

Charity Registration No. 1186934

EAST LOOE TOWN TRUST CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

EAST LOOE TOWN TRUST CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr L D J Tansley	
	Mr P Gibson	
	Mr A Bishop	
	Mr B Gallpeau	
	Mr S Tanner	
	S Hawkins	(Appointed 9 March 2021)
	P Stephenson	(Appointed 9 March 2021)
	S Gill	(Appointed 9 March 2021)
	Mr F Warne	
Charity number	1166934	
Registered office	East Looe Town Trust Guildhall Fore Street East Looe Cornwall PL13 1AA	
Auditor	Prydis Accounts Ltd Senate Court Southernhay Gardens Exeter Devon EX1 1NT	

EAST LOOE TOWN TRUST CIO

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EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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 1 January 2019)".

Objectives and activities

The Objects of the CIO are for the 'Area of Benefit' which is 'the area covered by Looe Town Council':

I. To further or benefit the residents of the Area of Benefit, without distinction of sex, sexual orientation, race or of political, religious or other opinions by association together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities, including the beach, seafront and Wooldown, in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents;

II. To advance the education of the public:

In the history and heritage of Looe and the 'Area of Benefit' by the provision of a museum;

By the provision of grants and services for children and young people aged under 25.

III. To promote for the benefit of the public the conservation protection and improvement of the physical and natural environment, including promoting biodiversity;

IV. The prevention or relief of poverty and the relief of sickness by providing grants, items and services to individuals in need and / or charities, or other organisations working to prevent or relieve poverty and sickness in the 'Area of Benefit';

V. The provision of facilities for the recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants;

VI. In furtherance of these objects but not otherwise, the trustees shall have the power to:

Establish or secure the establishment of a community centre and to agree or co-operate with any statutory authority in the maintenance and management of such a centre for activities promoted by the charity in furtherance of the above objects in the 'Area of Benefit' by providing grants, items and services to individuals in need to prevent or relieve poverty.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

In all our work the Trustees have regard to the Charity Commission's guidance on public benefit.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Activities

Governance and the challenge of Covid 19.

The final in-person Board meeting in the Guildhall took place in March 2020. For the rest of 2020 meetings took place on their scheduled dates via Zoom conference calls. This presented many challenges for staff and trustees, but overall the hard work of the Trust Manager and trustees during the previous year to develop our systems ensured that we maintained a normal flow of information, engagement and good decision-making.

Progress was made on all of our current priority projects, with the unplanned challenges being overcome as they presented, and our priorities were routinely updated at the end of the year.

During the initial staff furlough period the Board resolved to supplement the Government Furlough pay of our two furloughed staff, and make it up to 100% of normal pay. At the conclusion of the first furlough period both staff members were recalled to full duties within Covid-secure arrangements. These arrangements have taken a lot of time to devise and relied on goodwill from all. Covid security has a high cost in terms of productivity and difficulty in securing the services of third party providers. So, while progress was achieved it was not as much in many cases as could be hoped. We were in receipt of business continuation grants in respect of the Guildhall and the museum.

The Trust Manager has borne the brunt of keeping up to the minute with shifting Covid regulations and advising the Board and Museum team leader. Prodigious effort was required by the Museum team leader to produce the documentation required for the summer public reopening, and maintaining the morale of the public facing volunteers.

Close liaison was also kept with Trust tenants' Covid issues, assisted in this by a small team of trustees who dealt with Covid issues as they arose and reporting to the Board. An early Board action was writing to all tenants asking whether there were any novel ways the Trust could help their business viability during the crisis, and a number of them took advantage of easements and permissions outside the terms of their leases. A partial deferment in rent was offered, and the Board resolved the circumstances where rent could be waived.

Achievements and performance

Review by Property

The Trust's provision without charge of public open spaces became a critically important issue during the onset of the Covid 19 pandemic during most of 2020. The extent and nature of public enjoyment of the beach, seafront and Wooddown became the focus of much public and official attention during lockdowns and social distancing. The Trust worked closely with Looe Town Council, police and others to provide a Covid secure environment. The Trust has no power or capacity itself to enforce social distancing measures in our open public spaces, but overwhelmingly we found that people acted responsibly within the rules.

We were strongly aware that our open spaces offer a positive benefit for the mental and physical health of residents. The Board recognised the dedication of all staff to ensure that they were kept open and in good shape for the public.

