

Markshall Estate

England & Wales · Charity number 256700

Details

Other names	MARKS HALL ENTERPRISES, MARKS HALL ESTATE, THOMAS PHILLIPS PRICE TRUST
Status	Registered
Legal form	Other
Registered	1973-04-17
Register	View on the Charity Commission register

Contact

Address Markshall Estate
Marks Hall Road
Coggeshall
Colchester
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Website www.markshall.org.uk

Activities

Objects: THE ADVANCEMENT IN THE INTEREST OF THE NATION OF AGRICULTURE, ARBORICULTURE AND FORESTRY.

Activities: Arboretum and Gardens open to the public with extensive woodland and arable farmland. In pursuit of the Trust's charitable objects the property is managed with due regard for nature conservation, landscape, historic interest and heritage, recreation, and as a scientific and educational resource

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Essex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,112,981	£1,628,126	£3,618,743	21
2023-12-31	£1,438,997	£2,155,646	£4,146,650	60
2022-12-31	£1,701,260	£2,250,533	£4,697,813	72
2021-12-31	£1,323,399	£1,747,513	£5,789,481	64
2020-12-31	£1,041,982	£1,246,022	£4,635,441	46

Trustees

Name	Role	Appointed
The Markshall Estate Company Limited		2024-12-31

Markshall Estate

England & Wales - Charity number 256700

Accounts

Registered Charity number 256700

MARKSHALL ESTATE

GROUP REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2024

MARKSHALL ESTATE

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OFFICERS AND PROFESSIONAL ADVISERS

Trustees	Robert Cowlin	(resigned 31 December 2024)
	Jan E Smith	(resigned 31 December 2024)
	Benjamin Woodgate	(resigned 31 December 2024)
	Ian Hodge	(resigned 31 December 2024)
	David Whipps	(resigned 31 December 2024)
	Meriel Barclay	(resigned 31 December 2024)
	The Markshall Estate Company Limited	(appointed 31 December 2024)
Chief Executive	David Finkle	
Registered Office	Markshall Estate Markshall Coggeshall CO6 1TG	
Registered Number	Charity 256700	
Auditors	Sumer Auditco Limited Statutory Auditor 820 The Crescent Colchester Business Park Colchester CO4 9YQ	
Bankers	Barclays Bank plc 9 High Street Colchester Essex CO1 1DD	
Solicitors	Holmes and Hills LLP Bocking End Braintree Essex CM7 9AJ	

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

In accordance with the requirements of the Charities Act 2011, the Trustee presents this annual report and the audited financial statements of the Charity for the year ended 31 December 2024.

The financial statements comply with the Charities Act 2011, the governing document, the accounting policies set out in the notes to the financial statements 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).

Legal and administrative information

The information on page 1 forms part of this report. The Charity is registered with the Charity Commission of England and Wales under registration no. 256700.

The Trustees during the year under review were as follows:

- Meriel Barclay (Chair of Trustees) (Resigned 31 December 2024)
- Robert Cowlin (Resigned 31 December 2024)
- Jan Smith (Resigned 31 December 2024)
- Benjamin Woodgate (Resigned 31 December 2024)
- Ian Hodge (Resigned 31 December 2024)
- David Whipps (Resigned 31 December 2024)
- The Markshall Estate Company Limited (Appointed 31 December 2024)

There were two changes to the Trustee Board in 2024. Firstly the resignation of Benjamin Woodgate following his appointment to a demanding full-time job. We wish him well and thank him for his significant contribution, particularly to marketing.

Secondly, on the 31st of December 2024 The Markshall Estate Company Limited was appointed sole corporate trustee of the Markshall Estate (The Charity). On this date the five other Trustees of the charity resigned and were appointed directors of The Markshall Estate Company limited, the former trustees of Markshall Estate retain full control of the strategy and direction of the charity and it's trading subsidiary Markshall Trading limited. This change was made in order to provide protection for the former Trustees of the Charity and limit any personal liability. The former trustees of the Charity who are now directors of the sole corporate trustee are referred to as the 'Board' throughout this report.

Structure, Governance & Management

The Charity was founded by Will and codicil of Thomas Phillips Price registered in the Principal Registry on 16 February 1933. The scheme for its regulation was approved and established by the Charity Commission on 15th November 1971.

Markshall Estate extends to approximately 2,185 acres, vested in the Official Custodian for Charities in trust for the Charity. Previous estimates of the acreage have totalled 2,350 but in July 2025 a more accurate assessment was made, hence the apparent reduction in acreage.

The Estate comprises tenanted farm holdings extending in total to around 1,550 acres, residential and commercial property, parkland, coniferous woodlands managed by the Forestry Commission, and in-hand broadleaf woodland, much of which is of high conservation value. At the heart of the Estate is a 200-acre Arboretum, established in the mid-1980s with ornamental lakes and a 2-acre walled garden.

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The Arboretum and Visitor Centre opened to the public in 1993 and for the first few months of 2024 the Visitor Centre contained a café, plant and retail sales and administrative offices. The café was outsourced to Mrs Salisbury's in October 2024 and the administrative offices are now in the Redwood Office above Admissions. The Coach House is a venue for estate and private events and was managed entirely by a subsidiary of the Charity, trading under the name Markshall Trading Ltd (formerly Marks Hall Enterprises Ltd). Since 1 January 2025 the Coach House and the majority of events at Markshall have been outsourced to the events company, Svago Ltd, trading as Black Jacket.

The Board of Directors of the corporate trustee meet quarterly as a minimum. There are three sub-committees reporting to the Board - Finance and Risk, Built Estate and Natural Environment. The first two of these committees meet at least quarterly in advance of each Board meeting to review, and to make recommendations to the Board, on all matters relating to finance, investments, risk, the management of the Estate property and an overview of ongoing project work. The Natural Environment committee meets as and when required.

Composition of the sub-committees includes at least two Board members, including the Chair and senior members of staff. The day-to-day management is undertaken by the Chief Executive and he leads the senior management team. Senior staff meetings occur regularly for the purpose of communication, decision making and reporting to Trustee.

Members of the Senior Management Team are:

- David Finkle Chief Executive
- Ian Chandler Arboretum Manager
- Sam Gentry Head of Operations and Visitor Engagement
- Lauren Shields Finance Manager (Resigned 4 July 2025)

As an integral part of the management policy the Senior Management Team regularly review the risk register which lists external and internal risk factors which may affect Markshall.

Senior staff ensure health & safety issues are kept under regular review as far as this affects employees, volunteers, contractors and visitors to Markshall Estate. In 2024 a Health and Safety consultant was appointed to review all aspects of health and safety on the Estate.

Working with professional advisers, the Board seek to ensure that all Markshall's management and decision-making processes take full account of and comply with relevant legislative and regulatory controls. Insurance, including cover for property ownership and public liability, is reviewed annually.

Board Recruitment, Induction & Training

Two further Directors, Geoff Kinsella and Mark Clifford, were appointed as directors of The Markshall estate Company Limited with effect from 1 January 2025. As Directors retire, replacement candidates will be identified by the remaining Directors through open advertising including on the Markshall website, social media and through approaches to interested organisations including The Royal Botanic Gardens Kew (RBG Kew). Prior to the recruitment process commencing, a skills and experience audit is undertaken of Directors to identify those skills and experience which would be most helpful for new Directors to possess. Prospective Directors receive a recruitment pack providing them with details of the role and background information. RBG Kew has had the option, but not the obligation, to appoint a Board member of their choosing and it is anticipated that this option will be extended to the potential appointment of Directors to The Markshall Estate Company Limited

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As part of their induction programme, new Directors are made aware of their responsibilities through discussions with the Chair, their fellow Board members and senior management. This includes an introduction to the history, objectives, and work of Markshall. New Directors also receive a copy of the Markshall governing document and copies of the previous two years' annual reports and accounts. They are also invited and encouraged to familiarise themselves with the Visitor Centre, Arboretum, and the wider estate and encouraged to familiarise themselves with the governance requirements of charities.

Strategic Objectives & Activities

Summary of Activities

The Charity's object is 'the advancement in the interests of the nation, of agriculture, arboriculture and forestry'.

The aims of the Charity are to:

- a) Maintain and develop the Estate, including its buildings, farmland and woodlands through the adoption of sound estate management principles. In doing so Markshall has due regard to the Estate's high nature conservation value, its landscape and its historic interest and seeks ways in which they may be enhanced.
- b) Develop an Arboretum of national significance, of value for scientific and educational purposes, and to share experiences with other like-minded organisations.
- c) Provide a visitor attraction of interest to all ages and groups for recreation, learning and general enjoyment.
- d) Enhance existing and develop new income streams to allow the charitable object to be developed further.

The main objectives and activities for the year were shaped by these aims and continued to focus on managing the visitor-related activities, Arboretum and the wider let and in-hand estate.

The strategies of Markshall to enable it to achieve its aims include:

- a) Managing the Arboretum to a consistently high and professional standard and expanding and developing the ornamental grounds as resources permit and as areas of coniferous trees are removed by the Forestry Commission. The Arboretum is arranged on a geographical basis with representative plantings from North America, Europe, Asia and Gondwanaland. Focusing on increasing existing revenue streams by building on reputation and a strong and inclusive social media strategy and by developing with industry best practice for revenue generation.
- b) Encouraging and prolonging visits through the provision of facilities, events and activities, within the Arboretum and the wider estate to enhance visitors' recreational and learning experience and to contribute towards their health and wellbeing.
- c) Managing in-hand woodland on a traditional coppice with standard systems following sound silvicultural techniques and for the benefit of flora and fauna. Some 120 acres of woodland is designated as semi-natural ancient woodland and has extremely high nature conservation value.
- d) Maintaining a good working relationship with the Forestry Commission.

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- e) Supporting its farming tenants through allowing, as appropriate, the diversification of their farming businesses, offering encouragement to enter environmental and other grant schemes and by facilitating innovative ideas. This is intended to provide an environment whereby farming tenants can develop their businesses for the benefit of themselves, Markshall and agriculture in general.
- f) Maintaining and developing the Estate, including its buildings, farmland and woodlands through the adoption of sound estate management principles. In doing so the Board has due regard to Markshall's high nature conservation value, its landscape and its historic interest and seeks ways in which they may be enhanced.
- g) Managing our in-hand land outside the Arboretum, extending to around 90 acres of grass and parkland, for the benefit of agriculture, the environment and recreation.
- h) Fostering good relationships with the local community and stakeholders, including tenants, volunteers, visitors and local businesses to obtain their support for Markshall's aims and objectives.
- i) Developing the profile of Markshall, actively encouraging local and regional businesses to support the work required to ensure the development of the Arboretum so that Markshall can fulfil its long-term objective of becoming world-class.

Public Benefit

Markshall is managed to deliver a variety of public benefits. The Estate provides significant public benefit to visitors for general enjoyment, wellbeing, recreation, education and health. It regularly receives good visitor reviews indicating how much people enjoy the estate, its beauty, the general standard of upkeep of the Arboretum and our facilities. There are also benefits to those with specific interests such as historians, gardeners, arboriculturists and landscape and nature specialists. The arboretum pioneers a novel botanical and geographical structure illustrating the different characteristic of trees from different parts of the world. It hosts regular visits from local schools, colleges, horticultural and other interest groups.

Markshall complements its existing programme with facilities that benefit other groups. For instance, we continue to partner with the International Park Run programme to create The Markshall Park Run which brings 250 to 300 runners to the Estate each Saturday and we have agreed in principle to the construction of a cycle path through the Estate between Earls Colne and Coggeshall. This will provide safe, off road transport, reduce vehicle emissions and improve health.

The Estate also provides important benefits for nature conservation. The trees in the Arboretum protect a range of nationally and internationally endangered species. The surrounding areas are managed to a high conservation standard with the support of environmental stewardship schemes and, potentially, biodiversity net gain. The traditional coppice management of the woodlands maintains the high quality habitat, including significant stands of small-leaved lime. This supports a range of rare and threatened species, including dormice, great crested newts and butterflies, such as the silver washed fritillary. The particular combination of extensive woodland and WW2 air raid shelters on the Estate provides nationally important habitat for several significant populations of bats, including brown long-eared, barbastelle and natterer's bats.

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The Board has developed a strong social media platform which encourages comments, pictures and input from our visitors and allows us to develop positive and constructive relationships with a wider community.

Arboretum

The Arboretum continues to be managed for the enjoyment and benefit of the public, offering contemporary lakeside gardens and an extensive variety of trees, with many rare, endangered and interesting species, planted in a geographical landscape scheme.

The Landscape Master Plan sets out the vision for the growth of the Arboretum over the next 30 years and, subject to further input from Lear Associates, it is hoped a revised and extended plan will be completed in 2025. During 2019, trees belonging to the Forestry Commission on 10 acres of land were cleared enabling the plant collection to be expanded into this area. A significant new development here is the creation of a Himalayan feature with new planting typical of the Himalayan region, and an attenuation pond in the North America area which now provides an excellent habitat feature and also acts as a filter for Robins Brook which runs through the Estate. The new planting is typical of that growing in the North American region. It is hoped that more visitors will extend their reach into this area to enhance their experience of the Arboretum.

The remaining Forestry Commission trees are due to be felled in the winter of 2025/26. These trees cover approximately 75 acres in total of which 30 acres are in the Arboretum. After felling, there will be significant opportunities for further development of the Arboretum.

The Walled Garden continues to be a very popular destination and is regarded as one of the key features of the Arboretum. In 2023 the Charity celebrated 20 years since its opening. Changes have been made to the footpaths to enable all year round access to the garden.

We have recently completed a digital database of all the trees and shrubs in the Arboretum and parkland which gives a full record of every tree and shrub with GPS measurements. This has proved to be an excellent investment and the staff continue to update it with new and revised planting. It is a significant resource for the Charity as well as for others interested in the Estate's arboriculture. It underpins aspects of our business and partnership development as well as maximising learning and research opportunities.

Interpretation, new visitor facilities, and landscape features were introduced across the Arboretum during the year enabling visitors to obtain a better understanding of the collection within each geographical area. A range of guided walks for the public, gardening and social groups, and horticultural and landscape design students have taken place during the year.

Each year in March, Markshall hosts the annual memorial service on the anniversary of 'Operation Varsity' to remember those servicemen who in March 1945 flew from Earls Colne airfield during WWII. This event is attended by veterans, their families, members of the local community and local military regiments.

Visitor Centre Activities

The Orchard Kitchen café continued to develop its offering according to its resources and consumer demand until October 2024 when the catering was outsourced and the Visitor Centre leased to Mrs Salisbury's, an experienced and respected provider of tea rooms. This has proved to be very successful for both parties as well as confirming an income to Markshall. Our collaboration with A & J Plants was productive for both them and for Markshall. However, A & J decided to end the collaboration early in 2025 and plant sales are now being managed in-house by the Markshall Horticulture team

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During 2024 the shop gradually increased its variety of stock, determined by demand from visitors. It will continue to widen its range of products.

Instead of our biennial sculpture exhibitions we are now creating a "sculpture trail" with a permanent display of sculptures from renowned sculptors. We plan to continue to expand the number and range of sculptures.

Events continue to be a key feature of Markshall's offer ranging from a Christmas market to Easter trails and Halloween events. From January 2025 the majority of events at Markshall have been organised by Black Jacket who have taken the lease of the Coach House. Black Jacket is a leisure, hospitality, catering and events specialist.

Visitor numbers increased from 51,000 in 2023 to over 54,000 in 2024. Online booking was implemented in 2023 and 6 day opening started in January 2024.

Markshall continues to be supported by the Friends Scheme with over 4,340 Friends' cards issued, with family and couples representing over 7,000 individuals in total. Markshall is continually seeking ways to develop its Friends offer and provide them with added value and incentives.

Woodlands

The woodlands at Markshall Estate extend to over 450 acres, the majority of which are designated as Local Wildlife Sites. Little Monks Wood, Crowland's Wood, Grange Wood, Nunty's Wood, Cleveland Wood, Lilly Wood and Marks Hall Wood form a continuous block of ancient woodland on the western side of the Estate, parts of which are considered by Natural England to be one of the finest series of small-leaved lime woods in the country. Ancient woods are defined as any area that has been wooded continuously since at least 1600 AD, and they are the UK's richest land-based habitat for wildlife. These woodlands continue to be actively managed in a traditional manner principally through coppicing so as to achieve a sustainable and robust mixed management regime. A new Management Plan has been approved by the Forestry Commission in 2025. It is Markshall's aim to continue to restore the ancient broadleaf woods, after the last 75 acres of the Forestry Commission plantation are felled in the next year or two.

Visitors have access through some of the ancient woodland and it is the Board's intention to improve this access in time, and to provide better information on the high ecological and historical importance of the woodlands and their management.

Agriculture & the Tenanted Estate

The tenanted estate includes five arable farm holdings of an average size of approximately 310 acres. Four of the holdings are equipped with traditional and modern buildings and farmhouses. The farm holdings are let on either Agricultural Holdings Act agreements or Farm Business Tenancies. The rest of the let estate is made up of commercial property, which is used as offices, storage or light industrial, residential property and various grazing lets and other land uses, including a cricket bat willow plantation. Some properties were vacant for periods during the year while new tenants were being sought. As in previous years, Markshall has undertaken repairs and building improvements to several properties and infrastructure across the in-hand and let estate. The Board has also undertaken rent reviews and granted new leases where property has become vacant.

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The in-hand estate (other than the Arboretum, woodlands and visitor facilities) comprises around 90 acres of parkland, near to the Arboretum. Much of this land was in arable use until the early 1990s and is now grazed with cattle under the Higher-Level Environmental Stewardship Scheme, for the benefit of flora and fauna and landscape enhancement.

In 2021 the Trustees appointed Savills as the managing agents of the let estate. Savills now manage all tenanted properties on behalf of Markshall. In 2024 rental income for the Charity totalled £399,990 (£331,551 in 2023).

Plans are being developed by the local community for the creation of an 8.2 km cycle path through Markshall Estate linking the villages of Earls Colne and Coggeshall and, at a later stage, further afield towards Braintree town centre and Kelvedon station. The cycle path will provide a safe recreational activity for all age groups and will encourage more visitors to the estate. Markshall continues to work with local groups and councils to bring the scheme to fruition.

Strategic Development

Over the past years, the financial position of Markshall has been challenging, especially since Covid restrictions in 2020. Two more factors in particular have added to this. Being a visitor attraction that is particularly weather dependent, a very wet spring in 2024 and changeable weather for the remainder of the summer affected receipts. While we budgeted for a significant increase in visitor numbers in 2024, both the weather and the increased cost of living did affect this with overall admission income increasing only slightly from 2023 to 2024. These two challenges are not unique to Markshall but are being experienced by similar visitor attractions around the country, particularly those reliant on the weather.

Despite the cutbacks introduced in 2022 and 2023, it became apparent that Markshall would have to further retrench its strategic vision in the hope of achieving balanced budgets. As a result, and with the aim of increasing income and reducing costs, a series of actions were taken. These are detailed below

In 2021 the Trustees decided to incorporate the Charity. With advice from specialist charity lawyers, Bates Wells, a company limited by guarantee was formed with the current Trustees becoming Directors. This process was completed on 31 December 2024 with the new company becoming the sole Trustee of the Charity. These changes make little difference to staff, Friends, volunteers, visitors and suppliers but provide protection for the new Directors by limiting their personal liability. It will also enable the recruitment of more Directors to increase the numbers on the Board.

It is anticipated that the Government's "Biodiversity Net Gain" (BNG) initiative introduced into the planning system under the 2021 Environment Act, requiring developers to enhance the level of biodiversity on their sites and/or offset elsewhere, will prove to be an interesting and profitable one for Markshall. Several sites in the Estate have already been identified by ecologists as potential BNG sites and we are working to secure the necessary agreements with Responsible Bodies and developers.

Staff and Remuneration

The Board is responsible for the overall direction of Markshall and the Senior Management Team is responsible for the operations and day to day running. All Directors of the Corporate Trustee give their time freely and received no remuneration during the year for these duties. Details of Trustee expenses are disclosed within the financial accounts.

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At the end of 2023, the Charity employed 60 staff, equivalent to 23 full-time positions. 16 were employed on a full-time basis. During 2024 and 2025 we continued our policy of outsourcing certain functions so by July 2025 there were 8 full time and 11 part time employees. We continued to outsource some HR matters to an external consultant. Payroll is outsourced to local accountancy firm, Scrutton Bland Limited.

Markshall's staff are supported by over 40 volunteers who work in the admissions, as stewards at events, recording historic artifacts and driving the buggies for those less able. Of these, 17 assist regularly in the Arboretum including the walled garden. The Board thanks the volunteers for their considerable and continued help and support during 2024 and have already welcomed more volunteers to Markshall in 2025.

Financial Review

Revenue for Markshall is raised through the letting of estate property, the admission fees and Friends scheme for the Arboretum, educational events and other activities. Other income is raised from returns on investments, grants, legacies and sponsorship. Markshall Trading Ltd (MTL) is a wholly owned trading subsidiary of the Charity and in 2024 its principal activities were catering, retail activities, the hire and letting of the Coach House and the wider arboretum for events. The Charity charges MTL appropriate levels of rent and service charges. Profits generated by the trading company are gift-aided to the Charity.

Expenditure is managed through budget allocation to the department heads for Estate, Arboretum and Woodlands, Visitor Centre and MTL with any variation approved by senior management, or as necessary by the Board in accordance with agreed financial controls.

Due to the financial challenges, despite several changes and further investments, Markshall had not been sufficiently successful in generating enough income for its expenditure. The Board had remained optimistic that the changes would provide an increase in visitor numbers, in spend per head and in income but this did not materialise. In general this was due to adverse weather (Markshall is very dependent on good weather) and cost of living issues. In addition Markshall incurred considerable above budget costs for incorporation. Also in 2024 the property portfolio suffered from vacancies and from the requirement to offer rent free periods in order to attract new tenants. By early 2025 all the property was fully let.

By the middle of 2024 it became apparent to the Board that the changes implemented over the previous two years had not been sufficient to improve financial performance. In particular, projects to increase income were only moderately successful. This conclusion was confirmed by the loss for the Group for 2024 of £527,907.

To finance cash flow issues resulting from deficits, in August 2024 the Board applied to the Charity Commission for release of funds from its permanent endowment. This application was agreed by the Charity Commission on 10th September 2024. This was an addition to a drawdown under S282 in May 2024 of £500,000 in order to pay off a loan taken out in 2021 for the construction of the admission and office building.

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The Board agreed that it was not sustainable for Markshall to continue operating at a deficit and continuing to draw down permanent endowment funds. As a result the Board approved a recovery plan with the aim of having a balanced budget in 2025. The two main aspects of the plan were a reduction in staff numbers and the outsourcing of certain activities. Both were implemented successfully resulting in a balanced budget for 2025 though the effects of the plan could not influence the outcome for 2024. Three key activities - the cafe, marketing activities and the Coach House – have now been outsourced. These changes will reduce costs, reduce risk and guarantee income streams.

The trading subsidiary of the Charity, MTL, in 2024 undertook all commercial events, retail activities and operated the Orchard Kitchen. Income from MTL decreased from £712K in 2023 to £297K in 2024 with the fall resulting in the main from the ceasing of weddings at Markshall. Despite this fall, the financial results did improve with a reduction in the loss for the year from £49K in 2023 to £32K in 2024. The recovery plan will enable Markshall to continue to support MTL until the subsidiary's deficit is paid off. The Board is committed to this course of action. It is planned that the subsidiary will return to profit in 2025.

Total incoming resources in 2024 for both the Charity and MTL (the Group) were £1,113K (2023 £1,439K), a decrease of £326K. Income increased for admission, the Friends scheme, retail and rental income.

Total Group expenditure decreased by 24% from £2,155K in 2023 to £1,628K in 2024 but this decrease was not sufficient to avoid a deficit for the year, after the revaluation of investments, of £527K.

The majority of financial investments are managed by Rathbone Greenbank Investment and at the year end the value of all investments was £861K, a considerable fall from the previous year. In August 2021 Trustees agreed to move to a Total Return model of investment and amended this in 2024 instructing Rathbones to decrease the risk factor applied to the investments in order to increase revenue. The Board is confident that investments are being managed with appropriate caution and understanding of market volatility, with an emphasis on fixed interest bonds and UK and international company shares with strong balance sheets, sound business models and ESG credentials.

Reserves Policy, Going Concern and Plans for the Future

The Board reviews the reserves policy annually to ensure that it meets the Group's changing needs and circumstances. In normal operating conditions the Board considers it desirable to hold minimum reserves equating to two months of essential cash flow, with reserves defined according to Charity Commission guidance CC19. Most of the cash flow required continues to relate to staff costs. As of 31st December 2024, the reserves required for the Group were £125K (December 2023 141K), but given the cash constraints, this policy was not met at the year end. This calculation used the staff costs for December 2024 although the monthly staff cost fell significantly from January 2025, thereby increasing the probability that the reserves target will be met as at December 2025.

The Board's short and medium-term focus is on ensuring the Group's financial sustainability through an intensified drive on income generation across business areas, fundraising and strategic business planning as well as continued review of expenditure. Despite the financial difficulties since 2020, the Board remains optimistic that the restructuring will enable Markshall to continue to prosper and develop.

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It will undoubtedly take time to eradicate the losses brought forward by MTL and build up the cash reserves, but the Board and the Directors of MTL are optimistic that this can be achieved by the end of 2026.

Risk Management

The Board have considered the major risks to which Markshall is exposed and satisfied themselves that systems and procedures are in place in order to manage those risks. The risk management plan is reviewed and updated bi-annually by the Finance and Risk Sub-committee and by the Board. The plan focuses on the key risks and uncertainties faced by the Group including finances, the Group's management, reputational risk, environmental risks, health and safety and regulatory requirements.

The responsibility for managing each risk is allocated to individuals within the Senior Management Team who have specialist knowledge of their area of work and is overseen by the Chief Executive.

Financial security is identified as the most significant risk faced by Markshall. Reviews of funds, including financial forecasting, are carried out regularly to ensure there is sufficient operating capital.

Statement of Trustee's Responsibilities

The Board of the Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires Boards to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the organisation and of the incoming resources, and application of resources, including the income and expenditure of the organisation for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 to operate.

