

EPPING FOREST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Charity Number: 232990

EPPING FOREST

Trustee's Annual Report and Financial Statements for the year ended 31 March 2016

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Trustee's Annual Report for the year ended 31 March 2016

1. Reference and Administration Details

Charity Name:	Epping Forest
Registered Charity Number:	232990
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The Mayor and 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 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 and Commonalty and Citizens of London known as the City of London Corporation is the Trustee of Epping Forest. Elected Aldermen and Members of the City of London Corporation are appointed to the Epping Forest and Commons Committee, together with four Verderers - locally elected by Epping Forest Commoners - governing Epping Forest for the Court of Common Council of the City of London Corporation.

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

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

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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 15 of the Notes to the Financial Statements.

Key management personnel remuneration

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

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

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

Risk identification

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

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

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.

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Trustee's Annual Report for the year ended 31 March 2016

2. Structure, Governance and Management (continued)

There are 7 risks which have been identified as affecting all the Open Spaces. These are:

- Animal, Plant and Tree Diseases;
- Extreme weather;
- Poor repair and maintenance of buildings;
- Impact of Housing /Highways Development;
- Recruiting and retraining appropriately skilled staff;
- Ensuring the Health and Safety of staff, contractors and the Public; and
- Delivering the Departmental Road map Projects and Programmes – includes Finance and Service Based Review savings.

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

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

Risks which are specific to Epping Forest:

- Wanstead Park – Heritage at Risk Register – The grade II* Registered Park and Garden Wanstead Park has been on the “Heritage at Risk” register since 2009. It is listed as in declining condition. The City is one of four landowners of the site. A hydrology study has been completed. A conceptual option and cost plan is being developed and potential funding partners are being identified including the Heritage Lottery Fund.
- Raised Reservoirs – A severe rainfall event could potentially result in overtopping of embankments, leading to the erosion of dams and potential collapse. There are regular inspections of the 5 large raised reservoirs works have been completed at Eagle Pond and Highams Park Lake with scoping evaluations underway for Baldwins and Birch Hall Park Pond. These have reduced the likelihood of such an event to rare.

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.

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Trustee's Annual Report for the year ended 31 March 2016

3. Objectives and Activities for the Public Benefit (continued)

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

4. Achievements and Performance

Key Targets for 2015/16 and review of achievement

The key targets for 2015/16 together with their outcomes were:

The following projects are shown in the 2015/16 Epping Forest Roadmap.

- **Promoting Our Services** – a review of current charges for produce (woodchip, venison and beef for example) combined with improvements to our retail services and the promotion of Epping Forest for events such as weddings. *The first weddings have been held at The Queen Elizabeth Hunting Lodge and meat products are being sold at The View. Other aspects of this project continue in 2016/17.*
- **City of London (Open Spaces) Bill** – developing a comprehensive suite of improvements and updates to the Epping Forest Act (and Management Acts of other City of London Open Spaces) under the three broad headings on Land Management, Revenue Generation and Enforcement. These changes are intended to enhance and clarify the City of London's protection of the Forest physically and financially. Deposition due in November 2015, with Parliamentary Process estimated at two sessions (two years). *The outline aims of the Open Spaces Bill were consulted upon in 2015 and feedback from this formed the first draft of clauses deposited with Parliament in November 2015. Parliamentary process now continues into 2016/17.*
- **Lodge Review** – utilisation of surplus property for domestic or commercial rent. Planning to be completed in the 2015/16 financial year but tenancies may not start until approval of the City of London (Open Spaces) Bill above. *Legal considerations such as powers sought under the Open Spaces Bill (above) have prevented the letting of lodges at Epping Forest in the last year. Preparatory work is underway and the project continues into 2016/17.*
- **Sports Programme** – a financial initiative focussed around sports provision within Epping Forest, including football sponsorship, improvements to facilities and Golf Course recovery. *A Golf Course recovery plan has been drawn up and changes are underway at the course. Football at Wanstead Flats will not be considered as part of this programme until Golf Course changes have been completed and embedded.*
- **Wayleaves** – a review of wayleave charges across Epping Forest Land to incorporate ten years on inflation since last revision. Standardisation of wayleave contracts is also to be included. *Charges for wayleaves were reviewed and implemented using rateable value banding. All domestic wayleave holders were sent necessary bills and direct debit forms in September 2015. Continuation of project into commercial wayleaves and enforcement continues into 2016/17.*
- **Management Plans** – continuation of the phase one consultation prior to drafting of the completed plan, setting out priorities for management of Epping Forest and Buffer Lands for ten years from 2017. *Phase one consultation was completed and a report on findings is being drafted.*