Specific developments include the formation of Looe Sea Swimming Group which joins the Looe Sailing and Rowing Clubs as regular beach users. We welcome them all and the activities they bring; supporting our charitable objects. Sadly Covid restrictions meant the cancellation of the public events that usually take place on the beach and seafront.

Town Beach and Bathing Water Quality

The Covid restrictions brought an end to Environment Agency water quality sampling during the 2020 bathing season, and nationwide, beaches are retaining their previous classification for a further year. The Good classification for our beach is of great health and economic consequence for our town. The regulatory standards and testing regime remain unabated, but there is potential future risk if Government and South West Water cut back on investment in this area.

For this purpose the Trust has continued to support, as a stakeholder, the work to implement a flood prevention scheme that will protect Looe from physical damage, and improve bathing water quality.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Wooldown

A future priority project to update the conservation plan has been held over to 2021. We note the input of Kemow Ecology in support of our flower meadow and bee glades conservation project on the Wooldown, which matures and receives wide public support.

Guildhall

Covid 19 slowed progress on the Guildhall clock tower repairs which will be reliant on providing access scaffolding. This together with the necessary works will be put out to tender, but the Board is concerned that it will be of considerable cost which will make a significant impact on our reserves when it is commenced in 2021.

Also resolved for progress in 2021 is the development of a mid-term strategy that will take account of the fact that the Looe Town Council is no longer a Guildhall tenant and no longer requires the Council Chamber for meetings. The future use of the Guildhall first floor and other property will be considered in the light of our identified over-reliance on commercial rented property for Trust income.

Old Guildhall Museum & Gaol

The museum is made viable by our volunteer museum guides and curatorial team. A special regime of online booked group visits was developed, and the museum was open at every opportunity; at a low cost to encourage the widest take up, in accordance with our charitable objects. The Museum is a participant in a significant augmented virtual reality project lead by the Cornwall Museum Partnership, and very active work was done by the team during 2020 to deliver improved displays for the 2021 season. Work continued to maintain their status as Looe's accredited museum.

Car Parks

The Trust derives crucial income from three car parks in East Looe. The annual parking permits are commensurate in cost with others in Looe, and kept under annual review. There is a reasonable waiting list for each car park.

Tea Room

The Trust provides free of charge a community Tea Room, on the ground floor of the Guildhall. It has level access from street level, is normally used six days a week as a community drop-in centre, and managed by a team of volunteers. The tea room club did not reopen after the first lockdown, and is expected to reopen in June 2021. Over Christmas and New Year the room was used to distribute free clothing.

Old Lifeboat Station & Watchtower

The restoration of this Grade II listed building was our first priority. Leading heritage architects LePage were contracted to advise us in public consultation work, but this was stalled prematurely by lockdown, and the Lottery Heritage Fund's announcement that the fund was closed for the rest of the year. Further decay in the building was prevented by wet material from inside the building being stripped and removed. The project remains the first priority and funding work has begun again in 2021.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

A completed priority was the adoption of a system compliant with Charly Commission guidance; Internal financial controls for charities (CC8).

We reviewed our reserves policy which stands unchanged in view of expected large maintenance expenditure and potential capital expenditure regarding the Gullidhall.

Income

We have worked closely with all of our tenants and other patrons to support them during the very difficult trading conditions in the year providing payment support where appropriate.

A small amount of revenue was lost due to Covid 19 mostly resulting from the restriction on gatherings preventing weddings and other one off events such as Looe Live.

Despite these difficulties our income from rentals has increased during the year. This is the result of better use of the seafront car park area and fewer months of under occupation of our properties.

Our income was also supported by the receipt of grants from the local authority and government schemes.

The Trust received an £8,800 contract payment from Cornwall Council (£8,000 in 2019) for cleaning and waste disposal on the concrete sea defences on the seafront, which are owned by the council.

Expenses

Some cost savings have been made as result of Covid 19. Some planned maintenance was delayed and property running costs were reduced wherever possible (such as turning heating down) to protect Trust funds. There is an expectation that maintenance costs in the coming year may be higher as we work to ensure that all planned maintenance is carried out and all trust areas are well presented during the busy summer months of 2021.

Extra wages were incurred for maintenance and cleaning support in summer 2020 as the lockdown ended and people were utilising the seafront and beach for outdoor meetings. We expect this to continue in 2021, along with a further rise in visitor as more people holiday in the UK. Extra maintenance support will be incurred during this period.

