

Charity Registration No. 1166934

EAST LOOE TOWN TRUST CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

EAST LOOE TOWN TRUST CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr L D J Tansley	
	Mr P Gibson	
	Mr A Bishop	
	Mr B Galipeau	
	Mr S Tanner	
	Ms S Hawkins	(Appointed 9 March 2021)
	Ms P Stephenson	(Appointed 9 March 2021)
	Mr S Gill	(Appointed 9 March 2021)
	Mr F Warne	
Charity number	1166934	
Registered office	East Looe Town Trust The 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 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

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

Objectives

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 2021

Activities

Governance and the challenge of Covid 19

Trust Board meetings recommenced in the Council Chamber in June 2021. We are clear that in-person meetings are preferred to zoom, but we have learned that on occasions a zoom meeting can be a useful option especially at short notice. We will continue to utilise them occasionally, and we have learned that it is possible for an in-person meeting to be 'attended' by an individual via zoom.

Complying with fluctuating Covid-security protocols reduced efficiency to some extent as it did the deployment of staff. The availability of contractors continued to be restricted.

The Trust benefitted from the high level of staff flexibility in covering duties. The Trust Manager and administrator have lap-top computers and worked from home frequently, though subject to Covid protocols the office was covered as much as possible. Our experience with this has led us to see the need to review our office requirements, discussed below.

Overseas Covid travel restrictions increased both the number of visitors and the length of the season, with the boost in visitor numbers continuing through the autumn to Christmas. This undoubtedly assisted our tenants, all of whom sustained their businesses though the year, assisted in several cases by our agreeing concessionary measures, granted beyond the terms of their leases. The increased demand and lengthened season placed extra demand on our maintenance team, discussed further below.

Achievements and performance

Review by Property

The Trust's charitable objects emphasise the importance of our provision of open public spaces for the health and wellbeing of all, and in 2021 the Covid pandemic has highlighted that. Local people and visitors have played their part and, with very few exceptions, have enjoyed the free facilities with common sense and good humour during the pandemic. The public continue to be appreciative of the facilities, as the feedback from our frequent social media posts confirms.

Town Beach and Bathing Water Quality

Once again our beach has met the statutory bathing water quality challenge, and we were delighted that we have retained our Good bathing water classification for 2022. We continue to make opportunities to keep the bathing water quality messages in the public eye, and work cooperatively with the Looe Marine Conservation Group and other partners. We completed our priority project of replacing our seafront signage with the modern RNLI pattern having reviewed beach safety. We seek to avoid conflicting water activities during the swimming season by identifying a Swim Zone by yellow buoys. These have been universally welcomed by the sea swimmers' group and other beach users.

We were disappointed that Covid precautions prevented the Looe Music Festival taking place on the beach with the resultant loss to the local economy; the Cinema on the Sands was also absent and was a lost opportunity to increase the variety and amenity of the seafront that we would wish. Overall, the seafront businesses benefitted from the extended season resulting from the overseas travel bans.

During the year we were able to offer the beach and seafront to support many groups' events, e.g.: Looe Rowing Club, Looe Sailing Club Rotary Club, Looe Boat Owners Association, RNLI, United Beach Missions, Pioneers, and Purple Gecko running clubs, yoga and Pilates classes, Band and Choir concerts.

Invariably our Trust Manager and maintenance team put considerable effort into liaising with organisers before and during events without charge, and we consider this to be a significant charitable activity.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Old Lifeboat Station & Watchtower

In spite of Covid restrictions we continued work on our No.1 priority, to secure funding for this Grade II listed building. The board approved the vision for the project which aims to preserve both community heritage and regeneration of the building and surrounding Church End character area. Letters of support were received and public open days organised with universal public support for the project. An application was submitted to the Lottery Heritage Fund in March 2022, and the scheme cannot be delivered without a significant award. We have appointed Le Page conservation architects, whose work to date has been at the expense of the Trust.

