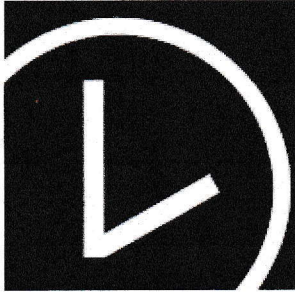


**Epping Forest Horology
Centre**

**Annual Report and
Accounts for year ending
31 July 2022**



EFHC Chairman's Report July 2021/July 2022

Firstly, welcome to this year's AGM and a particularly warm welcome to any new members who have joined us since last year. Just to state the obvious, this is the Annual Report and Accounts for the last full year (21/22) rather than the present year. This is not immediately obvious because we deal with the year running July to July but have an AGM the following spring in order for us to get the accounts into the Charity Commission for their close of play in April.

Having said that, the timeline seems even more vague because of the pandemic, not only on EFHC but on life in general. I am sure that I am not the only one who seems to have 'lost' a whole period of time that is simply categorised 'Covid' in my head, but which in reality encompasses quite a substantial time period which now seems to be unquantifiable.

As you may remember, the summer of 2021 saw a hesitant move back toward some semblance of normality, but with a few restrictions either still in place, or at least advised. This left EFHC in the unenviable position of having to decide for ourselves how we would deal with reopening for the new year in September 2021. With the help of key members, we reopened with what we thought would be a workable solution that struck the right balance between caution and optimism. On reflection, I think the judgement of the team and the Trustees hit the right balance in making the majority of our members feel safe but allowed for business as usual where possible. I would like to thank all of you for observing the necessary rules we had to enforce in the workshops and being sensitive to the concerns of all those around you.

Sadly, our caution was not misplaced as over the ensuing months we had to deal with repeated but smaller peaks of infection and then the subsequent troughs. This inevitably had a knock-on effect on the number of members who turned up on a weekly basis in the workshops, some sessions were busy and others less so. This of course was always going to be the case. Thankfully your loyalty and commitment meant that we were able to survive the worst of it and that we are still here to tell the tale. This was never a given though, and looking back there were times when the future looked fairly bleak. It did seem that people had simply got out of the habit of coming to EFHC, and despite the fact that we had reopened, some members were still staying away. It has taken some time to recover from this downturn in attendance (not membership), and with the return of the warmer weather we hope to see the benches filling up again.

One of the unforeseen consequences of the post Covid resumption of sessions was that somewhat surprisingly Francis was suddenly inundated with a great deal of high profile and time sensitive work in the outside world. The keepers of worthy clock collections were now demanding that their clocks, which had been neglected for more than two years should be cleaned, serviced and given the Brodie magic touch before their allocated budgets ran out for the year. Whilst this was a good thing for Francis it did mean that he became increasingly unavailable to us at EFHC, as those with deeper pockets called on his time. Ultimately, and sadly, this has led to Francis having to reduce the number of hours he is able to spend with us, which is a great loss. The upside to this is of course that Jeremy Barley has now joined us as a very knowledgeable and popular tutor.

The observant ones amongst you will have seen that the individual workshop reports have now become a combined report from the Operations Group. This now established group which has

representatives in each session has become the major force in the day to day running of EFHC. I am very grateful to Dave Mowbray for heading up that team. What may not have been quite so obvious to you is that as the ops team has taken shape the Trustees have stepped back slightly from some of those everyday tasks that they used to do. This is not by accident, and it is something that over the last two or three years we have discussed in our Trustee meetings. None of us are getting any younger, and it is the right thing to do for us to perhaps take more of an overview of the organisation rather than trying to remain involved in the everyday cut and thrust of the workshops.

However, this doesn't mean that we are idle, and as well as keeping abreast of the finances and what seems like an ever increasing amount of administration we also look to the future. I suppose it comes from the very top in the UK that there is always an implied 'expansion' or 'growth' that must be pursued at all costs. The old adage 'we can't do nothing' is one that is often voiced, and to some extent that may be true. However, we must also consider that doing nothing IS a choice to do something, even if that something is to stay the same. To put this in parochial terms, the recurring question is 'what should we do with EFHC?' Something which increasingly exercises my mind in the small hours.

I thought this was probably as good a place as any to explain some of the rationale and our current thinking on this point. The way we work at EFHC is that we tread a very fine line between making money and not losing money. If we are managing to make some money then that may be considered a good thing; however from my standpoint it means that we are charging you, the members too much. On the other hand if we don't charge enough to cover our costs then we lose money and that is definitely a bad thing! Looking at the financial statements that Dave prepares it may on the surface appear that we have a 'surplus' (Dave is now having a fit and shouting 'don't say that word!') He is right though, we appear to have some money kicking about, but the truth of the matter is that the great majority of it is ring fenced in some way or other, either by our own prudence in making sure we are not exposed to any sudden catastrophe along the way, or because it is part of a bequest where the terms mean we cannot use it as we might wish.

