>Total</b>	<b>42,750</b>	<b>42,750</b>

#### 14. Movement of funds during the year to 31 March 2014

	Balance at 1 April 2013 £	Net incoming/ (outgoing) resources £	Revaluation of investments £	Balance at 31 March 2014 £
<b>Unrestricted Funds</b>				
<i>General Funds</i>	-	-	-	-
	-	-	-	-
<i>Designated Funds</i>				
Tangible Fixed Assets	5,030,954	462,534	-	5,493,488
Heritage Assets	387,558	(961)	-	386,597
Capital Fund	538,804	-	-	538,804
Sports Ground Deposit	3,257	-	229	3,486
Golf Course Machinery Fund (CGC)	27,716	-	-	27,716
E.N. Buxton Knighton Wood	5,402	-	395	5,797
G.Gardner Bequest	170	-	13	183
Heritage Lottery Fund Match Funding	193,851	(112,823)	-	81,028
Green Arc Funding	37,269	(12,439)	-	24,830
Grazing Account	21,206	7,615	-	28,821
Fisheries Enhancement Partnership	1,600	(1,600)	-	-
Metropolitan Police Olympic Contribution	194,400	(24,400)	-	170,000
	<b>6,442,187</b>	317,926	637	<b>6,760,750</b>
<b>Total Unrestricted Funds</b>	<b>6,442,187</b>	317,926	637	<b>6,760,750</b>
<b>Restricted Funds</b>				
Tubney Trust	28,692	(16,559)	-	12,133
City Bridge Trust	343	857	-	1,200
<b>Total Restricted Funds</b>	<b>29,035</b>	(15,702)	-	<b>13,333</b>
<b>Total Funds</b>	<b>6,471,222</b>	<b>302,224</b>	<b>637</b>	<b>6,774,083</b>

## **EPPING FOREST**

### **Notes to the Financial Statements for the year ended 31 March 2014**

#### **14. Movement of funds during the year to 31 March 2014 (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 2013/14.

##### **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 2014**

**14. Movement of funds during the year to 31 March 2014 (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 2014 was £5,493,488 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. £1,600 was utilised in 2013/14.

*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. £24,400 was utilised in 2013/14.

***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. £16,559 was utilised in 2013/14.

*15) City Bridge Trust*

Funding from the City Bridge Trust to provide educational and biodiversity services to support communities within the Greater London area. Final year of a 3 year grant of £365,445 per annum.

**15. Pensions**

Following the statutory triennial valuation of the pension fund as at 31st March 2013, completed by independent consulting actuaries, an employer's contribution rate of 17.5% has been applied for 2014/15, 2015/16 and 2016/17.

In 2013/14, employer's contributions to the scheme for staff engaged on City's Cash activities was £8.6m (2012/13 £8.5m). There are no outstanding or pre-paid contributions at the balance sheet date.

The deficit of the scheme at 31 March 2014 is £401m (2012/13 £342m) as calculated in accordance with FRS17 disclosures.

.

.

# **EPPING FOREST**

## **Notes to the Financial Statements for the year ended 31 March 2014**

### **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 £1,017,193 (2012/13: £913,952). The City of London Corporation's City's Cash meets the deficit on running expenses of the charity. This amounted to £4,822,716 (2012/13: £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. Investment income consists of distribution from the Charities Pool and interest receivable on cash balances. Investment income of £6,617 was earned during the year (2012/13: £15,803).

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.