

THE LOPPING ENDOWMENT
(Registered charity no. 228236)

known as

LOUGHTON LOPPING ENDOWMENT FUND

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

LOUGHTON LOPPING ENDOWMENT FUND

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

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LOUGHTON LOPPING ENDOWMENT FUND

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS DIRECTORS AND ADVISERS

For the year ended 31 December 2020

Sole corporate trustee: The Lopping Endowment Corporate Trustee Limited

Directors of The Lopping Endowment Corporate Trustee Limited

Elected Directors from May 2017, (when Director status changed):

Alan Martin	
John Orgar	
Sonia Lard	Resigned 7 August 2020
Becky Ford	
Lindon Barr	
Garett Fitzgerald	Appointed March 2021

Council appointed director

Cllr Jayna Jogia

Assumed Directors - under the trust deed

Martin Howarth Treasurer
Paul Mercer RIBA

Secretary Mr S Radley

Employees	John Mahoney	Hall Manager
	Les House	Deputy Hall Manager (Health & Safety, Security and Child Protection)
	Diane Peters	Assistant Hall Manager

Charity reg. no. 228236

The Lopping Endowment Corporate Trustee Limited Company number 09943247

Registered office	Lopping Hall 189 High Road Loughton IG10 4LF
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Accountants	Cooper Paul Abacus House 14-18 Forest Road Loughton Essex IG10 1DX
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Bankers	HSBC 191 High Road Loughton IG10 4LN
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Solicitors	Foskett, Marr, Gadsby & Head 106-108 High Road Loughton IG10 4HN
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LOUGHTON LOPPING ENDOWMENT FUND

DIRECTORS' REPORT

For the year ended 31 December 2020

The Board of Directors submit their annual report and the financial statements of Loughton Lopping Endowment Fund for the year. The Directors confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the Charities SORP (FRS 102 'Accounting and Reporting by Charities).

Structure, governance and management - and change this year.

The charity was set-up by a scheme in 1881, as varied by a scheme in 1993.

The charity is set-up for the benefit of the householders of Loughton, in substitution for their ancient right of lopping within Epping Forest to carry on and maintain Lopping Hall, which was erected for the purpose.

Directors are elected by the parishioners of the ancient parish at an Annual General Meeting. In addition, the Loughton Town Council appoints one trustee as its representative pursuant to the Local Government Act 1894.

The Directors have, as discussed at various member meetings, set-up a "corporate trustee", "The Lopping Endowment Corporate Trustee Limited", and that body is now the sole trustee of the charity. That company has responsibilities of the Directors. This has been agreed by the Charity Commission, and with effect from May 2018 the AGM elected the directors for that company, rather than electing individual Directors.

Chairman's report

This report covers our financial year to December 2020 and developments so far in 2021.

Hall usage

The pandemic has seriously impacted our income from bookings. The initial instruction to close named businesses was made by the Prime Minister on the night of March 20th 2020

Given improved marketing and upgraded Hall facilities, our original target for this financial year (2020) was increased from approx. £54,000 (2019) to £65,000.

In my last report (Addendum dated June 2020), I stated that due to the epidemic, our total bookings for 2020 were expected to be around £40,000 and this assumed that bookings in Q3 and Q4 remained fairly stable.

Unfortunately, lockdown restrictions were extended and as I write this report, a full re-opening of the Hall is not expected until May 17th 2021. Even then, we do not expect to see Theatre groups returning until June or July for rehearsals.

2019 £55,711. Actual.

2020 £24,213. Actual.

Room letting rate review

The Board of Directors agreed that modest increases to our room letting rates, that were to be applied from April 2020, would not be applied until the Government confirmed that "normal activities" could resume.

When this report was written, this was likely to be in June 2021 and we have therefore agreed that:

Our room letting base rates (Before any agreed discounts are applied) will be increased from January 2022 by between £1.00 - £2.00 per hour dependent on the type of user – For example, not for profit Groups, or small organisations. We will give at least two months advance notice to all users.

