

Charity Registration No. 1166934

EAST LOOE TOWN TRUST CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

EAST LOOE TOWN TRUST CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P Gibson Mr A Bishop Mr B Galipeau Mr S Tanner Ms S Hawkins Ms P Stephenson Mr S Gill 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 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

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 2022

Activities

We are dependent for income upon commercial leases, and licences, such as parking permits. The Trust has consolidated its recovery from the pandemic disruption, and business tenancies have remained resilient as the Looe economy continued to enjoy an extended season and relatively strong visitor footfall. A shop lease was reassigned by agreement during the year after only a short void period. The trust has continued to support tenants where it can to improve their turnover and profitability, for instance, social media promotions and publicity from our tenants were regularly shared on our Facebook account which considerably extends their reach.

Cooperation with other town organisations

The Trust was pleased that the informal cooperation meetings between the larger town organisations recommenced after the pandemic. They are an opportunity to discuss matters of common interest and highlight current and future plans. An excellent level of day-to-day working liaison also went on throughout the year.

Achievements and performance

The Trust's charitable objects emphasise the importance of our provision of open public spaces for the health and wellbeing of all. The Board is confident that people in our area of benefit value these without-charge amenities, and for the most part understand that it is provided by our charity's activities and not by the Local Authority as elsewhere.

Beach and Seafront

The trust understands the importance of keeping the beach clean to enhance the reputation of Looe as an attractive place to live and visit. As such they are pleased to continue this work, despite the financial burden this places on the Trust.

Through this hard work our beach has met the designated bathing water quality standard, and has retained its Good classification for 2023. Between 1st May and 30th September each year our staff continue to post the beach daily bathing water pollution risk forecasts (prf). These are designed to keep the public informed about predicted bathing water quality, and have been refined, to better to reflect local conditions.

Pollution Risk Forecasts (prf's) are linked with weekly Environment Agency (EA) water quality testing. A negative development in 2022 was that a change in the way DEFRA publish information led to news, and social media publishing reports that conflated actual pollution incidents around Looe with the prf predictions. Alongside other organisations, we are liaising with EA to clarify the presentation of public information and will watch with concern the outturn on this problem during 2023.

Events on the Beach

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.

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

Old Lifeboat Station & Watchtower

Our No.1 priority at this time is to secure funding for the Grade II listed building which is near derelict. Our vision for the project is to preserve community heritage, repurpose the building and stimulate the regeneration of the surrounding Church End character area. An application was submitted to the Lottery Heritage Fund in March 2022 but did not meet all their current priorities. The scheme cannot be delivered without a significant award, and at the end of the year we were invited by the Cornwall and Isles of Scilly Good Growth fund to make an application into the Heritage Led Regeneration funding stream. We have appointed Le Page conservation architects whose work to date has been funded by the Trust.

Old Guildhall Museum & Gaol

The Grade II* listed Old Guildhall Museum & Gaol was open to the public between Easter and 30 October 2022 with thanks to our volunteer guides. Following a winter programme of curatorial work the team paid special attention to improving access to the collection particularly wheelchair users. Essential work was completed to comply with museum accreditation requirements. Admission charges are kept low, and the Trust ploughs all museum income back into the museum.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Guildhall

The Grade II listed Guildhall hosted several weddings and though numbers are recovering from the Covid level, there continues to be little general demand for the Council chamber as a public hall since Looe Town Council moved out. An exception was the Guildhall and other trust property, used by a film production company for shooting scenes from a TV series, *'Beyond Paradise'*. There has been considerable benefit for Looe's visitor profile and a number of our tenants receive positive publicity. However, the Guildhall first floor is not sustainable at this rate and we keep open our mid-term building strategy, looking at alternative ways of managing weddings, and monitoring potential town council proposals for town centre regeneration.

In the autumn of 2021 work began on the restoration of the Guildhall clocktower, supervised by conservation surveyors, Scotts of Truro. Work proceeded to plan and demanded a complex scaffolding to access all sides of the tower. We refurbished the clock and its four dials, which added significantly to the overall costs.

The cost of the overall project was around £150,000, which was covered by our building reserve fund. The costs are included within repairs under the direct charitable expenses. The length of the project has resulted in the costs of the expenditure being spread between the 2021 and 2022 financial years.

Further Guildhall survey work identified work that needs to be programmed over future years. Work on the roof will be likely, and the Trust is monitoring the potential for PV slates in the Conservation Area on listed buildings. A positive trend is developing in renewable energy in conservation areas which could defray costs and create sustainable income.

