

EPPING FOREST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Charity Number: 232990

EPPING FOREST

Trustee's Annual Report and Financial Statements for the year ended 31 March 2017

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Trustee's Annual Report for the year ended 31 March 2017

1. Reference and Administration Details

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

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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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;
- 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.
- Maintaining the City's water bodies.

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.
- Rural Payments Agency (RPA) Grants – Revisions to the EU Common Agricultural Policy (CAP), transition to Basic Payment Scheme (BPS) and UK interpretation and tightening up of eligibility criteria may lead to a possible reduction in direct funding to deliver agricultural/conservation related services. This could potentially lead to a reduction/loss of biodiversity and grazing. By ensuring that the completion of claims is monitored and that works are carried out in line with guidance from inspections it is hoped to minimise loss of grant. The possible loss of funding post Brexit has been flagged with the City of London.

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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.

4. Achievements and Performance

Key Targets for 2016/17 and review of achievement

The key targets for 2016/17 together with their outcomes were:

- **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. *A draft events policy has been produced to be implemented following completion of the Open Spaces Bill. Wedding and Civil Partnership licence permissions for the Temple at Wanstead Park have been applied for.*
- **City of London (Open Spaces) Bill** – This is a private Bill to make changes to the legislative framework governing the Open Spaces. Parliamentary process and consultation with forest users continues in 2016/17. *The Bill has reached Committee stage in the House of Commons. Parliamentary process continues.*
- **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. *Staff moves to appropriate properties complete, as well as preparation of lodges on non-Forest land for rental. Lodges on Forest Land cannot be rented until the completion of the Open Spaces Bill.*
- **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. *Golf course restructure and refurbishment of Caddy House café facilities complete. Café tendered and new tenant to start operating in early 2017/18 financial year.*
- **Wayleaves** – Review of commercial wayleaves and necessary enforcement actions in order to protect Forest Land from threat of encroachment or adverse possession. *Preparatory work underway, with enforcement action awaiting completion of Open Spaces Bill.*
- **Management Plans** – Drafting of Management Plan for next ten years following on from consultation phases from previous two years. *Project has largely been on-hold in 2016/17, but with new focus and resource allocation for 2017/18.*

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 2017

5. Financial Review

Review of financial position

Investment income of £3,390 (2015/16: £3,548) was earned during the year. Other income received included £9,784 from donations (2015/16: £8,619), £598,777 from grants (2015/16: £393,604), £597,900 from sales, fees and charges (2015/16: £528,993), £424,604 from rents (2015/16: £370,952). Contributions of £2,000 were received during the year (2015/16: £Nil).

The contribution towards the running costs of the charity amounted to £4,563,491 (2015/16: £4,653,851). This cost was met by the City of London Corporation's City's Cash.

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

Reserves Policy

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

Investment Policy

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

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

As at 31 March 2017 the Fund achieved a return of +16.30% compared to the FTSE All Share Index return of +21.95%, an underperformance of 5.35%. However over three and five years the Fund has outperformed the index as follows:

	3 Years	5 Years
Fund	8.39%	10.98%
FTSE All Share	7.69%	9.67%
Out performance	0.71%	1.31%

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 2017

6. Plans for Future Periods

The targets for 2017/18 and beyond are:

- **Management Plan** – Recruitment of new temporary post to push forward next phase of Management Plan as well as other strategy documents such as draft Operational Plan.
- **Fleet** – Devise and implement new sustainable fleet management plan for Epping Forest vehicles and plant.
- **Lodge Review** – To begin rental of non-Forest land lodges and continue preparations for others ready for completion of Open Spaces Bill.
- **Parklife** – Complete application for improved football facilities at Wanstead Flats.
- **City of London (Open Spaces) Bill** – Parliamentary process continues into 2017/18. Includes plans for establishment of Epping Forest Consultative Committee.

7. Statement of Trustee's Responsibilities

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

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

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

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

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

8. Adopted and signed for on behalf of the Trustee on xxxx 2017.

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

Jamie Ingham Clark
Deputy Chairman of Finance Committee
Guildhall, London

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF EPPING FOREST

We have audited the financial statements of Epping Forest for the year ended 31 March 2017 which are set out on pages 10 to 26. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 trustee is 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 31 March 2017 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