The Board is responsible for keeping sufficient accounting records which disclose with reasonable accuracy at any time the financial position of Markshall and enable it 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. It is also responsible for safeguarding the assets of Markshall and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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In so far as the Board is aware:

- there is no relevant audit information of which the auditor is unaware; and
- the Board has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Sumer Auditco Limited as auditors of the Trust will be put to the Trustee at the Board meeting in October 2025.

Approved by the Trustee on 16 September 2025 and signed on their behalf by



Meriel Barclay

Director of the Corporate Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Opinion

We have audited the financial statements of Markshall Estate (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 December 2024 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and 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 group and Charity's affairs as at 31 December 2024 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 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

We have nothing to report in this regard.

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13 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 liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the management and trustees (as required by auditing standards), inspection of the charity's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, charity law and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety legislation, employment law, anti-bribery and corruption legislation and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and trustees and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. 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 auditor's 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.

Sumer Auditco Limited

Sumer Auditco Limited
Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 17 September 2025

Sumer Auditco Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MARKSHALL ESTATE

GROUP STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2024 £	Total Funds 2023 £
Income						
Donations and legacies	2	30,551		-	30,551	33,861
Income from charitable activities:						
Grants receivable	3	5,519	6,000	-	11,519	30,076
Other income from charitable activities	4	250,488	224	-	250,712	244,623
Income from other trading activities	5	766,430		-	766,430	1,069,799
Investment income	6	53,769	-	-	53,769	60,638
Total income		1,106,757	6,224	-	1,112,981	1,438,997
Expenditure						
Expenditure on raising funds	7	777,299	-	-	777,299	1,163,309
Charitable activities	8	849,587	1,240	-	850,827	992,337
Total expenditure		1,626,886	1,240	-	1,628,126	2,155,646
Realised and unrealised investment (losses)/gains		(12,762)	-	-	(12,762)	165,486
Net (expenditure)/income		(532,891)	4,984	-	(527,907)	(551,163)
Transfer between funds	23	945,000	-	(945,000)	-	-
Net movement in funds carried forward		412,109	4,984	(945,000)	(527,907)	(551,163)
Balances brought forward at 1 January 2024		£1,707,650	£7,819	£2,431,181	£4,146,650	£4,697,813
Balances carried forward at 31 December 2024		£2,119,759	£12,803	£1,486,181	£3,618,743	£4,146,650

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

Analysis between funds of the 2023 Statement of Financial Activities is shown in note 27 to the accounts.

MARKSHALL ESTATE

GROUP BALANCE SHEET AS AT 31 DECEMBER 2024

	Notes	2024 £	As restated 2023 £
Fixed assets			
Intangible assets	12	25,815	21,854
Tangible assets	13	1,089,578	3,065,108
Investments	14	860,993	2,237,926
		<u>1,976,386</u>	<u>5,324,888</u>
Current assets			
Stocks	15	2,034	18,477
Debtors	16	1,581,341	130,378
Cash at bank and in hand		417,469	51,064
		<u>2,000,844</u>	<u>199,919</u>
Creditors: amounts falling due within one year	17	349,060	414,300
Net current assets/(liabilities)		<u>1,651,784</u>	<u>(214,381)</u>
Total assets less current liabilities		3,628,170	5,110,507
Creditors: amounts falling due after more than one year	18	9,427	963,857
Net assets		<u>£3,618,743</u>	<u>£4,146,650</u>
Funds			
Capital funds			
Endowments	20	1,486,181	2,431,181
Income funds			
Restricted funds	21	12,803	7,819
Unrestricted funds : General charitable funds	22	2,119,759	1,707,650
		<u>£3,618,743</u>	<u>£4,146,650</u>

Approved by the Trustee on 16 September 2025 and signed on its behalf by



Meriel Barclay
Director of the Corporate Trustee

MARKSHALL ESTATE

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2024

	Notes	2024 £	As restated 2023 £
Fixed assets			
Intangible assets	12	25,815	21,854
Tangible assets	13	1,082,198	3,045,675
Investments	14	861,000	2,237,933
		<u>1,969,013</u>	<u>5,305,462</u>
Current assets			
Debtors	16	1,731,982	166,026
Cash at bank and in hand		402,076	40,826
		<u>2,134,058</u>	<u>206,852</u>
Creditors: amounts falling due within one year	17	<u>325,366</u>	<u>293,862</u>
Net current assets/(liabilities)		<u>1,808,692</u>	<u>(87,010)</u>
Total assets less current liabilities		<u>3,777,705</u>	<u>5,218,452</u>
Creditors: amounts falling due after more than one year	18	<u>-</u>	<u>944,690</u>
Net assets		<u>3,777,705</u>	<u>£4,273,762</u>
Funds			
Capital funds			
Endowments	20	1,486,181	2,431,181
Income funds			
Restricted funds	21	12,803	7,819
Unrestricted funds : General charitable funds	22	2,278,721	1,834,762
		<u>3,777,705</u>	<u>£4,273,762</u>

Approved by the Trustee on 16 September 2025 and signed on its behalf by



Meriel Barclay
Director of the Corporate Trustee

MARKSHALL ESTATE

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2024

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash flows from operating activities				
Net movements in funds	(527,907)	(551,163)	(496,057)	(501,932)
Depreciation of tangible assets	165,673	294,520	159,771	282,739
(Profit)/loss on disposal of tangible assets	(23,039)	39,732	(21,620)	39,732
Unrealised investment (gain)/loss	12,762	(165,487)	12,762	(165,487)
Interest paid	93,592	111,417	72,866	100,672
Interest received	(3,772)	(5,636)	(3,452)	(5,158)
Dividends received	(49,997)	(55,002)	(49,997)	(55,002)
(Increase)/ decrease in debtors	23,177	307,660	(91,816)	74,124
(Decrease)/increase in creditors	(36,093)	(224,147)	60,651	(27,549)
Decrease in stocks	16,443	2,355	-	-
Cash used in operations	(329,161)	(245,751)	(356,892)	(257,861)
Cash flows from financing activities				
Interest paid	(93,592)	(111,417)	(72,866)	(100,672)
Interest received	3,772	5,636	3,452	5,158
Finance lease repayments	(8,965)	(11,357)	(8,965)	(11,357)
Loans repaid	(543,396)	(42,325)	(533,656)	(33,542)
Net cash (used in)/from financing activities	(642,181)	(159,463)	(612,035)	(140,413)
Cash flows from investing activities				
Purchase of tangible fixed assets	(111,605)	(101,402)	(111,605)	(91,629)
Cash withdrawn from investments	1,364,171	268,569	1,364,171	268,569
Dividends received	49,997	55,002	49,997	55,002
Proceeds from sale of fixed assets	22,570	5,000	15,000	5,000
Net cash from investing activities	1,325,133	227,169	1,317,563	236,942
Change in cash and cash equivalents in the year	353,791	(178,045)	348,636	(161,332)
Cash and cash equivalents brought forward	(22,042)	156,003	(32,280)	129,052
Cash and cash equivalents carried forward	£ 331,749	£ (22,042)	£ 316,356	£ (32,280)

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements are rounded to the nearest £1 and are prepared in sterling.

Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary undertaking Markshall Trading Ltd. The results of the subsidiary undertaking are consolidated on a line by line basis.

Going concern

Having considered the Charity's forecasts and projections and the recovery plan put in place for the subsidiary, the Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least twelve months from the date of approving these financial statements. Following approval from the Charity Commission for the Charity to release £400,000 from permanent endowments in September 2024, the charity is expected to have sufficient cash to continue in operation and support its subsidiary. For these reasons the Trustees continue to adopt the going concern basis in preparing the accounts.

Unrestricted funds

These are funds which are available to spend on activities that further any of the purposes of the Charity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

1 ACCOUNTING POLICIES - (continued)

Restricted funds

Funds restricted by the donor are treated as restricted funds. All other receipts are unrestricted funds. When restricted funds, set up for the purpose of acquiring fixed assets, are fully expended on the relevant assets, the fixed assets are transferred into general funds unless the terms of the original receipt require the asset to be held in a restricted fund.

Permanent endowment funds

The land originally donated to the Trust is vested in the official custodian for Charities. The value of this land upon establishment of the Trust in 1971 is included in fixed assets and reflected as a permanent endowment fund in accordance with the Charities SORP. In 1996 and 1998 the Trust obtained permission from the Charity Commission to spend part of its permanent endowment fund on a new workshop barn and the renovation of Keepers Cottage respectively. These permissions are on the condition that one twenty fifth of the expense is transferred back annually to the permanent endowment fund. At 31 December 2023 the total expense not yet due to be transferred back was £nil.

During the years ended 31 December 2018, 31 December 2019 and 31 December 2021 the Trust made sales of endowed land. The sale proceeds less direct legal fees incurred were transferred into separate bank accounts and held as a permanent endowment investment fund.

The Charities Commission agreed to release £227,500 of these funds under Section 282 for capital projects on 15 March 2019 and was subsequently reallocated, with agreement by the Charities Commission, for operating and project expenditure. During the prior year an application for the release of a further £480,000 was made and this was approved by the Charities Commission on 21 April 2020. In the year ended 31 December 2022, the Charities Commission agreed to release a further £350,000 of these funds under Section 282 for operating and project expenditure. In the year ending 2023 a further £500,000 was released under Section 282. In the year ended 31 December 2024, the Charities Commission agreed to release a further £945,000 under Section 282, to fund operations and bolster cashflow.

Income

All income is accounted for on an accruals basis with the exception of grants which are accounted for when the Charity has sufficient entitlement to them, and legacies, where entitlement is taken as the earlier of the date on which either: the Charity is made aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants receivable are included as incoming resources from charitable activities when they are for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries and as voluntary income when the grant is of a general nature.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

1 ACCOUNTING POLICIES - (continued)

Gifts in kind are included as incoming resources from generated funds and are valued at the estimated value to the Charity of the service received. Gift aid reclaimed on donations is recognised in the financial statements once the Charity has made a claim.

Donated goods and services

The Charity receives donated services in the form of volunteer work. The economic contribution of general volunteers is not recognised in the financial statements. Donated facilities are recognised in income and expenditure when the charity has control over the item, conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on the basis of the level of income for each activity.

Expenditure classified as costs of generating funds include fundraising costs and expenditure incurred in the running of the Visitors' Centre.

Costs classified as charitable activities relate to the expenditure incurred in the running of the arboretum and opening it to visitors, the operations of the Board of Trustees, and addressing constitutional, audit and other statutory matters.

Fixed assets

Fixed assets are included at cost less depreciation. The capitalisation limit of the Charity is £1,000.

No depreciation is provided on freehold land or freehold buildings. The Charity's policy is to maintain the properties in a continual state of sound repair and accordingly the Trustees are of the opinion that the lives of the properties are so long and residual values so high that their depreciation is insignificant.

Improvements to properties are depreciated at 10% on cost. Kitchen equipment purchased as part of the improvements to the Visitors' Centre is depreciated at 20% on the reducing balance method.

The value of the property contained in the financial statements is reviewed on an annual basis by the Trustees for impairment. A provision is made to reduce the value in the financial statements where it is felt the property value is overstated.

The majority of land and buildings owned by the Charity are let to provide income to the Charity. It is not practical to distinguish these as investments as they are part of the donation to the Charity and were not purchased as investments.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

1 ACCOUNTING POLICIES - (continued)

Plant and machinery is depreciated at 20% on the reducing balance method.

Heritage assets

Markshall Estate comprises a varied landscape. The Charity maintains this landscape in the interests of the nation and for future generations. The ancient woodland, comprising approximately 200 acres and the former Deer Park, comprising approximately 250 acres is recognised as a heritage asset. Due to the nature of the asset the Trustees consider it impractical to obtain a conventional valuation, the costs being onerous compared with the additional benefit derived by the Charity and the users of the accounts.

Investments

Listed investments are included at market rate at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pension costs

The Charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Charity. The annual contributions are charged to the statement of financial activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

1 ACCOUNTING POLICIES - (continued)

Taxation

Markshall Estate is a Charity within the meaning of the Charities Act 2011 and as such is a Charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Markshall Estate is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

Cash and cash equivalents

Cash and cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash, without being subject to a significant change in value.

Significant judgements and estimates

The more significant judgements and estimates involved in the preparation of the financial statements include assessing the depreciation rates applicable to tangible fixed assets and the way in which certain costs should be apportioned. Further details regarding these points are included within the accounting policies.

2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£	£
Disabled vehicle "Buggy"	815	-	-	815	817
General donations	29,736	-	-	29,736	33,044
	<u>£ 30,551</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 30,551</u>	<u>£ 33,861</u>

The Estate benefits greatly from the support of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102 and the Charities SORP, the economic contribution of general volunteers is not recognised in the accounts.

In the prior year, £Nil donation and legacies income related to restricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

3 GRANTS RECEIVABLE

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£	£
Land and Environmental	5,519	6,000	-	11,519	30,076
	<u>£ 5,519</u>	<u>£ 6,000</u>	<u>-</u>	<u>£ 11,519</u>	<u>£ 30,076</u>

All amounts in 2023 relate to unrestricted funds.

4 OTHER INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£	£
Admissions	144,821	-	-	144,821	141,019
Friends fees	105,667	-	-	105,667	103,604
Other Income	-	224	-	224	-
	<u>£ 250,488</u>	<u>£ 224</u>	<u>£ -</u>	<u>£ 250,712</u>	<u>£ 244,623</u>

All amounts in 2023 relate to unrestricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£	£
Coach house and visitor centre lettings	63,289	-	-	63,289	413,417
Events income	9,415	-	-	9,415	13,056
Shop income	55,212	-	-	55,212	52,954
Catering income	179,176	-	-	179,176	247,471
Rental and estate income	456,984	-	-	456,984	342,064
Timber sales	2,354	-	-	2,354	837
	<u>£ 766,430</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 766,430</u>	<u>£ 1,069,799</u>

All amounts in 2023 relate to unrestricted funds.

6 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£	£
UK equities	49,997	-	-	49,997	55,002
Interest received	3,452	-	-	3,452	5,636
	<u>£ 53,449</u>	<u>-</u>	<u>-</u>	<u>£ 53,449</u>	<u>£ 60,638</u>

All investment income for 2023 relates to financial assets measured at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

7 EXPENDITURE ON RAISING FUNDS

	Activities undertaken directly £	Visitor Centre Support costs £	Support costs £	Total 2024 £	Total 2023 £
Coach house and visitor lettings	266,646	-	35,278	301,924	614,025
Events	18,680	8,341	818	27,839	33,698
Shop	-	155	-	155	47,015
Catering	-	-	-	-	5,163
Rental and estates activities	80,197	-	367,184	447,381	463,408
	<u>£ 365,523</u>	<u>£ 8,496</u>	<u>£ 403,280</u>	<u>£ 777,299</u>	<u>£ 1,163,309</u>

There is no grant funding of activities.

8 CHARITABLE ACTIVITIES

	Activities undertaken directly £	Visitor Centre Support costs £	Support and Governance costs £	Total 2024 £	Total 2023 £
Arboretum	439,460	-	53,989	493,449	633,192
Admissions	-	125,403	-	125,403	121,086
Members' fees	-	91,497	-	91,497	88,961
Trustee and administration expenses	-	-	143	143	670
Auditors' remuneration: in respect of audit services	-	-	35,065	35,065	31,935
in respect of non audit services	-	-	3,200	3,200	2,965
Professional fees	-	-	102,070	102,070	113,528
	<u>£ 439,460</u>	<u>£ 216,900</u>	<u>£ 194,467</u>	<u>£ 850,827</u>	<u>£ 992,337</u>

There is no grant funding of activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

9 EXPENDITURE

Total expenditure can be further analysed as follows:

	2024 £	2023 £
Staff costs	708,777	834,678
Events and Visitor Centre expenditure	92,982	150,475
Shop and catering expenditure	28,636	25,032
Wedding expenditure	13,105	62,710
Repairs to property and equipment	106,479	142,673
Cleaning	22,503	31,639
Telephone	7,409	12,826
Rates	5,107	(3,396)
Heat, light and water	17,977	25,190
Bank interest and charges	40,347	41,176
Depreciation	165,674	246,534
Miscellaneous	59,793	101,530
Transport, fuel and maintenance	22,398	16,572
Insurance	42,619	41,917
Land access payments	7,083	7,083
Loan interest	51,532	74,021
Hire purchase interest	1,713	476
Subscriptions	8,123	10,236
Auditors' remuneration	38,265	34,900
Marketing and management fees and expenses	24,972	41,899
Professional fees	121,980	118,692
Trustee and administration expenses	143	670
Management, staff and volunteer expenses	1,338	2,927
Training	3,474	2,639
Plants	33,571	36,175
Bad debts written off	8,821	43,089
Printing	758	4,666
Licences	96	973
Equipment	505	7,912
(Gain)/Loss on disposal	(22,497)	39,732
Investment fees	10,081	-
Stock provision	4,362	-
	<u>£ 1,628,126</u>	<u>£ 2,155,646</u>

Of the above expenditure £51,532 (2023: £74,021) of interest expense relates to financial liabilities measured at amortised cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

9 EXPENDITURE - (continued)

Visitor Centre support costs

Visitor Centre support costs can be further analysed as follows:

	2024	2023
	£	£
Staff costs	154,855	107,689
Repairs	16,159	27,055
Cleaning	10,813	15,677
Telephone	3,265	6,292
Light, heat and water	4,834	2,863
Bank interest and charges	7,638	12,306
Miscellaneous	11,289	37,452
Insurance	14,159	11,660
Legal fees	-	2,089
Volunteer expenses	2,363	1,795
Subscriptions	21	308
	<u>£ 225,396</u>	<u>£ 225,186</u>

Basis of allocation of Visitor Centre support costs

Visitor Centre support costs have been allocated to each activity undertaken at the visitor centre on the basis of income for each activity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

9 EXPENDITURE - (continued)

General support costs

Support costs can be further analysed as follows:

	2024 £	2023 £
Staff costs	221,720	232,791
Marketing fees	24,972	67,934
Professional fees	140,307	190,609
Management, staff and volunteer expenses	544	1,512
Training	2,824	2,534
Miscellaneous	24,360	12,737
Bank charges	34,595	29,346
Cleaning	9,369	14,559
Light, heat and water	13,143	22,327
Repairs	59,963	83,765
Telephone	4,144	6,534
Bad debts written off	8,821	43,089
Printing, postage and stationery	358	3,070
Depreciation	5,903	11,781
Insurance	142	6,937
Licences	96	973
Subscriptions	7,573	6,621
Equipment hire	505	7,911
Trustee and administration expenses	143	670
Auditor's remuneration	38,265	34,900
	<u>£ 597,747</u>	<u>£ 780,600</u>

Basis of allocation of support costs

Support costs are specifically allocated to the department to which they relate.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

10 EMPLOYEE AND TRUSTEE INFORMATION

	2024 £	2023 £
Employees		
Wages and salaries	653,011	772,956
Social security costs	43,379	49,788
Pension costs	10,387	11,934
	<u>£ 706,777</u>	<u>£ 834,678</u>
The average monthly number of employees during the year was made up as follows:	<u>41</u>	<u>60</u>

One employee earned in excess of £60,000 (2023 – no employees).

Trustees

There were 7 Trustees who held office during the year, there were no more than 7 Trustees in office at any time during the year.

On 31 December 2024, The Markshall Estate Company Limited was appointed the sole Corporate Trustee of the Charity. On this date, all other Trustees resigned.

No emoluments are payable to any trustee, in their capacity as a trustee and only directly incurred expenses are reimbursed. The amount reimbursed during the year was £143 (2023: £670). These expenses largely relate to travel and subsistence costs.

Indemnity insurance is maintained covering the Board of Trustees in their capacity as trustees, which cost £2,825 (2023: £1,500) in the year.

The key management personnel of the group comprise those of the Charity and the key management personnel of its wholly owned subsidiary, Markshall Trading Limited. The total employee benefits of the key management personnel of the group were £185,719 (2023: £197,965).

11 AUDIT FEE

	2024 £	2023 £
Auditors' remuneration: in respect of audit services	21,750	17,150
: in respect of payroll services	2,187	3,205
: in respect of other non-audit services	5,450	2,965
	<u>£ 29,387</u>	<u>£ 23,320</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

12 INTANGIBLE FIXED ASSETS

Group and Charity	Digital plant catalogue £
Cost	
At 1 January 2024 (As restated)	25,295
Additions	6,995
	<hr/>
At 31 December 2024	32,290
	<hr/>
Amortisation	
At 1 January 2024 (As restated)	3,441
Charge for year	3,034
	<hr/>
At 31 December 2024	6,475
	<hr/>
Net book values	
At 31 December 2024	<u>£ 25,815</u>
At 31 December 2023	<u>£ 21,854</u>

13 TANGIBLE FIXED ASSETS

Group	Improvements			Total £
	Freehold property £	to properties £	Plant and machinery £	
Cost				
At 1 January 2024	2,353,635	1,344,290	678,004	4,375,929
Additions	-	23,715	80,895	104,610
Disposals	(1,917,970)	(83,575)	(31,569)	(2,033,114)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	435,665	1,284,430	727,330	2,447,425
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2024	-	794,720	516,101	1,310,821
Charge for year	-	123,675	38,964	162,639
Disposals	-	(98,868)	(16,745)	(115,613)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	-	819,527	538,320	1,357,847
	<hr/>	<hr/>	<hr/>	<hr/>
Net book values				
At 31 December 2024	<u>435,665</u>	<u>464,903</u>	<u>189,010</u>	<u>1,089,578</u>
At 31 December 2023	<u>£ 2,353,635</u>	<u>£ 549,570</u>	<u>£ 161,903</u>	<u>£ 3,065,108</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

13 TANGIBLE FIXED ASSETS - (continued)

Charity

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2024	2,353,635	1,344,290	616,324	4,314,249
Additions	-	23,715	80,895	104,610
Disposals	(1,917,970)	(83,575)	(22,696)	(2,024,241)
At 31 December 2024	<u>435,665</u>	<u>1,284,430</u>	<u>674,523</u>	<u>2,394,618</u>
Depreciation				
At 1 January 2024	-	794,720	473,854	1,268,574
Charge for year	-	123,675	33,061	156,736
Disposals	-	(98,868)	(14,022)	(112,890)
At 31 December 2024	-	<u>819,527</u>	<u>492,893</u>	<u>1,312,420</u>
Net book values				
At 31 December 2024	<u>435,665</u>	<u>464,903</u>	<u>181,630</u>	<u>1,082,198</u>
At 31 December 2023	<u>£ 2,353,635</u>	<u>£ 549,570</u>	<u>£ 142,470</u>	<u>£ 3,045,675</u>

Assets held for use in operating leases

Included within fixed assets are assets held for use in operating leases, for which the Charity receives rental income. As at 31 December 2024 the minimum annual lease payments to be received in respect of these assets is £455,684 (2023: £337,404).

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

14 INVESTMENTS

Group and Charity

	2024 £	2023 £
Listed investments		
Market value at 1 January 2024	2,237,926	2,341,008
Disposal at cost	(1,354,090)	(268,568)
Investment fees	(10,081)	-
Net unrealised investment (loss)/gain	(12,762)	165,486
	<u>£ 860,993</u>	<u>£ 2,237,926</u>
Market value at 31 December 2024	<u>£ 860,993</u>	<u>£ 2,237,926</u>
Historical cost at 31 December 2024	<u>938,494</u>	<u>£ 2,129,574</u>

Details of the listed investments held at 31 December 2024 are as follows:

	Cost £	Mid-market value £
M and G Charibond Common Investment Fund 7,168 Income Shares	7,786	7,734
M and G Charifund – Equities Investment Fund for Charities 708 Income Units	8,000	10,425
Charinco Common Investment Fund 4,404 Income Shares	7,042	6,244
Charishare Common Investment Fund 3,442 Income Shares	6,532	25,770
Charities Official Investment Fund 1,226 Income Units 37 Accumulated Units	7,802 393	24,885 9,604
Glaxo Smith Kline PLC 2,804 Income Shares	43,139	37,405
Haleon PLC 3,505 Income Shares	10,785	13,228
Rathbone Portfolio	847,015	725,698
	<u>938,494</u>	<u>860,993</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

14 INVESTMENTS - (continued)

Fixed Asset Investments – (continued)

The net unrealised gain of £165,487 (2022: £542,395 loss) is in relation to financial assets recognised at fair value.

Charity investment in subsidiary

	2024 £	2023 £
Cost and net book value: At 1 January 2024 and at 31 December 2024	<u>£ 7</u>	<u>£ 7</u>
Group		
Total fixed asset investments	<u>£ 860,993</u>	<u>£ 2,237,926</u>
Charity		
Total fixed asset investments	<u>£ 861,000</u>	<u>£ 2,237,933</u>

The investment in a subsidiary relates to a 100% shareholding in Markshall Trading Ltd (formerly Marks Hall Enterprises Limited) a company incorporated in England and Wales, company number: 07798255. Marks Hall Enterprises Limited was incorporated on 5 October 2011 and commenced trading on 1 January 2012.

The principal activity of Markshall Trading during the year was the hire of a venue events and running the catering function of the group. For the year to 31 December 2024 the company made a loss before gift aid payments of £23,269 (2023: loss £49,231) and at this date it had net liabilities of £150,374 (2023: £127,105). The results of Markshall Trading Limited have been consolidated within these financial statements on a line by line basis.

15 STOCKS

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Goods for resale	<u>£ 2,034</u>	<u>£ 18,477</u>	<u>£ -</u>	<u>£ -</u>

There is no material difference between the book value of stocks and replacement cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

16 DEBTORS

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	56,361	55,833	54,516	39,134
Other debtors	37,823	66,662	37,823	63,352
Prepayments	13,017	7,883	5,593	5,972
Amounts due from group undertakings	1,474,140	-	1,634,050	57,568
	<u>1,581,341</u>	<u>£ 130,378</u>	<u>1,731,982</u>	<u>£ 166,026</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Loans and overdrafts	95,720	129,483	85,720	119,483
Trade creditors	42,713	98,704	41,058	70,526
Other creditors	148,932	64,606	148,932	63,998
Other taxation and social security	10,865	64,938	10,076	9,498
Accruals	33,738	31,697	25,875	21,277
Deferred income	3,416	15,812	29	20
Amounts due under finance leases	13,676	9,060	13,676	9,060
	<u>349,060</u>	<u>£ 414,300</u>	<u>325,366</u>	<u>£ 293,862</u>

Deferred income is recognised in respect of income for future events and rent received in advance and is included within other creditors.