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

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Trustee's Annual Report for the year ended 31 March 2016

5. Financial Review

Review of financial position

Investment income of £3,548 (2014/15 £5,158) was earned during the year. Other income received included £8,619 from donations (2014/15 £13,483), £393,604 from grants (2014/15 £681,898), £528,993 from sales, fees and charges (2014/15 £469,307), £370,952 from rents (2014/15 £362,907). No contributions were received during the year (2014/15 £10,500).

The contribution towards the running costs of the charity amounted to £4,653,851 (2014/15 £5,993,753). 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 investments are managed by Artemis Investment Management LLP and the performance of the fund is measured against the fund manager benchmark (FTSE All Share Index). In addition the performance of the Fund is also measured against its peer group using the WM Charity Universe (ex-property).

As at 31 March 2016 the fund achieved a return of -1.1% compared to the FTSE All Share Index Return of -3.9%. The WM Charity Universe return was -1.0% and the fund slightly underperformed this by 0.1%.

Going Concern

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

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Trustee's Annual Report for the year ended 31 March 2016

6. Plans for Future Periods

The targets for 2016/17 and beyond are:

- **Promoting Our Services** – A comprehensive Events Policy across all Open Spaces, with specific documentation for Epping Forest below to be delivered and implemented. Following successful weddings at Queen Elizabeth's Hunting Lodge, similar permissions are to be sought for The Temple at Wanstead Park.
- **City of London (Open Spaces) Bill** – Parliamentary process and consultation with forest users continues in 2016/17.
- **Lodge Review** – Aim to complete preparatory work such as maintenance agreements ready to begin rental of Lodges on Forest Land as soon as the Open Spaces Bill is granted.
- **Sports Programme** – Complete and embed the Golf Recovery Programme at Chingford Golf Course including recruitment of a directly employed Golf Manager and consultation and tendering of café facilities at the Caddy House.
- **Wayleaves** – Review of commercial wayleaves and necessary enforcement actions in order to protect Forest Land from threat of encroachment or adverse possession.
- **Management Plans** – Drafting of Management Plan for next ten years following on from consultation phases from previous two years.

7. The Financial Statements

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015. The 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.
- **Notes to the Financial Statements** describing the accounting policies adopted and explaining information contained in the financial statements.

8. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015.

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

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Trustee's Annual Report for the year ended 31 March 2016

8. Statement of Trustee's Responsibilities (continued)

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 discloses with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9. Adopted and signed for on behalf of the Trustee on 15 November 2016.

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

Roger A.H. Chadwick
Deputy Chairman of
Finance Committee
Guildhall, London

EPPING FOREST

Trustee's Annual Report for the year ended 31 March 2016

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 2016 which are set out on pages 11 to 28. 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 pages 7 and 8, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 Year End 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
150 Aldersgate Street
London
EC1A 4AB

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

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Statement of Financial Activities for the year ended 31 March 2016

	Notes	Unrestricted Funds			2015/16 £	2014/15 Restated £
		General Fund	Designated Funds	Restricted Fund		
		£	£	£		
Income and endowments from:						
Income from						
Donations and legacies		346,075	56,148	-	402,223	705,881
Charitable activities		899,945	-	-	899,945	832,214
Grant from City of London Corporation		4,557,404	96,447	-	4,653,851	5,993,753
Investments		3,548	-	-	3,548	5,158
Total	4	5,806,972	152,595	-	5,959,567	7,537,006
Expenditure on:						
Charitable activities		5,804,890	426,814	1,838	6,233,542	6,116,807
Total	5	5,804,890	426,814	1,838	6,233,542	6,116,807
Net (losses)/ gains on investments	10	-	(588)	-	(588)	602
Net income/(expenditure)		2,082	(274,807)	(1,838)	(274,563)	1,420,801
Transfers between funds		(2,082)	2,082	-	-	-
Net movements in funds		-	(272,725)	(1,838)	(274,563)	1,420,801
Reconciliation of funds						
Total funds brought forward	14	-	8,193,046	1,838	8,194,884	6,774,083
Total funds carried forward	14	-	7,920,321	-	7,920,321	8,194,884

All operations are continuing.