Identified significant expenditure

Following advice from our solicitors, the Trust is in negotiation with two tenants in order to update leases reflecting a change in the law. Negotiations have extended into 2021 backed by expensive legal advice. We will use our best endeavours to avoid the significant cost of litigation, but will act in compliance with the law and in the best interests of the Trust.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

It is the policy of the charity that there is a designated reserve which should be maintained at a level equivalent to six months operating expenditure.

A further designated reserve set at 10% of the book value of the properties is maintained in order to provide protection against any uninsured repairs, losses and other property maintenance outside of the normal course of operations.

The trustees consider that reserves of this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The full details of these reserves can be found in Note 24 of the financial statements:

Closing reserve balances are as follows:

General reserve - £2,914,158

Revaluation reserve - £279,358

Designated reserve - £398,559

The trustees review the reserves policy at least annually, but may also update more regularly to monitor the impact of any major projects or planned future developments as required.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee.

The organisation has been incorporated as a Charitable Incorporated Organisation (CIO) and as such has no equity holdings. Therefore the Trustees of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debt and liabilities should the organisation be wound up.

Trustees do no benefit from their involvement in the organisation in any way. No remuneration or other rewards are conferred to Trustees for their services.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr L D J Tanaley

Mr P Gibson

Mr C L Watson

(Retired 13 February 2020)

Mr A Bishop

Miss C L Lyden

(Retired 10 June 2020)

Mr B Galipeau

Mr S Tanner

S Hawkins

(Appointed 9 March 2021)

P Stephenson

(Appointed 9 March 2021)

S Gill

(Appointed 9 March 2021)

Mr F Warne

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trust has a detailed policy for the recruitment of Trustees which supports the governing document. The governing document requires between 4 and 10 Trustees who are appointed for a 4 year term by resolution at a trustees meeting.

Trustees must be over 18, subject to a CRB check, returning a clear report and must live within the Looe Town Council Area.

Recruitment is by way of public advertisement followed by written application and an interview, before a proposed trustee is brought before a meeting for approval.

Following the retirement of two trustees in the period and as a result of the Covid 19 pandemic the Trustees made a decision to delay the appointment of new Trustees until the restrictions had been lifted and day to day life had returned to more 'normal' routines. This was in the best of interests of both the Trust and the potential Trustees in being able to interview face to face and to ensure that the longer term requirements of the position could be explained.

All trustees are required to confirm annually by way of a register any potential conflicts of interest or related party relationships which may influence their judgement on any trust matter.

This register is reiterated at the start of every meeting, by confirmation of specific conflicts relating to items on the meeting agenda. Upon discussion of any item where a conflict exists the remaining Trustees consider the circumstances and advise the trustee of their level of their permitted involvement in the discussion, or ask the member to leave the meeting as required.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees 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 year.

In preparing these financial statements, the trustees are required to:

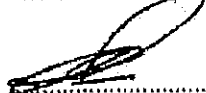
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Communication

The Trust continues to attach importance to communicating our activities and the services we provide in our area of benefit. Our Facebook page increased its Followers with regular postings and active feedback. Web site, Bi-monthly reports in the Community News, occasional media releases, and monitoring TripAdvisor entries relating to Trust property allows us to engage with feedback from visitors to aid improvements. The Museum has its own Facebook page and web site.

The trustees' report was approved by the Board of Trustees.



Mr A Bishop

Trustee

Dated: 26/8/2021

EAST LOOE TOWN TRUST CIO

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EAST LOOE TOWN TRUST CIO

Opinion

We have audited the financial statements of East Looe Town Trust CIO (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note [X] to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

EAST LOOE TOWN TRUST CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EAST LOOE TOWN TRUST CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

EAST LOOE TOWN TRUST CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EAST LOOE TOWN TRUST CIO

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Gary Randall (Senior Statutory Auditor)
for and on behalf of Prydis Accounts Ltd
Chartered Accountants
Statutory Auditor