Guildhall Tea Room

We provide use of a room and the equipment in the Guildhall free of charge to allow a team of volunteers to run a community tea room, which is thriving again after Covid. Whilst the organisation is an entirely self-contained tea club, the trust do provide occasional light touch support to the volunteers.

We were delighted to be able to offer the use of the same tea room facilities to another group on some afternoons to provide mental health support.

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 purposely maintained in the form of cliff-top fields and hedgerows; though this does increase costs.

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*. Some interesting work was done to increase the range of the common lizards. We welcomed a generous donation from *Trelay Holiday Park* to pay for the autumn cut for the bee glades - for which a specialist remote controlled cutter is required. We can imagine several areas of Trust activity where sponsored support could be given. We would like to be able to give higher priority to updating our conservation management plan for the Wooldown.

Car Parks

The Trust issues annual car parking permits at the seafront, Market Square, and Shutta. The charges are reviewed annually. In 2022 there was a 3% increased charge, and permit holders retain an option to pay in two instalments, reflecting the economic pressures. There is a small waiting list for spaces at each car park.

Charitable Giving

Charitable giving has recovered to previous levels (see note 7), as has our meeting requests for benefits-in-kind such as free use of meeting rooms, and notably working with Looe Lions to present the Beacon lighting celebrating the Late Queen's platinum jubilee. We will keep access to grants under review to ensure best value for trust funds.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Management of Priorities

The Trust formally reviews and resets its management priorities annually and throughout the year as part of the budget setting round. It is an essential process to avoid waste and overstretch.

External priority - Looe flood defence

The Trust is a participating stakeholder in the engineering studies being undertaken to design and secure funding for a flood defence; to protect the people in our area of benefit. We have an active view on the threat to lives and buildings posed by unconstrained storm water entering the harbour. As custodians of three listed buildings, and with staff and tenants at risk, we strongly support an effectively engineered solution. In taking this view we note the serious harbour wall damaged in 2014 by a severe storm, and the very frequent rising of flood water in the streets. As regards the frequent flooding, we have an interest in reversing the depressed property values, blocked investment, and restriction of economic growth in Looe. We have a further interest in conserving and improving the bathing water quality on East Looe Beach, current storm defence proposals offer the prospect of excellent quality.

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 through 2022 backed by expensive legal advice. We will use our best endeavours to minimise the significant cost of litigation, but will act in compliance with the law and in the long-term interest of the Trust

Financial review

We confirm:

- a) that the system for financial controls complies with current Charity Commission guidance and the required checks were completed.
- b) Any comments within the previous audit letter have been addressed.
- c) Trustees have completed the annual register of interests.

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 - £2,778,392
Revaluation reserve - £279,358
Designated reserve - £425,461

During the year we reviewed our Reserves policy but did not make any immediate changes, and began to develop a new investment policy which better meets the current financial environment and the financial demands on the Trust. We have received advice from qualified advisors independent from the Trust, and our work is continuing.

EAST LOOE TOWN TRUST CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Throughout the year people within our area of benefit, and further afield were kept informed about our activities via our web page and social media – the latter being helpful in gauging the nature and level of public engagements with particular subjects.

We also updated the public via articles in the bi-monthly Community News, and our two public notice boards.

Structure, governance and management

The charity is a company limited by guarantee.

The Trust's governing document was amended by Resolution with the agreement of Looe Town Council. There are no nominated trustees. Our sole appointing body is the Board of trustees. There is a minimum of 4 trustees who are appointed for a 4 year period, which is renewable. The maximum number of Trustees is at the discretion of the Board. The amended document was lodged with the Charity Commission on 28th September 2022.

Trustee recruitment is by way of public advertisement, written application and interview. Applicants will reside in the area of benefit or adjoining parishes, and be over 18 years of age. Recruitment and board membership will be fully compliant with the Equalities Act. Before appointment (and thereafter annually) trustees are required to make declarations of interests, and that they are not disqualified by law from being a trustee.

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

Mr P Gibson
Mr A Bishop
Mr B Galipeau
Mr S Tanner
Ms S Hawkins
Ms P Stephenson
Mr S Gill
Mr F Warne

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 2022

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 A Bishop

Trustee

Dated: 13/6/2023



Mr B Galpeau

Trustee

Dated: 13/6/2023

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 2022 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 2022 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.

