

THE LOPPING ENDOWMENT
(Registered charity no. 228236)

known as

LOUGHTON LOPPING ENDOWMENT FUND

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

LOUGHTON LOPPING ENDOWMENT FUND

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

CONTENTS

Reference and administrative information	3
Directors' report	4
Independent Examiner's Report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11

LOUGHTON LOPPING ENDOWMENT FUND

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

For the year ended 31 December 2022

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
Jessica Ford
Lindon Barr

Council appointed director

Cllr Jayna Jogia

Assumed Directors - under the trust deed

Martin Howarth Treasurer

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

Independent Examiner

Cooper Paul
Abacus House
14-18 Forest Road
Loughton
Essex IG10 1DX

Bankers

HSBC
74 High Road
Barkingside
IG6 2DN

Solicitors

Foskett, Marr, Gadsby & Head
106-108 High Road
Loughton
IG10 4HN

LOUGHTON LOPPING ENDOWMENT FUND

DIRECTORS' REPORT

For the year ended 31 December 2022

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).

Objective and activities

Objectives and aims

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. The charity makes no distinction of sex or political, religious or other opinions by associating together the said inhabitants and the local authorities, voluntary organisations and inhabitants in a common effort to provide facilities in the interests of social welfare for recreation and leisure-time occupation with the object of improving the conditions of life for the said inhabitants.

In furtherance of this objective, the Trustee has complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under the Act.

Achievement and performance

Review of activities and achievements

Hall usage (Room bookings)

Revenue from our room bookings in 2022 amounted to £62,123.

The budget for 2022 was £65,000.

In 2019 (Pre-pandemic comparison) the revenue was £53,982.

Assuming that the economy remains stable and that there are no further increases in utility costs that might affect user booking levels, we would expect that earnings for 2023 might amount to £75,000

Room letting rate review

The Board of Directors agreed that the modest increases to our room letting rates that came into effect on January 1st 2022, would remain in force until at least August 2023. We would review these rates during Q2/2023, taking into consideration such things as the cost of living, and the large increases in direct and indirect overheads at Lopping Hall, especially utilities, that could add £15,000 to overheads during 2023.

Discounts for a small number of "historical users" were reduced from 50% to 40% on January 1st 2022, and were to be reduced to 30% at the next review date. This discount rate will also be considered at the Q2/2023 review date.

Commercial Tenants

We continue to receive rents from Whitney's Carpet Shop, Waterlows News Agents and Hunter Biscuit and Wolf Ltd, who are opening a 45 seat cinema (night operation) and a mixed use workspace (Day operation) in the unit that was previously occupied by HSBC Bank Plc.

Some major structural changes have been made to open up this space (191 High Road) and fitting out should be completed by May 2023.

Our total income from commercial rents will amount to approximately £85,000 pa in 2023.

Marketing.

We are currently marketing Lopping Hall activities using our website, the two High Road facing monitors, together with social media and other advertising spaces on the internet.

These not only advertise LH rooms to rent, but also theatre events (and ticketing) and the activities of all of our users. This is a free of charge service to our regular users.

We continue to see an increase in both enquiry and booking levels.

It is gratifying to note that many of the bookings are a result of recommendations.

Now that activities available on the Lopping Hall estate cover Theatre, Cinema and the twenty or so Classes running dance, fitness, and Yoga for both adults and children, the building is now firmly associated with entertainment.

These activities have also expanded to include mental wellbeing, counselling and back to work clubs.

Bookings for parties using the relatively new kitchen and bar, together with the main hall have increased.

These parties are mainly organised for younger children and certain adult celebrations.

Works Completed

As previously reported, in December 2021, and additional works carried out in 2022 and early 2023, we completed the following:

- Changing rooms and toilets. A complete strip out and refurbishment.
- Defibrillator installed.
- PA System for the Theatre and first floor rooms installed.
- Stonework to the front of 191 High Road - replacement and cleaning. (Previously HSBC Bank).
- Increased theatre lighting. We thank Terry Tew Sound and Light Co. Ltd. for the generous gift of a further eight lighting units.
- Internet. Improved access points for high-speed connections.
- Baby changing facility. On the ground floor.
- Major replacement of central heating pipework and CCTV inspection and cleaning of all soil pipework on the ground floor of the estate (189 and 191).

Forward Works

Air conditioning – Main Hall / Theatre. Currently on the project list for 2023

This may be partly funded by charity events organised by the Mayoress, Councillor Barbara Cohen, who has designated Lopping Hall her “Charity of choice” and as agreed by the Loughton Town Council.

The first fundraising event will be held at Lopping Hall on 23rd April.

Repairs to Stone, brickwork, and Terracotta - Station Road entrance. 2023 – 2024

This area, mainly around the large rear door on Station Road, is now considered to be essential maintenance as this has deteriorated further. Mortar and brickwork have crumbled, and the 1895 terracotta needs careful cleaning together with some repairs to the two columns and the replacement of the foundation stone.