27/08/2021

Senate Court
Southernhay Gardens
Exeter
Devon
EX1 1NT

Prydis Accounts Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

EAST LOOE TOWN TRUST CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	470	3,774	4,244	560	5,209	5,769
Charitable activities	4	263,892	5,833	269,725	217,685	-	217,685
Investments	5	2,327	-	2,327	1,939	-	1,939
Other income	6	-	-	-	11,747	-	11,747
Total Income		266,889	9,607	276,296	231,931	5,209	237,140
<u>Expenditure on:</u>							
Charitable activities	7	200,675	9,607	210,282	209,289	5,209	214,498
Net income for the year/ Net movement in funds		66,014	-	66,014	22,642	-	22,642
Fund balances at 1 January 2020		3,526,061	-	3,526,061	3,503,419	-	3,503,419
Fund balances at 31 December 2020		3,592,075	-	3,592,075	3,526,061	-	3,526,061

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

EAST LOOE TOWN TRUST CIO

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		41,474		50,653
Heritage assets	14		1		1
Investment properties	15		3,063,500		3,063,500
			<u>3,104,975</u>		<u>3,114,154</u>
Current assets					
Stocks	17	530		383	
Debtors	18	20,674		17,182	
Investments	19	147,584		147,594	
Cash at bank and in hand		419,105		327,674	
		<u>587,803</u>		<u>492,833</u>	
Creditors: amounts falling due within one year	21	(100,703)		(79,812)	
Net current assets			<u>487,100</u>		<u>413,021</u>
Total assets less current liabilities			<u>3,592,075</u>		<u>3,527,175</u>
Creditors: amounts falling due after more than one year	22		-		(1,114)
Net assets			<u><u>3,592,075</u></u>		<u><u>3,526,061</u></u>
Income funds					
Fixed Assets		4,818		5,622	
Grant Income		(4,973)		(5,777)	
Cash		155		155	
		<u></u>		<u></u>	
Unrestricted funds					
Designated funds	24	398,559		435,763	
General unrestricted funds		2,914,168		2,810,940	
Revaluation reserve		279,358		279,358	
		<u></u>		<u></u>	
			<u>3,592,075</u>		<u>3,526,061</u>
			<u><u>3,592,075</u></u>		<u><u>3,526,061</u></u>

The financial statements were approved by the Trustees on

Mr P Gibson
Trustee

Mr A Bishop
Trustee

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

East Looe Town Trust is a Charitable Incorporated Organisation (1166934) that was registered in England and Wales on 5 May 2016 to take forward the work of the unincorporated Charity number 234116.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gifts in kind for sale or distribution are included in the accounts at the point of receipt and are included at fair value unless there is a practical reason why this is not possible, or the costs of recognition of an item, outweigh the benefit of its inclusion. This is a departure from the recognition on sale policy previously operated by the charity. This change has been required following the adoption of the FRS102 SORP.

Donated services and facilities are only included in the incoming resources (with an equivalent amount in resources expended) where material and where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.

Where conditions exist, grants are shown as restricted and the appropriate costs are allocated against the income. Where expenditure has not been made in full income is carried forward until expenditure conditions are met.

1.5 Expenditure

Expenditure is recognised:

- once there is a legal or constructive obligation committing the charity to pay out resources;
- It is probable that a settlement would be required;
- the amount of the obligation can be measured reliably.

Support costs are proportioned based on the usage for, or time spent on, indirect activities. Apportionments are made on a reasonable and consistent basis.

Governance costs include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Whilst the charity relies upon and is very grateful for the huge amount of time and energy provided by its volunteers, no adjustments are made to the accounting figures to take account of his contribution.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% reducing balance
Fixtures and fittings	20% reducing balance
Computers	33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	470	76	546	560	544	1,104
Grants	-	3,698	3,698	-	4,665	4,665
	<u>470</u>	<u>3,774</u>	<u>4,244</u>	<u>560</u>	<u>5,209</u>	<u>5,769</u>

Conditional grants have been received in the year. The amount above includes the income received / released after adjustment for expenditure in the period.

4 Charitable activities

	Charitable Activities	Charitable Income - restricted	Total 2020	Charitable Activities
	2020 £	2020 £	£	2019 £
Rent of seafront properties	41,191	-	41,191	37,898
Cornwall Council - Beachfront cleaning contract	8,600	-	8,600	8,000
Car parks	71,696	-	71,696	64,570
Market house rents	26,821	-	26,821	25,674
Guildhall rents and other income	71,874	-	71,874	66,280
Concessions and museum admissions & sales	5,037	-	5,037	16,198
Other income	38,673	5,833	44,506	65
	<u>263,892</u>	<u>5,833</u>	<u>269,725</u>	<u>217,685</u>
Analysis by fund				
Unrestricted funds	263,892	-	263,892	217,685
Restricted funds	-	5,833	5,833	-
	<u>263,892</u>	<u>5,833</u>	<u>269,725</u>	<u>217,685</u>