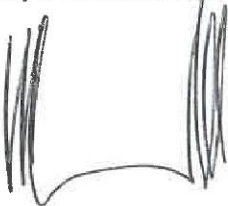
This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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**

03/07/2023

**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 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	2	1,052	6,356	7,408	407	5,357	5,764
Charitable activities	3	243,092	-	243,092	240,931	13,000	253,931
Investments	4	2,578	-	2,578	2,149	-	2,149
Total income		246,722	6,356	253,078	243,487	18,357	261,844
Expenditure on:							
Charitable activities	5	354,129	5,356	359,485	244,944	18,357	263,301
Net (expenditure)/income for the year/							
Net movement in funds		(107,407)	1,000	(106,407)	(1,457)	-	(1,457)
Fund balances at 1 January 2022		3,590,618	-	3,590,618	3,592,075	-	3,592,075
Fund balances at 31 December 2022		3,483,211	1,000	3,484,211	3,590,618	-	3,590,618

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		46,265		34,074
Heritage assets	12		1		1
Investment properties	13		3,063,500		3,063,500
			<u>3,109,766</u>		<u>3,097,575</u>
Current assets					
Stocks	15	839		711	
Debtors	16	13,356		26,666	
Investments		60		60	
Cash at bank and in hand		469,133		570,911	
		<u>483,388</u>		<u>598,348</u>	
Creditors: amounts falling due within one year	17	(108,943)		(105,305)	
Net current assets			<u>374,445</u>		<u>493,043</u>
Total assets less current liabilities			<u>3,484,211</u>		<u>3,590,618</u>
<u>Restricted funds</u>					
Fixed Assets		3,023		3,814	
Grant Income		(3,178)		(3,969)	
Cash		<u>1,155</u>		<u>155</u>	
			1,000		-
<u>Unrestricted funds</u>					
Designated funds	19	425,461		451,488	
General unrestricted funds		2,778,392		2,859,772	
Revaluation reserve		<u>279,358</u>		<u>279,358</u>	
			<u>3,483,211</u>		<u>3,590,618</u>
			<u>3,484,211</u>		<u>3,590,618</u>

The financial statements were approved by the Trustees on

Mr A Bishop
Trustee

13/6/2023

Mr B Galipeau
Trustee

13/6/2023

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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 2022

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 2022

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.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	1,052	4,566	5,618	407	4,352	4,759
Grants	-	1,790	1,790	-	1,005	1,005
	<u>1,052</u>	<u>6,356</u>	<u>7,408</u>	<u>407</u>	<u>5,357</u>	<u>5,764</u>

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

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Charitable activities

	Charitable Activities	Charitable Activities	Charitable Income - restricted	Total 2021
	2022	2021	2021	
	£	£	£	£
Rent of seafront properties	37,996	40,753	-	40,753
Cornwall Council - Beachfront cleaning contract	9,156	8,800	-	8,800
Car parks	74,066	72,956	-	72,956
Market house rents	25,326	27,088	-	27,088
Guildhall rents and other income	74,645	77,447	-	77,447
Concessions and museum admissions & sales	7,967	13,651	-	13,651
Other income	13,936	236	13,000	13,236
	<u>243,092</u>	<u>240,931</u>	<u>13,000</u>	<u>253,931</u>
Analysis by fund				
Unrestricted funds	243,092	240,931	-	240,931
Restricted funds	-	-	13,000	13,000
	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>13,000</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	<u>2,578</u>	<u>2,149</u>

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Charitable activities

	Charitable Activities	Charitable Activities
	2022	2021
	£	£
Staff costs	76,405	75,264
Depreciation and impairment	10,219	8,600
Insurance	5,817	5,370
Utilities	12,847	16,367
Administrative expenses	10,280	5,391
Professional fees	31,086	8,154
Property repairs	151,425	73,865
Museum - other operating costs	301	14,323
Beach cleaning and Wooldown	7,840	8,819
Bad debts suffered	2,864	-
	308,364	216,153
Grant funding of activities (see note 7)	5,698	1,275
Share of support costs (see note 8)	30,507	28,959
Share of governance costs (see note 8)	14,916	16,914
	359,485	263,301
Analysis by fund		
Unrestricted funds	354,129	244,944
Restricted funds	5,356	18,357
	359,485	263,301

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.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Grants payable

	Charitable Activities 2022 £	Charitable Activities 2021 £
Grants to institutions:		
Looe Darby and Joan Club	250	250
Looe Age Concern	250	250
Royal British Legion - wreath	25	25
Rotary Club of Liskeard and Looe	-	500
A Moschakis for attendance at a football academy	-	250
Looe community meals project	1,000	-
Liskeard and Looe foodbank	1,500	-
Looe Film society	250	-
Replacement defibrillator and battery at Seafront locations	2,423	-
	<u>5,698</u>	<u>1,275</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 in 2021. Trustees also exercised appropriate caution during the period until any financial impact of the situation could be assessed. In 2022 they have resumed their usual grant funding activities.