During the year deferred income of £3,416 was accounted for (2023: £15,812) in creditors falling due in under and over one year.

Of the prior year's deferred income, £15,812 (2023: £215,618) was released during the year ended 31 December 2024.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Loans:				
- Due between one and two years	8,552	33,965	-	33,965
- Due between two and five years	-	631,436	-	612,269
- Due after more than five years	-	284,875	-	284,875
	<u>8,552</u>	<u>950,276</u>	<u>-</u>	<u>931,109</u>
Amounts due under finance leases:				
- Due between one and two years	-	13,581	-	13,581
Deferred income:				
- Due between one and two years	875	-	-	-
	<u>875</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>£ 9,427</u>	<u>£ 963,857</u>	<u>£ -</u>	<u>£ 944,690</u>

The Purley Farm loan of £165,282 (2023: £171,196) is secured on Bouchiers Grange and Purley Farm, Coggeshall. This loan is repayable by quarterly instalments and bears an interest rate of 2% over base rate.

The second replacement loan of £244,394 (2023: £250,677) is secured on 1 and 2 Bouchiers Grange Cottages, and 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by monthly instalments and bears an interest rate of 5%.

The Rathbones loan of £Nil (2023: £509,236) was secured on the Charity's investment portfolio held with the creditor. This loan is repayable 5 years from signing of the agreement and bears an interest rate of 2.5% over the base rate. The loan was repaid in full during the year.

The loans were transferred to The Markshall Estate Company Limited (the Corporate Trustee) on 31 Dec 2024

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

19 FINANCIAL INSTRUMENTS

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Financial assets				
Financial assets measured at fair value through profit or loss	860,993	2,237,926	861,000	2,237,933
Financial assets measured at amortised cost	511,653	173,559	654,325	200,880
	<u>£ 1,372,646</u>	<u>£ 2,411,485</u>	<u>£ 1,515,325</u>	<u>£ 2,438,813</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>£ 787,161</u>	<u>£ 1,297,407</u>	<u>£ 759,091</u>	<u>£ 1,299,034</u>

Financial assets measured at fair value through profit or loss comprise investments.

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise loans and overdrafts, trade creditors, other creditors and accruals.

20 ENDOWMENTS

Group and Charity

	Balance at 1.1.24 £	Movement in funds		Balance at 31.12.24 £
		Income £	Expenditure, gains/(losses) and transfers £	
Permanent endowment				
Investment	2,237,926	-	(1,376,933)	860,993
Markshall Estate	193,255	-	431,933	625,188
	<u>£ 2,431,181</u>		<u>£ (945,000)</u>	<u>£ 1,486,181</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

21 RESTRICTED FUNDS

Group and Charity

	Balance at 1.1.24 £	Movement in funds		Balance at 31.12.24 £
		Income £	Expenditure, gains/losses and transfers £	
Educational events	6,828	-	(455)	6,373
Cycle path	253	-	-	253
Peter Holland Donation	738	-	(738)	-
Essex Heritage	-	6,000	-	6,000
Mouse House Campaign	-	209	(47)	162
Tree Wishes	-	15	-	15
	<u>£ 7,819</u>	<u>6,224</u>	<u>(1,240)</u>	<u>12,803</u>

Educational events

This fund represents donations towards educational events that will be held.

22 UNRESTRICTED FUNDS

	Balance at 1.1.24	Movement in funds		Balance at 31.12.24
		Income	Expenditure, (gains)/losses and transfers	
Group				
General charitable funds	<u>£ 1,707,650</u>	<u>1,106,757</u>	<u>(694,648)</u>	<u>£ 2,119,759</u>
Charity				
General charitable funds	<u>£ 1,834,762</u>	<u>828,968</u>	<u>(385,009)</u>	<u>£ 2,278,721</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

23 FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary of Markshall Trading Limited, which hires a venue for weddings and other functions.

The summary financial performance of the Charity alone is:

	2024 £	2023 £
Income	835,192	811,704
Expenditure		
Fundraising trading:		
Cost of goods sold and other costs	483,223	905,912
Charitable activities	804,571	548,690
Governance costs	30,693	24,520
Realised and unrealised Investment loss/(gain)	12,762	(165,486)
Net outgoing resources	(496,057)	(501,932)
Total funds brought forward	4,273,762	4,775,694
Total funds carried forward	£ 3,777,705	£ 4,273,762
Represented by:		
Restricted funds	12,803	7,819
Endowment funds	1,486,181	2,431,181
Unrestricted funds	2,278,721	1,834,762
Total funds	£ 3,777,705	£ 4,273,762

24 TRANSFER BETWEEN FUNDS

The £945,000 transfer from endowment to unrestricted funds was made following successful S282 applications on 29 May 2024 and 31 August 2024.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

25 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	12,803	12,803
Endowment funds	216,058	860,993	409,130	1,486,181
Unrestricted funds				
General charitable funds	2,817,305	-	(697,546)	2,119,759
Total funds	3,033,363	860,993	(275,613)	3,618,473

Charity

	Fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	12,803	12,803
Endowment funds	216,058	860,993	409,130	1,486,181
Unrestricted funds				
General charitable funds	2,809,925	7	(531,211)	2,278,721
Total funds	3,025,983	861,000	(109,278)	3,777,705

26 RELATED PARTY TRANSACTIONS

The Charity was under the control of the Trustees during the year. As of 31 December 2024, The Markshall Estate Company Limited became the sole corporate Trustee of the Charity. This ultimate parent company is controlled by its directors, the former Trustees of the Charity.

The Charity has taken advantage of the exemption provided by the related party criteria of FRS 102 not to disclose transactions between group companies where the subsidiary is wholly owned within the group.

During the year there were no further related party transactions.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

27 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023 £
	£	£	£	£
Income				
Donations and legacies	28,208	5,653	-	33,861
Income from charitable activities:				
Grants receivable	30,076	-	-	30,076
Other income from charitable activities	244,623	-	-	244,623
Income from other trading activities	1,069,799	-	-	1,069,799
Investment income	60,638	-	-	60,638
Total income	1,433,344	5,653	-	1,438,997
Expenditure on raising funds	1,163,309	-	-	1,163,309
Charitable activities	980,170	12,167	-	992,337
Total expenditure	2,143,479	12,167	-	2,155,646
Realised and unrealised investment gains/(losses)	165,486	-	-	165,486
Net expenditure	(544,649)	(6,514)	-	(551,163)
Transfer between funds	499,193	-	(499,193)	-
Net movement in funds carried forward	(45,456)	(6,514)	(499,193)	(551,163)
Balances brought forward at 1 January 2023	£1,753,106	£14,333	£2,930,374	£4,697,813
Balances carried forward at 31 December 2023	<u>£1,707,650</u>	<u>£7,819</u>	<u>£2,431,181</u>	<u>£4,146,650</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2024

28 ANALYSIS OF NET DEBT

Group

	Balance at 1.1.24 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.24 £
Cash at bank and in hand	(22,042)	353,791	-	331,749
Debt due within one year	(56,377)	22,838	(10,615)	(44,154)
Debt due after one year	(950,276)	521,433	10,615	(418,228)
Net debt	£ (1,028,695)	£ 898,062	£ -	£ (130,633)

Charity

	Balance at 1.1.24 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.24 £
Cash at bank and in hand	(32,280)	348,636	-	316,356
Debt due within one year	(46,377)	12,223	-	(34,154)
Debt due after one year	(931,106)	521,433	-	(409,673)
Net debt	£ (1,009,763)	£ 882,292	£ -	£ (127,471)

29 Commitments under operating leases

At 31 December 2024 the parent charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	3,196	-
Later than 1 year and not later than 5 years	9,388	-
	£ 12,584	£ -

MARKSHALL ESTATE

YEAR ENDED 31 DECEMBER 2024

Detailed Income and Expenditure Accounts
for the Trustees' information

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	£	£	£	£
Income				
Estate	538,998		432,108	
Arboretum and Land in Hand	15,868		34,528	
Visitor Centre Operations	558,115		972,361	
		1,112,981		1,438,997
Expenses				
Estate	480,496		638,288	
Arboretum and Land in Hand	297,756		287,125	
Visitor Centre Operations	872,371		1,190,501	
		1,650,623		2,115,914
Operating (deficit)/surplus				
Estate	58,502		(206,180)	
Arboretum and Land in Hand	(281,888)		(252,597)	
Visitor Centre Operations	(314,256)		(218,140)	
		(537,642)		(676,917)
Profit/(Loss) on disposal of fixed assets		22,497		(39,732)
(Loss)/gain on investment		(12,762)		165,486
Deficit for the financial year		<u>(527,907)</u>		<u>£ (551,163)</u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2024 - (continued)

	2024		2023	
	£	£	£	£
Income – Estate				
Rental income	399,990		331,551	
Tenant contributions	9,193		5,853	
Investment income	53,449		55,002	
Insurance and other income	42,722		6,287	
Grants and donations	11,519		30,076	
Nursery	3,886		3,339	
	<u>18,239</u>			
		538,998		432,108
Expenses – Estate				
General maintenance	62,090		62,767	
Premises and public liability insurance	14,159		11,660	
Other professional fees	25,050		113,528	
Accountancy	30,550		23,850	
Office administration and services	26,979		19,698	
Office electricity and water	11,101		15,982	
Staff costs	221,720		232,791	
Staff and trustee expenses	292		1,924	
Bank charges and overdraft interest	13,696		13,869	
Miscellaneous	7,423		62,911	
Access payments	7,083		7,083	
Loan interest	51,532		74,021	
Bad debts (recovered)/written off	8,821		(1,796)	
		<u>480,496</u>		<u>638,288</u>
Divisional surplus/(deficit)		<u>58,502</u>		<u>£ (206,180)</u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	£	£	£	£
Income – Arboretum and land in hand				
Grants and donations	13,514		33,691	
Timber sales	<u>2,354</u>		<u>837</u>	
		15,868		34,528
Expenses – Arboretum and land in hand				
Personnel expenses	252		258	
Staff costs	209,714		208,858	
Equipment	14,201		11,747	
Equipment hire	4,745		2,308	
Planting and tree surgery	8,542		10,637	
Fuel and oil	9,200		6,952	
Repairs and maintenance	18,477		21,509	
Vehicle insurance and tax	14,811		12,833	
Heat, power and water	1,385		1,233	
Miscellaneous	9,869		9,364	
Hire Purchase Interest	-		476	
Other professional Fees	<u>6,560</u>		<u>950</u>	
		297,756		287,125
Divisional deficit		<u>(281,888)</u>		<u>£ (252,597)</u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	£	£	£	£
Income – Visitor Centre Operations				
Admission	144,821		141,019	
Catering	179,176		247,471	
Shop and plants	55,212		52,914	
Membership	105,665		103,604	
Coach house	35,612		381,180	
Events	34,014		30,251	
Other income	3,615		15,922	
		558,115		972,361
Expenses – Visitor Centre Operations				
Catering	(2,250)		4,964	
Shop	50,563		45,606	
Wedding	13,105		62,710	
Events	95,667		145,138	
Bank and credit card charges	17,895		27,307	
Cleaning	20,182		30,236	
VC electric and water	5,491		7,975	
Repairs and maintenance	14,032		48,053	
Staff, volunteer and trustee expenses	2,362		7,066	
Miscellaneous	13,399		23,979	
Marketing and promotions	25,459		44,564	
Staff costs	277,343		393,029	
Office and administration costs	19,037		23,990	
Depreciation	165,674		246,534	
Insurance	14,301		18,597	
Legal and professional fees	126,993		14,156	
Equipment	-		1,712	
Bad debts written off	-		44,885	
Stock provision	4,362		-	
Interest charges	8,756		-	
		872,371		1,190,501
Divisional surplus		(314,256)		(218,140)

Signature: Meriel Barclay

Email: merielb35@yahoo.co.uk

Markshall Estate

England & Wales - Charity number 256700

Accounts

MARKSHALL ESTATE

**GROUP REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2023

MARKSHALL ESTATE

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MARKSHALL ESTATE

OFFICERS AND PROFESSIONAL ADVISERS

Trustees Peter Griffiths (retired 1 June 2023)
Robert Cowlin
Jan E Smith
Benjamin Woodgate
Ian Hodge
David Whipps
Meriel Barclay

Chief Executive David Finkle

Registered Office Markshall Estate
Markshall
Coggeshall
CO6 1TG

Registered Number Charity 256700

Auditors Sumer Auditco Limited
Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
CO4 9YQ

Bankers Barclays Bank plc
9 High Street
Colchester
Essex
CO1 1DD

Solicitors Holmes and Hills LLP
Bocking End
Braintree
Essex
CM7 9AJ

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

In accordance with the requirements of the Charities Act 2011, the Trustees present this annual report and the audited financial statements of the Charity for the year ended 31 December 2023.

The financial statements comply with the Charities Act 2011, the governing document, the accounting policies set out in the notes to the financial statements 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).

Legal and administrative information

The information on page 1 forms part of this report. The Charity is registered with the Charity Commission of England and Wales under registration no. 256700.

The Trustees during the year under review were as follows:

Merial Barclay	(Chair of Trustees)
Peter Griffiths	(retired 1 June 2023)
Robert Cowlin	
Jan Smith	
Benjamin Woodgate	
Ian Hodge	
David Whipps	

Structure, Governance & Management

The Charity was founded by Will and codicil of Thomas Phillips Price registered in the Principal Registry on 16 February 1933. The scheme for its regulation was approved and established by the Charity Commission on 15th November 1971.

There was one change to the Trustee Board in 2023 with the retirement of Peter Griffiths after many years of dedicated service to Markshall. We miss his wisdom and his significant experience. Both were of great benefit to the Board. We wish him well for the future.

Markshall Estate extends to approximately 2,350 acres, vested in the Official Custodian for Charities in trust for the Charity.

The Estate comprises tenanted farm holdings extending in total to around 1,550 acres, residential and commercial property, parkland, coniferous woodlands managed by the Forestry Commission, and in-hand broadleaf woodland, much of which is of high conservation value. At the heart of the Estate is a 200-acre Arboretum, established in the mid-1980s with ornamental lakes and a 2-acre walled garden.

The Arboretum and Visitor Centre have been open to the public since 1993. The Visitor Centre contains a café, plant and retail sales and administrative offices. The Coach House is a venue for estate and private events and is managed by a subsidiary of the Charity, trading under the name Markshall Trading Ltd (formerly Marks Hall Enterprises Ltd).

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

The Trustees meet quarterly as a minimum. There are two sub-committees reporting to the Board - Finance and Risk and Built Estate. A third sub-committee, Natural Environment, was formed in 2024. These committees also meet at least quarterly in advance of the Trustees' board meeting to review, and to make recommendations to the Board, on all matters relating to finance, investments, risk, the management of the Estate property, an overview of ongoing project work and the natural environment.

Composition of the sub-committees includes at least two Trustees, including the Chair of Trustees, and senior members of staff. The day-to-day management of the Charity is undertaken by the Chief Executive and he leads the senior management team. Senior staff meetings occur regularly for the purpose of communication, decision making and reporting to Trustees.

Members of the Senior Management Team are:

David Finkle	Chief Executive
Ian Chandler	Arboretum Manager
Sam Gentry	Visitor Centre Manager
Lauren Shields	Finance Manager

As an integral part of the management policy the Senior Management Team regularly review the risk register which lists external and internal risk factors which may affect the Charity and its subsidiary.

Senior staff ensure Health & Safety issues are kept under regular review as far as this affects employees, volunteers, contractors and visitors to Markshall Estate. In 2024 a Health and Safety consultant was appointed to review all aspects of health and safety on the Estate.

Working with professional advisers, the Trustees seek to ensure that all the Charity's management and decision-making processes take full account of and comply with relevant legislative and regulatory controls. Insurance, including cover for property ownership and public liability cover, is reviewed annually.

Trustee Recruitment, Induction & Training

As at August 2024, there were six Trustees on the Board. After incorporation (detailed below) it is planned to appoint a further three Trustees. As Trustees retire, replacement candidates are identified by the remaining Trustees through open advertising including on the Charity's website, social media and through approaches to interested organisations including The Royal Botanic Gardens Kew (RBG Kew). Prior to the recruitment process commencing, a skills and experience audit is undertaken of Trustees to identify those skills and experience which would be most helpful for new Trustees to possess. Prospective Trustees receive a Trustee recruitment pack providing them with details of the role and background information. RBG Kew has the option, but not the obligation, to appoint a Trustee of their choosing to the Markshall Estate board.

As part of their induction programme, new Trustees are made aware of their responsibilities through discussions with the Chair, their fellow Trustees and senior management. This includes an introduction to the history, objectives, and work of the Charity. New Trustees also receive a copy of the Charity's governing document, copies of the previous two years' annual reports and accounts and Charity Commission information on Trustees' responsibilities. They are also invited and encouraged to familiarise themselves with the Visitor Centre, Arboretum, and the wider estate.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Strategic Objectives & Activities

Summary of Activities

The Charity's object is 'the advancement in the interests of the nation, of agriculture, arboriculture and forestry'.

The aims of the Charity are to:

- i) Maintain and develop the Estate, including its buildings, farmland and woodlands through the adoption of sound estate management principles. In doing so the Charity has due regard to the Estate's high nature conservation value, its landscape and its historic interest and seeks ways in which they may be enhanced.
- ii) Develop an Arboretum of national significance, of value for scientific and educational purposes, and to share experiences with other like-minded organisations.
- iii) Provide a visitor attraction of interest to all ages and groups for recreation, learning and general enjoyment.
- iv) Maintain existing and develop new income streams to allow the charitable object to be developed further.

The main objectives and activities for the year were shaped by these aims and continued to focus on managing the visitor-related activities, Arboretum and the wider let and in-hand estate.

The strategies employed by the Charity to achieve its aims include:

- i) Supporting its farming tenants through allowing, as appropriate, the diversification of their farming businesses, offering encouragement to enter environmental and other grant schemes and by facilitating innovative ideas. This is intended to provide an environment whereby farming tenants can develop their businesses for the benefit of themselves, the Charity and agriculture in general.
- ii) Managing our in-hand land outside the Arboretum, extending to around 90 acres of grass and parkland, for the benefit of agriculture, the environment and recreation.
- iii) Focusing on increasing existing revenue streams by building on reputation and a strong and inclusive social media strategy and by developing with industry best practice for revenue generation to the Charity.
- iv) Maintaining a good working relationship with the Forestry Commission.
- v) Managing in-hand woodland on a traditional coppice with standard systems following sound silvicultural techniques and for the benefit of flora and fauna. Some 120 acres of woodland is designated as semi-natural ancient woodland and has extremely high nature conservation value.
- vi) Managing the Arboretum to a consistently high and professional standard and expanding and developing the ornamental grounds as resources permit and as areas of coniferous trees are removed by the Forestry Commission. The Arboretum is arranged on a geographical basis with representative plantings from North America, Europe, Asia and Gondwanaland.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

- vii) Encouraging and prolonging visits through the provision of facilities, events and activities at the Visitor Centre, within the Arboretum and the wider estate to enhance visitors' recreational and learning experience and to contribute towards their health and wellbeing.
- viii) Fostering good relationships with the local community and stakeholders, including tenants, volunteers, visitors and local businesses to obtain their support for the Charity's aims and objectives.
- ix) Developing the profile of the Estate, actively encouraging local and regional businesses to support the work required to ensure the development of the Arboretum so that the Charity can fulfil its long-term objective of becoming world-class.

Public Benefit

In deciding the Charity's work over the course of the year the Trustees give due regard to the Charity Commission's guidance on public benefit. The Charity regularly receives good visitor reviews saying how much people enjoy the estate, its beauty, the general upkeep of the Arboretum and our facilities.

The Trustees have developed a strong social media platform which encourages comments, pictures and input from our visitors and allows us to develop positive and constructive relationships with a wider community.

The Trustees believe that the Charity provides significant public benefit to visitors for general enjoyment, wellbeing, recreation, education and to those with specific interests such as historians, gardeners, arboriculturists and landscape and wildlife specialists. The Arboretum hosts regular visits from local schools, colleges, horticultural and other interest groups. The Charity always seeks to complement our existing programme with items that may be of benefit to the public. For instance, we continue to partner with the International Park Run programme to create The Markshall Park Run which brings 250 to 300 runners to the Estate each Saturday.

Arboretum

The Arboretum continues to be managed for the enjoyment and benefit of the public, offering contemporary lakeside gardens and an extensive variety of trees, with many rare and interesting species, planted in a geographical landscape scheme.

The Landscape Master Plan sets out the vision for the growth of the Arboretum over the next 30 years and, subject to further input from Lear Associates, it is hoped a revised and extended plan will be completed in 2024. During 2019, trees belonging to the Forestry Commission on 10 acres of land were cleared enabling the plant collection to be expanded into this area. A significant new development here is the creation of a Himalayan feature with new planting typical of the Himalayan region, and an attenuation pond in the Asian area which now provides an excellent habitat feature and also acts as a filter for Robins Brook which runs through the Estate. This work was done in collaboration with the adjacent Business Park owners who carried out substantial landscaping works free of charge. The new planting is typical of that growing in the Himalayan region. It is hoped that more visitors will extend their reach into this area to enhance their experience of the Arboretum.

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The remaining Forestry Commission trees are due to be felled in the winter of 2025/26. These trees cover approximately 75 acres in total of which 30 acres are in the Arboretum. After felling, there will be significant opportunities for further development of the Arboretum.

The Walled Garden continues to be a very popular destination and is regarded as one of the key features of the Arboretum. In 2023 the Charity celebrated 20 years since its opening.

The new digital database of all the trees and shrubs in the Arboretum and parkland has proved to be an excellent investment and the staff continue to update it with new and revised planting. The database gives a full record of every tree and shrub with GPS measurements. It is a significant resource for the Charity as well as for others interested in the Estate's arboriculture. It underpins aspects of our business and partnership development as well as maximising learning and research opportunities.

Interpretation, new visitor facilities, and landscape features were introduced across the Arboretum in 2023 enabling visitors to obtain a much better understanding of the collection within each geographical area. An interesting development in 2022 was the display of the Shiffner prints. These are photographs taken between 1977 and 1989 by George Shiffner, a noted local photographer, and show how the Arboretum looked during that time.

A range of guided walks for the public, gardening and social groups, and horticultural and landscape design students have taken place during the year. During 2023 a new play area was created in the Picnic Field and has proved to be a great success. This complements the natural play areas in a wooded area near the Honeywood Oak and at Chestnut Chase by Robin's Grove.

Each year in March the Charity hosts the annual memorial service on the anniversary of 'Operation Varsity' to remember those servicemen who in March 1945 flew from Earls Colne airfield during WWII. This event is attended by veterans, their families, members of the local community and local military regiments.

Visitor Centre Activities

The Orchard Kitchen café continues to develop its offering according to its resources and consumer demand. Its menu changes so that it relates to the specific activities such as Halloween and Easter. Our collaboration with A & J Plants continues with an excellent selection of plants available. A & J Plants change their display to reflect seasonal plants which are particularly important in the Arboretum at the time. During 2023 the shop gradually increased its variety of stock, determined by demand from visitors. It will continue to widen its range of products. The new building opened in 2022 provides a much improved admissions area, an area to display artifacts relating to Markshall's heritage and a retail area. Above the shop is an office providing enhanced work space for staff.

Events continue to be a key feature of Markshall's offer ranging from a Christmas Grotto, Christmas market to Easter trails and Halloween pumpkin carving.

After the Covid-19 restrictions were lifted, the Arboretum reopened to visitors in March 2021 and in 2022 there was a total of 56,750 visits. This fell to 51,000 in 2023. However within these totals Friends visits increased from 17,000 to 24,000.

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In 2022 the standard admission rates increased slightly with Gift Aid admission prices offered at 10% higher than the standard rates. There was no change in 2023 with standard admission for adults at £9 with Gift Aid. Online booking was implemented in 2023 and 6 day opening started in January 2024.

Markshall Estate continues to be supported by the Friends scheme with 6436 friends as at August 2024. The Charity continues to seek ways to develop its Friends offer and provide them with added value and incentives.

Woodlands

The woodlands at Markshall Estate extend to over 450 acres, the majority of which are designated as Local Wildlife Sites. Little Monks Wood, Crowland's Wood, Grange Wood, Nunty's Wood, Cleveland Wood, Lilly Wood and Marks Hall Wood form a continuous block of ancient woodland on the western side of the Estate, parts of which are considered by Natural England to be one of the finest series of small leaved lime woods in the country. Ancient woods are defined as any area that has been wooded continuously since at least 1600 AD and they are the UK's richest land-based habitat for wildlife. These woodlands continue to be actively managed in a traditional manner principally through coppicing so as to achieve a sustainable and robust mixed management regime across the Estate's woodlands. It is the Charity's aim to continue to restore the ancient broadleaf woods, after the last 75 acres of the Forestry Commission plantation are felled in the next year or two.

Visitors have access through some of the ancient woodland at Markshall Estate, but it is the Trustees' intention to improve this access in time, and to provide better information on the high ecological and historical importance of the woodlands and their management.

Agriculture & the Tenanted Estate

The tenanted estate comprises five arable farm holdings of an average size of approximately 310 acres. Four of the holdings are equipped with traditional and modern buildings and farmhouses. The farm holdings are let on either Agricultural Holdings Act agreements or Farm Business Tenancies. The rest of the let estate is made up of commercial property, which is used as offices, storage or light industrial, residential property and various grazing lets and other land uses, including a cricket bat willow plantation. Several properties were vacant for periods during the year while new tenants were being sought.

The Charity's in-hand estate (other than the Arboretum, woodlands and visitor facilities) comprises around 90 acres of parkland, near to the Arboretum. Much of this land was in arable use until the early 1990s and is now grazed with cattle under the Higher Level Environmental Stewardship Scheme, for the benefit of flora and fauna and landscape enhancement. As in previous years, the Charity has undertaken repairs and building improvements to several properties and infrastructure across the in-hand and let estate. The Trustees have also undertaken rent reviews and granted new leases where property has become vacant.