Old Guildhall Museum & Gaoi

The Grade II* listed Old Guildhall was open for the public throughout the 2021 season within fluctuating Covid regulations. The entire volunteer team worked hard to achieve that. The museum Facebook group continues to grow, and the number of volunteers continued to grow within an environment of new exhibits, accessioning new artefacts, and exhibition design. They put a great deal of work into the presentation of two interactive displays which the museum had been awarded under the Coastal Communities Wave project. They look at Looe island from the perspective of Mediaeval pilgrimage, and smuggling. The season was closed with a major public exhibition of the Raddy Collection of full-plate historic photographs of Looe and district. The project preserved the glass plate images digitally. The Trust is grateful to the Raddy family for making the plates available, continuing the support of the late Mr. Colin Raddy.

The public exhibits demonstrated the power of old photographs to stimulate reminiscences families, and has prepared the ground for a similar approach being used to deliver the Old Lifeboat Station project.

Guildhall

The Grade II listed Guildhall hosted several weddings, always subject to changing Covid precautions. The building is seen as a good value wedding venue, but is rarely hired for other purposes facing stiff competition from modern purpose built public halls with good parking. Work began on a mid-term building strategy and Le Page were engaged to provide outline options for pre-feasibility discussion. This work has paused because of cash flow uncertainties post-covid, the unknown final cost of the Guildhall Clocktower restoration, and the outcome of the Old Lifeboat Station project bid.

In the autumn work began on the restoration of the Guildhall clocktower, supervised by conservation surveyors, Scotts of Truro. It is proceeding to plan and demanded an expensive bespoke scaffolding design to access all sides of the tower. We took the opportunity to thoroughly refurbish the clock and its four dials, which added significantly to the costs, which as planned, is being taken from our building reserves.

Guildhall Tea Room

The ground floor tea room we provide free of charge to volunteers who run a community tea room. This was mainly suspended as a result of Covid precautions but we are optimistic that it will resume normal opening hours during 2022.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Wooldown

The Wooldown is more than 16 acres of former farm land which is maintained without charge to the public as open access recreational space. It is within the Looe Conservation Area, and has been a valuable boost to public wellbeing during the Covid pandemic. We continue to receive great public support for our conservation scheme which creates bee glades and flower meadow to support the local colony of longhorn mining bees, and other species. We have continued to work with the advice and input of Kernow Ecology.

Car Parks

The Trust rents car parking spaces via annual permits at the Seafront, Market Square, and Shutta. The charges are reviewed annually. Last year there was no increase, and permit holders were given an option to pay in two instalments, reflecting the economic pressures of the pandemic. There is a small waiting list for spaces at each car park.

Charitable Giving

The marked reduction in charitable award applications continued during the second pandemic year. Clubs and social activities were strongly supported when they were able to take place. We will keep access to grants under review.

Management of Priorities

The Trust continues to review and reset its priorities on an annual basis as part of the budget setting round.

Financial review

We have maintained our Reserves policy this year, as it provides adequate ongoing operating reserves at the current time.

A full review is planned once the current year's building expenditure has been completed and the outcome of the funding bid is known.

Having not been updated for several years, the investment policy is currently under review. The trustees wish to ensure that the ongoing investment strategy, to support the long term future of the trust is appropriate, given current global market difficulties.

The system for financial controls complies with guidance and the spot checks were carried out by two Trustees visiting the office and checking the system. Random spot checks on financial transactions were also carried out by other trustees.

All recommendations from the last audit have been implemented.

Identified potential 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, delayed by Covid restrictions, have extended into 2022 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 2021

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 21 of the financial statements:

Closing reserve balances are as follows:

General reserve - £2,859,772

Revaluation reserve - £279,358

Designated reserve - £451,488

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.

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.

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 Tansley

Mr P Gibson

Mr A Bishop

Mr B Galipeau

Mr S Tanner

Ms S Hawkins

Ms P Stephenson

Mr S Gill

Mr F Warne

(Appointed 9 March 2021)

(Appointed 9 March 2021)

(Appointed 9 March 2021)

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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.

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



Mr P Gibson

Trustee

Dated: 9/8/22



Mr A Bishop

Trustee

Dated: 9/8/22

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 2021 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 2021 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 1.1 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.