Given that this is the original entrance to Lopping Hall, and is of historical importance, we are trying to obtain funding for this project estimated to cost up to £35,000.

The cost for this has expanded as it now includes the replacement of a stone cornice on the front of Lopping Hall and the brickwork at the rear of 191 (Station Road and the unit previously occupied by HSBC).

Motorised sliding front door. 2024

The entrance will be re-designed to include an automatic 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.

Stage Lighting and sound. 2023 - 2026

Because of the costs involved, this will happen in several stages.

2023

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.

2024 - 2026

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 replacing 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 Light Co. Ltd.

This may well mean that we take this opportunity to upgrade and extend the stage and make room for under stage storage (trolleys on tracks). It may also be necessary to install a three-phase electrical circuit in the main hall / theatre.

Financial reserves.

Our end of year (2022) reserve was good. The Board of Directors consider that this, together with increased earnings in 2023 will allow us to fulfil most of our upgrade commitments and allow us to continue to operate one of the best activity and entertainment centres in Loughton and the surrounding area.

When this report was written, the impact of increased utility costs and fixed overheads was still to be evaluated and no decision had been made regarding the increase in room rates.

Board and Hall Management.

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

Since the last AGM, Mr Paul Mercer and Mr Garrett Fitzgerald have left the Board of Directors.

We are actively looking to appoint three new Directors with particular skills such as works management.

A handwritten signature in dark ink, appearing to read 'Alan Martin', followed by a long horizontal line extending to the right.

Alan Martin. March 2023.

Chairman.

The Lopping Endowment Corporate Trustee Ltd.

The Lopping Endowment.

Charity 228236

LOUGHTON LOPPING ENDOWMENT FUND

For the year ended 31 December 2022

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

I report to the charity trustees on my examination of the accounts of the Loughton Lopping Endowment Fund (the Trust) for the year ended 31 December 2022, which are set out on pages 9 to 15.

Responsibilities and basis of report

As the charity trustee 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 Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity 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 2022

	Note	Unrestricted	Endowment & Restricted	Total	Total
Incoming Resources		Funds	Funds	Funds	Funds
		2022	2022	2022	2021
		£	£	£	£
Grant from Epping Forrest DC		1,300	-	1,300	28,984
Rental of bank, shop		47,753	-	47,753	34,595
Land & buildings revaluation		-	-	-	-
Lettings of Hall and Rooms		62,123	-	62,123	41,795
Loughton Arts Centre (nett)		-	-	-	-
Bank & other interest		81	-	81	6
Investment income		108	-	108	98
Sundry receipts		2,400	-	2,400	28,898
Fundraising events, and donations		-	-	-	-
Total Incoming Resources		<u>113,765</u>	<u>-</u>	<u>113,765</u>	<u>134,376</u>
Resources Expended					
Gallery	2	-	-	-	56
Loughton Arts Centre		-	-	-	598
Premises costs, Inc loan interest	3	103,645	6,242	109,887	114,744
Other expenses	4	<u>16,821</u>	<u>19,100</u>	<u>35,921</u>	<u>40,400</u>
Total Resources Expended		<u>120,466</u>	<u>25,342</u>	<u>145,808</u>	<u>155,798</u>
Net incoming/(outgoing) resources		(6,701)	(25,342)	(32,043)	(21,422)
Transfer between funds	13	<u>(13,055)</u>	<u>13,055</u>	-	-
Net (outgoing) / incoming resources after transfer		<u>(19,756)</u>	<u>(12,287)</u>	<u>(32,043)</u>	<u>(21,422)</u>
TOTAL FUNDS AT 1 JANUARY 2022		<u>108,868</u>	<u>1,743,938</u>	<u>1,852,806</u>	<u>1,874,228</u>
TOTAL FUNDS AT 31 DECEMBER 2022	13	<u>89,112</u>	<u>1,731,651</u>	<u>1,820,763</u>	<u>1,852,806</u>

UGHTON LOPPING ENDOWMENT FUND

BALANCE SHEET

As at 31 December 2022

	Notes	2022	2021
FIXED ASSETS			
Tangible assets	8	1,890,305	1,912,671
Investments	9	<u>711</u>	<u>711</u>
		1,891,016	1,913,382
CURRENT ASSETS			
Debtors	10	7,756	10,112
Cash at bank and in hand		<u>98,500</u>	<u>115,707</u>
Total		106,256	125,819
CREDITORS: amounts falling due within one year	11	<u>(16,860)</u>	<u>(47,433)</u>
NET CURRENT ASSETS		<u>89,396</u>	<u>78,386</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,980,412	1,991,768
CREDITORS: amounts falling due after one year	12	<u>(159,649)</u>	<u>(138,962)</u>
NET ASSETS		<u>1,820,763</u>	<u>1,852,806</u>
FUNDS			
Endowment fund	13	1,731,651	1,743,938
Restricted funds			
Unrestricted funds: General fund	13	<u>89,112</u>	<u>108,868</u>
		<u>1,820,763</u>	<u>1,852,806</u>