So how does this affect the future aspirations that we may have? Consider this: As it stands we achieve break even (more or less) with the number of sessions/tutors that we have and given our overall costs. I say this cautiously because we have still yet to see the full effects of raging inflation on our recent costs. So, if our membership falls by even a small number we no longer break even. Our costs are fixed - rents, utilities and tutors. This leaves us nowhere to go. If we cease a session then we can lose the cost of one tutor for one session, BUT all our overheads are unchanged. So losing one session loses us income which is also contributing to the running of the other sessions.

Let us now consider any proposed 'expansion' at EFHC. Suppose for a moment that we could attract fifty or more new members. We would have to find someone to teach them, and that would have to be at a time at which we could find workshop space to put them. This isn't as easy as it sounds. Previous experience tells us that the watch sessions are really only viable in the evenings because most of our watch members are younger and have to go to work, as do our tutors. Friday evenings and weekends are out for these people too as they have families, and season tickets, and Friday night drinking to be done. On the other hand, our clock members favour daytime and non weekend sessions because they have grandchildren duties and Sunday lunches to consume. So, Friday unfortunately remains a dark day and weekends are out except for short courses. Which is why short courses are an important source of 'surplus' income to us when we can organise them.

So here is something for your consideration. We can't downsize because we are committed to our workshop space, and a loss of members although survivable in the short term (thank you Dave for your prudence) wouldn't be sustainable. Very soon we would have to close one workshop to reduce our costs to survive, and this of course is not something we would wish to contemplate. On the other hand it is very difficult for us to incrementally upsize to any great extent. In order to do so we would need extra space (and inevitable cost) and more tutors, and in order to do that it would mean a significant step change of maybe doubling the size of our operation and moving it

elsewhere. At that point it would inevitably lead to having to take on some permanent employees just to keep the place going. In short, EFHC currently sits in a Goldilocks zone which is not too small nor too big.

So there you have it! We are ideally placed to do what we do where we do it and with how many members. Downsizing would be painful and upsizing would need significant input of time, money, premises and people, and it would forever change the nature of EFHC. For now though, we need the continuing help of those of you who volunteer and do things for us out of the goodness of your hearts. We need the constant help, encouragement and enthusiasm of our tutors to make your time at EFHC worthwhile, and we need the Ops group and the trustees to keep their hands securely on the tiller. But most of all we need you, the members to continue to support EFHC and renew your memberships, to fly the flag, and to encourage others to join you so that we are still here in years to come for future generations to pursue their love of clocks and watches.

Before I close, I can't let this opportunity pass without mentioning Bob. As you may recall Bob suffered a stroke at Christmas 2021. Obviously we miss his relentless capacity for getting things done, but more than anything else we miss his companionship, humour and relentless cheeriness. Thankfully, Bob is still with us and completely with it, understandably frustrated, and probably not the easiest patient to look after! Both Roy Bradnam and I call from time to time, and I am sure that you would want me to pass on all your best wishes to both Bob and Shirley. If anyone would like to speak to Bob please ask Roy or myself and we will put you in touch.

Paul
Feb 2023

Finance Report

The legal stuff

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements each year which give a view of the state of affairs of the charity including receipts, payments, assets and liabilities. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP
- make judgements and estimates which are reasonable and prudent
- to note separately monies paid to trustees for services
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Overview

The Covid 19 pandemic closed the workshops for a full 13 week term in 2019/2020 and for 26 weeks of the 2020/2021 year. Our fixed costs did not change significantly, and the knock-on effect is being felt financially even though the workshops were open fully during the financial year just ended.

The committee offered refunds to compensate members for reduced access to the workshops. These refunds took the form of discounted renewal fees for the 2021/2022 year. Take up of the discount offer was mixed with a few members renewing at full discount, some taking a partial discount and many taking no discount at all and paying in full for the 2021/2022 year. This support from the membership has greatly lessened the financial consequences of the lockdown for the Centre.

A number of other revenue earning activities including short courses and auctions were planned but were subsequently cancelled.

Significant tutor absence for Tuesday and Thursday clock sessions have been compensated by reduced 2022/2023 renewal fees for those members affected and a forward liability for reduced income amounting to a £3000 provision has been recorded.

Receipts and payments are shown in Section A below. Section B shows how our current financial position stacks up with cash at £37,872 against liabilities of £35,851 i.e. £2021 net available cash excluding our reserve and bequest funds.