EPPING FOREST

Balance Sheet as at 31 March 2016

	Notes	2016	2015
		£	£
Fixed Assets			
Heritage Assets	8	384,675	385,636
Tangible Fixed Assets	9	6,745,820	7,004,300
Investments - 1,202 Charities Pool Units	10	3,412	9,929
		<u>7,133,907</u>	<u>7,399,865</u>
Current Assets			
Stocks		14,534	23,829
Debtors	11	654,550	443,877
Cash at bank and in hand		643,116	1,346,087
		<u>1,312,200</u>	<u>1,813,793</u>
Creditors: Amounts falling due within one year	12	<u>(480,036)</u>	<u>(973,024)</u>
Net Current Assets		<u>832,164</u>	<u>840,769</u>
Total Assets less Current Liabilities		7,966,071	8,240,634
Creditors: Amounts falling due after more than one year	13	<u>(45,750)</u>	<u>(45,750)</u>
Net Assets		<u><u>7,920,321</u></u>	<u><u>8,194,884</u></u>
The funds of the charity			
<i>Unrestricted income funds</i>			
Designated Funds	14	7,920,321	8,193,046
Restricted Funds	14	-	1,838
Total charity funds		<u><u>7,920,321</u></u>	<u><u>8,194,884</u></u>

Approved and signed for and on behalf of the Trustee

The Notes at pages 13 to 28 form part of these accounts.

Dr Peter Kane
Chamberlain of London
15 November 2016

EPHING FOREST

Notes to the Financial Statements for the year ended 31 March 2016

1. Accounting Policies

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

(a) Basis of Preparation

Epping Forest is a public benefit entity and the accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared for the first time in accordance with the new Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

(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 2019/20, anticipates that adequate funds will be available to enable the Trust to continue to fulfil its obligations. On this basis, the Trustee considers the Trust to be a going concern for the foreseeable future.

(c) Statement of Cash Flows

The Trust has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity. Statement of Cash Flows is included within the City's Cash Annual Report and Financial Statements 2016 which is publicly available and can be found at www.cityoflondon.gov.uk.

(d) Fixed Assets

Heritage Land and Associated Buildings

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

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

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2016

1. Accounting Policies (continued)

(d) Fixed Assets (continued)

Heritage Land and Associated Buildings

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

Tangible Fixed Assets

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

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

(e) Recognition of capital expenditure

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

(f) Investments

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

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

(g) Income Recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

(h) Investment Income

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

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2016

1. Accounting Policies (continued)

(i) *Volunteers*

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

(j) *Grants received*

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

(k) *Contribution from City's Cash*

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

(l) *Rental income*

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

(m) *Expenditure Recognition*

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

(n) *Allocation of costs between different activities*

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

(o) *Stocks*

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

(p) *Pension Costs*

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefits scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Cash and Bridge House Estates) or the trusts it supports. The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £482.6m as at 31 March 2016 (£498.2m as at 31 March 2015). Since this net deficit is apportioned between the accounts of the City of London's three main funds, the charity's trustees do not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in the accounts.