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

and signed on their



Alan Martin

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention

The effects of events relating to the year ended 31 December 2022 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 2022 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 2022

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

	2022	2021
	£	£
Gallery income for year	-	-
Gallery expenditure for the year	-	56
Net profit for year	-	(56)

3. PREMISES COSTS

	Unrestricted	Endowment	Total	Total
	Funds	Funds	Funds	Funds
	2022	2022	2022	2021
	£	£	£	£
Personnel costs	32,223	-	32,223	28,468
Cleaning - contract	20,368	-	20,368	11,947
District rates and utilities	11,961	-	11,961	9,124
Maintenance contracts	7,715	-	7,715	7,042
Telephone	-	-	-	555
Building maintenance, repairs and renewals	25,784	-	25,784	47,040
(net of recharges to tenants, & any insurance recovery)				
Loan interest and charges	-	6,242	6,242	5,578
Insurance	5,594	-	5,594	4,990
(net of recharges to tenants)	103,645	6,242	109,887	114,744

LOUGHTON LOPPING ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

4. OTHER EXPENSES	Unrestricted	Endowment	Total	Total
	Funds	Funds	Funds	Funds
	2022	2022	2022	2021
	£	£	£	£
Accountancy fees	675	-	675	620
Print, post and stationery	160	-	160	87
Depreciation	3,266	19,100	22,366	22,942
Loss on disposal of Gallery assets	-	-	-	5,879
Legal & professional fees	10,639	-	10,639	6,993
Sundry expenses	<u>2,081</u>	<u>-</u>	<u>2,081</u>	<u>3,879</u>
	<u>16,821</u>	<u>19,100</u>	<u>35,921</u>	<u>40,400</u>

5. INDEPENDENT EXAMINER FEES

	2022	2021
	£	£
Non audit services	<u>675</u>	<u>620</u>

6. STAFF COSTS

Premises manager's salary, secretary honorarium, and part time staff. The average number of employee during the year was 4 (2021:- 4). No employees received emoluments in excess of £60,000.

7. DIRECTORS

During the year, no Directors received any remuneration (2021 - the same). Mr Alan Martin received £4,946 (2021: £12,732) in respect of the reimbursement of expenses for materials.

8. TANGIBLE FIXED ASSETS

	Land and buildings	Furniture, furnishings and equipment	Total
	£	£	£
Cost			
At 1 January 2022 as revalued	2,037,108	94,832	2,131,940
Transfer from Gallery			
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>2,037,108</u>	<u>94,832</u>	<u>2,131,940</u>
Depreciation			
At 1 January 2022	146,208	73,061	219,269
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
Charge for the year	<u>19,100</u>	<u>3,266</u>	<u>22,366</u>
At 31 December 2022	<u>165,308</u>	<u>76,327</u>	<u>241,635</u>
Net book value			
At 31 December 2021	<u>1,890,900</u>	<u>21,771</u>	<u>1,912,671</u>
At 31 December 2022	<u>1,871,800</u>	<u>18,505</u>	<u>1,890,305</u>

LOUGHTON LOPPING ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

8. TANGIBLE FIXED ASSETS

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.

9. INVESTMENTS 2022

	2022	2021
	£	£
The investments are shown at cost.	<u>711</u>	<u>711</u>
Market value	<u>1,722</u>	<u>1,771</u>

10. DEBTORS

	2022	2021
	£	£
Due within one year		
Trade debtors	1,042	4,518
Prepayments	<u>6,714</u>	<u>5,594</u>
	<u>7,756</u>	<u>10,112</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts	8,000	8,000
VAT due	1,249	2,550
Accruals	<u>7,611</u>	<u>36,883</u>
	<u>16,860</u>	<u>47,433</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022	2021
	£	£
Rent deposit	27,500	-
Bank loans -		
Triodos	<u>132,149</u>	<u>138,962</u>
	<u>159,649</u>	<u>138,962</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 11.

LOUGHTON LOPPING ENDOWMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

13. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and Investment gains/(losses)	Carried Forward
	£	£	£	£	£
General Funds	108,868	113,765	(120,466)	(13,055)	89,112
Endowment fund	<u>1,743,938</u>	-	<u>(25,342)</u>	<u>13,055</u>	<u>1,731,651</u>
	<u>1,852,806</u>	<u>113,765</u>	<u>(145,808)</u>	-	<u>1,820,763</u>

SUMMARY OF FUNDS

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 £1,731,651 (2021: £1,743,938)

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.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Funds	Restricted Funds	General Funds	Total Funds	Total Funds
	2022	2022	2022	2022	2021
	£	£	£	£	£
Tangible fixed assets	1,871,800	-	18,505	1,890,305	1,912,671
Investments		-	711	711	711
Net current assets	(8,000)	-	97,396	16,860	78,386
Creditors due in more than one year	<u>(132,149)</u>	-	<u>(27,500)</u>	<u>(159,649)</u>	<u>(138,962)</u>
	<u>1,731,651</u>	-	<u>89,112</u>	<u>1,820,763</u>	<u>1,852,806</u>