Bequest fund

The Val Valentine bequest is classified as 'restricted funding' because of the terms of the bequest:

"In meeting Val Valentines wishes for the application of his bequest to EFHC the Centre is committed to:

1. Adopt a fair, transparent and equitable means of selecting a suitable disabled ex-serviceman/woman wishing to seek a way into the Horological profession.
2. If no suitable candidate is forthcoming from (1) above, then seek to provide a similar opportunity to another disadvantaged local individual, in the spirit of the Val Valentine bequest.
3. Make suitable physical provision at the Mount Farm workshops for any necessary disabled access required to enable (1) or (2) above.
4. Provide a free place on either a watch or clock session for a disabled (preferably ex-serviceman/woman) or otherwise disadvantaged individual for each of 5 academic years beginning September 2016. With the intention of preparing such an individual to enter successfully such professional exams and qualifications as may be appropriate to the Horological trade.
5. Fund one watch and one clock tutor for each of five academic years beginning September 2016
6. Give whatsoever support and encouragement it can to the selected Val Valentine bequest candidate in order to help them find a position in the Horological trade."

Because of these specific restrictions the bequest is held in a separate account. The terms of the bequest provide considerable scope for EFHC to improve its delivery of structured learning sessions over coming years.

Outlook

The Trustees maintain that we must continue to budget on the basis of balancing income over expenditure each year to ensure the ongoing viability of the Centre. This will be extremely challenging going forward.

In line with our policy, session fees for the 2022/2023 academic year have been raised in line with inflation – a significant rise given inflation running at 10%.

Membership numbers going forward are likely to be negatively affected by these increased charges, by the cost of living crisis more generally and by the ripple effect of changed personal circumstances following the pandemic.

Lack of applications has resulted in the cancellation of the intermediate watch class for the coming year and an attendant reduction of income.

Our net operating position will also be affected by increases in rent which have been expected for some time but have not yet been instigated by the farm. On a related topic, as a club initially and a registered charity now, we had not anticipated being liable for business rates payments. At the time of writing a business rate liability assessment is with the local authority and whilst there is every possibility that we will be zero rated, this is not guaranteed and we may see a rateable value assessment of 20% amounting to some £4000 per annum. A provision of £4000 is therefore shown because the assessment, and therefore the liability, was initiated this year.

Also anticipated are further increases in energy, insurance, tutor and other costs.

Accounting policies

The accounts were independently inspected on September 1st 2022 and will be submitted to the Charities Commission once approved by the AGM.

1. The accounts have been prepared in accordance with the Accounting and Reporting by Charities - Statement of Recommended Practice (SORP 2005) and appropriate UK Accounting Standards.

2. Unrestricted funds are available to use to further any of the purposes of the charity. Restricted funds are donated for particular areas of the charity's work or specific projects
3. The charity owns significant amounts of tools, equipment and fittings, much of which is old but has residual value. An asset register (which is a separate document and not included in these summary accounts) has been compiled for those items with value greater than £100. Older items have been listed on the basis of estimated residual value. Newer assets are listed at cost.
4. Although depreciation of most of our equipment has not historically been charged in the operating accounts it is clear that modernisation and update of equipment is now overdue. A clock workshop inventory was begun in July 2020 but suspended due to Covid and, pending the completion of this work it is felt prudent to reduce the estimated value of fixed assets on the books to £60,000.
5. Equipment renewal will be a considerable challenge given the loss of income we are experiencing, however reserves are held to cover unplanned emergency expenditure including repairs to equipment, fittings and other expenditure. A working party has been set up to consider our ongoing equipment requirements, the results of which will inform a decision on use of reserve funds.
6. Financial planning is based upon the premise that operating costs should always be covered by operating income in order to ensure the overall financial viability of the Centre.
7. Operations are managed through a current account with Barclays and an Instant Saver Account with Nationwide. We have three investment accounts: a 12 month fixed rate bond paying 1.4%, and two accounts with the Charitable Aid Foundation - a Moderate Capital Growth Fund account and a Conservative Capital Growth Fund account.
8. The value of the investment funds fluctuates with market conditions. At the latest valuation (30 June 2022) the Moderate Capital Growth Fund stood at £16,644 (up £55 on the year) and the Conservative Capital Growth Fund stood at £36,481 (down 350 on the year). The fixed rate bond now stands at £15,739.

Notes to the accounts

1. The Centre has no potential liability relating to guarantees given by the charity
2. The Centre has zero outstanding debt secured on the charity's assets
3. No remuneration was made to officials of the Centre in this financial year.
4. As a charity, EFHC is eligible for Gift Aid, which is paid by HMRC in arrears. There are strict guidelines on donation eligibility and although membership and session fees would not normally qualify, refunds on fees caused by Covid closures not claimed by members are likely to be regarded as eligible donations by HMRC. Claims are to be compiled. Donations by taxpayers would be eligible for Gift Aid relief at 25%.