Rates for Commercial Organisations are agreed with individual users and dependent on such factors as the required room package and whether a day or an evening booking.

Theatre complex and Theatre Suite.

The base rates for the Theatre complex (Theatre productions), which includes the Main Hall (Auditorium), Stage, Backstage and Changing rooms and the Theatre Suite (Parties and conferences), which includes the Main Hall, Kitchen and Bar, are also negotiated with individual users.

These rates will be increased from January 2022 and these changes will be discussed with our regular Theatre Groups at least two months in advance of implementation.

Our rates have remained at the same level for three years. During this period fixed and semi fixed costs have increased and at the same time we have made considerable progress in modernising and renovating our facilities.

Commercial Tenants Rent review

The rent that we receive from our two commercial tenants is reviewed every 5 years. There was therefore no increase in 2020 for Whitney's Carpet shop.

As a rent review was due in March 2021, we started to review the lease with HSBC in December 2020.

HSBC subsequently advised that they were closing the Loughton branch in August 2021 as part of a UK wide reduction in their high street network, covering 82 branch closures.

At the time of writing this report, we have appointed Bennett Phillips Luton to handle both the marketing and dilapidations connected with this unit.

Marketing and LH new website.

Our new style website that went live in December 2019 has been further improved and I would like to thank Jayna for the many hours of work she has put into this project.

We have also produced a new leaflet to advertise our user groups and our rooms for hire and I would like to thank Becky for completing the artwork.

We have placed a further monitor on the front window to advertise the rooms for hire at Lopping Hall, together with a "What's on" feature for Theatre groups.

The original and larger monitor shows our user groups and their activities.

Works Completed

Further measures were taken to ensure that we continued to be a "COVID-19" secure facility, to include increased sanitiser stations, signage and room safety assessments.

Old wood and signage was removed from the exterior and interior of the front window area.

New electrical connections for the monitors were installed, the area was painted and new signage was put up.

Given that we currently have a very small entrance fronting the High Road, it is essential that this area is attractive, inviting and informative. I would like to thank Jayna for handling the artwork and designing a new logo

The sandstone stairs to the Basement were removed, as over time cracks had appeared and we considered these stairs to be unsafe. A new high quality protected wooden staircase was designed and installed by Four Square Building Services. The safety lighting in this area was improved to cover the stairwell and basement.

There was a flash flood in Loughton in August 2020 which blocked the Loughton High Road drainage. This affected many businesses near Lopping Hall.

We had up to two inches of standing water cover the entire ground floor and up to twenty inches deposited in the basement, which houses the central heating system.

The ground floor areas had just been painted and because the skirting at floor level had been sealed, damage to this area was limited. Thank you to those that came in and helped to pump out the water and clean up. We have since purchased a standby emergency pump and flood barrier kit

The central heating system was written off by our insurers and we now have a state-of-the art system that will keep the whole building at the required temperature and should reduce both our consumption of gas and related maintenance costs.

During the Pandemic we have taken the opportunity to repair and paint the stairwell and upper lobby areas, improve lighting and electrics, install WIFI access points in the Main Hall, Willingale and small Hall and connect a PA / Music system to both floors.

Future Plans 2021 / 2022

In some cases, these plans may not be completed if matched funding cannot be agreed. In other cases, works will be carried out using reserves.

Changing rooms. 2021

This area will be partly refurbished, to include the toilets and we hope to carry this out during July – September 2021.

Stage re-design. 2022 - 2023

The stage and Proscenium Arch will be stripped out and the design will allow us to construct a large under stage storage area, accessed using trollies on tracks. This will allow us to increase the use of the Hall by Theatre and other groups requiring storage.

Storage charges may apply.

Front door. 2023

The entrance will be re-designed to include an automatically operated sliding door. This upgrade is desirable, if not essential, given the difficulty of accessing the property using the swing doors, especially for those with children, prams and the infirm.