8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	20,059	5,015	25,074	19,107	23,884
Guildhall utilities	3,046	761	3,807	3,381	4,226
Insurance	5,649	1,406	7,055	5,190	6,482
Postage and stationery	1,753	959	2,712	1,280	2,780
Audit fees	-	3,405	3,405	-	3,465
Legal and professional	-	3,370	3,370	-	5,036
	<u>30,507</u>	<u>14,916</u>	<u>45,423</u>	<u>28,958</u>	<u>45,873</u>
Analysed between Charitable activities	<u>30,507</u>	<u>14,916</u>	<u>45,423</u>	<u>28,959</u>	<u>45,873</u>

Governance costs includes payments to the auditors of £3,405 (2021- £3,465) for audit fees.

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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:

	2022 Number	2021 Number
Charitable activities	4	4
Governance	1	1
	<u>5</u>	<u>5</u>

Employment costs

	2022 £	2021 £
Wages and salaries	<u>101,479</u>	<u>99,148</u>

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

11 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost or valuation				
At 1 January 2022	124,488	150,705	6,854	282,047
Additions	<u>22,410</u>	<u>-</u>	<u>-</u>	<u>22,410</u>
At 31 December 2022	<u>146,898</u>	<u>150,705</u>	<u>6,854</u>	<u>304,457</u>
Depreciation and impairment				
At 1 January 2022	102,552	138,898	6,523	247,973
Depreciation charged in the year	<u>4,387</u>	<u>5,723</u>	<u>109</u>	<u>10,219</u>
At 31 December 2022	<u>106,939</u>	<u>144,621</u>	<u>6,632</u>	<u>258,192</u>
Carrying amount				
At 31 December 2022	<u>39,959</u>	<u>6,084</u>	<u>222</u>	<u>46,265</u>
At 31 December 2021	<u>21,936</u>	<u>11,807</u>	<u>331</u>	<u>34,074</u>

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Heritage assets

Museum
exhibits and
artworks
£

At 1 January 2022 and at 31 December 2022

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 2022 one new asset was purchased. It was a sword costing £260 which was identified as having good local significance and was complementary to existing artefacts. This expenditure is included under Museum Artefacts, Exhibits, repairs and maintenance, within direct charitable activities. (see note 5). 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

2022
£

Fair value

At 1 January 2022 and 31 December 2022

3,063,500

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 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 2022. 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.

14 Financial instruments	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	60	60

15 Stocks

	2022 £	2021 £
Finished goods and goods for resale	839	711

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	11,319	15,801
Prepayments and accrued income	2,037	10,865
	13,356	26,666

17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		21,022	19,480
Deferred income	18	3,179	3,969
Payments received on account		68,760	66,643
Trade creditors		5,946	4,589
Other creditors		2,216	2,178
Accruals and deferred income		7,820	8,446
		108,943	105,305

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Deferred income

	2022 £	2021 £
Arising from Grant income deferred	3,179	3,969

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.

19 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 2021 £	Transfers £	Balance at 1 January 2022 £	Transfers £	Balance at 31 December 2022 £
Operating reserve	129,413	15,725	145,138	(26,027)	119,111
Property reserve	306,350	-	306,350	-	306,350
	435,763	15,725	451,488	(26,027)	425,461

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

20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	43,242	3,023	46,265	30,260	3,814	34,074
Heritage assets	1	-	1	1	-	1
Investment properties	3,063,500	-	3,063,500	3,063,500	-	3,063,500
Current assets/(liabilities)	376,468	(2,023)	374,445	496,857	(3,814)	493,043
	3,483,211	1,000	3,484,211	3,590,618	-	3,590,618

21 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:

	2022 £	2021 £
Within one year	730	730

EAST LOOE TOWN TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

21	Operating lease commitments		(Continued)
	Between two and five years	-	730
		<u>730</u>	<u>1,460</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2021 - none) except as detailed below.

No Trustee receives any remuneration and no expenses are paid to Trustees. Trustees are not usually permitted to carry out any transactions on behalf of the Trust or seek reimbursement of such expenditure. Due to circumstances beyond our control the purchase of the new Museum artefact could only be carried out by an individual. Therefore a trustee was authorised to make the purchase and seek reimbursement within strictly controlled conditions in this isolated event.

An annual Christmas meal is provided by the Trust for the benefit of the Trustees and staff. Due to the effect of Covid 19 the 2021 meal took place in January 2022, with the 2022 meal taking place in December 2022. A separate meal was provided to museum volunteers in recognition of their efforts in staffing the museum and providing their time to assist with the winter maintenance programme.