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2020**

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	2,327	1,939
	<u> </u>	<u> </u>

6 Other Income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	-	11,747
	<u> </u>	<u> </u>

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	Charitable Activities	Charitable Activities
	2020 £	2019 £
Staff costs	71,753	69,722
Depreciation and impairment	10,496	12,707
Insurance	11,312	6,767
Utilities	12,654	14,783
Administrative expenses	4,755	3,807
Professional fees	4,062	13,048
Property repairs	24,429	30,231
Museum - other operating costs	3,404	6,620
Beach cleaning and Wooldown	4,879	12,756
	<u>147,644</u>	<u>170,441</u>
Grant funding of activities (see note 9)	725	3,550
Share of support costs (see note 10)	27,366	27,497
Share of governance costs (see note 10)	34,547	13,010
	<u>210,282</u>	<u>214,498</u>
Analysis by fund		
Unrestricted funds	200,675	209,289
Restricted funds	9,607	5,209
	<u>210,282</u>	<u>214,498</u>

8 Charitable Activities

Charitable Activities

As the owner of a number of prominent historic buildings including a museum, a beach and other open spaces in the town of Looe, the charity facilitates the use of these assets for the benefit of the local community. This is achieved by granting leases for local business and other services to use these spaces, alongside other ad hoc activities for the generation of funds, to support the long term preservation of these assets.

Costs above represent the direct expenditure required to protect, run and maintain the properties and work to issue and maintain the leases on the properties.

Any costs associated with the day to day management of the charity, prepare trustees reports and liaise with the board, as well as costs to comply with statutory regulations, are included under governance and support.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Grants payable

	Charitable Activities 2020 £	Charitable Activities 2019 £
Grants to Institutions:		
Looe Darby and Joan Club	-	500
Looe Age Concern	-	250
Plymouth College of Art	-	50
Royal British Legion - wreath	-	25
East Looe Town Council - Christmas tree	-	150
Looe Rainbows	-	50
E Thomas - Specialised equipment funded	-	2,000
Looe Marine Conservation Group	-	200
Looe Show Jumping Team	-	325
Other	725	-
	<u>725</u>	<u>3,550</u>

It is the usual policy of the Trust to consider applications from, and make grants to, local organisations and individuals based on applications received, which are in line with their charitable object. This is subject to an annual budget.

Due to the impact of the Covid 19 pandemic fewer applications were received as many events were cancelled. Trustees also exercised appropriate caution during the period until any financial impact of the situation could be assessed. They hope to resume usual grant funding policies in the next financial year.

10 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	18,758	4,690	23,448	16,496	4,124	20,620
Guildhall utilities	3,028	757	3,785	4,056	1,014	5,070
Insurance	5,177	1,289	6,466	3,806	952	4,768
Postage and stationery	402	1,820	2,022	3,138	1,089	4,227
Audit fees	-	3,300	3,300	-	300	300
Legal and professional	-	22,892	22,892	-	5,532	5,532
	<u>27,365</u>	<u>34,548</u>	<u>61,913</u>	<u>27,496</u>	<u>13,011</u>	<u>40,507</u>
Analysed between Charitable activities	<u>27,365</u>	<u>34,548</u>	<u>61,913</u>	<u>27,497</u>	<u>13,010</u>	<u>40,507</u>

Governance costs Includes payments to the auditors of £3300 (2019- £300) for audit fees.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Charitable activities	4	4
Governance	1	1
	<u>5</u>	<u>5</u>

Employment costs

	2020 £	2019 £
Wages and salaries	<u>95,201</u>	<u>90,342</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost or valuation				
At 1 January 2020	122,688	150,535	6,307	279,530
Additions	800	170	547	1,517
Disposals	(200)	-	-	(200)
At 31 December 2020	<u>123,288</u>	<u>150,705</u>	<u>6,854</u>	<u>280,847</u>
Depreciation and Impairment				
At 1 January 2020	90,513	132,247	6,117	228,877
Depreciation charged in the year	6,555	3,697	244	10,496
At 31 December 2020	<u>97,068</u>	<u>135,944</u>	<u>6,361</u>	<u>239,373</u>
Carrying amount				
At 31 December 2020	<u>26,220</u>	<u>14,761</u>	<u>493</u>	<u>41,474</u>
At 31 December 2019	<u>32,175</u>	<u>18,288</u>	<u>190</u>	<u>50,653</u>