The window and door set will be moved further out towards the pavement and the cost is therefore considerable. As a result, this may not be possible until the summer of 2023.

Current signage and monitors can be reused in this design.

Stage Lighting and sound. 2021 - 2023

Because of the costs involved, this will happen in two stages. The first part will involve the installation of a basic lighting set and control board that will be sufficient for small performances. This will allow LH staff and those so authorised, to quickly set up and operate stage lighting, without the need to bring in a professional lighting and sound Company.

A sound system suitable for Jazz evenings, other small performances and Corporate events, will also be installed.

The second part will involve the upgrading of the old lighting patch panel which uses 3 pin round sockets to control lighting via a DMX controller and replace this with a modern lighting control system. This will integrate with the system installed in the first stage upgrade.

Full lighting and sound set-ups for major stage performances will still be handled by outside contractors, such as Terry Tew Sound and Lighting.

Financial reserves.

Taking into account the reduced income from room bookings and some reduction in expenditure during the pandemic and given the receipt of HMG grants, The Board of Directors consider that our current financial reserves will allow us to fully re-open and operate effectively during the balance of 2021 and at least into Q2 / 2022.

This assumes that when we reopen, booking levels will be at least 60% of normal levels and that we will re-lease the property that is now HSBC within twelve months from August 2021.

I would like to thank my fellow Directors and Hall Management for their help and support over the past year.

Alan Martin

April 2021.

LOUGHTON LOPPING ENDOWMENT FUND

For the year ended 31 December 2020

Independent examiner's report to the Trustees of Loughton Lopping Endowment Fund Trust

I report to the trustees on my examination of the accounts of the Loughton Lopping Endowment Fund (the Trust) for the year ended 31 December 2020, which are set out on pages 9 to 15.

Responsibilities and basis of report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

accounting records were not kept in respect of the Trust as required by section 130 of the Act; or

the accounts do not accord with those records; or

the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Andrew Gibson BA BFP FCA
Cooper Paul
Abacus House
14-18 Forest Road
Loughton
Essex IG10 1DX
Cooper Paul

Dated:

LOUGHTON LOPPING ENDOWMENT FUND

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Note	Unrestricted	Endowment & Restricted	Total	Total
Incoming Resources		Funds 2020 £	Funds 2020 £	Funds 2020 £	Funds 2019 £
Grant from Epping Forrest DC		48,308	-	48,308	5,000
Rental of bank, shop		69,993	-	69,993	54,954
Land & buildings revaluation		-	950,200	950,200	-
Lettings of Hall and Rooms		24,213	-	24,213	55,711
Gallery	2	1,821	-	1,821	3,021
Loughton Arts Centre (nett)		490	-	490	-
Bank & other interest		28	-	28	59
Investment income		91	-	91	108
Sundry receipts		2,510	-	2,510	-
Fundraising events, and donations		-	-	-	20,577
Total Incoming Resources		<u>147,454</u>	<u>950,200</u>	<u>1,097,654</u>	<u>139,430</u>
Resources Expended					
Gallery	2	1,072	-	1,072	2,404
Loughton Arts Centre					
Premises costs, inc loan interest	3	81,041	5,615	86,656	148,483
Other expenses	4	<u>14,861</u>	<u>12,962</u>	<u>27,823</u>	<u>28,814</u>
Total Resources Expended		<u>96,974</u>	<u>18,577</u>	<u>115,551</u>	<u>179,701</u>
Net incoming/(outgoing) resources		<u>50,480</u>	<u>931,623</u>	<u>982,103</u>	<u>(40,271)</u>
TOTAL FUNDS AT 1 JANUARY 2020		<u>121,847</u>	<u>770,278</u>	<u>892,125</u>	<u>932,396</u>
TOTAL FUNDS AT 31 DECEMBER 2020	12	<u>172,327</u>	<u>1,701,901</u>	<u>1,874,228</u>	<u>892,125</u>