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Notes to the Financial Statements for the year ended 31 March 2016

1. Accounting Policies (continued)

(p) Pension Costs (continued)

The costs of the pension scheme charged to the charity are the employer's contributions disclosed in Note 7 and any employer's pension contributions within support services costs as disclosed at Note 6. 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. An updated triennial valuation is being undertaken as of 31 March 2016 which will inform consideration of the employer's contribution rate to be adopted from 2017/18. There are no outstanding or pre-paid contributions at the balance sheet date

(q) Fund Accounting

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

2. Tax Status of the Charity

Epping Forest is a registered charity and as such, its 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 2016

4. Income and endowments

Income and endowments are comprised as follows:

	Unrestricted Funds		Restricted Funds	2015/16	2014/15
	General Fund	Designated Funds			
	£	£			
Income and endowments from:					
Donations and legacies					
Grants	337,456	56,148	-	393,604	681,898
Donations	8,619	-	-	8,619	13,483
Contributions	-	-	-	-	10,500
Investments - Interest	3,548	-	-	3,548	5,158
	349,623	56,148	-	405,771	711,039
Revenue and capital grants from City of London Corporation	4,557,404	96,447	-	4,653,851	5,993,753
	4,907,027	152,595	-	5,059,622	6,704,792
Income from charitable activities					
Charges for use of facilities	488,446	-	-	488,446	407,693
Sales	40,547	-	-	40,547	61,614
Rental income	370,952	-	-	370,952	362,907
	899,945	-	-	899,945	832,214
Total	5,806,972	152,595	-	5,959,567	7,537,006

Grants

Grants were received from the Rural Payments Agency, the Heritage Lottery Fund, Natural England, the Forestry Commission and the London Sport Ltd.

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 £56,148 from the Heritage lottery Fund and a grant of £96,447 from City's Cash towards the Epping Forest Branching Out Project.

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Notes to the Financial Statements for the year ended 31 March 2016

4. Income and endowments (continued)

Grant from City's Cash

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

Charges for the use of facilities

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

5. Expenditure

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

	Activities undertaken directly £	Support costs £	2015/16 £	2014/15 £
Charitable activity Preservation and operation of Epping Forest	5,168,125	1,065,417	6,233,542	6,116,807
Total	5,168,125	1,065,417	6,233,542	6,116,807

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

Charitable activity

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

Auditor's remuneration and fees for external financial services

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

Trustee's expenses

Members of the City of London Corporation are 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 2015/16 (2014/15: £Nil).

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Notes to the Financial Statements for the year ended 31 March 2016

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 £	2015/16 £	2014/15 £
Department			
Chamberlain	161,842	161,842	143,077
Comptroller & City Solicitor	64,939	64,939	50,719
Open Spaces Directorate	135,088	135,088	179,861
Town Clerk	107,950	107,950	109,300
City Surveyor	378,649	378,649	334,075
Information Systems	139,989	139,989	101,423
Other governance and support costs	76,960	76,960	89,353
Total support costs	1,065,417	1,065,417	1,007,808

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.

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2016

6. Support Costs (continued)

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

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

7. Staff Numbers and Costs

The full time equivalent number of staff employed by the City of London Corporation charged to Epping Forest in 2015/16 is 80 (2014/15 82) at a cost of £2,575,570 (2014/15 £2,602,403). 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 £
2015/16 Charitable activities	80	2,083,755	145,635	346,180	2,575,570
2014/15 Charitable activities	82	2,115,405	142,581	344,417	2,602,403

There was one employee whose total employee benefits were above the £60,000 threshold (2014/15 £Nil).

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

Employees who earn more than £60,000 per annum		
Band £	No of full time equivalent employees 2015/16	No of full time equivalent employees 2014/15
60,000-69,999	1.0	-
70,000-79,999	-	-
80,000-89,999	-	-
90,000-99,999	-	-
100,000-109,999	-	-

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Notes to the Financial Statements for the year ended 31 March 2016

7. Staff Numbers and Costs (continued)

The trust considers its key management personnel comprise the Trustees and the Director of Open Spaces who manages the seven open spaces funded by the City of London Corporation. The proportion of the Director's employment benefits, including employer pension contributions, allocated to this charity amounted to £28,699 in 2015/16 (2014/15: £28,519). Trustees are unpaid and do not receive allowances.

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

8. Heritage Assets

At 31 March 2016 the net book value of heritage assets relating to direct charitable purposes amounts to £384,675 (31 March 2015 £385,636) as set out below.