In 2021 the Trustees appointed Savills as the managing agents of the let estate. Savills now manage all tenanted properties on behalf of the Charity. In 2023 rental and estate income for the Charity, including land and environmental grants, totalled £342,064 (£354,418 in 2022).

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Plans are being developed by the local community for the creation of an 8.2 km cycle path through Markshall Estate linking the villages of Earls Colne and Coggeshall and, at a later stage, further afield towards Braintree town centre and Kelvedon station. The cycle path will provide a safe recreational activity for all age groups and will encourage more visitors to the estate. During 2021 and 2022, Sustrans undertook a feasibility study of the route, and Markshall continues to work with local groups and councils to bring the scheme to fruition.

Strategic Development

Two factors in particular have been challenging for Markshall. Being a visitor attraction that is particularly weather dependent, the wet weather has had a considerable effect on visitor numbers. These were further set back by a very hot spell in August 2023. Secondly, the increased cost of living also affected visitor numbers with the admission income per head increasing slightly from 2022 to 2023 but decreasing in 2024. These challenges are not unique to Markshall but are being experienced by similar visitor attractions around the country, particularly those reliant on the weather. Despite the cutbacks introduced in 2022, it became apparent that the Group would have to further retrench its strategic vision in the hope of achieving balanced budgets. As a result, and with the aim of increasing income and reducing costs, a series of actions were taken. The most important of these was the difficult decision to close down the wedding function in the Coach House from October 2023 as it was failing to generate any surplus and there was significant local competition. The Coach House continues to provide a venue for events including parties, concerts, wakes and corporate events. Further retrenchment was taken in 2024 and these are detailed below.

In 2021 the Trustees decided to incorporate the Charity. With advice from specialist charity lawyers, Bates Wells, the plan is to create a company limited by guarantee with the current Trustees becoming Directors. The company will be the sole Trustee of the Charity which will own the land, which continues to be held as permanent endowment. These changes will make little difference to staff, Friends, volunteers, visitors and suppliers but will provide protection for the new Directors by limiting their personal liability. It will also enable the recruitment of more Directors to increase the numbers on the Board. As at September 2024 this incorporation is not yet complete due to excessive procedural delays by two particular lenders. It is expected that this process will be completed on 31 December 2024.

It is hoped that the Government's "Biodiversity Net Gain" initiative introduced into the planning system, requiring developers to enhance the level of biodiversity on their sites and/or elsewhere, will prove to be an interesting and profitable one for Markshall. Several sites in the Estate have already been identified by ecologists as potential "BNG" sites and the Charity is working to secure the necessary agreements with developers.

Staff and Remuneration

The Trustees are responsible for the overall direction of the Charity and the Senior Management Team is responsible for the operations and day to day running of the Charity. All Trustees give their time freely and did not receive any remuneration during the year for these duties. Details of Trustee expenses are disclosed within the financial accounts.

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In early 2023 there were a number of changes to the staff team and by mid-2023 the Group had a stable and effective team. At the end of 2023, the Charity employed 60 staff, equivalent to 23 full-time positions. 16 were employed on a full-time basis. There over 40 casual staff who provided support in the Orchard Kitchen and events. During 2023 we continued to outsource some HR matters to an external consultant. Payroll is outsourced to local accountancy firm, Scrutton Bland Limited.

The Charity's staff are supported by 26 volunteers who work at the Visitor Centre, in the admissions, as stewards at events, recording historic artifacts and driving the buggies for those less able. Around 6 volunteers assist regularly in the Arboretum. The Trustees thank the volunteers for their considerable and continued help and support during 2023 and have already welcomed more volunteers to the Charity in 2024.

Financial Review

Revenue for the Charity is raised through the letting of estate property, the admission and Friends scheme, admission fees for the Arboretum, educational events and other activities. Other income is raised from returns on investments, grants, legacies and sponsorship. Markshall Trading Ltd (MTL) is a wholly owned trading subsidiary of the Charity. Currently its principal activities are catering, retail activities and the hire and letting of the Coach House and the wider arboretum for events. The Charity charges MTL appropriate levels of rent and service charges. Profits generated by the trading company are gift-aided to the Charity.

Expenditure is managed through budget allocation to the department heads for Estate, Arboretum and Woodlands, Visitor Centre and MTL with any variation approved by senior management, or as necessary by the Trustees in accordance with agreed financial controls.

In early 2022 the Senior Management Team and the Trustees considered the financial challenges facing Markshall and planned to develop both the catering offer and an events package to enhance Markshall as one of the leading recreation and exploration venues in Essex. However, Covid-19 resulted in changes in habits in certain market segments and inflationary pressures remain evident. As described above, the Charity has suffered financially from both adverse weather conditions and the cost of living challenges. The resulting decrease in visitor numbers and in spend per head has resulted in a fall in revenue despite several investments and projects to counteract these problems. Vacancies in the Charity's commercial properties exacerbated the fall in revenue. The whole staff team has been working positively to enhance levels of service and make events financially and operationally successful. Despite this the Charity failed to make a surplus in 2023 and MTL also made a loss. This obviously had considerable consequences both for MTL and the Charity.

A further drain on the Charity finances has been the significant legal costs of incorporation. While this has not yet been completed, the majority of the costs were incurred in 2022 but further expenditure was incurred in 2023 with more to come in 2024. As at September 2024 the total costs to date are over £120K.

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One consequence of this situation was a cash flow problem and so the Trustees agreed to request from the Charity Commission a further draw down from the Permanent Endowment, under a Section 282 application. This request was approved in October 2023 and a total of £500,000 was permitted as expenditure. A loan of £500K, on expensive terms, was taken out in July 2021 for the construction of the new retail and office building, increasing the Charity's current liabilities, with the security for this loan being the investments with Rathbone Greenbank. A further application under Section 282 for the release of £500,000 was made and approved in May 2024 which enabled the Charity to pay off the loan from Rathbones for this amount. The latest application for a draw-down of funds from the permanent endowment was made to the Charity Commission under S282 in August 2024 for £400K. This was quickly approved on 10 September 2024 and will ensure funding through the winter months.

The trading subsidiary of the Charity, MTL, undertakes all commercial events, retail activities and operates the Orchard Kitchen. Income from MTL decreased from £803K in 2022 to £712K in 2023 but despite this fall, the financial results did improve with a significant reduction in the loss for the year from £98K in 2022 to £49K in 2023. Although the cancellation of weddings in 2023 will result in a fall in revenue, it is hoped that the subsidiary will return to profit in 2024.

Total incoming resources in 2023 for both the Charity and MTL (the Group) were £1,439K (2022 £1,701), a decrease of £262K. With the exception of the Friends scheme and investment income, which both increased slightly, all other income streams decreased from 2022 to 2023.

Total Group expenditure decreased by 5% from £2,250K in 2022 to £2,145K in 2023 but this decrease was not sufficient to avoid a deficit, after the revaluation of investments, for the year of £540K.

The majority of investments are managed by Rathbone Greenbank Investment and at the year end the value of investments was £2,237,926, a slight fall from the previous year. The Trustees agreed in 2019 that the most appropriate policy for investing funds was in specialised unit trusts and low-risk deposits designed for the charity sector, ethical shareholdings, and ethical savings accounts with the intention that the investments generate both income and capital growth in the long term. The Trustees are confident that investments are being managed with appropriate caution and understanding of market volatility, with an emphasis on fixed interest bonds and UK and international company shares with strong balance sheets, sound business models and ESG credentials. In August 2021 Trustees agreed to move to a Total Return model of investment and amended this in 2024 instructing Rathbones to decrease the risk factor applied to the investments in order to increase revenue.

In the light of the above description of the financial situation at Markshall, the Trustees developed a recovery plan with the aim of balancing the budget for 2025 and subsequent years. It is expected that the changes will result in continued balanced budgets from 2026 onwards.

The recovery plan will enable the Charity to continue to support Markshall Trading Ltd until the subsidiary's deficit is paid off. The Charity is committed to this course of action.

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Reserves Policy, Going Concern and Plans for the Future

The Trustees review the reserves policy annually to ensure that it meets the Group's changing needs and circumstances. In normal operating conditions the Trustees consider it desirable to hold minimum reserves equating to two months of essential cash flow, with reserves defined according to Charity Commission guidance CC19. Most of the cash flow required continues to relate to staff costs. As of 31st December 2023, the reserves required for the Group were £141K, but given the cash constraints, this policy was not met at the year end.

The Trustees' short and medium term focus is on ensuring the Group's financial sustainability through an intensified drive on income generation across business areas, fundraising and strategic business planning as well as continued review of expenditure. Although the current situation poses considerable financial strain, the Trustees remain optimistic that Markshall Estate will continue to prosper and develop.

As a continuation of existing activities the Trustees have developed several projects and investments to increase income and visitor numbers including:

- The shop is gradually increasing its stock to reflect specific demand from visitors;
- The Plant Centre will continue to develop and in 2024 included the sale of bedding plants and compost;
- Inclusion of a Gift Aid option, with the standard entry prices clearly displayed at the Admissions Building for non-taxpayers and those not wishing to pay Gift Aid;
- Generation of more income through events and bookings for hire of the Coach House;
- A regular programme of public events in 2024 to bring in new income streams and visitors;
- The development of Percy's Adventures to attract children to these educational activities;
- The new play area adjacent to the Orchard Kitchen to attract more visitors;
- Enhancing the infrastructure of the estate including the sewerage system (completed July 2024), the bridges and weirs;
- The creation of a dog paddock;
- The purchase of a catering van to increase flexibility in the catering operation and revenue from catering;
- Development of a legacy scheme;
- Installation of sculptures around the Arboretum.

However we recognise that a continuation of these activities is unlikely to be sufficient to sustain the long term future of both MTL and the Charity. As a result agreement has been reached to outsource three key activities – the Tearoom, marketing activities and the Coach House. These changes will reduce costs, reduce risk and guarantee income streams. A reduction in staff numbers and therefore in overall expenditure has also been agreed with the changes to take effect from January 2025.

It will undoubtedly take time to eradicate the losses brought forward by MTL, but the Trustees of the Charity and the Directors of MTL are optimistic that this can be achieved by the end of 2026 at the latest.

Inevitably the losses of MTL have had an effect on the finances of the Charity. However the cash held in the permanent endowment from historic sales of land does provide a buffer, subject to Charity Commission regulations and approval. This will ensure the viability of the Charity.

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Risk Management

The Trustees have considered the major risks to which the Charity is exposed and satisfied themselves that systems and procedures are in place in order to manage those risks. The risk management plan is reviewed and updated bi-annually by the Finance and Risk Sub-committee and by the Board. The plan focuses on the key risks and uncertainties faced by the Group including finances, the Group's management, Trustees, reputational risk, environmental risks, health and safety and regulatory requirements.

The responsibility for managing each risk is allocated to individuals within the Senior Management Team who have specialist knowledge of their area of work and is overseen by the Chief Executive.

Financial security is identified as the most significant risk faced by the Group. Reviews of funds, including financial forecasting, are carried out regularly to ensure there is sufficient operational capital for the Charity.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources, and application of resources, including the income and expenditure of the Charity for that period.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 to operate.

The Trustees are responsible for keeping sufficient accounting records which 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Auditors

On 28 March 2024 our auditor, SB Audit LLP, merged with Sumer Auditco Limited.

Accordingly SB Audit LLP formally resigned as the Company's auditor with the Directors duly appointing Sumer Auditco Limited to fill the vacancy arising. The auditor, Sumer Auditco Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

A resolution to re-appoint Sumer Auditco Limited as auditors of the Trust will be put to the Trustees at the Board meeting in October 2024.

Approved by the Trustees on *21 October* and signed on their behalf by
Meriel Barclay 2024

Meriel Barclay
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Opinion

We have audited the financial statements of Markshall Estate (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and 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 group and Charity's affairs as at 31 December 2023 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 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

We have nothing to report in this regard.

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13 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 liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the management and trustees (as required by auditing standards), inspection of the charity's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, charity law and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety legislation, employment law, anti-bribery and corruption legislation and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and trustees and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. 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 auditor's 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.

Sumer Auditco Limited

Sumer Auditco Limited
Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: *24/10/24*

Sumer Auditco Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MARKSHALL ESTATE

GROUP STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Income						
Donations and legacies	2	28,208	5,653	-	33,861	89,043
Income from charitable activities:						
Grants receivable	3	30,076	-	-	30,076	27,317
Other income from charitable activities	4	244,623	-	-	244,623	282,453
Income from other trading activities	5	1,069,799	-	-	1,069,799	1,247,461
Investment income	6	60,638	-	-	60,638	54,986
Total income		1,433,344	5,653	-	1,438,997	1,701,260
Expenditure on raising funds	7	1,163,309	-	-	1,163,309	1,340,752
Charitable activities	8	980,170	12,167	-	992,337	909,781
Total expenditure		2,143,479	12,167	-	2,155,646	2,250,533
Realised and unrealised investment gains/(losses)		165,486	-	-	165,486	(542,395)
Net expenditure		(544,649)	(6,514)	-	(551,163)	(1,091,668)
Transfer between funds	24	499,193	-	(499,193)	-	-
Net movement in funds carried forward		(45,456)	(6,514)	(499,193)	(551,163)	(1,091,668)
Balances brought forward at 1 January 2023		£1,753,106	£14,333	£2,930,374	£4,697,813	£5,789,481
Balances carried forward at 31 December 2023		£1,707,650	£7,819	£2,431,181	£4,146,650	£4,697,813

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

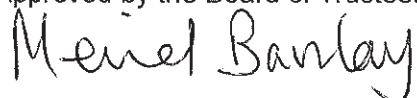
Analysis between funds of the 2022 Statement of Financial Activities is shown in note 27 to the accounts.

MARKSHALL ESTATE

GROUP BALANCE SHEET AS AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	12	3,086,962	3,300,862
Investments	13	2,237,926	2,341,008
		<u>5,324,888</u>	<u>5,641,870</u>
Current assets			
Stocks	14	18,477	20,832
Debtors	15	130,378	438,038
Cash at bank and in hand		51,064	248,945
		<u>199,919</u>	<u>707,815</u>
Creditors: amounts falling due within one year	16	<u>414,300</u>	<u>669,639</u>
Net current (liabilities)/assets		<u>(214,381)</u>	<u>38,176</u>
Total assets less current liabilities		5,110,507	5,680,046
Creditors: amounts falling due after more than one year	17	<u>963,857</u>	<u>982,233</u>
Net assets		<u>£4,146,650</u>	<u>£4,697,813</u>
Funds			
Capital funds			
Endowments	19	2,431,181	2,930,374
Income funds			
Restricted funds	20	7,819	14,333
Unrestricted funds : General charitable funds	21	<u>1,707,650</u>	<u>1,753,106</u>
		<u>£4,146,650</u>	<u>£4,697,813</u>

Approved by the Board of Trustees on 21 October 2024 and signed on its behalf by



Meriel Barclay

MARKSHALL ESTATE

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	12	3,067,529	3,279,421
Investments	13	2,237,933	2,341,015
		<u>5,305,462</u>	<u>5,620,436</u>
Current assets			
Stocks	14	-	-
Debtors	15	166,026	240,150
Cash at bank and in hand		40,826	221,994
		<u>206,852</u>	<u>462,144</u>
Creditors: amounts falling due within one year	16	<u>293,862</u>	<u>352,603</u>
Net current (liabilities)/assets		<u>(87,010)</u>	<u>109,541</u>
Total assets less current liabilities		5,218,452	5,729,977
Creditors: amounts falling due after more than one year	17	<u>944,690</u>	<u>954,283</u>
Net assets		<u>£4,273,762</u>	<u>£4,775,694</u>
Funds			
Capital funds			
Endowments	19	2,431,181	2,930,374
Income funds			
Restricted funds	20	7,819	14,333
Unrestricted funds : General charitable funds	21	1,834,762	1,830,987
		<u>£4,273,762</u>	<u>£4,775,694</u>

Approved by the Board of Trustees on 21 October 2024 and signed on its behalf by

Meriel Barclay

Meriel Barclay

MARKSHALL ESTATE

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2023

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash flows from operating activities				
Net movements in funds	(551,163)	(1,091,668)	(501,932)	(993,667)
Depreciation of tangible assets	294,520	140,801	282,739	137,203
Loss on disposal of tangible assets	39,732	-	39,732	-
Unrealised investment (gain)/loss	(165,487)	542,395	(165,487)	542,395
Interest paid	111,417	60,333	100,672	31,796
Interest received	(5,636)	(482)	(5,158)	(307)
Dividends received	(55,002)	(54,504)	(55,002)	(54,504)
Decrease/(increase) in debtors	307,660	36,060	74,124	(90,950)
(Decrease)/increase in creditors	(224,147)	(67,122)	(27,549)	50,722
Decrease in stocks	2,355	2,341	-	-
Cash used in operations	(245,751)	(431,846)	(257,861)	(377,312)
Cash flows from financing activities				
Interest paid	(111,417)	(60,333)	(100,672)	(31,796)
Interest received	5,636	482	5,158	307
Net advance on bank debt	-	110,963	-	122,077
Finance lease repayments	(11,357)	-	(11,357)	-
Loans repaid	(42,325)	-	(33,542)	-
Net cash (used in)/from financing activities	(159,463)	(51,112)	(140,413)	(90,588)
Cash flows from investing activities				
Purchase of tangible fixed assets	(101,402)	(108,625)	(91,629)	(100,989)
Cash withdrawn from investments	268,569	248,329	268,569	248,329
Dividends received	55,002	54,504	55,002	54,504
Proceeds from sale of fixed assets	5,000	-	5,000	-
Net cash from investing activities	227,169	194,208	236,942	201,844
Change in cash and cash equivalents in the year	(178,045)	(186,526)	(161,332)	(84,880)
Cash and cash equivalents brought forward	156,003	342,529	129,052	213,932
Cash and cash equivalents carried forward	£ (22,042)	£ 156,003	£ (32,280)	£ 129,052

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements are rounded to the nearest £1 and are prepared in sterling.

Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary undertaking Markshall Trading Ltd. The results of the subsidiary undertaking are consolidated on a line by line basis.

Going concern

Having considered the Charity's forecasts and projections and the recovery plan put in place for the subsidiary, the Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least twelve months from the date of approving these financial statements. Following approval from the Charity Commission for the Charity to release £400,000 from permanent endowments in September 2024, the charity is expected to have sufficient cash to continue in operation and support its subsidiary. For these reasons the Trustees continue to adopt the going concern basis in preparing the accounts.

Unrestricted funds

These are funds which are available to spend on activities that further any of the purposes of the Charity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES - (continued)

Restricted funds

Funds restricted by the donor are treated as restricted funds. All other receipts are unrestricted funds. When restricted funds, set up for the purpose of acquiring fixed assets, are fully expended on the relevant assets, the fixed assets are transferred into general funds unless the terms of the original receipt require the asset to be held in a restricted fund.

Permanent endowment funds

The land originally donated to the Trust is vested in the official custodian for Charities. The value of this land upon establishment of the Trust in 1971 is included in fixed assets and reflected as a permanent endowment fund in accordance with the Charities SORP. In 1996 and 1998 the Trust obtained permission from the Charity Commission to spend part of its permanent endowment fund on a new workshop barn and the renovation of Keepers Cottage respectively. These permissions are on the condition that one twenty fifth of the expense is transferred back annually to the permanent endowment fund. At 31 December 2023 the total expense not yet due to be transferred back was £nil.

During the years ended 31 December 2018, 31 December 2019 and 31 December 2021 the Trust made sales of endowed land. The sale proceeds less direct legal fees incurred were transferred into separate bank accounts and held as a permanent endowment investment fund.

The Charities Commission agreed to release £227,500 of these funds under Section 282 for capital projects on 15 March 2019 and was subsequently reallocated, with agreement by the Charities Commission, for operating and project expenditure. During the prior year an application for the release of a further £480,000 was made and this was approved by the Charities Commission on 21 April 2020. In the year ended 31 December 2022, the Charities Commission agreed to release a further £350,000 of these funds under Section 282 for operating and project expenditure. During the year ending 2023 a further £500,000 was released under Section 282.

Income

All income is accounted for on an accruals basis with the exception of grants which are accounted for when the Charity has sufficient entitlement to them, and legacies, where entitlement is taken as the earlier of the date on which either: the Charity is made aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants receivable are included as incoming resources from charitable activities when they are for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries and as voluntary income when the grant is of a general nature.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES - (continued)

Gifts in kind are included as incoming resources from generated funds and are valued at the estimated value to the Charity of the service received. Gift aid reclaimed on donations is recognised in the financial statements once the Charity has made a claim.

Donated goods and services

The Charity receives donated services in the form of volunteer work. The economic contribution of general volunteers is not recognised in the financial statements. Donated facilities are recognised in income and expenditure when the charity has control over the item, conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on the basis of the level of income for each activity.

Expenditure classified as costs of generating funds include fundraising costs and expenditure incurred in the running of the Visitors' Centre.

Costs classified as charitable activities relate to the expenditure incurred in the running of the arboretum and opening it to visitors, the operations of the Board of Trustees, and addressing constitutional, audit and other statutory matters.

Fixed assets

Fixed assets are included at cost less depreciation. The capitalisation limit of the Charity is £1,000.

No depreciation is provided on freehold land or freehold buildings. The Charity's policy is to maintain the properties in a continual state of sound repair and accordingly the Trustees are of the opinion that the lives of the properties are so long and residual values so high that their depreciation is insignificant.

Improvements to properties are depreciated at 10% on cost. Kitchen equipment purchased as part of the improvements to the Visitors' Centre is depreciated at 20% on the reducing balance method.

The value of the property contained in the financial statements is reviewed on an annual basis by the Trustees for impairment. A provision is made to reduce the value in the financial statements where it is felt the property value is overstated.

The majority of land and buildings owned by the Charity are let to provide income to the Charity. It is not practical to distinguish these as investments as they are part of the donation to the Charity and were not purchased as investments.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES - (continued)

Plant and machinery is depreciated at 20% on the reducing balance method.

Heritage assets

Markshall Estate comprises a varied landscape. The Charity maintains this landscape in the interests of the nation and for future generations. The ancient woodland, comprising approximately 200 acres and the former Deer Park, comprising approximately 250 acres is recognised as a heritage asset. Due to the nature of the asset the Trustees consider it impractical to obtain a conventional valuation, the costs being onerous compared with the additional benefit derived by the Charity and the users of the accounts.

Investments

Listed investments are included at market rate at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pension costs

The Charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Charity. The annual contributions are charged to the statement of financial activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES - (continued)

Taxation

Markshall Estate is a Charity within the meaning of the Charities Act 2011 and as such is a Charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Markshall Estate is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

Cash and cash equivalents

Cash and cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash, without being subject to a significant change in value.

Significant judgements and estimates

The more significant judgements and estimates involved in the preparation of the financial statements include assessing the depreciation rates applicable to tangible fixed assets and the way in which certain costs should be apportioned. Further details regarding these points are included within the accounting policies.

2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Disabled vehicle "Buggy"	817	-	-	817	2,355
General donations	27,391	5,653	-	33,044	86,688
	<u>£ 28,208</u>	<u>£ 5,653</u>	<u>£ -</u>	<u>£ 33,861</u>	<u>£ 89,043</u>

The Estate benefits greatly from the support of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102 and the Charities SORP, the economic contribution of general volunteers is not recognised in the accounts.

In the prior year, £Nil donation and legacies income related to restricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

3 GRANTS RECEIVABLE

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Land and Environmental	30,076	-	-	30,076	27,317
	<u>£ 30,076</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 30,076</u>	<u>£ 27,317</u>

All amounts in 2022 relate to unrestricted funds.

4 OTHER INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Admissions	141,019	-	-	141,019	182,589
Members' fees	103,604	-	-	103,604	99,864
	<u>£ 244,623</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 244,623</u>	<u>£282,453</u>

All amounts in 2022 relate to unrestricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Coach house and visitor centre lettings	413,417	-	-	413,417	472,959
Events income	13,056	-	-	13,056	69,358
Shop income	52,954	-	-	52,954	57,984
Catering income	247,471	-	-	247,471	279,184
Rental and estate income	342,064	-	-	342,064	354,418
Timber sales	837	-	-	837	2,809
Insurance claim	-	-	-	-	4,873
Wayleaves	-	-	-	-	2,458
Miscellaneous income	-	-	-	-	3,418
	<u>£ 1,069,799</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 1,069,799</u>	<u>£1,247,461</u>

All amounts in 2022 relate to unrestricted funds.

6 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
UK equities	55,002	-	-	55,002	54,504
Interest received	5,636	-	-	5,636	482
	<u>£ 60,638</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 60,638</u>	<u>£ 54,986</u>

All investment income for 2023 and 2022 relates to financial assets measured at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

7 EXPENDITURE ON RAISING FUNDS

	Activities undertaken directly £	Visitor Centre Support costs £	Support costs £	Total 2023 £	Total 2022 £
Coach house and visitor lettings	479,984	-	134,041	614,025	615,322
Events	18,925	13,495	1,278	33,698	131,169
Shop	43,626	1,644	1,745	47,015	9,912
Catering	4,964	-	199	5,163	3,157
Rental and estates activities	95,835	-	367,573	463,408	581,192
	<u>£ 643,334</u>	<u>£ 15,139</u>	<u>£ 504,836</u>	<u>£ 1,163,309</u>	<u>£1,340,752</u>

There is no grant funding of activities.