LOUGHTON LOPPING ENDOWMENT FUND
BALANCE SHEET
As at 31 December 2020

	Notes	2020	2019
FIXED ASSETS			
Tangible assets	7	1,941,492	1,004,137
Investments	8	<u>711</u>	<u>711</u>
		1,942,203	1,004,848
CURRENT ASSETS			
Debtors	9	12,933	4,368
Cash at bank and in hand		<u>85,480</u>	<u>55,990</u>
Total		98,413	60,358
CREDITORS: amounts falling due within one year	10	<u>(20,357)</u>	<u>(20,262)</u>
NET CURRENT ASSETS		<u>78,056</u>	<u>40,096</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,020,259	1,044,944
CREDITORS: amounts falling due after one year		<u>(146,031)</u>	<u>(152,819)</u>
NET ASSETS		<u>1,874,228</u>	<u>892,125</u>
FUNDS			
Endowment fund		1,701,901	770,278
Restricted funds			
Unrestricted funds: General fund		<u>172,327</u>	<u>121,847</u>
		<u>1,874,228</u>	<u>892,125</u>

The financial statements were approved, and authorised for issue, by the Trustees on their behalf by:

2021 and signed on

Alan Martin

LOUGHTON LOPPING ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Charities SORP (FRS 102 '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 2015). The financial statements have been prepared under the historical cost convention.

The effects of events relating to the year ended 31 December 2020 which occurred before the date of approval of the financial statements by the Executive Committee has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2020 and the results for the year ended on that date.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Endowment funds comprise funds that are to be retained in line with the original funder bequest. As the building is held in the Endowment improvements, depreciation, and the loan liability are all included as part of that balance.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Statutory grants which are given as contributions towards the Charity's core services are treated as unrestricted.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

LOUGHTON LOPPING ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Resources Expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred. However, the basis on which the Charity is now VAT registered, means that input VAT is currently recoverable.

Investments

Investments are stated at cost value at the balance sheet date.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings - Over 50 years by equal amounts each year
 Furniture, fittings & equipment - 15% of reducing balance each year

2. GALLERY ACTIVITIES

	2020	2019
	£	£
Gallery income for year	1,,821	3,021
Gallery expenditure for the year	<u>1,072</u>	<u>(2,404)</u>
Net profit for year	<u>749</u>	<u>617</u>

3. PREMISES COSTS

	Unrestricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Personnel costs	29,040	-	29,040	33,372
Cleaning - contract	7,776	-	7,776	13,470
District rates and utilities	4,556	-	4,556	5,355
Maintenance contracts	5,326	-	5,326	5,409
Telephone	672	-	672	454
Building maintenance, repairs and renewals	28,894	-	28,894	79,621
(net of recharges to tenants, & any insurance recovery)				
Loan interest and charges	-	5,615	5,615	6,162
Insurance	<u>4,777</u>	<u>-</u>	<u>4,777</u>	<u>4,640</u>
(net of recharges to tenants)	<u>81,041</u>	<u>5,615</u>	<u>86,656</u>	<u>148,483</u>

LOUGHTON LOPPING ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

4. OTHER EXPENSES	Unrestricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Accountancy fees	570		570	550
Print, post and stationery	733	-	733	62
Depreciation	5,557	12,962	18,519	18,499
Legal & professional fees	3,983	-	3,983	4,509
Sundry expenses	<u>4,018</u>	<u>-</u>	<u>4,018</u>	<u>5,194</u>
	<u>14,861</u>	<u>12,962</u>	<u>27,823</u>	<u>28,814</u>

5. STAFF COSTS

Premises manager's salary, secretary honorarium, and part time staff

6. DIRECTORS

During the year, no Directors received any remuneration (2019 - the same). Mr Alan Martin received £6,758 (2019: £7,144 in respect of the reimbursement of expenses for materials).