X October 2017

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 2017

	Notes	Unrestricted Funds				
		General Fund	Designated Funds	Restricted Fund	2016/17	2015/16
		£	£	£	£	£
Income and endowments from:						
Income from						
Donations and legacies		390,163	171,998	48,400	610,561	402,223
Charitable activities		1,022,504	-	-	1,022,504	899,945
Grant from City of London Corporation		4,497,591	65,900	-	4,563,491	4,653,851
Investments		3,390	-	-	3,390	3,548
Total	4	5,913,648	237,898	48,400	6,199,946	5,959,567
Expenditure on:						
Charitable activities		5,908,022	451,145	48,400	6,407,567	6,233,542
Total	5	5,908,022	451,145	48,400	6,407,567	6,233,542
Net gains/(losses) on investments	10	-	407	-	407	(588)
Net income/(expenditure)		5,626	(212,840)	-	(207,214)	(274,563)
Transfers between funds		(5,626)	5,626	-	-	-
Net movements in funds		-	(207,214)	-	(207,214)	(274,563)
Reconciliation of funds						
Total funds brought forward	14	-	7,920,321	-	7,920,321	8,194,884
Total funds carried forward	14	-	7,713,107	-	7,713,107	7,920,321

All operations are continuing.

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Balance Sheet as at 31 March 2017

	Notes	2017	2016
		£	£
Fixed Assets			
Heritage Assets	8	383,715	384,675
Tangible Fixed Assets	9	6,546,812	6,745,820
Investments - 438 Charities Pool Units	10	3,819	3,412
		6,934,346	7,133,907
Current Assets			
Stocks		24,264	14,534
Debtors	11	379,567	654,550
Cash at bank and in hand		772,540	643,116
		1,176,371	1,312,200
Creditors: Amounts falling due within one year	12	(358,610)	(480,036)
Net Current Assets		817,761	832,164
Total Assets less Current Liabilities		7,752,107	7,966,071
Creditors: Amounts falling due after more than one year	13	(39,000)	(45,750)
Net Assets		7,713,107	7,920,321
The funds of the charity			
<i>Unrestricted income funds</i>			
Designated Funds	14	7,713,107	7,920,321
Total charity funds		7,713,107	7,920,321

Approved and signed for and on behalf of the Trustee

The Notes at pages 12 to 26 form part of these accounts.

Dr Peter Kane
Chamberlain of London
xxxx

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Notes to the Financial Statements for the year ended 31 March 2017

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 in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, the Financial Reporting Standard 102 applicable in the UK 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 2020/21, 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 2017 which is publicly available and can be found at www.cityoflondon.gov.uk.

(d) Fixed Assets

Heritage Land and Associated Buildings

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

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

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Notes to the Financial Statements for the year ended 31 March 2017

1. Accounting Policies (continued)

(d) Fixed Assets (continued)

Heritage Land and Associated Buildings

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

Tangible Fixed Assets

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

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

(e) Recognition of capital expenditure

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

(f) Investments

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

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

(g) Income Recognition

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

(h) Investment Income

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

EPHING FOREST
Notes to the Financial Statements for the year ended 31 March 2017

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 £597.9m as at 31 March 2017 (£482.6m as at 31 March 2016). 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 2017

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 was undertaken as of 31 March 2016 and as a result the employer's contribution rate to be adopted for the financial years 2017/18, 2018/19 and 2019/20 has been set at 21%. 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.

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Notes to the Financial Statements for the year ended 31 March 2017

4. Income and endowments

Income and endowments are comprised as follows:

	Unrestricted Funds		Restricted Funds	2016/17	2015/16
	General Fund	Designated Funds			
	£	£	£	£	£
Income and endowments from:					
Donations and legacies					
Grants	380,379	169,998	48,400	598,777	393,604
Donations	9,784	-	-	9,784	8,619
Contributions	-	2,000	-	2,000	-
Investments - Interest	3,390	-	-	3,390	3,548
	393,553	171,998	48,400	613,951	405,771
Revenue and capital grants from City of London Corporation	4,497,591	65,900	-	4,563,491	4,653,851
	4,891,144	237,898	48,400	5,177,442	5,059,622
Income from charitable activities					
Charges for use of facilities	464,014	-	-	464,014	488,446
Sales	133,886	-	-	133,886	40,547
Rental income	424,604	-	-	424,604	370,952
	1,022,504	-	-	1,022,504	899,945
Total	5,913,648	237,898	48,400	6,199,946	5,959,567

Grant

Grants were received from the Rural Payments Agency, the Heritage Lottery Fund, the Forestry Commission, Museum of London Docklands and the City Bridge Trust.