8 CHARITABLE ACTIVITIES

	Activities undertaken directly £	Visitor Centre Support costs £	Support and Governance costs £	Total 2023 £	Total 2022 £
Arboretum	506,526	-	127,336	633,862	447,229
Admissions	-	121,086	-	121,086	120,954
Members' fees	-	88,961	-	88,961	66,154
Trustee and administration expenses	-	-	670	670	223
Auditors' remuneration: in respect of audit services	-	-	31,935	31,935	18,290
in respect of non audit services	-	-	2,965	2,965	5,810
Professional fees	-	-	113,528	113,528	251,121
	<u>£ 506,526</u>	<u>£ 210,047</u>	<u>£ 275,764</u>	<u>£ 992,337</u>	<u>£ 909,781</u>

There is no grant funding of activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

9 EXPENDITURE

Total expenditure can be further analysed as follows:

	2023 £	2022 £
Staff costs	834,678	851,776
Events and Visitor Centre expenditure	150,475	166,474
Shop and catering expenditure	25,032	34,014
Wedding expenditure	62,710	77,548
Repairs to property and equipment	142,673	119,605
Cleaning	31,639	42,122
Telephone	12,826	10,572
Rates	(3,396)	15,794
Heat, light and water	25,190	30,543
Bank interest and charges	41,176	28,537
Depreciation	246,534	140,801
Miscellaneous	101,530	45,527
Transport, fuel and maintenance	16,572	20,076
Insurance	41,917	29,483
Land access payments	7,083	10,069
Loan interest	74,021	31,796
Hire purchase interest	476	-
Subscriptions	10,236	5,297
Auditors' remuneration	34,900	24,100
Marketing and management fees and expenses	41,899	93,562
Professional fees	118,692	331,333
Trustee and administration expenses	670	223
Management, staff and volunteer expenses	2,927	3,099
Training	2,639	5,986
Plants	36,175	32,904
Bad debts written off	43,089	25,667
Printing	4,666	5,337
Licences	973	1,788
Equipment	7,912	8,032
Sculpture event	-	58,468
Loss on disposal	39,732	-
	<u>£ 2,155,646</u>	<u>£ 2,250,533</u>

Of the above expenditure, £74,021 (2022: £31,796) of interest expense relates to financial liabilities measured at amortised cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

9 EXPENDITURE - (continued)

Visitor Centre support costs

Visitor Centre support costs can be further analysed as follows:

	2023 £	2022 £
Staff costs	107,689	79,399
Repairs	27,055	9,978
Cleaning	15,677	13,687
Telephone	6,292	4,785
Light, heat and water	2,863	10,587
Bank interest and charges	12,306	10,712
Miscellaneous	37,452	25,226
Insurance	11,660	9,434
Legal fees	2,089	72,842
Volunteer expenses	1,795	1,163
Subscriptions	308	509
	<u>£ 225,186</u>	<u>£ 238,322</u>

Basis of allocation of Visitor Centre support costs

Visitor Centre support costs have been allocated to each activity undertaken at the visitor centre on the basis of income for each activity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

9 EXPENDITURE - (continued)

General support costs

Support costs can be further analysed as follows:

	2023 £	2022 £
Staff costs	232,791	321,729
Marketing fees	67,934	31,224
Professional fees	190,609	240,380
Management, staff and volunteer expenses	1,512	2,614
Training	2,534	5,545
Miscellaneous	12,737	36,921
Bank charges	29,346	17,825
Cleaning	14,559	27,427
Light, heat and water	22,327	19,956
Repairs	83,765	84,664
Telephone	6,534	5,611
Bad debts written off	43,089	25,667
Printing, postage and stationery	3,070	4,353
Depreciation	11,781	3,598
Insurance	6,937	1,180
Licences	973	1,788
Subscriptions	6,621	2,661
Equipment hire	7,911	-
Trustee and administration expenses	670	223
Auditor's remuneration	34,900	23,300
	<u>£ 780,600</u>	<u>£ 856,666</u>

Basis of allocation of support costs

Support costs are specifically allocated to the department to which they relate.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

10 EMPLOYEE AND TRUSTEE INFORMATION

	2023 £	2022 £
Employees		
Wages and salaries	772,956	789,348
Social security costs	49,788	49,622
Pension costs	11,934	12,806
	<u>£ 834,678</u>	<u>£851,776</u>
The average monthly number of employees during the year was made up as follows:	<u>60</u>	<u>72</u>

No employees earned in excess of £60,000 (2022 – no employees).

Trustees

There were 7 Trustees who held office during the year, there were no more than 7 Trustees in office at any time during the year. A special resolution was passed unanimously to increase the maximum number of Trustees from 8 to 12.

No emoluments are payable to any trustee, in their capacity as a trustee and only directly incurred expenses are reimbursed. The amount reimbursed during the year was £670 (2022: £223). These expenses largely relate to travel and subsistence costs.

Indemnity insurance is maintained covering the Board of Trustees in their capacity as trustees, which cost £1,500 (2022: £1,425) in the year.

The key management personnel of the group comprise those of the Charity and the key management personnel of its wholly owned subsidiary, Markshall Trading Limited. The total employee benefits of the key management personnel of the group were £197,965 (2022: £261,529).

11 AUDIT FEE

	2023 £	2022 £
Auditors' remuneration: in respect of audit services	17,150	18,290
: in respect of payroll services	3,205	2,670
: in respect of other non-audit services	2,965	3,140
	<u>£ 23,320</u>	<u>£24,100</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

12 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2023	2,390,424	1,330,950	657,924	4,379,298
Additions	-	75,059	50,293	125,352
Transfers	(36,789)	36,789	-	-
Disposals	-	(73,213)	(30,213)	(103,426)
At 31 December 2023	<u>2,353,635</u>	<u>1,369,585</u>	<u>678,004</u>	<u>4,401,224</u>
Depreciation				
At 1 January 2023	-	621,188	457,248	1,078,436
Charge for year	-	225,800	68,720	294,520
Disposals	-	(48,827)	(9,867)	(58,694)
At 31 December 2023	-	<u>798,161</u>	<u>516,101</u>	<u>1,314,262</u>
Net book values				
At 31 December 2023	<u>£ 2,353,635</u>	<u>£ 571,424</u>	<u>£ 161,903</u>	<u>£ 3,086,962</u>
At 31 December 2022	<u>£ 2,390,424</u>	<u>£ 709,762</u>	<u>£ 200,676</u>	<u>£ 3,300,862</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

12 TANGIBLE FIXED ASSETS - (continued)

Charity

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2023	2,390,424	1,330,950	606,017	4,327,391
Additions	-	75,059	40,520	115,579
Transfers	(36,789)	36,789	-	-
Disposals	-	(73,213)	(30,213)	(103,426)
At 31 December 2023	<u>2,353,635</u>	<u>1,369,585</u>	<u>616,324</u>	<u>4,339,544</u>
Depreciation				
At 1 January 2023	-	621,188	426,782	1,047,970
Charge for year	-	225,800	56,939	282,739
Disposals	-	(48,827)	(9,867)	(58,694)
At 31 December 2023	<u>-</u>	<u>798,161</u>	<u>473,854</u>	<u>1,272,015</u>
Net book values				
At 31 December 2023	<u>£ 2,353,635</u>	<u>£ 571,424</u>	<u>£ 142,470</u>	<u>£3,067,529</u>
At 31 December 2022	<u>£ 2,390,424</u>	<u>£ 709,762</u>	<u>£ 179,235</u>	<u>£3,279,421</u>

Assets held for use in operating leases

Included within fixed assets are assets held for use in operating leases, for which the Charity receives rental income. As at 31 December 2023 the minimum annual lease payments to be received in respect of these assets is £337,404 (2022: £354,418).

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

13 INVESTMENTS

Group and Charity

	2023	2022
	£	£
Listed investments		
Market value at 1 January 2023	2,341,008	3,131,732
Additions at cost	-	-
Disposal at cost	(268,568)	(248,329)
Net unrealised investment (loss)/gain	165,486	(542,395)
	<u>£ 2,237,926</u>	<u>£ 2,341,008</u>
Market value at 31 December 2023		
	<u>£ 2,237,926</u>	<u>£ 2,341,008</u>
Historical cost at 31 December 2023	<u>£ 2,129,574</u>	<u>£ 2,398,136</u>

Details of the listed investments held at 31 December 2023 are as follows :

	Cost	Mid-market
	£	value
	£	£
M and G Charibond Common Investment Fund 7,168 Income Shares	7,786	8,017
M and G Charifund – Equities Investment Fund for Charities 708 Income Units	8,000	10,160
Charinco Common Investment Fund 4,404 Income Shares	7,042	6,533
Charishare Common Investment Fund 3,442 Income Shares	6,532	25,071
Charities Official Investment Fund 1,226 Income Units 37 Accumulated Units	7,802 385	24,335 9,139
Glaxo Smith Kline PLC 2,804 Income Shares	43,139	40,664
Haleon PLC 3,505 Income Shares	10,785	11,274
Rathbone Portfolio	2,038,103	2,106,119
	<u>£ 2,129,574</u>	<u>£ 2,241,312</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

13 INVESTMENTS - (continued)

Fixed Asset Investments – (continued)

The net unrealised gain of £165,487 (2022: £542,395 loss) is in relation to financial assets recognised at fair value.

Charity investment in subsidiary

	2023 £	2022 £
Cost and net book value: At 1 January 2023 and at 31 December 2023	<u>£ 7</u>	<u>£ 7</u>
Group		
Total fixed asset investments	<u>£ 2,237,926</u>	<u>£2,341,008</u>
Charity		
Total fixed asset investments	<u>£ 2,237,933</u>	<u>£2,341,015</u>

The investment in a subsidiary relates to a 100% shareholding in Markshall Trading Ltd (formerly Marks Hall Enterprises Limited) a company incorporated in England and Wales, company number: 07798255. Marks Hall Enterprises Limited was incorporated on 5 October 2011 and commenced trading on 1 January 2012.

The principal activity of Markshall Trading during the year was the hire of a venue for weddings and other functions and running the catering function of the group. For the year to 31 December 2023 the company made a loss before gift aid payments of £38,543 (2022: loss £170,980) and at this date it had net liabilities of £116,417 (2022: £150,853). The results of Markshall Trading Limited have been consolidated within these financial statements on a line by line basis.

14 STOCKS

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Goods for resale	<u>£ 18,477</u>	<u>£ 20,832</u>	<u>£-</u>	<u>£-</u>

There is no material difference between the book value of stocks and replacement cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

15 DEBTORS

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	55,833	237,334	39,134	3,693
Other debtors	66,662	136,632	63,352	127,715
Prepayments	7,883	64,072	5,972	54,244
Amounts owed from subsidiary	-	-	57,568	54,498
	£ 130,378	£ 438,038	£ 166,026	£ 240,150

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Loans and overdrafts	129,483	144,629	119,483	134,629
Trade creditors	98,704	143,607	70,526	117,893
Other creditors	64,606	52,068	63,998	50,121
Other taxation and social security	64,938	61,469	9,498	30,629
Accruals	31,697	46,978	21,277	14,061
Deferred income	15,812	215,618	20	-
Amounts due under finance leases	9,060	5,270	9,060	5,270
	£ 414,300	£ 669,639	£ 293,862	£ 352,603

Deferred income is recognised in respect of income for future events and rent received in advance and is included within other creditors.

During the year deferred income of £15,812 was accounted for (2022: £215,618) in creditors falling due in under and over one year.

Of the prior year's deferred income, £215,618 (2022: £113,528) was released during the year ended 31 December 2023.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Loans:				
- Due between one and two years	33,965	47,381	33,965	37,381
- Due between two and five years	631,436	602,426	612,269	584,476
- Due after more than five years	284,875	327,648	284,875	327,648
	950,276	977,455	931,109	949,505
Amounts due under finance leases:				
- Due between one and two years	13,581	4,778	13,581	4,778
Total	£ 963,857	£ 982,233	£ 944,690	£ 954,283

The Purley Farm loan of £171,196 (2022: £174,238) is secured on Bouchiers Grange and Purley Farm, Coggeshall. This loan is repayable by quarterly instalments and bears an interest rate of 2% over base rate.

The second replacement loan of £Nil (2022: £11,678) is secured on approximately 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by quarterly instalments and bears an interest rate of 5%.

The third replacement loan of £250,677 (2022: £257,360) is secured on 1 and 2 Bouchiers Grange Cottages, and 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by monthly instalments and bears an interest rate of 5%.

The Rathbones loan of £509,236 (2022: £506,229) is secured on the Charity's investment portfolio held with the creditor. This loan is repayable 5 years from signing of the agreement and bears an interest rate of 2.5% over the base rate.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

18 FINANCIAL INSTRUMENTS

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,237,926	2,341,008	2,237,933	2,341,015
Financial assets measured at amortised cost	133,183	373,966	160,054	185,906
	£ 2,371,109	£ 2,714,974	£ 2,397,987	£ 2,526,921
 Financial liabilities				
Financial liabilities measured at amortised cost	£ 1,297,407	£ 1,374,785	£ 1,299,034	£ 1,276,257

Financial assets measured at fair value through profit or loss comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise loans and overdrafts, trade creditors, other creditors and accruals.

19 ENDOWMENTS

Group and Charity

	Balance at 1.1.23 £	Movement in funds		Balance at 31.12.23 £
		Income £	Expenditure, gains/(losses) and transfers £	
Permanent endowment				
Investment	1,140,620	-	(499,193)	641,427
Markshall Estate	1,789,754	-	-	1,789,754
	£ 2,930,374	£ -	£ (499,193)	£ 2,431,181

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

20 RESTRICTED FUNDS

Group and Charity

	Balance at 1.1.23 £	Movement in funds Income £	Expenditure, gains/losses and transfers £	Balance at 31.12.23 £
Educational events	14,080	-	(7,252)	6,828
Cycle path	253	-	-	253
Peter Holland Donation	-	5,653	(4,915)	738
	<u>£ 14,333</u>	<u>£ 5,653</u>	<u>£ (12,167)</u>	<u>£ 7,819</u>

Educational events

This fund represents donations towards educational events that will be held.

21 UNRESTRICTED FUNDS

	Balance at 1.1.23	Movement in funds Income	Expenditure, (gains)/losses and transfers	Balance at 31.12.23
Group				
General charitable funds	<u>£ 1,753,106</u>	<u>£ 1,433,344</u>	<u>£ (1,478,800)</u>	<u>£ 1,707,650</u>
Charity				
General charitable funds	<u>£ 1,830,987</u>	<u>£ 806,051</u>	<u>£ (802,276)</u>	<u>£ 1,834,762</u>

22 CAPITAL COMMITMENTS

At 31 December 2023, the Group and Charity had capital commitments as follows:

	2023 £	2022 £
Contracted for but not provided in these financial statements	<u>£ -</u>	<u>£ 14,270</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

23 FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary of Markshall Trading Limited, which hires a venue for weddings and other functions.

The summary financial performance of the Charity alone is:

	2023	2022
	£	£
Income	811,704	1,012,782
	<hr/>	<hr/>
Expenditure		
Fundraising trading:		
Cost of goods sold and other costs	905,912	987,292
Charitable activities	548,690	460,839
Governance costs	24,520	15,923
Realised and unrealised		
Investment loss/(gain)	(165,486)	542,395
Loss on disposal		-
	<hr/>	<hr/>
Net outgoing resources	(501,932)	(993,667)
Total funds brought forward	4,775,694	5,769,361
	<hr/>	<hr/>
Total funds carried forward	£ 4,273,762	£ 4,775,694
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Restricted funds	7,819	14,333
Endowment funds	2,431,181	2,930,374
Unrestricted funds	1,834,762	1,830,987
	<hr/>	<hr/>
Total funds	£ 4,273,762	£ 4,775,694
	<hr/> <hr/>	<hr/> <hr/>

24 TRANSFER BETWEEN FUNDS

The £807 transfer from unrestricted to endowment funds represents the final annual repayment to endowment reserve as set out in note 1.

The £500,000 transfer from endowment to unrestricted funds was made following a successful S282 application on 30 October 2023.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

25 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	7,819	7,819
Endowment funds	216,058	78,769	2,136,354	2,431,181
Unrestricted funds				
General charitable funds	<u>2,870,904</u>	<u>2,159,157</u>	<u>(3,322,411)</u>	<u>1,707,650</u>
Total funds	<u><u>£3,086,962</u></u>	<u><u>£2,237,926</u></u>	<u><u>£(1,178,238)</u></u>	<u><u>£4,146,650</u></u>

Charity

	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	7,819	7,819
Endowment funds	216,058	78,769	2,136,354	2,431,181
Unrestricted funds				
General charitable funds	<u>2,851,471</u>	<u>2,159,164</u>	<u>(3,175,876)</u>	<u>1,834,762</u>
Total funds	<u><u>£3,067,529</u></u>	<u><u>£2,237,933</u></u>	<u><u>£(1,031,703)</u></u>	<u><u>£4,273,762</u></u>

26 RELATED PARTY TRANSACTIONS

The Charity was under the control of the Trustees during the year.

The Charity has taken advantage of the exemption provided by the related party criteria of FRS 102 not to disclose transactions between group companies where the subsidiary is wholly owned within the group.

During the year there were no further related party transactions.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

27 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022
	£	£	£	£
Income				
Donations and legacies	89,043	-	-	89,043
Income from charitable activities:				
Grants receivable	27,317	-	-	27,317
Other income from charitable activities	282,453	-	-	282,453
Income from other trading activities	1,247,461	-	-	1,247,461
Investment income	54,986	-	-	54,986
Total income	1,701,260	-	-	1,701,260
Expenditure				
Expenditure on raising funds	1,340,752	-	-	1,340,752
Charitable activities	909,361	420	-	909,781
Total expenditure	2,250,113	420	-	2,250,533
Realised and unrealised investment gains	(192,395)	-	(350,000)	(542,395)
Gain on disposal of land	-	-	-	-
Net income	(741,248)	(420)	(350,000)	(1,091,668)
Transfer between funds	(4,401)	-	4,401	-
Net movement in funds carried forward	(745,649)	(420)	(345,599)	(1,091,668)
Balances brought forward at 1 January 2022	£2,498,755	£14,753	£3,275,973	£5,789,481
Balances carried forward at 31 December 2022	£1,753,106	£14,333	£2,930,374	£4,697,813

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

28 ANALYSIS OF NET DEBT

Group

	Balance at 1.1.23 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.23 £
Cash at bank and in hand	156,003	(178,045)	-	(22,042)
Debt due within one year	(51,687)	(4,690)	-	(56,377)
Debt due after one year	(977,455)	27,179	-	(950,276)
Net debt	£ (873,139)	£(155,556)	£ -	£ (1,028,695)

Charity

	Balance at 1.1.23 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.23 £
Cash at bank and in hand	129,052	(161,332)	-	(32,280)
Debt due within one year	(41,687)	(4,690)	-	(46,377)
Debt due after one year	(949,505)	18,399	-	(931,106)
Net debt	£ (862,140)	£(147,623)	£ -	£ (1,009,763)

MARKSHALL ESTATE

YEAR ENDED 31 DECEMBER 2023

Detailed Income and Expenditure Accounts for the Trustees' information

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Income				
Estate	432,108		440,667	
Arboretum and Land in Hand	34,528		93,417	
Visitor Centre Operations	972,361		1,167,176	
		<u>1,438,997</u>	<u>1,701,260</u>	
				1,701,260
Expenses				
Estate	638,288		711,159	
Arboretum and Land in Hand	287,125		258,204	
Visitor Centre Operations	1,190,501		1,190,501	
		<u>2,115,914</u>	<u>2,250,533</u>	
				2,250,533
Operating (deficit)/surplus				
Estate	(206,180)		(270,492)	
Arboretum and Land in Hand	(252,597)		(164,787)	
Visitor Centre Operations	(218,140)		(113,994)	
		<u>(676,917)</u>	<u>(549,273)</u>	
				(549,273)
Loss on disposal of fixed assets		(39,732)		-
Gain/(loss) on investment		<u>165,486</u>		<u>(542,395)</u>
				(542,395)
Deficit for the financial year		<u>£ (551,163)</u>		<u>£ (1,091,668)</u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2023 - (continued)

	2023		2022	
	£	£	£	£
Income – Estate				
Rental income	331,551		349,752	
Tenant contributions	5,853		4,666	
Investment income	55,002		54,811	
Insurance and other income	6,287		6,163	
Grants and donations	30,076		22,817	
Nursery	3,339		2,458	
		432,108		440,667
Expenses – Estate				
General maintenance	62,767		63,215	
Premises and public liability insurance	11,660		9,434	
Other professional fees	113,528		251,121	
Accountancy	23,850		15,700	
Office administration and services	19,698		38,611	
Office electricity and water	15,982		16,023	
Staff costs	232,791		252,347	
Staff and trustee expenses	1,924		1,878	
Bank charges and overdraft interest	13,869		4,934	
Miscellaneous	62,911		11,199	
Access payments	7,083		10,069	
Loan interest	74,021		31,796	
Bad debts (recovered)/written off	(1,796)		4,832	
		638,288		711,159
Divisional deficit		£ (206,180)		£ (270,492)

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Income – Arboretum and land in hand				
Grants and donations	33,691		90,608	
Job retention scheme grant	-		-	
Timber sales	837		2,809	
	<u> </u>		<u> </u>	
		34,528		93,417
Expenses – Arboretum and land in hand				
Personnel expenses	258		736	
Staff costs	208,858		197,080	
Equipment	11,747		5,216	
Equipment hire	2,308		2,446	
Planting and tree surgery	10,637		4,106	
Fuel and oil	6,952		12,693	
Repairs and maintenance	21,509		20,755	
Vehicle insurance and tax	12,833		10,477	
Heat, power and water	1,233		437	
Miscellaneous	9,364		4,258	
Hire Purchase Interest	476			
Other professional Fees	950		-	
	<u> </u>		<u> </u>	
		287,125		258,204
Divisional deficit		<u>£ (252,597)</u>		<u>£ (164,787)</u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Income – Visitor Centre Operations				
Admission	141,019		182,589	
Catering	247,471		279,184	
Shop and plants	52,914		53,511	
Membership	103,604		99,864	
Coach house	381,180		419,102	
Events	30,251		100,619	
Other income	15,922		27,807	
Grants	-		4,500	
		972,361		1,167,176
Expenses – Visitor Centre Operations				
Catering	4,964		23,962	
Shop	45,606		38,850	
Wedding	62,710		77,548	
Events	145,138		224,942	
Bank and credit card charges	27,307		23,603	
Cleaning	30,236		30,314	
VC electric and water	7,975		14,083	
Repairs and maintenance	48,053		31,427	
Staff, volunteer and trustee expenses	7,066		3,639	
Miscellaneous	23,979		77,856	
Marketing and promotions	44,564		48,158	
Staff costs	393,029		402,553	
Office and administration costs	23,990		20,033	
Depreciation	246,534		140,801	
Insurance	18,597		10,614	
Legal and professional fees	14,156		83,920	
Equipment	1,712		8,032	
Bad debts written off	44,885		20,835	
		1,190,501		1,281,170
Divisional surplus		(218,140)		(113,994)

Markshall Estate

England & Wales - Charity number 256700

Accounts

**MARKSHALL ESTATE
(FORMERLY MARKS HALL ESTATE)**

**GROUP REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2022

MARKSHALL ESTATE

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MARKSHALL ESTATE

OFFICERS AND PROFESSIONAL ADVISERS

Trustees	Peter Griffiths Margaret Attwood Robert Cowlin William Conner Jan E Smith Benjamin Woodgate Geoffrey Dunn Ian Hodge David Whipps Meriel Barclay	(retired 1 June 2023) (retired 9 March 2022) (retired 10 October 2022) (retired 12 August 2022) (appointed 23 August 2022)
Executive Director	Kath Cockshaw	(position made redundant in February 2022)
Chief Executive	David Finkle	(appointed June 2022)
Registered Office	Markshall Estate Markshall Coggeshall CO6 1TG	
Registered Number	Charity 256700	
Auditors	SB Audit LLP Chartered Accountants and Statutory Auditor 820 The Crescent Colchester Business Park Colchester CO4 9YQ	
Bankers	Barclays Bank plc 9 High Street Colchester Essex CO1 1DD	
Solicitors	Holmes and Hills LLP Bocking End Braintree Essex CM7 9AJ	

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

In accordance with the requirements of the Charities Act 2011, the Trustees present this annual report and the audited financial statements of the Charity for the year ended 31 December 2022.

The financial statements comply with the Charities Act 2011, the governing document, the accounting policies set out in the notes to the financial statements 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).

Legal and administrative information

The information on page 1 forms part of this report. The Charity is registered with the Charity Commission of England and Wales under registration no. 256700.

The Trustees during the year under review were as follows:

Geoffrey Dunn (Chair of Trustees)	(resigned 12 August 2022)
Merial Barclay (Chair of Trustees)	(appointed 23 August 2022)
Peter Griffiths	(retired 1 June 2023)
Margaret Attwood	(retired 9 March 2022)
William Conner	(retired 10 October 2022)
Robert Cowlin	
Jan Smith	
Benjamin Woodgate	
Ian Hodge	
David Whipps	

Structure, Governance & Management

The Charity was founded by Will and codicil of Thomas Phillips Price registered in the Principal Registry on 16 February 1933. The scheme for its regulation was approved and established by the Charity Commission on 15th November 1971.

The Trustees meet quarterly as a minimum. There are two sub-committees reporting to the Board - Finance and Risk and Built Estate. These committees also meet at least quarterly in advance of the Trustees' board meeting to review, and to make recommendations to the Board, on all matters relating to finance, investments risk and the management of the Estate property including an overview of ongoing project work.

Composition of the sub-committees includes at least two Trustees, including the Chair of Trustees, and senior members of staff. The day-to-day management of the Charity had been undertaken by the Executive Director until the post was made redundant early in 2022. In June 2022 a General Manager (later titled Chief Executive) was appointed to lead the management team. Senior staff meetings occur regularly for the purpose of communication, decision making and reporting to Trustees.

Members of the Senior Management Team are:

David Finkle	Chief Executive
Lisa Calvert	Events Manager
Ian Chandler	Arboretum Manager
Sam Gentry	Visitor Centre Manager
Lauren Shields	Finance Manager

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Revenue for the Charity is raised through the letting of estate property, the admission and membership scheme (renamed the Friends scheme), admission fees for the Arboretum, through educational events and other activities. Other income is raised from returns on investments, grants, legacies and sponsorship. Markshall Trading Ltd is a wholly owned trading subsidiary of the Charity. Its principal activities are catering, retail activities and the hire and letting of the Coach House for weddings and events. Profits generated by the trading company are gift-aided to the Charity.

Expenditure is managed through budget allocation to the department heads for Estate, Arboretum and Woodlands, Visitor Centre and Markshall Trading Ltd with any variation approved by senior management, or as necessary by the Trustees.