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

(Continued)

14 Heritage assets

Museum
exhibits and
artworks
£

At 1 January 2020 and at 31 December 2020

1

Since transferring to the CIO structure the charity has accounted for the objects in its museum collection, along with the town maces and other individually identified historical artefacts held, as non-operational heritage assets, in accordance with SORP Module 18 Accounting for Heritage Assets. A heritage asset is defined as a tangible or intangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

These have been included at a nominal value of £1, on the basis that valuation of such assets raises a number of issues. Such a valuation is complicated in nature as, whilst each item has an intrinsic value at any given time, this value will fluctuate over even the short term and the intrinsic value of many of the artefacts is down to their local associations. Such items would rarely be sold, and obtaining an expert valuation of these items would therefore be difficult. The collection has been brought together by the Charity through acquisition and donations over a period of over 100 years and includes a very diverse range of objects. It is not therefore felt that such a valuation would provide any meaningful information to the users of the accounts or represent a good use of the CIO's funds to obtain.

The museum has catalogued its entire collection using the MODES computer system and a full catalogue of these assets is available.

Where any assets are disposed of for a material sum this will be treated as income, included within the Statement of Financial Activity and separately identified in the notes as income, for completeness of disclosure.

During the period ended 31 December 2020 no new assets have been received, and no heritage articles have been disposed of.

A small number of assets are on loan to other organisations in order to further promote the work of our own museum.

15 Investment property

2020

Fair value

£

At 1 January 2020 and 31 December 2020

3,063,500

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Investment property

(Continued)

The CIO has taken a policy of securing a full market valuation of all properties every 5 years with interim valuations being taken as part of the ongoing rent review process.

A full market valuation report was prepared by the CIO's new independent valuer Kivells during February 2019. This valuation was utilised from the year ended 31 December 2018 and the trustees feel these values continue to represent the property values at 31 December 2020. Therefore no change is required in the value or the revaluation reserve at the current year end.

On transfer to the new CIO on 1 October 2016 the properties had a book value of £2,609,362. An increase in this cost for the construction of the Guildhall restaurant of £80,914 occurred in the year ended 30 September 2017. Given the very long history of the previous trust, records do not allow for a full cost value of the assets to be stated.

Investment property comprises [XXX]. The fair value of the investment property has been arrived at on the basis of a valuation carried out at [XXX] by [XXX] Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

16	Financial instruments	2020	2019
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	147,594	147,594
17	Stocks	2020	2019
		£	£
	Finished goods and goods for resale	530	383
18	Debtors	2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	12,246	12,955
	Prepayments and accrued income	8,328	4,227
		20,574	17,182

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Current asset investments

	2020 £	2019 £
Unlisted investments	147,594	147,594

20 Finance lease commitments

Future minimum lease payments due under finance leases:

	2020 £	2019 £
Within one year	3,064	7,053
Within two and five years	-	1,114
	3,064	8,167

21 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	20	3,064	7,053
Other taxation and social security		10,057	1,984
Deferred income	23	4,973	5,777
Payments received on account		67,435	55,342
Trade creditors		2,545	92
Other creditors		2,324	2,330
Accruals and deferred income		10,305	7,234
		100,703	79,812

22 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	20	-	1,114

The Hire Purchase agreements are secured on the assets purchased.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Deferred income

	2020 £	2019 £
Arising from Grant Income deferred	4,973	5,777

This represents the remaining grant income received which has been subject to expenditure conditions, which have not yet been fulfilled. All deferred income is restricted in nature.

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020 £	Transfers £	Balance at 31 December 2020 £
Operating reserve	129,413	(37,204)	92,209
Property reserve	308,350	-	308,350
	435,763	(37,204)	398,559

Annual transfer made based on 6 months of unrestricted costs excluding depreciation and discretionary grants.

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	2,190	-
Between two and five years	4,381	-
	6,571	-

26 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

No Trustee receives any remuneration and no expenses are paid to Trustees. Trustees do not carry out any transactions on behalf of the Trust. A Christmas meal is usually provided by the Trust in recognition of their services, although some Trustees choose to reimburse the Trust for this expense. Due to the on going pandemic no such event was provided during 2020.