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Furniture, furnishings and equipment £	Total £
Cost			
At 1 January 2020 as revalued	1,086,908	98,106	1,185,014
Transfer from Gallery	-	5,674	5,674
Revaluation	950,200		950,200
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>2,037,108</u>	<u>103,780</u>	<u>2,140,888</u>
Depreciation			
At 1 January 2020	114,146	66,731	180,877
Charge for the year	<u>12,962</u>	<u>5,557</u>	<u>18,519</u>
At 31 December 2020	<u>127,108</u>	<u>72,288</u>	<u>199,396</u>
Net book value			
At 31 December 2019	<u>191,635</u>	<u>31,375</u>	<u>1,004,137</u>
At 31 December 2020	<u>1,910,000</u>	<u>31,492</u>	<u>1,941,492</u>

A professional valuation of the building of £1,910,000 as at 18 December 2020 was received on 3 March 2021 from James Berlin Associates. It is estimated that the building constitutes half the value of the premises, and this element is amortised by 2% pa. The original cost of the land and building was £3,667. The charity has embarked on a major refurbishment programme. Note 3 refers to recent major repairs.

LOUGHTON LOPPING ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

8. INVESTMENTS 2020

	2020	2019
	£	£
The investments are shown at cost.	<u>711</u>	<u>711</u>
Market value	<u>1,801</u>	<u>2,318</u>

9. DEBTORS

	2020	2019
	£	£
Due within one year		
Trade debtors	4,897	-
VAT	3,046	-
Prepayments	<u>4,990</u>	<u>4,368</u>
	<u>12,933</u>	<u>4,368</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts	8,000	8,000
Trade creditors	9,347	6,196
VAT due	-	3,344
Accruals	1,010	722
Deferred income	<u>2,000</u>	<u>2,000</u>
	<u>20,357</u>	<u>20,262</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2020	2019
	£	£
Bank loans -		
Triodos	<u>146,031</u>	<u>152,819</u>

The charity took out a 25 year loan of £200,000 from Triodos Bank NV with the first draw-down in May 2012. The loan is secured by way of a first charge on the freehold premises, is at a rate of base rate + 3% (subject to a minimum rate of 3.5%), and capital payments began from May 2013. The element of the loan repayable in the coming year is included in short-term creditors, note 10.

LOUGHTON LOPPING ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

12. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and Investment gains/(losses) £	Carried Forward £
ENDOWMENT FUND					
Building & initial fund	<u>892,125</u>	<u>1,097,654</u>	<u>(115,551)</u>	-	<u>1,874,228</u>
SUMMARY OF FUNDS					
General Funds	121,847	147,454	(96,974)	-	172,327
Endowment fund	<u>770,278</u>	<u>950,200</u>	<u>(18,577)</u>	-	<u>1,701,901</u>
	<u>892,125</u>	<u>1,097,654</u>	<u>(115,551)</u>	-	<u>1,874,228</u>

Endowment fund - revaluation and mortgage loan

As part of the process of obtaining the mortgage to fund major repairs and improvements to the Hall a valuation was obtained. The mortgage is secured on the premises, and is therefore reflected as a deduction from the endowment fund.

Endowment fund - revaluation and mortgage loan

Included in the Endowment fund is the revaluation reserve of £1,701,901 (2019: £770,278)

The investments, previously considered to be an unspent element of the initial fund, have, in light of improvements funded by unrestricted income, been re-categorised as unrestricted.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Funds 2020 £	Restricted Funds 2020 £	General Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Tangible fixed assets	1,910,000	-	31,492	1,941,492	1,004,137
Investments	-	-	711	711	711
Net current assets	(8,000)	-	86,056	78,056	40,096
Creditors due in more than one year	<u>(146,031)</u>	-	-	<u>(146,031)</u>	<u>(152,819)</u>
	<u>1,755,969</u>	-	<u>118,259</u>	<u>1,874,228</u>	<u>892,125</u>