As an integral part of the management policy the Senior Management Team regularly review the risk register which lists external and internal risk factors which may affect the Charity and its subsidiary.

Senior staff ensure Health & Safety issues are kept under regular review as far as this affects employees, volunteers, contractors and visitors to Markshall Estate.

Working with professional advisers, the Trustees seek to ensure that all the Charity's management and decision-making processes take full account of and comply with relevant legislative and regulatory controls. Insurance including cover for property ownership and public liability cover is reviewed annually.

Trustee Recruitment, Induction & Training

As at September 2023, there were six Trustees on the Board. After incorporation (detailed below) it is planned to appoint a further three Trustees. As Trustees retire, replacement candidates are identified by the remaining Trustees through open advertising including on the Charity's website, social media and through approaches to interested organisations including The Royal Botanic Gardens Kew (RBG Kew). Prior to the recruitment process commencing, a skills and experience audit is undertaken of Trustees to identify those skills and experience which would be most helpful for new Trustees to possess. Prospective Trustees receive a Trustee recruitment pack providing them with details of the role and background information. RBG Kew has the option, but not the obligation, to appoint a Trustee of their choosing to the Markshall Estate board.

As part of their induction programme, new Trustees are made aware of their responsibilities through discussions with the Chair, their fellow Trustees and senior management. This includes an introduction to the history, objectives, and work of the Charity. New Trustees also receive a copy of the Charity's governing document, copies of the previous two years' annual reports and accounts and Charity Commission information on Trustees' responsibilities. They are also invited and encouraged to familiarise themselves with the Visitor Centre, Arboretum, and the wider estate.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Strategic Objectives & Activities

Summary of Activities

Markshall Estate extends to approximately 2,350 acres and is vested in the Official Custodian for Charities in trust for the Charity.

The Estate comprises tenanted farm holdings extending in total to around 1,550 acres, residential and commercial property, parkland, coniferous woodlands managed by the Forestry

Commission, and in-hand broadleaf woodland, much of which is of high conservation value. At the heart of the Estate is a 200-acre Arboretum, established in the mid-1980s with ornamental lakes and a 2-acre walled garden.

The Arboretum and Visitor Centre have been open to the public since 1993. The Visitor Centre contains a café, plant and retail sales and administrative offices. There is a Friends (previously Membership) scheme designed for frequent visitors with individual, joint and family categories. There are no restrictions on who may join the Friends scheme.

The Coach House is a venue for estate and private events and is managed by a subsidiary of the Charity, trading under the name Markshall Trading Ltd (formerly Marks Hall Enterprises Ltd).

After the Covid-19 restrictions were lifted the Arboretum reopened to visitors in March 2021 but with weather conditions and some Covid-19 restrictions on catering establishments still in place, the café did not reopen until July 2021. This was part of the reason for the low visitor numbers of 20,065 (day visitors and members) in 2021. Visitor numbers increased considerably in 2022 totaling 56,750 with over 17,000 being Friends of Markshall.

In 2022 the standard admission rates increased slightly with Gift Aid admission prices offered at 10% higher than the standard rates. Standard admission for adults was £8 increasing to £9 with Gift Aid.

The Charity's object is 'the advancement in the interests of the nation, of agriculture, arboriculture and forestry'.

The aims of the Charity are to:

- i) Maintain and develop the Estate, including its buildings, farmland and woodlands through the adoption of sound estate management principles. In doing so the Charity has due regard to the Estate's high nature conservation value, its landscape and its historic interest and seeks ways in which they may be enhanced.
- ii) Develop an Arboretum of national significance, of value for scientific and educational purposes, and to share experiences with other like-minded organisations.
- iii) Provide a visitor attraction of interest to all ages and groups for recreation, learning and general enjoyment.
- iv) Maintain existing and develop new income streams to allow the charitable object to be developed further.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

The main objectives and activities for the year were shaped by these aims and continued to focus on managing the visitor-related activities, Arboretum and the wider let and in-hand estate.

The strategies employed by the Charity to achieve its aims include:

- i) Supporting its farming tenants through allowing, as appropriate, the diversification of their farming businesses, offering encouragement to enter environmental and other grant schemes and by facilitating innovative ideas. This is intended to provide an environment whereby farming tenants can develop their businesses for the benefit of themselves, the Charity and agriculture in general.
- ii) Managing our in-hand land outside the Arboretum, extending to around 90 acres of grass and parkland, for the benefit of agriculture, the environment and recreation.
- iii) Focusing on increasing existing revenue streams by building on reputation and a strong and inclusive social media strategy and by developing with industry best practice for revenue generation to the Charity.
- iv) Maintaining a good working relationship with the Forestry Commission.
- v) Managing in-hand woodland on a traditional coppice with standard systems following sound silvicultural techniques and for the benefit of flora and fauna. Some 120 acres of woodland is designated as semi-natural ancient woodland and has extremely high nature conservation value.
- vi) Managing the Arboretum to a consistently high and professional standard and expanding and developing the ornamental grounds as resources permit and as areas of coniferous trees are removed by the Forestry Commission. The Arboretum is arranged on a geographical basis with representative plantings from North America, Europe, Asia and Gondwanaland.
- vii) Encouraging and prolonging visits through the provision of facilities, events and activities at the Visitor Centre, within the Arboretum and the wider estate to enhance visitors' recreational and learning experience and to contribute towards their health and wellbeing.
- viii) Fostering good relationships with the local community and stakeholders, including tenants, volunteers, visitors and local businesses to obtain their support for the Charity's aims and objectives.
- ix) Developing the profile of the Estate, actively encouraging local and regional businesses to support the work required to ensure the development of the Arboretum so that the Charity can fulfil its long-term objective of becoming world-class.

Volunteers

The Charity's staff are supported by over 30 volunteers who work at the Visitor Centre, in the admissions, as stewards at events, and driving the buggies for those less able. Around 6 volunteers assist regularly in the Arboretum. The Trustees thank the volunteers for their considerable and continued help and support during 2022 and look forward to welcoming more volunteers to the Charity in 2023 and beyond.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Public Benefit

In deciding the Charity's work over the course of the year the Trustees give due regard to the Charity Commission's guidance on public benefit. The Charity regularly receives good visitor reviews saying how much people enjoy the estate, its beauty, the general upkeep of the Arboretum and our facilities.

The Trustees are developing a strong social media platform which encourages comments, pictures and input from our visitors and allows us to develop positive and constructive relationships with a wider community.

The Trustees believe that the Charity provides significant public benefit to visitors for general enjoyment, wellbeing, recreation, education and to those with specific interests such as historians, gardeners, arboriculturists and landscape and wildlife specialists. The Arboretum hosts regular visits from local schools, colleges, horticultural and other interest groups. We always seek to complement our existing programme with items that may be of benefit to the public. In 2021 we partnered with the International Park Run programme to create The Markshall Park Run which brings 150-200 runners to the Estate each Saturday.

Agriculture & the Tenanted Estate

The tenanted estate comprises five arable farm holdings of an average size of approximately 310 acres. Four of the holdings are equipped with traditional and modern buildings and farmhouses. The farm holdings are let on either Agricultural Holdings Act agreements or Farm Business Tenancies. The rest of the let estate is made up of commercial property, which is used as offices, storage or light industrial, residential property and various grazing lets and other land uses, including a small cricket bat willow plantation.

The Charity's in-hand estate (other than the Arboretum, woodlands and visitor facilities) comprises around 90 acres of parkland, near to the Arboretum. Much of this land was in arable use until the early 1990s and is now grazed with cattle under the Higher Level Environmental Stewardship Scheme, for the benefit of flora and fauna and landscape enhancement. As in previous years, the Charity has undertaken repairs and building improvements to several properties and infrastructure across the in-hand and let estate. The Trustees have also undertaken rent reviews and granted new leases where property has become vacant.

Following the resignation of Richard Ramsey, Estate Manager, in October 2021 from the Charity, the Trustees decided to appoint Savills as the managing agents of the let estate. Savills now manage all tenanted properties on behalf of the Charity.

In 2022 rental and estate income for the Charity, including land and environmental grants, totalled £385,856 (£406,818 in 2021)

Plans are being developed by the local community for the creation of an 8.2 km cycle path through Markshall Estate linking the villages of Earls Colne and Coggeshall and, at a later stage, further afield towards Braintree town centre and Kelvedon station. The cycle path will provide a safe recreational activity for all age groups and will encourage more visitors to the estate. During 2021 and 2022, Sustrans undertook a feasibility study of the route, and Markshall continues to work with local groups and councils to bring the scheme to fruition.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Woodlands

The woodlands at Markshall Estate extend to over 450 acres, the majority of which are designated as Local Wildlife Sites. Little Monks Wood, Crowland's Wood, Grange Wood, Nunty's Wood, Cleveland Wood, Lilly Wood and Marks Hall Wood form a continuous block of ancient woodland on the western side of the Estate, parts of which are considered by Natural England to be one of the finest series of small leaved lime woods in the country. Ancient woods are defined as any area that has been wooded continuously since at least 1600 AD and they are the UK's richest land-based habitat for wildlife. These woodlands have continued to be managed in a traditional manner principally through coppicing. It is the Charity's aim to continue to restore the ancient broadleaf woods, after the last 75 acres of the commercial conifers planted by the Forestry Commission in the 1950s and 60s are felled in the next four years.

Visitors have access through some of the ancient woodland at Markshall Estate, but it is the Trustees' intention to improve this access, and to provide better information on the high ecological and historical importance of the woodlands and their management.

Arboretum

The Arboretum continues to be managed for the enjoyment and benefit of the public, offering contemporary lakeside gardens and an extensive Arboretum, with many rare and interesting species, planted in a geographical landscape scheme.

The Landscape Master Plan sets out the vision for the growth of the Arboretum over the next 30 years and it is hoped a revised and extended plan will be completed in 2023-24. During 2019, trees belonging to the Forestry Commission on 10 acres of land were cleared allowing for the plant collection to be expanded into this area in 2021 and 2022. A significant new development in these 10 acres was the creation of the Himalayan feature and attenuation pond in the Asian area. It now provides an excellent landscape feature for the Arboretum and also acts as a filter for Robins Brook which runs through the Estate. This work was done in collaboration with the adjacent Business Park owners who carried out substantial landscaping works free of charge. The new planting will be typical of that growing in the Himalayan region. It is hoped that more visitors will extend their reach into this area to enhance their experience of the Arboretum.

The remaining trees owned by the Forestry Commission are still due to be felled. These trees cover approximately 30 acres in the Arboretum as well as the 75 acres in the woodlands.

The Walled Garden continues to be a very popular destination and is regarded as one of the key features of the arboretum. In 2023 the Charity celebrated 20 years since its opening.

Following the completion of work by Lear Associates to produce a digital database of all the trees and shrubs in the Arboretum and parkland, a complete digital plant catalogue of this data has been finalised. This gives a full record of every tree and shrub with GPS measurements and is being regularly updated. It will prove to be a significant resource for the Charity as well as for others interested in the estate's arboriculture. It will underpin aspects of business and partnership development as well as maximising learning and research opportunities for decades to come.

Interpretation, new visitor facilities, and landscape features are being introduced across the Arboretum in 2023 enabling visitors to obtain a much better understanding of the collection within each geographical area. An interesting development in 2022 was the display of the Shiffner prints. These are photographs taken between 1977 and 1989 by George Shiffner, a noted local photographer, and show how the Arboretum looked during that time.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

A range of guided walks for the public, gardening and social groups, and horticultural and landscape design students have taken place during the year. During 2023 a new play area was created in the Picnic Field and has proved to be a great success. This complements the natural play areas in a wooded area near the Honywood Oak and at Chestnut Chase by Robin's Grove.

Each year in March the Charity hosts the annual memorial service on the anniversary of 'Operation Varsity' to remember those servicemen who in March 1945 flew from Earls Colne airfield during WWII. This event is attended by veterans, their families, members of the local community and local military regiments.

Visitor Centre Activities

The Orchard Kitchen café continues to develop its offering according to its resources and consumer demand. Its menu changes so that it relates to the specific activities such as Halloween and Easter. Our collaboration with A & J Plants continues with an excellent selection of plants available. A & J Plants change their display to reflect seasonal plants which are particularly important in the Arboretum at the time. During 2022 a decision was taken to close the shop as it was not making a profit but during 2023 it has slowly been offering a wider range of products and this increase will continue according to demand. Also in 2022 our new building was opened with a much improved admissions area, an area for artifacts relating to Markshall's heritage and a retail area. Above the shop is a staff office allowing enhanced work space for staff.

Events continued to be a key feature of the Markshall offer ranging from a Christmas market to Easter trails and Halloween pumpkin carving. A successful sculpture exhibition was held during the summer which was popular with visitors. There was a wide variety of exhibits though sales were mainly of the smaller ones.

Markshall Estate continues to be supported by the Friends scheme with 5,033 friends in December 2022, more than double the number for the previous year. The Charity continues to seek ways to develop its Friends offer and provide them with added value and incentives.

Strategic Development

Following a review of the finances of the Charity and the Trading Subsidiary in October 2021 it was decided to appoint an independent strategy consultant to conduct a review of the Group's financial position. It became apparent that the Group would have to retrench its strategic vision and adopt a 'back to basics' approach to achieve a balanced budget by 2024. As a result, and with the aim of reducing the staff budget and therefore the financial risk to the Charity a series of actions were taken so four staff posts were made redundant in February 2022. Another important decision was to close down the wedding function in the Coach House from October 2023. More changes are described under "Financial Review".

In 2022 the Trustees decided to incorporate the Charity. With advice from specialist charity lawyers, Bates Wells, the plan is to create a company limited by guarantee with the current Trustees becoming Directors. The company will be the sole Trustee of the Charity which will own the land, which continues to be held as permanent endowment. These changes will make little difference to staff, Friends, volunteers, visitors and suppliers but will provide protection for the new Directors by limiting their personal liability. It will also enable the recruitment of more Directors to increase the numbers on the board. As at October 2023 this incorporation is not yet complete due to procedural delays by two particular lenders.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Trustee Changes

Geoffrey Dunn was appointed Chair of the Trustee board in January 2021. He had initially agreed to stay for one year but in the event remained for 20 months. Following his resignation in August 2022, Meriel Barclay, who had been a Trustee up to December 2020, was re-appointed as a Trustee and as Chair of the Board on an interim basis though it has since been agreed to make this a permanent appointment.

Margaret Attwood retired as a Trustee in March 2022. She was then appointed as a Patron of the Charity. Bill Conner retired in October 2022 and Peter Griffiths in June 2023. Peter was also appointed as a Patron. All three retirees, leaving the Board at the end of their term of office, have made a significant contribution to the Charity and to its development and the Board is most grateful to them.

Staff and Remuneration

The Trustees are responsible for the overall direction of the Charity and the Senior Management Team is responsible for the operations and day to day running of the Charity. All Trustees give their time freely and did not receive any remuneration during the year for these duties. Details of Trustee expenses are disclosed within the financial accounts.

In addition to the four redundancies stated above there were further changes during 2022 and early 2023. By mid-2023 the Group had a stable and effective staff team.

At the end of 2022, the Charity employed 30 staff and full-time equivalents were 26.3. There were 62 casual staff on the books who provided support in the Orchard Kitchen and for weddings and events. During 2022 we continued to outsource some HR matters to an external consultant. Payroll is outsourced to local accountancy firm, Scrutton Bland LLP.

Financial Review

In early 2022 the Senior Management Team and the Trustees considered the financial challenges facing Markshall and planned to develop both the catering offer and an events package to enhance Markshall as one of the leading recreation and exploration days out in Essex. However, Covid-19 has seen a change in habits in certain market segments and inflationary pressures remain evident. The whole staff team has been working positively to enhance levels of service and make events financially and operationally successful. Despite this the Trading operation failed to make a profit with considerable consequences both for the Trading Company and the Charity.

Due to the financial circumstances facing the Charity at the end of 2021, the Trustees decided to request from the Charity Commission a further draw down from the Permanent Endowment, under a Section 282 application. This request was approved in April 2022 and a total of £350,000 was permitted as expenditure. A further application has been made under Section 282 in September 2023 to assist operational requirements and a response from the Charity Commission has yet to be received.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

The trading subsidiary of the Charity, Markshall Trading Ltd (MTL), undertakes all commercial events, retail activities and operates the Orchard Kitchen. It suffered considerably during the Covid-19 pandemic though it was still necessary to employ staff as they were required to manage cancelled weddings and other functions. Income from MTL did increase from £476K in 2021 to £803K in 2022. However the gross margin fell considerably and an overall profit in 2021 of £82K became a loss of £98K in 2022. As stated above it became apparent in 2023 that the weddings function was not making the expected profits. The Trustees therefore took the difficult decision to cease weddings with effect from October 2023.

Total incoming resources in 2022 for both the Charity and Markshall Trading Ltd (the Group) were £1,701K (2021 £1,323k), an increase of £378K. Income from admissions, including the Friends scheme, increased by £34K to £236K, demonstrating successes in promoting the attraction of Markshall.

Income from the Orchard Kitchen and other catering activities more than doubled in 2022 to £279K but unfortunately the operation failed to return a profit.

Income from grants, donations and legacies in 2022 was £118K, an increase from the 2021 total of £80K. This 2021 total does not include grants of £41,763 from the Government's Job Retention Scheme.

Total Group expenditure increased by 40% to £2,250,533 with particular increases in the Visitor Centre activities. Part of this increase was a switch from volunteers to more contracted staff in response to the need to introduce an annualised pay structure and additional expertise and training. This has proved successful in spite of the increase in costs and gives opportunities for volunteers to work in the Arboretum. The change also helped to ensure a more stable workforce at a time of financial stress.

Investments are managed by Rathbone Greenbank Investment and at the year end the value of investments was £2,341,008. This was a fall of £790,724 from the previous year with a total of £542,395 being the result of a fall in the value of these investments. The remaining fall was the result of a withdrawal of funds from the permanent endowment held by Rathbones under the Section 282 approval.

A loan of £500K was taken out for the construction of the new retail and office building, increasing the Charity's current liabilities. The security for this loan is the investments with Rathbone Greenbank.

The Trustees agreed in 2019 that the most appropriate policy for investing funds was in specialised unit trusts and low-risk deposits designed for the charity sector, ethical shareholdings, and ethical savings accounts with the intention that the investments generate both income and capital growth in the long term. The Trustees are confident that investments are being managed with appropriate caution and understanding of market volatility, with an emphasis on fixed interest bonds and UK and international company shares with strong balance sheets, sound business models and ESG credentials. In August 2021 Trustees agreed to move to a Total Return model of investment.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Reserves Policy, Going Concern and Plans for the Future

The Trustees review the reserves policy annually to ensure that it meets the Group's changing needs and circumstances. In normal operating conditions the Trustees consider it desirable to hold minimum reserves equating to two months of essential cash flow, with reserves defined according to Charity Commission guidance CC19. Most of the cash flow required continues to relate to staff costs. As of 31st December 2022, the reserves required for the Group were £159,200 but given the cash constraints, for this policy to be met requires the approval by the Charity Commission of the current Section 282 application to draw down funds from the permanent endowment.

The short and medium term focus is on ensuring the Group's financial sustainability through an intensified drive on income generation across business areas, fundraising and strategic business planning. Although the current situation poses considerable financial strain, the Trustees remain optimistic that Markshall Estate will continue to prosper and develop.

As a continuation of existing activities we plan to develop these income streams:

- The shop is gradually increasing its stock to reflect specific demand from visitors;
- The Plant Centre, managed and supplied by A & J Plants, will continue to develop;
- Inclusion of Gift Aid the standard entry prices, with non-Gift Aid pricing clearly displayed at the Admissions Building for non-taxpayers and those not wishing to pay Gift Aid;
- Generation of more income through events and bookings for hire of the Coach House;
- A regular public programme of events to bring in new income streams and visitors;
- The new play area adjacent to the Orchard Kitchen to attract more visitors;
- Identify and implement events and activities which are not weather dependent;
- The completion of the Landscape Master Plan for the Arboretum.
- Enhancing the infrastructure of the estate including the sewerage system, the bridges and weirs and the wall of the walled garden

However we recognise that a continuation of these activities may not be sufficient to sustain the long term future of both MTL and the Charity. It was with this in mind that the weddings function was cancelled and, additionally, a plan is being drawn up to ensure the profitability of the Orchard Kitchen.

The losses £98K of MTL and the deficit brought forward to 2023 of £77.9K, will undoubtedly take time to eradicate, but the Trustees of the Charity and the Directors of MTL are confident that this can be achieved by the end of 2026 at the latest. Commercial activities will be required to increase in number and be more profitable. As at October 2023 a detailed plan is being finalised on how this can be achieved.

Inevitably the losses of MTL have had an effect on the finances of the Charity. However the cash held in the permanent endowment from historic sales of land does provide a buffer to the Charity, subject to Charity Commission regulations and approval. This will ensure the viability of the Charity.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

A large proportion of the losses of the Charity in 2022 were due to a marked fall in the value of investments and this increased the operational losses by the significant total of £542,395. Thankfully much of this loss has been offset by a more recent increase in investment values and it is hoped this will continue. A further drain on the Charity finances has been the significant legal costs of incorporation. While this has not yet been completed, the majority of the costs were incurred in 2022 leaving only small sums to be paid in 2023. Further legal costs were incurred from employment lawyers advising on staff changes giving a total of both functions for the year of £67,773 arising from the restructuring.

The Trustees are considering longer term changes to ensure future financial sustainability of the Group and a detailed scheme will be agreed in early 2024. The aim will be to rebuild our reserves after the difficult period.

Risk Management

The Trustees have considered the major risks to which the Charity is exposed and satisfied themselves that systems and procedures are in place in order to manage those risks. The risk management plan is reviewed and updated bi-annually by the Finance and Risk Sub-committee and by the Board. The plan focuses on the key risks and uncertainties faced by the Group including finances, the Group's management, Trustees, reputational risk, environmental risks, health and safety and regulatory requirements.

The responsibility for managing each risk is allocated to individuals within the Senior Management Team who have specialist knowledge of their area of work and overseen by the Chief Executive.

Financial security is identified as the most significant risk faced by the Group. Reviews of funds, including financial forecasting, are carried out regularly to ensure there is sufficient operational capital for the Charity.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources, and application of resources, including the income and expenditure of the Charity for that period.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 to operate.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

The Trustees are responsible for keeping sufficient accounting records which 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Our auditors Scrutton Bland LLP transferred their audit registration and therefore that part of their business to a newly incorporated limited liability partnership, SB Audit LLP, on 1 April 2023.

A resolution to re-appoint SB Audit LLP as auditors of the Trust will be put to the Trustees at the Board meeting in November 2023.

Approved by the Trustees on 30 October 2023 and signed on their behalf by



Meriel Barclay
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Opinion

We have audited the financial statements of Markshall Estate (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and 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 group and 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 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

We have nothing to report in this regard.

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13 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 liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the management and trustees (as required by auditing standards), inspection of the charity's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, charity law and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety legislation, employment law, anti-bribery and corruption legislation and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and trustees and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. 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 auditor's 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.

SB Audit LLP

SB AUDIT LLP

Chartered Accountants and Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 31/10/23

SB Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MARKSHALL ESTATE

GROUP STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£	£
Income						
Donations and legacies	2	89,043	-	-	89,043	21,049
Income from charitable activities:						
Grants receivable	3	27,317	-	-	27,317	101,147
Other income from charitable activities	4	282,453	-	-	282,453	243,850
Income from other trading activities	5	1,247,461	-	-	1,247,461	920,615
Investment income	6	54,986	-	-	54,986	36,738
Total income		1,701,260	-	-	1,701,260	1,323,399
Expenditure on raising funds						
	7	1,340,752	-	-	1,340,752	1,184,719
Charitable activities	8	909,361	420	-	909,781	562,794
Total expenditure		2,250,113	420	-	2,250,533	1,747,513
Realised and unrealised investment (losses)/gains		(192,395)	-	(350,000)	(542,395)	172,938
Gain on disposal of land		-	-	-	-	1,405,216
Net (expenditure)/income		(741,248)	(420)	(350,000)	(1,091,668)	1,154,040
Transfer between funds	24	(4,401)	-	4,401	-	-
Net movement in funds carried forward		(745,649)	(420)	(345,599)	(1,091,668)	1,154,040
Balances brought forward at 1 January 2022		£2,498,755	£14,753	£3,275,973	£5,789,481	£4,635,441
Balances carried forward at 31 December 2022		£1,753,106	£14,333	£2,930,374	£4,697,813	£5,789,481

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

Analysis between funds of the 2021 Statement of Financial Activities is shown in note 27 to the accounts.