Sales

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

Designated Funds

Designated funds consist of a capital contribution of £169,998 from the Heritage Lottery Fund, a grant of £65,900 from City's Cash towards the Epping Forest Branching Out Project and a contribution of £2,000 from Essex County Council towards the Green Arc Partnership Project.

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Notes to the Financial Statements for the year ended 31 March 2017

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 £	2016/17 £	2015/16 £
Charitable activity				
Preservation and operation of Epping Forest	5,425,042	982,525	6,407,567	6,233,542
Total	5,425,042	982,525	6,407,567	6,233,542

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

Charitable activity

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

Auditor's remuneration and fees for external financial services

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

Trustee's expenses

Members of the City of London Corporation are all unpaid and do not receive allowances in respect of City of London Corporation activities in the City. However, Members may claim travelling expenses in respect of activities outside the City and receive allowances in accordance with a scale when attending a conference or activity on behalf of the City of London Corporation. No expenses were claimed in 2016/17 (2015/16: £nil).

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Notes to the Financial Statements for the year ended 31 March 2017

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 £	2016/17 £	2015/16 £
Department			
Chamberlain	120,991	120,991	161,842
Comptroller & City Solicitor	53,777	53,777	64,939
Open Spaces Directorate	110,970	110,970	135,088
Town Clerk	118,304	118,304	107,950
City Surveyor	344,019	344,019	378,649
Information Systems	155,105	155,105	139,989
Other governance and support costs	79,359	79,359	76,960
Total support costs	982,525	982,525	1,065,417

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 2017

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 2016/17 is 81 (2015/16: 80) at a cost of £2,702,413 (2015/16: £2,575,570). 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 £
2016/17 Charitable activities	81	2,139,689	202,231	360,493	2,702,413
2015/16 Charitable activities	80	2,083,755	145,635	346,180	2,575,570

There was one employee whose total employee benefits were above the £60,000 threshold (2015/16: 1).

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

Employees who earn more than £60,000 per annum		
Band £	No of full time equivalent employees 2016/17	No of full time equivalent employees 2015/16
60,000-69,999	-	1.0
70,000-79,999	1.0	-
80,000-89,999	-	-
90,000-99,999	-	-
100,000-109,999	-	-

EPPING FOREST

Notes to the Financial Statements for the year ended 31 March 2017

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 £29,700 in 2016/17 (2015/16: £28,699). 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 2017 the net book value of heritage assets relating to direct charitable purposes amounts to £383,715 (31 March 2016: £384,675) as set out below.

	2013	2014	2015	2016	2017
	£	£	£	£	£
<u>Cost</u>					
At 1 April	115,600	388,382	388,382	388,382	388,382
Additions	272,782	-	-	-	-
At 31 March	388,382	388,382	388,382	388,382	388,382
<u>Depreciation</u>					
At 1 April	-	824	1,785	2,746	3,707
Charge for year	824	961	961	961	960
At 31 March	824	1,785	2,746	3,707	4,667
<u>Net book value</u>					
At 31 March	387,558	386,597	385,636	384,675	383,715
At 31 March	115,600	387,558	386,597	385,636	384,675

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

Policies for the preservation and management of Epping Forest are contained in the Epping Forest Conservation Management Plan 2010. Records of heritage assets owned and maintained 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 2017

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 2017 the net book value of tangible fixed assets relating to direct charitable purposes amounts to £6,546,812 (31 March 2016: £6,745,820) as set out below.

	Land and Buildings £	Infrastructure £	Vehicles £	Equipment £	Total £
<u>Cost</u>					
At 1 April 2016	3,661,845	4,077,711	93,109	328,409	8,161,074
Additions	-	241,563	-	-	241,563
At 31 March 2017	3,661,845	4,319,274	93,109	328,409	8,402,637
<u>Depreciation</u>					
At 1 April 2016	708,622	379,376	21,609	305,647	1,415,254
Charge for year	197,833	210,288	14,300	18,150	440,571
At 31 March 2017	906,455	589,664	35,909	323,797	1,855,825
<u>Net book value</u>					
At 31 March 2017	2,755,390	3,729,610	57,200	4,612	6,546,812
At 31 March 2016	2,953,223	3,698,335	71,500	22,762	6,745,820

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 £	2017 £	2016 £
Market Value 1 April	3,412	3,412	9,929
Disposals at market value	-	-	(5,929)
Gain/(loss) for the year	407	407	(588)
Market Value 31 March	3,819	3,819	3,412
Cost 31 March	438	438	438
Units in Charities Pool	438	438	438

The Charities Pool is a UK registered unit trust.