Dave Mowbray (Thursday clocks and Trustee Treasurer)

Receipts and payments accounts

CC16a

For the period
from

01-Aug-21

31-Jul-22

Section A Receipts and payments

	Unrestricted funds	Restricted funds	Total funds	Last year
	to the nearest £	to the nearest £	to the nearest £	to the nearest £
A1 Receipts				
Membership Fees	1,200	-	1,200	960
Tuition and Course Fees	48,313	-	48,313	33,664
Gifts and Donations	1,075	-	1,075	10,163
Sales of Equipment and Material	1,190	-	1,190	35
Auctions and other fundraising	-	-	-	-
Interest	10	-	10	6
From Bequest fund	2,000	-	2,000	-
	-	-	-	-
Sub total (Gross income for AR)	53,788	-	53,788	44,828
A2 Asset and investment sales, (see table).				
	-	-	-	-
	-	-	-	-
Sub total	-	-	-	-
Total receipts	53,788	-	53,788	44,828
A3 Payments				
Tuition	31,090	-	31,090	6,643
Rent	18,204	-	18,204	18,204
Insurance	1,632	-	1,632	1,626
Equipment and materials	802	-	802	1,152
Utilities	3,689	-	3,689	908
Other	1,191	-	1,191	1,641
	-	-	-	-
	-	-	-	-
	-	-	-	-
Sub total	56,608	-	56,608	30,174
A4 Asset and investment purchases, (see table)				
	-	-	-	-
	-	-	-	-
Sub total	-	-	-	-
Total payments	56,608	-	56,608	30,174
Net of receipts/(payments)	(2,820)	-	(2,820)	14,654
A5 Transfers between funds		-	-	-
A6 Cash funds last year end	40,692	-	40,692	-
Cash funds this year end	37,872	-	37,872	40,692

Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B1 Cash funds	Current Account	21,929	-	
	Deposit Accounts	15,513	-	
	Cash in Hand	430	-	
	Total cash funds	37,872	-	-
	(agree balances with receipts and payments account(s))	OK	OK	OK

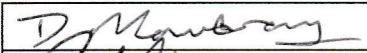
	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B2 Other monetary assets		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
B3 Investment assets	At cost	Restricted	40,500	-
	At cost	Unrestricted	20,000	-
			-	-
			-	-
			-	-

	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
B4 Assets retained for the charity's own use	Fixed Assets	Unrestricted	-	60,000
	Stock	Unrestricted		200
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-

	Details	Fund to which liability relates	Amount due (optional)	When due (optional)
B5 Liabilities	Creditors	Unrestricted	13,783	within 12 mths
	Income received in advance	Unrestricted	15,068	
	Compensation for tutor disruption	Unrestricted	3,000	within 12 mths
	Provision for business rates @20%	Unrestricted	4,000	within 12 mths
			35,851	

Signed by one or two trustees on behalf of all the trustees

Signature	Print Name	Date of approval
	DAVID	19/3/2023
	PAUL	19/3/2023



Section A

Independent Examiner's Report

Report to the trustees/
members of

EPPING FOREST MOROLOGY CENTRE

On accounts for the year
ended

31/07/2022

Charity no
(if any)

1152852

Set out on pages

I report to the trustees on my examination of the accounts of the above
charity ("the Trust") for the year ended

Responsibilities and
basis of report

As the charity's trustees, you are responsible for the preparation of the
accounts in accordance with the requirements of the Charities Act 2011
("the Act").

I report in respect of my examination of the Trust's accounts carried out
under section 145 of the 2011 Act and in carrying out my examination, I
have followed all the applicable Directions given by the Charity Commission
under section 145(5)(b) of the Act.

**Independent
examiner's statement** ~~[The charity's gross income exceeded £250,000 and I am qualified to
undertake the examination by being a qualified member of [insert name of
applicable listed body]]. Delete [] if not applicable.~~

I have completed my examination. I confirm that no material matters have
come to my attention in connection with the examination (other than that
disclosed below *) which gives me cause to believe that in, any material
respect:

- the accounting records were not kept in accordance with section 130
of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements
concerning the form and content of accounts set out in the Charities
(Accounts and Reports) Regulations 2008 other than any requirement
that the accounts give a 'true and fair' view which is not a matter
considered as part of an independent examination.

I have no concerns and have come across no other matters in connection
with the examination to which attention should be drawn in this report in
order to enable a proper understanding of the accounts to be reached.

* Please delete the words in the brackets if they do not apply.

Signed:

Date:

4/9/22

Name:

P.D. TAYLOR

Relevant professional
qualification(s) or body

(if any):

Address:

6 BELL ACRE
LEITCHWORTH
SG6 2BS

Section B

Disclosure

Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.