MARKSHALL ESTATE

GROUP BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	12	3,300,862	3,333,038
Investments	13	2,341,008	3,131,732
		<u>5,641,870</u>	<u>6,464,770</u>
Current assets			
Stocks	14	20,832	23,173
Debtors	15	438,038	474,098
Cash at bank and in hand		248,945	342,529
		<u>707,815</u>	<u>839,800</u>
Creditors: amounts falling due within one year	16	<u>669,639</u>	<u>427,267</u>
Net current assets		<u>38,176</u>	<u>412,533</u>
Total assets less current liabilities		5,680,046	6,877,303
Creditors: amounts falling due after more than one year	17	<u>982,233</u>	<u>1,087,822</u>
Net assets		<u>£4,697,813</u>	<u>£5,789,481</u>
Funds			
Capital funds			
Endowments	19	2,930,374	3,275,973
Income funds			
Restricted funds	20	14,333	14,753
Unrestricted funds :			
General charitable funds	21	<u>1,753,106</u>	<u>2,498,755</u>
		<u>£4,697,813</u>	<u>£5,789,481</u>

Approved by the Board of Trustees on 30th Dec 2023 and signed on its behalf by

Meriel Barclay

Meriel Barclay

MARKSHALL ESTATE

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	12	3,279,421	3,315,635
Investments	13	2,341,015	3,131,739
		<u>5,620,436</u>	<u>6,447,374</u>
Current assets			
Stocks	14	-	-
Debtors	15	240,150	149,200
Cash at bank and in hand		221,994	213,932
		<u>462,144</u>	<u>363,132</u>
Creditors: amounts falling due within one year	16	<u>352,603</u>	<u>211,631</u>
Net current assets		<u>109,541</u>	<u>151,501</u>
Total assets less current liabilities		5,729,977	6,598,875
Creditors: amounts falling due after more than one year	17	<u>954,283</u>	<u>829,514</u>
Net assets		<u>£4,775,694</u>	<u>£5,769,361</u>
Funds			
Capital funds			
Endowments	19	2,930,374	3,275,973
Income funds			
Restricted funds	20	14,333	14,753
Unrestricted funds : General charitable funds	21	<u>1,830,987</u>	<u>2,478,635</u>
		<u>£4,775,694</u>	<u>£5,769,361</u>

Approved by the Board of Trustees on 30 October 2023 and signed on its behalf by

Meriel Barclay

Meriel Barclay

MARKSHALL ESTATE

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2022

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash flows from operating activities				
Net movements in funds	(1,091,668)	1,154,040	(993,667)	1,072,368
Depreciation of tangible assets	140,801	148,697	137,203	141,964
(Gain) on disposal of tangible assets	-	(1,405,216)	-	(1,405,216)
Unrealised investment loss/(gain)	542,395	(172,938)	542,395	(172,938)
Interest paid	60,333	32,433	31,796	25,757
Interest received	(482)	(275)	(307)	(275)
Dividends received	(54,504)	(36,463)	(54,504)	(36,463)
Decrease/(increase) in debtors	36,060	(116,102)	(90,950)	12,359
(Decrease)/increase in creditors	(67,122)	13,017	50,722	(124,201)
Decrease/(increase) in stocks	2,341	(15,018)	-	6,384
Cash used in operations	(431,846)	(397,825)	(377,312)	(480,261)
Interest paid	(60,333)	(32,433)	(31,796)	(25,757)
Interest received	482	275	307	275
Net advance on bank debt	110,963	215,139	122,077	216,075
Net cash (used in) operations and financing activities	(380,734)	(214,844)	(286,724)	(289,668)
Cash flows from investing activities				
Purchase of tangible fixed assets	(108,625)	(634,707)	(100,989)	(627,393)
Purchase of investments	-	(1,387,190)	-	(1,387,190)
Cash withdrawn from investments	248,329	-	248,329	-
Dividends received	54,504	36,463	54,504	36,463
Proceeds from sale of fixed assets	-	1,510,610	-	1,510,610
Net cash from/(used in) investing activities	194,208	(474,824)	201,844	(467,510)
Change in cash and cash equivalents in the year	(186,526)	(689,668)	(84,880)	(757,178)
Cash and cash equivalents brought forward	342,529	1,032,197	213,932	971,110
Cash and cash equivalents carried forward	£ 156,003	£ 342,529	£ 129,052	£ 213,932

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements are rounded to the nearest £1 and are prepared in sterling.

Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary undertaking Markshall Trading Ltd (formerly Marks Hall Enterprises Limited). The results of the subsidiary undertaking are consolidated on a line by line basis.

Going concern

Having considered the Charity's forecasts and projections, the Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least twelve months from the date of approving these financial statements. For this reason the Trustees continue to adopt the going concern basis in preparing the accounts.

Unrestricted funds

These are funds which are available to spend on activities that further any of the purposes of the Charity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES - (continued)

Restricted funds

Funds restricted by the donor are treated as restricted funds. All other receipts are unrestricted funds. When restricted funds, set up for the purpose of acquiring fixed assets, are fully expended on the relevant assets, the fixed assets are transferred into general funds unless the terms of the original receipt require the asset to be held in a restricted fund.

Permanent endowment funds

The land originally donated to the Trust is vested in the official custodian for Charities. The value of this land upon establishment of the Trust in 1971 is included in fixed assets and reflected as a permanent endowment fund in accordance with the Charities SORP. In 1996 and 1998 the Trust obtained permission from the Charity Commission to spend part of its permanent endowment fund on a new workshop barn and the renovation of Keepers Cottage respectively. These permissions are on the condition that one twenty fifth of the expense is transferred back annually to the permanent endowment fund. At 31 December 2022 the total expense not yet due to be transferred back was an amount of £807.

During the years ended 31 December 2018, 31 December 2019 and 31 December 2021 the Trust made sales of endowed land. The sale proceeds less direct legal fees incurred were transferred into separate bank accounts and held as a permanent endowment investment fund.

The Charities Commission agreed to release £227,500 of these funds under Section 282 for capital projects on 15 March 2019 and was subsequently reallocated, with agreement by the Charities Commission, for operating and project expenditure. During the prior year an application for the release of a further £480,000 was made and this was approved by the Charities Commission on 21 April 2020. In the year ended 31 December 2022, the Charities Commission agreed to release a further £350,000 of these funds under Section 282 for operating and project expenditure.

Income

All income is accounted for on an accruals basis with the exception of grants which are accounted for when the Charity has sufficient entitlement to them, and legacies, where entitlement is taken as the earlier of the date on which either: the Charity is made aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants receivable are included as incoming resources from charitable activities when they are for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries and as voluntary income when the grant is of a general nature.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES - (continued)

Gifts in kind are included as incoming resources from generated funds and are valued at the estimated value to the Charity of the service received. Gift aid reclaimed on donations is recognised in the financial statements once the Charity has made a claim.

Donated goods and services

The Charity receives donated services in the form of volunteer work. The economic contribution of general volunteers is not recognised in the financial statements.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on the basis of the level of income for each activity.

Expenditure classified as costs of generating funds include fundraising costs and expenditure incurred in the running of the Visitors' Centre.

Costs classified as charitable activities relate to the expenditure incurred in the running of the arboretum and opening it to visitors, the operations of the Board of Trustees, and addressing constitutional, audit and other statutory matters.

Fixed assets

Fixed assets are included at cost less depreciation. The capitalisation limit of the Charity is £1,000.

No depreciation is provided on freehold land or freehold buildings. The Charity's policy is to maintain the properties in a continual state of sound repair and accordingly the Trustees are of the opinion that the lives of the properties are so long and residual values so high that their depreciation is insignificant.

Improvements to properties are depreciated at 10% on cost. Kitchen equipment purchased as part of the improvements to the Visitors' Centre is depreciated at 20% on the reducing balance method.

The value of the property contained in the financial statements is reviewed on an annual basis by the Trustees for impairment. Provision is made to reduce the value in the financial statements where it is felt the property value is overstated.

The majority of land and buildings owned by the Charity are let to provide income to the Charity. It is not practical to distinguish these as investments as they are part of the donation to the Charity and were not purchased as investments.

Plant and machinery is depreciated at 20% on the reducing balance method.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES - (continued)

Heritage assets

Markshall Estate comprises a varied landscape. The Charity maintains this landscape in the interests of the nation and for future generations. The ancient woodland, comprising approximately 200 acres and the former Deer Park, comprising approximately 250 acres is recognised as a heritage asset. Due to the nature of the asset the Trustees consider it impractical to obtain a conventional valuation, the costs being onerous compared with the additional benefit derived by the Charity and the users of the accounts.

Investments

Listed investments are included at market rate at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pension costs

The Charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Charity. The annual contributions are charged to the statement of financial activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES - (continued)

Taxation

Markshall Estate is a Charity within the meaning of the Charities Act 2011 and as such is a Charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Markshall Estate is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

Cash and cash equivalents

Cash and cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash, without being subject to a significant change in value.

Significant judgements and estimates

The more significant judgements and estimates involved in the preparation of the financial statements include assessing the depreciation rates applicable to tangible fixed assets and the way in which certain costs should be apportioned. Further details regarding these points are included within the accounting policies.

2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Disabled vehicle "Buggy"	2,355	-	-	2,355	464
General donations	86,688	-	-	86,688	20,585
	<u>£ 89,043</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 89,043</u>	<u>£ 21,049</u>

The Estate benefits greatly from the support of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102 and the Charities SORP, the economic contribution of general volunteers is not recognised in the accounts.

In the prior year, £13,253 of donation and legacies income related to restricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

3 GRANTS RECEIVABLE

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Land and Environmental	27,317	-	-	27,317	41,384
Other Covid related grants	-	-	-	-	18,000
Job retention scheme	-	-	-	-	41,763
	<u>£ 27,317</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 27,317</u>	<u>£ 101,147</u>

All amounts in 2021 relate to unrestricted funds.

4 OTHER INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Admissions	182,589	-	-	182,589	163,968
Members' fees	99,864	-	-	99,864	79,882
	<u>£ 282,453</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 282,453</u>	<u>£ 243,850</u>

All amounts in 2021 relate to unrestricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Coach house and visitor centre lettings	472,959	-	-	472,959	301,282
Events income	69,358	-	-	69,358	18,633
Shop income	57,984	-	-	57,984	87,340
Catering income	279,184	-	-	279,184	128,519
Rental and estate income	354,418	-	-	354,418	354,000
Timber sales	2,809	-	-	2,809	2,633
Educational income	-	-	-	-	1,323
Insurance claim	4,873	-	-	4,873	6,771
Wayleaves	2,458	-	-	2,458	3,906
Miscellaneous income	3,418	-	-	3,418	16,208
	<u>£ 1,247,461</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 1,247,461</u>	<u>£ 920,615</u>

All amounts in 2021 relate to unrestricted funds.

6 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
UK equities	54,504	-	-	54,504	36,463
Interest received	482	-	-	482	275
	<u>£ 54,986</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 54,986</u>	<u>£ 36,738</u>

All investment income for 2022 and 2021 relates to financial assets measured at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

7 EXPENDITURE ON RAISING FUNDS

	Activities undertaken directly £	Visitor Centre Support costs £	Support costs £	Total 2022 £	Total 2021 £
Coach house and visitor lettings	615,322	-	-	615,322	307,530
Events	80,566	45,946	4,657	131,169	32,421
Shop	5,865	3,708	339	9,912	46,489
Catering	1,510	1,560	87	3,157	7,287
Rental and estates activities	198,642	-	382,550	591,933	790,992
	<u>£ 901,905</u>	<u>£ 51,214</u>	<u>£ 387,633</u>	<u>£ 1,340,752</u>	<u>£1,184,719</u>

There is no grant funding of activities.

8 CHARITABLE ACTIVITIES

	Activities undertaken directly £	Visitor Centre Support costs £	Support and Governance costs £	Total 2022 £	Total 2021 £
Arboretum	253,640	-	193,589	447,229	254,216
Admissions	-	120,954	-	120,954	191,504
Members' fees	-	66,154	-	66,154	93,299
Trustee and administration expenses	-	-	223	223	493
Auditors' remuneration: in respect of audit services	-	-	18,290	18,290	9,400
in respect of non audit services	-	-	5,810	5,810	13,882
Professional fees	-	-	251,121	251,121	-
	<u>£ 253,640</u>	<u>£ 187,108</u>	<u>£ 469,033</u>	<u>£ 909,781</u>	<u>£ 562,794</u>

There is no grant funding of activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

9 EXPENDITURE

Total expenditure can be further analysed as follows:

	2022 £	2021 £
Staff costs	851,776	918,568
Events and Visitor Centre expenditure	166,474	32,676
Shop and catering expenditure	34,014	99,440
Wedding expenditure	77,548	10,112
Repairs to property and equipment	119,605	27,136
Cleaning	42,122	43,345
Telephone	10,572	11,354
Rates	15,794	-
Heat, light and water	30,543	17,535
Bank interest and charges	28,537	17,597
Depreciation	140,801	158,838
Miscellaneous	45,527	25,584
Transport, fuel and maintenance	20,076	55,495
Insurance	29,483	30,835
Land access payments	10,069	18,967
Loan interest	31,796	15,111
Subscriptions	5,297	3,856
Auditors' remuneration	24,100	23,282
Marketing and management fees and expenses	93,562	73,572
Professional fees	331,333	84,263
Trustee and administration expenses	223	24,985
Management, staff and volunteer expenses	3,099	4,319
Training	5,986	6,319
Plants	32,904	19,067
Bad debts written off/(recovered)	25,667	(7,223)
Printing	5,337	4,568
Licences	1,788	2,075
Equipment	8,032	25,107
Sculpture event	58,468	730
	<u>£ 2,250,533</u>	<u>£ 1,747,513</u>

Of the above expenditure, £31,796 (2021: £15,111) of interest expense relates to financial liabilities measured at amortised cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

9 EXPENDITURE - (continued)

Visitor Centre support costs

Visitor Centre support costs can be further analysed as follows:

	2022 £	2021 £
Staff costs	79,399	245,255
Repairs	9,978	12,511
Cleaning	13,687	24,451
Telephone	4,785	5,838
Light, heat and water	10,587	8,285
Bank interest and charges	10,712	9,059
Miscellaneous	25,226	30,747
Insurance	9,434	10,302
Legal fees	72,842	4,315
Volunteer expenses	1,163	2,693
Subscriptions	509	936
	<u>£ 238,322</u>	<u>£ 354,392</u>

Basis of allocation of Visitor Centre support costs

Visitor Centre support costs have been allocated to each activity undertaken at the visitor centre on the basis of income for each activity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

9 EXPENDITURE - (continued)

General support costs

Support costs can be further analysed as follows:

	2022 £	2021 £
Staff costs	321,729	396,303
Marketing fees	31,224	55,810
Professional fees	240,380	75,389
Management, staff and volunteer expenses	2,614	2,292
Training	5,545	3,450
Miscellaneous	36,921	22,652
Bank charges	17,825	23,374
Cleaning	27,427	18,894
Light, heat and water	19,956	9,243
Repairs	84,664	46,540
Telephone	5,611	5,516
Bad debts (recovered)/written off	25,667	(7,223)
Printing, postage and stationery	4,353	2,507
Depreciation	3,598	6,733
Insurance	1,180	607
Licences	1,788	2,075
Subscriptions	2,661	2,920
Equipment hire	-	5,294
Trustee and administration expenses	223	493
Auditor's remuneration	23,300	9,400
	<u>£ 856,666</u>	<u>£ 682,269</u>

Basis of allocation of support costs

Support costs are specifically allocated to the department to which they relate.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

10 EMPLOYEE AND TRUSTEE INFORMATION

	2022 £	2021 £
Employees		
Wages and salaries	789,348	838,281
Social security costs	49,622	64,174
Pension costs	12,806	16,113
	<u>£ 851,776</u>	<u>£918,568</u>
The average monthly number of employees during the year was made up as follows:	<u>72</u>	<u>64</u>

No employees earned in excess of £60,000 (2021 – one employee).

Trustees

There were 8 Trustees who held office during the year, there were no more than 8 Trustees in office at any time during the year. A special resolution was passed unanimously to increase the maximum number of Trustees from 8 to 12.

No emoluments are payable to any trustee, in their capacity as a trustee and only directly incurred expenses are reimbursed. The amount reimbursed during the year was £223 (2021: £492). These expenses largely relate to travel and subsistence costs.

Indemnity insurance is maintained covering the Board of Trustees in their capacity as trustees, which cost £1,425 (2021: £400) in the year.

The key management personnel of the group comprise those of the Charity and the key management personnel of its wholly owned subsidiary, Markshall Trading Limited. The total employee benefits of the key management personnel of the group were £261,529 (2021: £345,118).

11 AUDIT FEE

	2022 £	2021 £
Auditors' remuneration: in respect of audit services	18,290	9,400
: in respect of payroll services	2,670	5,050
: in respect of other non-audit services	3,140	8,832
	<u>£ 24,100</u>	<u>£23,282</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

12 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2022	2,390,424	1,290,598	589,651	4,270,673
Additions	-	40,352	68,273	108,625
Disposals	-	-	-	-
At 31 December 2022	<u>2,390,424</u>	<u>1,330,950</u>	<u>657,924</u>	<u>4,379,298</u>
Depreciation				
At 1 January 2022	-	506,808	430,827	937,635
Disposals	-	-	-	-
Charge for year	-	114,380	26,421	140,801
At 31 December 2022	-	<u>621,188</u>	<u>457,248</u>	<u>1,078,436</u>
Net book values				
At 31 December 2022	<u>£ 2,390,424</u>	<u>£ 709,762</u>	<u>£ 200,676</u>	<u>£ 3,300,862</u>
At 31 December 2021	<u>£ 2,390,424</u>	<u>£ 783,790</u>	<u>£ 158,824</u>	<u>£ 3,333,038</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

12 TANGIBLE FIXED ASSETS - (continued)

Charity

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2022	2,390,424	1,290,598	545,380	4,226,402
Additions	-	40,352	60,637	100,989
Disposals	-	-	-	-
At 31 December 2022	<u>2,390,424</u>	<u>1,330,950</u>	<u>606,017</u>	<u>4,327,391</u>
Depreciation				
At 1 January 2022	-	506,808	403,959	910,767
Disposals	-	-	-	-
Charge for year	-	114,380	22,823	137,203
At 31 December 2022	-	<u>621,188</u>	<u>426,782</u>	<u>1,047,970</u>
Net book values				
At 31 December 2022	<u>£ 2,390,424</u>	<u>£ 709,762</u>	<u>£ 179,235</u>	<u>£3,279,421</u>
At 31 December 2021	<u>£ 2,390,424</u>	<u>£ 783,790</u>	<u>£ 141,421</u>	<u>£3,315,635</u>

Assets held for use in operating leases

Included within fixed assets are assets held for use in operating leases, for which the Charity receives rental income. As at 31 December 2022 the minimum annual lease payments to be received in respect of these assets is £354,418 (2021: £354,000).

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

13 INVESTMENTS

Group and Charity

	2022 £	2021 £
Listed investments		
Market value at 1 January 2022	3,131,732	1,571,604
Additions at cost	-	1,387,190
Disposal at cost	(248,329)	-
Net unrealised investment (loss)/gain	(542,395)	172,938
Market value at 31 December 2022	<u>£ 2,341,008</u>	<u>£ 3,131,732</u>
Historical cost at 31 December 2022	<u>£ 2,398,136</u>	<u>£ 2,741,110</u>

Details of the listed investments held at 31 December 2022 are as follows :

	Cost £	Mid-market value £
M and G Charibond Common Investment Fund 7,168 Income Shares	7,786	7,764
M and G Charifund – Equities Investment Fund for Charities 708 Income Units	8,000	10,404
Charinco Common Investment Fund 4,404 Income Shares	7,042	6,427
Charishare Common Investment Fund 3,442 Income Shares	6,532	23,761
Charities Official Investment Fund 1,226 Income Units 37 Accumulated Units	7,802 378	22,287 8,126
Glaxo Smith Kline PLC 2,804 Income Shares	43,139	40,686
Haleon PLC 3,505 Income Shares	10,785	11,474
Rathbone Portfolio	2,306,672	2,210,079
	<u>£ 2,398,136</u>	<u>£ 2,341,008</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

13 INVESTMENTS - (continued)

Fixed Asset Investments – (continued)

The net unrealised loss of £542,395 (2021: £172,938 gain) is in relation to financial assets recognised at fair value.

Charity investment in subsidiary

	2022 £	2021 £
Cost and net book value: At 1 January 2022 and at 31 December 2022	<u>£ 7</u>	<u>£ 7</u>
Group Total fixed asset investments	<u>£ 2,341,008</u>	<u>£3,131,732</u>
Charity Total fixed asset investments	<u>£ 2,341,015</u>	<u>£3,131,739</u>

The investment in a subsidiary relates to a 100% shareholding in Markshall Trading Ltd (formerly Marks Hall Enterprises Limited) a company incorporated in England and Wales, company number: 07798255. Marks Hall Enterprises Limited was incorporated on 5 October 2011 and commenced trading on 1 January 2012.

The principal activity of Markshall Trading during the year was the hire of a venue for weddings and other functions and running the catering function of the group. For the year to 31 December 2022 the company made a loss before gift aid payments of £170,980 (2021: profit £81,668) and at this date it had net liabilities of £150,853 (2021: £20,127). The results of Markshall Trading Limited have been consolidated within these financial statements on a line by line basis.

14 STOCKS

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Goods for resale	<u>£ 20,832</u>	<u>£ 23,173</u>	<u>£-</u>	<u>£-</u>

There is no material difference between the book value of stocks and replacement cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

15 DEBTORS

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	237,334	302,072	3,693	14,911
Other debtors	136,632	91,612	127,715	89,255
Prepayments	64,072	80,414	54,244	37,295
Amounts owed from subsidiary	-	-	54,498	7,739
	<u>£ 438,038</u>	<u>£ 474,098</u>	<u>£ 240,150</u>	<u>£ 149,200</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Loans and overdrafts	144,629	49,601	134,629	39,601
Trade creditors	143,607	108,818	117,893	96,372
Other creditors	52,068	90,133	50,121	56,656
Other taxation and social security	61,469	48,488	30,629	-
Accruals	46,978	20,325	14,061	18,955
Deferred income	215,618	109,902	-	47
Amounts due under finance leases	5,270	-	5,270	-
	<u>£ 669,639</u>	<u>£ 427,267</u>	<u>£ 352,603</u>	<u>£ 211,631</u>

Deferred income is recognised in respect of income for future events and rent received in advance and is included within other creditors.

During the year deferred income of £215,618 was accounted for (2021: £329,146) in creditors falling due in under and over one year.

Of the prior year's deferred income, £113,528 (2021: £303,341) was released during the year ended 31 December 2022.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Loans:				
- Due between one and two years	47,381	50,562	37,381	40,562
- Due between two and five years	602,426	466,454	584,476	437,390
- Due after more than five years	327,648	351,562	327,648	351,562
	977,455	868,578	949,505	829,514
Deferred income:				
- Due between one and two years	-	219,244	-	-
Amounts due under finance leases:				
- Due between one and two years	4,778	-	4,778	-
Total	£ 982,233	£ 1,087,822	£ 954,283	£ 829,514

The Purley Farm loan of £174,238 (2021: £181,626) is secured on Bouchiers Grange and Purley Farm, Coggeshall. This loan is repayable by quarterly instalments and bears an interest rate of 2% over base rate.

The second replacement loan of £11,678 (2021: £27,465) is secured on approximately 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by quarterly instalments and bears an interest rate of 5%.

The third replacement loan of £257,360 (2021: £268,638) is secured on 1 and 2 Bouchiers Grange Cottages, and 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by monthly instalments and bears an interest rate of 5%.

The Rathbones loan of £506,229 (2021: £351,785) is secured on the Charity's investment portfolio held with the creditor. This loan is repayable 5 years from signing of the agreement and bears an interest rate of 2.5% over the base rate.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

18 FINANCIAL INSTRUMENTS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Financial assets				
Financial assets measured at fair value through profit or loss	2,341,008	3,131,732	2,341,015	3,131,739
Financial assets measured at amortised cost	373,966	393,684	185,906	104,166
	£ 2,714,974	£ 3,525,416	£ 2,526,921	£ 3,235,905
Financial liabilities				
Financial liabilities measured at amortised cost	£ 1,374,785	£ 1,295,845	£ 1,276,257	£ 1,041,145

Financial assets measured at fair value through profit or loss comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise loans and overdrafts, trade creditors, other creditors and accruals.

19 ENDOWMENTS

Group and Charity

	Balance at 1.1.22	Movement in funds		Balance at 31.12.22
	£	Income	Expenditure, gains/(losses) and transfers	£
		£	£	
Permanent endowment				
Investment	1,486,219	-	(345,599)	1,140,620
Markshall Estate	1,789,754	-	-	1,789,754
	£ 3,275,973	£ -	£ (345,599)	£ 2,930,374

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

20 RESTRICTED FUNDS

Group and Charity

	Balance at 1.1.22 £	Movement in funds Income £	Expenditure, (gains)/losses and transfers £	Balance at 31.12.22 £
Educational events	14,500	-	(420)	14,080
Cycle path	253	-	-	253
	<u>£ 14,753</u>	<u>£ -</u>	<u>£ (420)</u>	<u>£ 14,333</u>

Educational events

This fund represents donations towards educational events that will be held.

21 UNRESTRICTED FUNDS

	Balance at 1.1.22	Movement in funds Income	Expenditure, (gains)/losses and transfers	Balance at 31.12.22
Group				
General charitable funds	<u>£ 2,498,755</u>	<u>£ 1,701,260</u>	<u>£ (2,446,909)</u>	<u>£ 1,753,106</u>
Charity				
General charitable funds	<u>£ 2,478,635</u>	<u>£ 1,012,782</u>	<u>£ (1,660,430)</u>	<u>£ 1,830,987</u>

22 CAPITAL COMMITMENTS

At 31 December 2022, the Group and Charity had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	<u>£ 14,270</u>	<u>-</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

23 FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary of Markshall Trading Limited, which hires a venue for weddings and other functions.

The summary financial performance of the Charity alone is:

	2022	2021
	£	£
Income	1,012,782	930,331
	<hr/>	<hr/>
Expenditure		
Fundraising trading:		
Cost of goods sold and other costs	987,292	877,193
Charitable activities	460,839	539,019
Governance costs	15,923	19,905
Realised and unrealised		
Investment loss/(gain)	542,395	(172,938)
Gain on disposal	-	(1,405,216)
	<hr/>	<hr/>
Net (outgoing)/incoming resources	(993,667)	1,072,368
Total funds brought forward	5,769,361	4,696,993
	<hr/>	<hr/>
Total funds carried forward	£ 4,775,694	£ 5,769,361
	<hr/>	<hr/>
Represented by:		
Restricted funds	14,333	14,753
Endowment funds	2,930,374	3,275,973
Unrestricted funds	1,830,987	2,478,635
	<hr/>	<hr/>
Total funds	£ 4,775,694	£ 5,769,361
	<hr/>	<hr/>

24 TRANSFER BETWEEN FUNDS

The £4,401 transfer from unrestricted to endowment funds represents the annual repayment to endowment reserve as set out in note 1.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

25 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	14,333	14,333
Endowment funds	216,058	78,769	2,635,547	2,930,374
Unrestricted funds				
General charitable funds	<u>3,084,804</u>	<u>2,262,239</u>	<u>(3,593,937)</u>	<u>1,753,106</u>
Total funds	<u><u>£3,300,862</u></u>	<u><u>£2,341,008</u></u>	<u><u>£(944,057)</u></u>	<u><u>£4,697,813</u></u>

Charity

	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	14,333	14,333
Endowment funds	216,058	78,769	2,635,547	2,930,374
Unrestricted funds				
General charitable funds	<u>3,063,363</u>	<u>2,262,246</u>	<u>(3,494,622)</u>	<u>1,830,987</u>
Total funds	<u><u>£3,279,421</u></u>	<u><u>£2,341,015</u></u>	<u><u>£(844,742)</u></u>	<u><u>£4,775,694</u></u>

26 RELATED PARTY TRANSACTIONS

The Charity was under the control of the Trustees during the year.