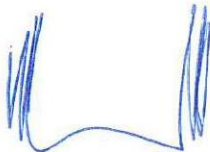
This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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**

9/8/2022

**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 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	2	407	5,357	5,764	470	3,774	4,244
Charitable activities	3	240,931	13,000	253,931	263,892	5,833	269,725
Investments	4	2,149	-	2,149	2,327	-	2,327
Total income		243,487	18,357	261,844	266,689	9,607	276,296
Expenditure on:							
Charitable activities	5	244,944	18,357	263,301	200,675	9,607	210,282
Net (expenditure)/income for the year/							
Net movement in funds		(1,457)	-	(1,457)	66,014	-	66,014
Fund balances at 1 January 2021		3,592,075	-	3,592,075	3,526,061	-	3,526,061
Fund balances at 31 December 2021		3,590,618	-	3,590,618	3,592,075	-	3,592,075

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		34,074		41,474
Heritage assets	12		1		1
Investment properties	13		3,063,500		3,063,500
			3,097,575		3,104,975
Current assets					
Stocks	15	711		530	
Debtors	16	26,666		20,574	
Investments	17	60		60	
Cash at bank and in hand		570,911		566,639	
		598,348		587,803	
Creditors: amounts falling due within one year	19	(105,305)		(100,703)	
Net current assets			493,043		487,100
Total assets less current liabilities			3,590,618		3,592,075
Income funds					
Fixed Assets		3,814		4,818	
Grant Income		(3,969)		(4,973)	
Cash		155		155	
Unrestricted funds					
Designated funds	21	451,488		398,559	
General unrestricted funds		2,859,772		2,914,158	
Revaluation reserve		279,358		279,358	
			3,590,618		3,592,075
			3,590,618		3,592,075

The financial statements were approved by the Trustees on 9/1/2022

Mr P Gibson
Trustee

Mr A Bishop
Trustee

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements and to provide VAT and payroll tax advice as required.

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 2021

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. Apportionment's 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 2021

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 2021

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.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	407	4,352	4,759	470	76	546
Grants	-	1,005	1,005	-	3,698	3,698
	<u>407</u>	<u>5,357</u>	<u>5,764</u>	<u>470</u>	<u>3,774</u>	<u>4,244</u>

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

3 Charitable activities

	Charitable Activities	Charitable Income - restricted	Total 2021	Charitable Activities	Charitable Income - restricted	Total 2020
	2021 £	2021 £	£	2020 £	2020 £	£
Rent of seafront properties	40,753	-	40,753	41,191	-	41,191
Cornwall Council - Beachfront cleaning contract	8,800	-	8,800	8,600	-	8,600
Car parks	72,956	-	72,956	71,696	-	71,696
Market house rents	27,088	-	27,088	26,821	-	26,821
Guildhall rents and other income	77,447	-	77,447	71,874	-	71,874
Concessions and museum admissions & sales	13,651	-	13,651	5,037	-	5,037
Other income	236	13,000	13,236	38,673	5,833	44,506
	<u>240,931</u>	<u>13,000</u>	<u>253,931</u>	<u>263,892</u>	<u>5,833</u>	<u>269,725</u>
Analysis by fund						
Unrestricted funds	240,931	-	240,931	263,892	-	263,892
Restricted funds	-	13,000	13,000	-	5,833	5,833
	<u>240,931</u>	<u>13,000</u>	<u>253,931</u>	<u>263,892</u>	<u>5,833</u>	<u>269,725</u>

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	2,149	2,327

5 Charitable activities

	Charitable Activities	Charitable Activities
	2021	2020
	£	£
Staff costs	75,264	71,753
Depreciation and Impairment	8,600	10,496
Insurance	8,387	11,313
Utilities	16,367	12,554
Administrative expenses	5,391	4,755
Professional fees	8,154	22,892
Property repairs	70,848	24,429
Museum - other operating costs	14,323	3,404
Beach cleaning and Wooldown	8,819	4,879
	216,153	166,475
Grant funding of activities (see note 7)	1,275	725
Share of support costs (see note 8)	28,959	27,366
Share of governance costs (see note 8)	16,914	15,716
	263,301	210,282
Analysis by fund		
Unrestricted funds	244,944	200,675
Restricted funds	18,357	9,607
	263,301	210,282

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 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.