	2011/12	2012/13	2013/14	2014/15	2015/16
	£	£	£	£	£
<u>Cost</u>					
At 1 April	-	115,600	388,382	388,382	388,382
Additions	115,600	272,782	-	-	-
At 31 March	115,600	388,382	388,382	388,382	388,382
<u>Depreciation</u>					
At 1 April	-	-	824	1,785	2,746
Charge for year	-	824	961	961	961
At 31 March	-	824	1,785	2,746	3,707
<u>Net book value</u>					
At 31 March	115,600	387,558	386,597	385,636	384,675
At 31 March	-	115,600	387,558	386,597	385,636

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(d), the original heritage land and buildings are not recognised in the Financial Statements.

Policies for the preservation and management of Epping Forest are contained in the Epping Forest Conservation Management Plan 2010. Records of heritage assets owned and maintained by Epping Forest can be obtained from the Director of Open Spaces at the principal address as set out on page 2.

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2016

8. Heritage Assets (continued)

Additions made to heritage land or buildings, where relevant information is available, are included at historic cost less accumulated depreciation in accordance with Note 1 (d).

9. Tangible Fixed Assets

At 31 March 2016 the net book value of tangible fixed assets relating to direct charitable purposes amounts to £6,745,820 (31 March 2015 £7,004,300) as set out below.

	Land and Buildings £	Infrastructure £	Vehicles £	Equipment £	Total £
<u>Cost</u>					
At 1 April 2015	3,661,845	3,982,656	21,609	328,409	7,994,519
Additions	-	95,055	71,500	-	166,555
At 31 March 2016	3,661,845	4,077,711	93,109	328,409	8,161,074
<u>Depreciation</u>					
At 1 April 2015	510,789	170,324	21,609	287,497	990,219
Charge for year	197,833	209,052	-	18,150	425,035
At 31 March 2016	708,622	379,376	21,609	305,647	1,415,254
<u>Net book value</u>					
At 31 March 2016	2,953,223	3,698,335	71,500	22,762	6,745,820
At 31 March 2015	3,151,056	3,812,332	-	40,912	7,004,300

10. Fixed Asset Investments

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

	Designated Fund £	2016 £	2015 £
Market Value 1 April	9,929	9,929	9,327
Disposals at market value	(5,929)	(5,929)	-
(Loss)/gain for the year	(588)	(588)	602
Market Value 31 March	3,412	3,412	9,929
Cost 31 March	438	438	1,202
Units in Charities Pool	438	438	1,202

The Charities Pool is a UK registered unit trust.

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2016

10. Fixed Asset Investments (continued)

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

	2016	2015
	£	£
Equities		
UK	2,522	7,804
Overseas	519	1,479
Bonds - UK	92	248
Pooled Units - UK	143	318
Cash held by Fund Manager	136	80
Total Funds	3,412	9,929

11. Debtors

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

	2016	2015
	£	£
Rental Debtors	49,235	23,143
Other Debtors	482,462	249,622
Payments in Advance	35,188	35,245
Recoverable VAT	87,665	135,867
Total	654,550	443,877

12. Creditors: due within one year

The creditors figure consists of the following amounts:

	2016	2015
	£	£
Trade Creditors	138,137	264,473
Accruals	276,948	534,956
Other Creditors	(11,781)	93,774
Receipts In Advance	76,732	79,821
Total	480,036	973,024

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2016

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.

	2016 £	2015 £
Sundry Deposits	45,750	45,750
Total	45,750	45,750

14. Movement of funds during the year to 31 March 2016

	Fund balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £
Unrestricted Funds						
<i>General Funds</i>	-	5,806,972	(5,804,890)	(2,082)	-	-
	-	5,806,972	(5,804,890)	(2,082)	-	-
<i>Designated Funds</i>						
Tangible Fixed Assets	7,004,300	152,595	(425,035)	13,960	-	6,745,820
Heritage Assets	385,636	-	(961)	-	-	384,675
Capital Fund	538,804	-	-	-	-	538,804
Sports Ground Deposit	3,703	-	-	11	(206)	3,508
Golf Course Machinery Fund	27,716	-	-	-	-	27,716
E.N. Buxton Knighton Wood	6,170	-	-	4	(373)	5,801
G.Gardner Bequest	195	-	(171)	(15)	(9)	-
Heritage Lottery Fund						
Match Funding	77,516	-	-	(19,350)	-	58,166
Green Arc Funding	24,771	-	(647)	-	-	24,124
Grazing Account	24,235	-	-	7,472	-	31,707
Metropolitan Police Olympic Contribution	100,000	-	-	-	-	100,000
	8,193,046	152,595	(426,814)	2,082	(588)	7,920,321
Total Unrestricted Funds	8,193,046	5,959,567	(6,231,704)	-	(588)	7,920,321
Restricted Funds						
City Bridge Trust	1,838	-	(1,838)	-	-	-
Total Restricted Funds	1,838	-	(1,838)	-	-	-
Total Funds	8,194,884	5,959,567	(6,233,542)	-	(588)	7,920,321