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Notes to the Financial Statements for the year ended 31 March 2017

10. Fixed Asset Investments (continued)

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

	2017	2016
	£	£
Equities		
UK	2,973	2,522
Overseas	538	519
Bonds – UK & Overseas	21	92
Pooled Units - UK	189	143
Cash held by Fund Manager	98	136
Total Funds	3,819	3,412

11. Debtors

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

	2017	2016
	£	£
Rental Debtors	29,607	49,235
Other Debtors	277,629	482,462
Payments in Advance	32,799	35,188
Recoverable VAT	39,532	87,665
Total at 31 March	379,567	654,550

12. Creditors: due within one year

The creditors figure consists of the following amounts:

	2017	2016
	£	£
Trade Creditors	56,280	138,137
Accruals	189,467	276,948
Other Creditors	39,333	(11,781)
Receipts In Advance	73,530	76,732
Total at 31 March	358,610	480,036

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2017

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.

	2017 £	2016 £
Sundry Deposits	39,000	45,750
Total at 31 March	39,000	45,750

14. Movement of funds during the year to 31 March 2017

	Fund balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £
Unrestricted Funds						
<i>General Funds</i>	-	5,913,648	(5,908,022)	(5,626)	-	-
	-	5,913,648	(5,908,022)	(5,626)	-	-
<i>Designated Funds</i>						
Tangible Fixed Assets	6,745,820	235,898	(440,571)	5,665	-	6,546,812
Heritage Assets	384,675	-	(960)	-	-	383,715
Capital Fund	538,804	-	-	-	-	538,804
Sports Ground Deposit	3,508	-	-	-	407	3,915
Golf Course Machinery Fund	27,716	-	-	-	-	27,716
E.N. Buxton Knighton Wood Heritage Lottery Fund	5,801	-	-	-	-	5,801
Match Funding	58,166	-	-	(15,422)	-	42,744
Green Arc Funding	24,124	2,000	(9,614)	-	-	16,510
Grazing Account	31,707	-	-	(10,617)	-	21,090
Metropolitan Police Olympic Contribution	100,000	-	-	-	-	100,000
Funding for Capital Projects	-	-	-	26,000	-	26,000
	7,920,321	237,898	(451,145)	5,626	407	7,713,107
Total Unrestricted Funds	7,920,321	6,151,546	(6,359,167)	-	407	7,713,107
Restricted Funds						
City Bridge Trust	-	48,400	(48,400)	-	-	-
Total Restricted Funds						
Total Funds	7,920,321	6,199,946	(6,407,567)	-	407	7,713,107

EPHING FOREST
Notes to the Financial Statements for the year ended 31 March 2017

14. Movement of funds during the year to 31 March 2017 (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 2016/17.

4) E.N. Buxton Knighton Wood

A gift was made in 1930 to be spent on maintaining the beauty of Knighton Wood. The unused balance of the fund was invested in 1931 for future use. Charity Pool units relating to E.N. Buxton Knighton Wood were sold in 2016/17. It is anticipated this will be spent in 2017/18.

5) Heritage Lottery Fund

Epping Forest was awarded a £4.76m Stage 3 grant by Heritage Lottery Fund in March 2009, towards the £6.8m cost of the 'Branching Out' project. The fund is used to finance the costs of the project that are not met by the grant and are to be provided by Epping Forest. It is anticipated that the scheme will be completed in 2017/18 with any balance applied or returned to revenue.

6) Capital fund

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

EPPING FOREST
Notes to the Financial Statements for the year ended 31 March 2017

14. Movement of funds during the year to 31 March 2017 (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. A contribution of £2,000 was received from Essex County Council and expenditure amounted to £9,614 in 2016/17.

9) Grazing Account

The purpose of this fund is to provide for the future purchase of cattle. £10,617 was transferred into reserve as at 31 March 2017.

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 2017 was £6,546,812 and is represented by a designated income fund.

11) Heritage assets

Additions made to heritage land or buildings. The net book value of heritage assets to direct charitable purposes at 31 March 2017 was £383,715.

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. No expenditure incurred during the accounting period.

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

13) Funding for Capital Projects

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

Restricted funds

14) City Bridge Trust

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

EPHING FOREST

Notes to the Financial Statements for the year ended 31 March 2017

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 £982,525 (2015/16: £1,065,417). The City of London Corporation's City's Cash meets the deficit on running expenses of the charity. This amounted to £4,563,491 (2015/16: £4,653,851) 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 £3,390 was earned during the year (2015/16: £3,548).

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.