7 Grants payable

	Charitable Activities 2021 £	Charitable Activities 2020 £
Grants to institutions:		
Looe Darby and Joan Club	250	-
Looe Age Concern	250	-
Royal British Legion - wreath	25	25
Rotary Club of Liskeard and Looe	500	-
A Moschakis for attendance at a football academy	250	500
G Gibbs ballet school support	-	200
	<u>1,275</u>	<u>725</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.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	19,107	4,777	23,884	18,758	4,690	23,448
Guildhall utilities	3,381	845	4,226	3,028	757	3,785
Insurance	5,190	1,292	6,482	5,177	1,289	6,466
Postage and stationery	1,280	1,500	2,780	402	1,620	2,022
Audit fees	-	3,465	3,465	-	3,300	3,300
Legal and professional	-	5,036	5,036	-	4,061	4,061
	<u>28,958</u>	<u>16,915</u>	<u>45,873</u>	<u>27,365</u>	<u>15,717</u>	<u>43,082</u>
Analysed between Charitable activities	<u>28,958</u>	<u>16,915</u>	<u>45,873</u>	<u>27,366</u>	<u>15,716</u>	<u>43,082</u>

Governance costs includes payments to the auditors of £3,465 (2020- £3,300) for audit fees.

9 Trustees

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

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities	4	4
Governance	1	1
	<u>5</u>	<u>5</u>
Employment costs	2021	2020
	£	£
Wages and salaries	99,148	95,201

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

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2021**

11 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost or valuation				
At 1 January 2021	123,288	150,705	6,854	280,847
Additions	1,200	-	-	1,200
At 31 December 2021	124,488	150,705	6,854	282,047
Depreciation and impairment				
At 1 January 2021	97,068	135,944	6,361	239,373
Depreciation charged in the year	5,484	2,954	162	8,600
At 31 December 2021	102,552	138,898	6,523	247,973
Carrying amount				
At 31 December 2021	21,936	11,807	331	34,074
At 31 December 2020	26,220	14,761	493	41,474

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Heritage assets

Museum
exhibits and
artworks
£

At 1 January 2021 and at 31 December 2021

1

The charity accounts 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 2021 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.

13 Investment property

2021

Fair value

£

At 1 January 2021 and 31 December 2021

3,063,500

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 2021. 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.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Financial Instruments	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	60	60
	<u> </u>	<u> </u>
15 Stocks	2021	2020
	£	£
Finished goods and goods for resale	711	530
	<u> </u>	<u> </u>
16 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	15,801	12,246
Prepayments and accrued income	10,865	8,328
	<u> </u>	<u> </u>
	26,666	20,574
	<u> </u>	<u> </u>
17 Current asset investments	2021	2020
	£	£
Unlisted investments	60	60
	<u> </u>	<u> </u>
18 Finance lease commitments		
Future minimum lease payments due under finance leases:		
	2021	2020
	£	£
Within one year	-	3,064
	<u> </u>	<u> </u>

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	18	-	3,064
Other taxation and social security		19,480	10,057
Deferred income	20	3,969	4,973
Payments received on account		66,643	67,435
Trade creditors		4,589	2,545
Other creditors		2,178	2,324
Accruals and deferred income		8,446	10,305
		<u>105,305</u>	<u>100,703</u>

20 Deferred income

	2021 £	2020 £
Arising from Grant income deferred	<u>3,969</u>	<u>4,973</u>

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.

21 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 1 January 2021 £	Transfers £	Balance at 31 December 2021 £
Operating reserve	129,413	(37,204)	92,209	15,725	107,934
Property reserve	306,350	-	306,350	-	306,350
	<u>435,763</u>	<u>15,725</u>	<u>435,763</u>	<u>15,725</u>	<u>451,488</u>

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

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2021**

22 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:

	2021 £	2020 £
Within one year	730	2,190
Between two and five years	730	4,381
	<u>1,460</u>	<u>6,571</u>

23 Related party transactions

There were no disclosable related party transactions during the year (2020 - 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 2021.