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2016

14. Movement of funds during the year to 31 March 2016 (continued)

Notes to the funds

Unrestricted funds

1) *General fund*

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

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 2015/16.

4) *E.N. Buxton Knighton Wood*

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

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. Charity Pool units relating to G. Gardner Bequest were sold and the monies applied during 2015/16 financial year.

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. It is anticipated that the scheme will be completed in 2016/17 with any balance applied or returned to revenue.

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.

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2016

14. Movement of funds during the year to 31 March 2016 (continued)

Notes to the funds (continued)

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. The City of London is the lead authority holds the funding and meets expenditure when required.

9) Grazing Account

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

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 2016 was £6,745,820 and is represented by a designated income fund.

11) Heritage assets

Additions made to heritage land or buildings.

12) 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. No expenditure incurred during the accounting period.

Restricted funds

13) City Bridge Trust

Funding from the City Bridge Trust to provide educational and biodiversity services to support communities within the Greater London area. One year grant from the City Bridge Trust of £177,000 was received in 2014/15. The unused balance of £1,838 was returned to the City Bridge Trust in 2015/16.

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2016

15. Related Party Transactions

The City of London Corporation as well as being the Trustee also provides management, surveying and administrative services for the charity. The costs incurred by the City of London Corporation in providing these services are charged to the charity. The City of London Corporation also provides banking services, allocating all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is set out in the Statement of Financial Activities under "Expenditure on charitable activities" and an explanation of these services is set out in Note 6 for support costs of £1,065,417 (2014/15: £1,007,808). The City of London Corporation's City's Cash meets the deficit on running expenses of the charity. This amounted to £4,653,851 (2014/15: £5,993,753) as shown in Note 4 to the financial statements.

The City of London Corporation is also the Trustee of a number of other charitable Trusts, and with the exception of the City Bridge Trust (charity number 1035628) and the West Wickham Common and Spring Park Wood Coulsdon and Other Commons (charity numbers 232988 and 232989), these Trusts do not undertake transactions with Epping Forest. A full list of other charitable Trusts of which the City of London Corporation is Trustee is available on application to the Chamberlain of the City of London.

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 £3,548 was earned during the year (2014/15: £5,158).

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.

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Notes to the Financial Statements for the year ended 31 March 2016

16. Transition to FRS 102

These financial statements for the year ended 31 March 2016 are the Charity's first financial statements that comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'. The Charity's date of transition to FRS 102 is 1 April 2014. The Charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The following table shows that there was no difference between income and expenditure presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 March 2015 (ie comparative information). The table also shows funds determined in accordance with the FRS 102 compared to funds determined in accordance with previous UK GAAP at both 1 April 2014 (the date of transition to FRS 102 – nil change) and 31 March 2015 (nil change).

There have been no changes in accounting policies made on first-time adoption of FRS 102.

Group	Note	Funds as at 1 April 2014	Net income for the year ended 31 March 2015	Funds as at 31 March 2015
		£	£	£
As previously stated under former UK GAAP		6,774,083	1,420,199	8,194,884
Gains / (losses) on investments	a)	-	602	-
As stated in accordance with FRS 102		6,774,083	1,420,801	8,194,884

Explanation of changes to previously reported net income.

a) FRS 102 requires that net gains/(losses) on investments are now treated as a component of net income. Under previous UK GAAP, gain/(losses) on investments were shown after net income as part of other recognised gains/(losses).