The Charity has taken advantage of the exemption provided by the related party criteria of FRS 102 not to disclose transactions between group companies where the subsidiary is wholly owned within the group.

During the year there were no further related party transactions.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

27 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021 £
	£	£	£	£
Income				
Donations and legacies	7,796	13,253	-	21,049
Income from charitable activities:				
Grants receivable	101,147	-	-	101,147
Other income from charitable activities 159	243,850	-	-	243,850
Income from other trading activities	920,615	-	-	920,615
Investment income	36,738	-	-	36,738
Total income	1,310,146	13,253	-	1,323,399
Expenditure				
Expenditure on raising funds	1,184,719	-	-	1,184,719
Charitable activities	562,794	-	-	562,794
Total expenditure	1,747,513	-	-	1,747,513
Realised and unrealised investment gains	172,938	-	-	172,938
Gain on disposal of land	-	-	1,405,216	1,405,216
Net income	(264,429)	13,253	1,405,216	1,154,040
Transfer between funds	(4,401)	-	4,401	-
Net movement in funds carried forward	(268,830)	13,253	1,409,617	1,154,040
Balances brought forward at 1 January 2021	2,767,585	1,500	1,866,356	4,635,441
Balances carried forward at 31 December 2021	£2,498,755	£14,753	£3,275,973	£5,789,481

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

28 ANALYSIS OF NET DEBT

Group

	Balance at 1.1.22 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.22 £
Cash at bank and in hand	342,529	(186,526)	-	156,003
Debt due within one year	(49,601)	(2,086)	-	(51,687)
Debt due after one year	(868,578)	(108,877)	-	(977,455)
Net funds/(debt)	£ (575,650)	£(297,489)	£ -	£ (873,139)

Charity

	Balance at 1.1.22 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.22 £
Cash at bank and in hand	213,932	(84,880)	-	129,052
Debt due within one year	(39,601)	(2,086)	-	(41,687)
Debt due after one year	(829,514)	(119,991)	-	(949,505)
Net funds/(debt)	£ (655,183)	£(206,957)	£ -	£ (862,140)

MARKSHALL ESTATE

YEAR ENDED 31 DECEMBER 2022

**Detailed Income and Expenditure Accounts
for the Trustees' information**

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	£	£	£	£
Income				
Estate	440,667		477,180	
Arboretum and Land in Hand	93,417		45,094	
Visitor Centre Operations	1,167,176		801,125	
		<u>1,701,260</u>		<u>1,323,399</u>
Expenses				
Estate	848,362		786,578	
Arboretum and Land in Hand	258,204		238,719	
Visitor Centre Operations	1,143,967		722,216	
		<u>2,250,533</u>		<u>1,747,513</u>
Operating (deficit)/surplus				
Estate	(407,695)		(309,398)	
Arboretum and Land in Hand	(164,787)		(193,625)	
Visitor Centre Operations	23,209		78,909	
		<u>(549,273)</u>		<u>(424,114)</u>
Gain on disposal of fixed assets		-		1,405,216
(Loss)/gain on investment		<u>(542,395)</u>		<u>172,938</u>
(Deficit) for the financial year		<u><u>£ (1,091,668)</u></u>		<u><u>£ 1,154,040</u></u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2022 - (continued)

	2022		2021	
	£	£	£	£
Income – Estate				
Rental income	349,752		350,175	
Tenant contributions	4,666		3,825	
Investment income	54,811		36,738	
Insurance and other income	6,163		19,100	
Grants and donations	22,817		29,812	
Job retention scheme grant	-		33,624	
Nursery	2,458		3,906	
		440,667		477,180
Expenses – Estate				
General maintenance	63,215		37,266	
Premises and public liability insurance	9,434		10,076	
Other professional fees	251,121		71,405	
Accountancy	15,700		19,412	
Office administration and services	38,611		27,192	
Office electricity and water	16,023		7,992	
Staff costs	252,347		417,923	
Staff and trustee expenses	1,878		2,651	
Bank charges and overdraft interest	4,934		1,862	
Miscellaneous	11,199		13,846	
Access payments	10,069		18,967	
Depreciation	137,203		152,105	
Loan interest	31,796		15,111	
Bad debts (recovered)/written off	4,832		(9,230)	
		848,362		786,578
Divisional (deficit)/surplus		£ (407,695)		£ (309,398)

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	£	£	£	£
Income – Arboretum and land in hand				
Grants and donations	90,608		39,049	
Job retention scheme grant	-		3,412	
Timber sales	2,809		2,633	
	<u> </u>		<u> </u>	
		93,417		45,094
Expenses – Arboretum and land in hand				
Personnel expenses	736		134	
Staff costs	197,080		183,324	
Equipment	5,216		6,337	
Equipment hire	2,446		4,056	
Planting and tree surgery	4,106		3,678	
Fuel and oil	12,693		7,821	
Repairs and maintenance	20,755		15,071	
Vehicle insurance and tax	10,477		10,754	
Heat, power and water	437		1,922	
Miscellaneous	4,258		5,622	
Other professional Fees	-		-	
	<u> </u>		<u> </u>	
		258,204		238,719
Divisional deficit		<u>£ (164,787)</u>		<u>£ (193,625)</u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	£	£	£	£
Income – Visitor Centre Operations				
Admission	182,589		163,968	
Catering	279,184		128,519	
Shop and plants	53,511		37,843	
Membership	99,864		79,882	
Coach house	419,102		331,391	
Events	100,619		38,021	
Other income	27,807		5,202	
Job retention scheme grant	-		4,727	
Grants	4,500		11,572	
		1,167,176		801,125
Expenses – Visitor Centre Operations				
Catering	23,962		42,310	
Shop	38,850		71,521	
Wedding	77,548		10,112	
Events	224,942		23,934	
Bank and credit card charges	23,603		31,250	
Cleaning	30,314		34,112	
VC electric and water	14,083		7,621	
Repairs and maintenance	31,427		26,666	
Staff, volunteer and trustee expenses	3,639		1,534	
Miscellaneous	77,856		14,662	
Marketing and promotions	48,158		73,476	
Staff costs	402,553		320,515	
Office and administration costs	20,033		27,994	
Depreciation	3,598		6,733	
Insurance	10,614		10,683	
Legal and professional fees	83,920		9,562	
Equipment	8,032		7,524	
Bad debts written off	20,835		2,007	
		1,143,967		722,216
Divisional surplus		23,209		78,909

Markshall Estate

England & Wales - Charity number 256700

Accounts

Registered Charity number 256700

**MARKSHALL ESTATE
(FORMERLY MARKS HALL ESTATE)**

**GROUP REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2021

MARKSHALL ESTATE

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and do not form part of the financial statements:

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MARKSHALL ESTATE

OFFICERS AND PROFESSIONAL ADVISERS

Trustees	Peter Griffiths Margaret Attwood Robert Cowlin William Conner Jan Smith Benjamin Woodgate Geoffrey Dunn Ian Hodge David Whipps Meriel Barclay	(retired 9 March 2022) (appointed 31 March 2021) (appointed 1 January 2021 and resigned 23 August 2022) (appointed 25 November 2021) (appointed 23 August 2022)
Executive Director	Kath Cockshaw Markshall Estate Markshall Coggeshall CO6 1TG	Position made redundant in February 2022
Registered Office	Markshall Estate Markshall Coggeshall CO6 1TG	
Registered Number	Charity 256700	
Auditors	Scrutton Bland LLP Chartered Accountants and Statutory Auditor 820 The Crescent Colchester Business Park Colchester CO4 9YQ	
Bankers	Barclays Bank plc 9 High Street Colchester Essex CO1 1DD	
Solicitors	Holmes and Hills LLP Bocking End Braintree Essex CM7 9AJ	

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

In accordance with the requirements of the Charities Act 2011, the Trustees present this annual report and the audited financial statements of the Charity for the year ended 31 December 2021.

The financial statements comply with the Charities Act 2011, the governing document, the accounting policies set out in the notes to the financial statements 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).

2021: Covid Impact & Recovery

The impact of the Covid pandemic continued to affect the finances, staff, volunteers and operations at Markshall Estate during 2021. Covid restrictions remained in place for the first quarter of 2021. Markshall Estate did not reopen the Arboretum to visitors until 18th March 2021, with the catering and retail facilities remaining closed until autumn 2021 to comply with restrictions and other public health measures to reduce the spread of the Covid-19 virus and protect staff and volunteers.

Salary costs increased further with several new staff appointments, including an Operations Director and in-house staff promotions, including a HR & Sustainability Manager, Retail Manager and a Programme Operations Manager.

Volunteer interest in returning following the pandemic was low due to health concerns and this exposed the Charity to shortages in operational capacity. New roles were created to enable the Charity to maintain service levels. This had the unavoidable impact of increasing costs even though visitor activity remained uncertain.

The Trustees' plans to improve the public facilities were implemented during the closure to reduce public disruption when reopening was allowed. Site wide WIFI was installed with the construction of a new communications tower. A new biomass boiler, underfloor heating in the Orchard Kitchen and a new office and retail space were constructed. These improvements meant that our visitors could visit Markshall for the retail and catering operations alone without paying admission to the Arboretum. These trading activities were transferred to Markshall Trading Ltd, the Charity's trading subsidiary.

To bring the Charity more focused on its objectives of 'the advancement, in the interests of the nation, of agriculture, arboriculture and forestry' and to fully implement the 5-year strategy, the Trustees agreed to sell land and existing concrete hard standing in the adjacent business retail park. While, along with other void periods, this reduced Estates rental income from £426,966 in 2020 to £350,175 in 2021, the Trustees considered that the proceeds from the land sale of £1.387m would allow the Charity to continue to implement the planned strategy. In Q2 2022 several Estate rental properties became vacant after some business tenants struggled in the economic climate left by the pandemic.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Legal and administrative Information

The information on page 1 forms part of this report. The Charity is registered with the Charity Commission of England and Wales under registration no. 256700.

The Trustees during the year under review were as follows:

Geoffrey Dunn (Chair of Trustees) (appointed 1 January 2021, resigned 23 August 2022)
Peter Griffiths
Margaret Attwood (retired 9 March 2022)
William Conner
Robert Cowlin
Jan Smith (appointed 31 March 2021)
Benjamin Woodgate
Ian Hodge
David Whipps (appointed 25 November 2021)

Structure, governance and management

The Charity was founded by Will and codicil of Thomas Phillips Price registered in the Principal Registry on 16 February 1933. The scheme for its regulation was approved and established by the Charity Commission on 15th November 1971.

The Trustees meet quarterly as a minimum. At the beginning of 2019 Terms of Reference were agreed for the establishment of a Finance Sub-Committee and a Built Estate Sub-Committee. These committees also meet at least quarterly in advance of the Trustees' board meeting to review, and to make recommendations to the Board, on all matters relating to finance, investments, and the management of the built estate including an overview of ongoing project work.

Composition of the sub-committees includes at least two Trustees, including the Chair of Trustees, and senior members of staff. The day-to-day management of the Charity had been undertaken by the Executive Director until the post was made redundant early in 2022. In June 2022 a General Manager was appointed to lead the management team. Senior staff meetings occur on a regular basis for the purpose of communication, decision making and reporting to Trustees.

Members of the senior management team in 2021 were:

Kath Cockshaw	Executive Director
Nigel Ward	Operations Manager
Richard Ramsey	Estate Manager
Karen Marchlik	Programme Operations Manager
Lauren Shields	Financial Administrator
Lisa Calvert	Events Manager
Nanette Gaskell	HR & Sustainability Manager
Rebecca Stone	Retail Manager
Adam Secker	Catering Manager (recruited November 2021)

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Revenue is raised through the letting or hire of estate property, the admission and membership scheme (renamed the Friends scheme), admission fees for the Arboretum and through educational events and other activities. Other income is raised from grants, legacies and sponsorship. Markshall Trading Ltd is a wholly owned trading subsidiary of the Charity. Its principal activities are the hire and letting of the Coach House for weddings and events, catering and retail operations. Profits generated by the trading company are gift-aided to the Charity.

Expenditure is managed through budget allocation to the department heads for Estate, Arboretum and Woodlands, Visitor Centre and Markshall Trading Ltd with any variation approved by senior management, or as necessary by the Trustees.

As an integral part of the management policy the Senior Management Team regularly review the risk register which lists external and internal risk factors which may affect the Charity and its subsidiary.

Senior staff ensure Health & Safety issues are kept under regular review as far as this affects employees, volunteers, contractors and visitors to Markshall Estate.

Working with professional advisers, the Trustees seek to ensure that all the Charity's management and decision-making processes take full account of and comply with relevant legislative and regulatory controls. Insurance including property ownership and public liability cover is reviewed annually.

Trustee Recruitment, Induction and Training

As Trustees retire, replacement candidates are identified by the remaining Trustees through open advertising including on the Charity's website, social media and through approaches to interested organisations including The Royal Botanic Gardens Kew (RBG Kew). Prior to the recruitment process commencing, a skills audit is undertaken of Trustees to identify those skills which would be most helpful for new Trustees to possess. Prospective Trustees receive a Trustee recruitment pack providing them with details of the role and background information. RBG Kew has the option, but not the obligation, to appoint a Trustee of their choosing to the Markshall Estate board. Michael Lear, who was appointed a Trustee of RBG Kew between 2017 and 2021, fulfilled this role until 10th November 2020.

As part of their induction programme, new Trustees are made aware of their responsibilities through discussion with the Chair and their fellow Trustees. This includes an introduction to the history, objectives, and work of the Charity. New Trustees also receive a copy of the Charity's governing document, copies of the previous two years' annual reports and accounts and Charity Commission information on Trustees' responsibilities. They are also invited and encouraged to familiarise themselves with the Visitor Centre, Arboretum, and the wider estate.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Strategic Objectives and Activities

Summary of activities

Markshall Estate extends to approximately 2,350 acres and is vested in the Official Custodian for Charities in trust for the Charity.

The Estate comprises tenanted farm holdings extending in total to around 1,550 acres, residential and commercial property, parkland, coniferous woodlands managed by the Forestry Commission, and in-hand broadleaf woodland, much of which is of high conservation value. At the heart of the Estate is a 200-acre Arboretum established in the mid-1980s with ornamental lakes and a 2-acre walled garden.

The Arboretum and Visitor Centre have been open to the public since 1993. The Visitor Centre contains a café, plants sales and administrative offices. There is a Friends (previously Membership) scheme designed for frequent visitors with individual, joint and family categories. There are no restrictions on who may join the Friends scheme.

The Coach House is a wedding and event venue and is managed by a subsidiary of the Charity, trading under the name Markshall Trading Ltd (formerly Marks Hall Enterprises Ltd).

20,065 visits (day visitors and members) were made to Markshall Estate during 2021, a significant fall compared to over 45,000 in 2020. The Arboretum reopened to visitors in March 2021 but with weather conditions and some Covid-19 restrictions on catering establishments still in place, our café did not reopen until July 2021. This was part of the reason for the fall in visitor numbers.

In 2021 the standard admission rates increased following a two-year price freeze. Gift Aid admission prices were also offered at 10% higher than the standard rates.

The Charity's object is 'the advancement in the interests of the nation, of agriculture, arboriculture and forestry'.

The aims of the Charity are to:

- i) Maintain and develop the Estate, including its buildings, farmland and woodlands through the adoption of sound estate management principles. In doing so the Charity has due regard to the Estate's high nature conservation value, its landscape and its historic interest and seeks ways in which they may be enhanced.
- ii) Develop an Arboretum of national significance, of value for scientific and educational purposes, and to share experiences with other like-minded organisations.
- iii) Provide a visitor attraction of interest to all ages and groups for recreation, learning and general enjoyment.
- iv) Maintain existing and develop new income streams to allow the charitable object to be developed further.

The main objectives and activities for the year were shaped by these aims and continued to focus on managing the visitor-related activities, Arboretum and the wider let and in-hand estate.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

The strategies employed by the Charity to achieve its aims include:

- i) Supporting its farming tenants through allowing, as appropriate, the diversification of their farming businesses, offering encouragement to enter environmental and other grant schemes and by facilitating innovative ideas. This is intended to provide an environment whereby farming tenants can develop their businesses for the benefit of themselves, the Charity and agriculture in general.
- ii) Managing our in-hand land outside the Arboretum, extending to around 90 acres of grass and parkland, for the benefit of agriculture, the environment and recreation.
- iii) Focus on increasing existing revenue streams by building on reputation and a strong and inclusive social media strategy and by developing with industry best practice for revenue generation to the Charity.
- iv) Maintaining a good working relationship with the Forestry Commission. It is the Charity's aim to continue to restore the ancient broadleaf woods, after the last 60 acres of the commercial conifers planted by the Forestry Commission in the 1950s and 60s are felled in the next 3 to 4 years.
- v) Managing in-hand woodland on a traditional coppice with standard systems following sound silvicultural techniques and for the benefit of flora and fauna. Some 120 acres of woodland is designated as semi-natural ancient woodland and has extremely high nature conservation value.
- vi) Managing the Arboretum to a consistently high and professional standard and expanding and developing the ornamental grounds as resources permit and as areas of coniferous trees are removed by the Forestry Commission. The Arboretum is arranged on a geographical basis with representative plantings from North America, Europe, Asia and Gondwanaland.
- vii) Encouraging and prolonging visits through the provision of facilities and activities at the Visitor Centre, within the Arboretum and the wider estate to enhance visitors' recreational and learning experience and to contribute towards their health and wellbeing.
- viii) Fostering good relationships with the local community and stakeholders, including tenants, volunteers, visitors and local businesses to obtain their support for the Charity's aims and objectives.
- ix) Developing the profile of the Estate actively encouraging local and regional businesses to support the work required to ensure the development of the Arboretum so that the Charity can fulfil its long-term objective of becoming world-class.

Volunteers

The Charity's staff are supported by approximately 30 volunteers who work at the Visitor Centre, in the admission kiosk, as stewards at events, and driving the buggy for those less able. A further team of 6 to 8 volunteers assist regularly in the Arboretum. The Trustees thank the volunteers for their considerable and continued help and support during a difficult year in 2021 and look forward to welcoming more volunteers to the Charity in 2022 and beyond.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Public Benefit

In deciding the Charity's work over the course of the year the Trustees give due regard to the Charity Commission's guidance on public benefit. The Charity regularly receives good visitor reviews saying how much people enjoy the estate, its beauty, the general upkeep of the Arboretum and our facilities.

The Trustees are developing a strong social media platform which encourages comments, pictures and input from our visitors and allows us to develop positive and constructive relationships with a wider community.

The Trustees believe that the Charity provides significant public benefit to visitors for general enjoyment, wellbeing, recreation and to those with specific interests such as historians, gardeners, arboriculturists and landscape and wildlife specialists. The Arboretum hosts regular visits from local schools, colleges, horticultural and other interest groups. We always seek to complement our existing programme with items that may be of benefit to the public. In 2021 we partnered with the International Park Run programme to create The Markshall Park Run which brings 150-200 runners to the Estate each Saturday.

During 2021, Markshall used Steamboat Creative to conduct a rebrand. Among other changes, the name 'Markshall' was adopted in place of the previous 'Marks Hall', in line with the historic name of the Estate. Early in 2022 this initiative allowed Trustees to agree a comprehensive signposting programme which would improve directional signage and raise the profile of the Markshall brand.

Agriculture & the Tenanted Estate

The tenanted estate comprises five arable farm holdings of an average size of approximately 310 acres. Four of the holdings are equipped with traditional and modern buildings and farmhouses. The farm holdings are let on either Agricultural Holdings Act agreements or Farm Business Tenancies. The rest of the let estate is made up of commercial property, which is used as offices, storage or light industrial, residential property and various grazing lets and other land uses, including a small cricket bat willow plantation.

The Charity's in-hand estate (other than the Arboretum, woodlands and visitor facilities) comprises around 90 acres of parkland, near to the Arboretum. Much of this land was in arable use until the early 1990's and is now grazed with cattle under a Higher Level Environmental Stewardship Scheme, for the benefit of flora and fauna and landscape enhancement. As in previous years, the Charity has undertaken repairs and building improvements to several properties and infrastructure across the in-hand and let estate. The Trustees have also undertaken rent reviews and granted new leases where property has become vacant.

In 2021 rental and estate income, including land and environmental grants, totalled £477,180.

During 2021, the Trustees identified a site adjacent to the Earls Colne Business Park and sold the land to the current owner of the Business Park. Markshall's gain on disposal of this land was £1.387m and remains part of the Charity's permanent endowment.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Plans are being developed by the local community for the creation of an 8.2 km cycle path through Markshall Estate linking the villages of Earls Colne and Coggeshall and further afield towards Braintree town centre and Kelvedon station. The cycle path will provide a safe recreational activity for all age groups and is intended to encourage more visitors to the estate. During 2021 and early 2022, Sustrans undertook a feasibility study of the route, and Markshall continued working with local groups and councils to bring the scheme to fruition.

Following a successful planning application in 2020, a new office and retail building was constructed in 2021 as part of the visitor centre complex.

Woodlands

The woodlands at Markshall Estate extend to over 450 acres, the majority of which are designated as Local Wildlife Sites. Little Monks Wood, Crowland's Wood, Grange Wood, Nunty's Wood, Cleveland Wood, Lilly Wood and Marks Hall Wood form a continuous block of ancient woodland on the western side of the Estate, parts of which are considered by Natural England to be one of the finest series of small leaved lime woods in the country. Ancient woods are defined as any area that has been wooded continuously since at least 1600 AD and they are the UK's richest land-based habitat for wildlife. These woodlands have continued to be managed in a traditional manner principally through coppicing.

Visitors have access through some of the ancient woodland at Markshall Estate, but it is the Trustees' intention to improve this access, and to provide better information on the high ecological and historical importance of the woodlands and their management. In 2018 the Forestry Commission clear-felled around 75 acres of commercial standing timber in their ownership and this land will naturally regenerate as broadleaved woodland or be replanted in accordance with the Countryside Stewardship Scheme Woodland Improvement Grant which commenced in early 2019.

Arboretum

The Arboretum continues to be managed for the enjoyment and benefit of the public, offering contemporary lakeside gardens and an extensive Arboretum, with many rare and interesting species, planted in a geographical landscape scheme.

The revised and extended Landscape Master Plan sets out the vision for the growth of the Arboretum over the next 30 years and it is due to be delivered in 2022. During 2019, 10 acres of ex-Forestry Commission land were cleared allowing for the plant collection to be expanded into this area in 2021. A significant new development in these 10 acres in 2021 was the creation of the Himalayan feature and attenuation pond in the Asian area. When this is complete it will provide an excellent landscape feature for the Arboretum and also act as a filter for Robins Brook which runs through the Estate. This work was done in collaboration with the Business Park owners who carried out substantial landscaping works free of charge.

In summer 2020, Ian Chandler (Arboretum Manager) and Martin Bowers (Senior Arborist) created a new natural play area in a wooded area between the Honeywood Oak and the Walled Garden. When the Arboretum opened to the public following the first lockdown, the area became an instant hit with families. The Arboretum team completed another natural play area at Robins Grove, called Chestnut Chase, during 2021, which is proving just as popular.

Interpretation, new visitor facilities, and landscape features will be introduced across the Arboretum in 2022-23 enabling visitors to obtain a much better understanding of the collection within each geographical area.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

A range of guided walks for the public, gardening and social groups, and horticultural and landscape design students have taken place during the year.

The Charity planned to host the 75th Anniversary annual memorial service for 'Operation Varsity' in March 2020 to remember those servicemen who flew from Earls Colne airfield during WWII. Unfortunately, due to Covid pandemic restrictions, the event (which is usually attended by veterans, their families and members of the local community) had to be postponed. However, in 2021 a small gathering of community and staff took place to commemorate the anniversary.

Visitor Centre Activities

The Arboretum re-opened to the public in March 2021, followed by the café in July and the retail operation in August. Due to the pandemic, secondary spend in the café, shop and plant centre was obviously lower than forecast. However visitor numbers were high in Q3 at 14,000, an increase on the previous year. The high visitor numbers at Halloween in 2020 were maintained in 2021. Following the commercial success of a popular illustration exhibition in the café in 2019, further exhibitions occurred in 2021.

Markshall Estate continues to be supported by the Friends membership scheme with 2,059 members in December 2021, an increase of 691 on 2020. The Charity continues to seek ways to develop its Friends offer and provide Friends with added value and incentives. A relaunch of the scheme took place in November 2021 to coincide with the 50th anniversary of the establishment of the Charity. Due to restrictions our event programme was varied but modest, culminating in a successful Christmas event offering.

Strategic Development

At a meeting of the Finance Subcommittee in October 2021, it became apparent that revenue figures were not sufficient to justify the Estate's growing salary costs. As such, an independent strategy consultant was appointed to conduct a review of the Charity's financial position. It became apparent that the Charity would have to retrench the strategic vision and adopt a 'back to basics' approach to achieve a balanced budget by 2024. The review was subsequently approved by the Trustees. As a result, and with the aim of reducing the staff budget and therefore the financial risk to the Charity, four staff posts were made redundant in February 2022.

Trustee & Staff Changes

In November 2021, David Whipps was appointed to the Board of Trustees.

Geoffrey Dunn was appointed Chair of the Trustee board in January 2021. He had initially agreed to stay for one year but in the event remained for 20 months. Following his resignation in August 2022, Meriel Barclay was re-appointed as a Trustee and as Chair of the Board on an interim basis until a permanent appointment can be made.

Following the end of her term as a Trustee, Margaret Attwood retired in March 2022

The following staff changes were made during 2021:

Internal Appointments

Rebecca Stone was appointed as the Retail Manager in April
Karen Marchlik became Programme Events Manager
Nanette Gaskell became HR & Sustainability Manager

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

New Appointments

Nigel Ward was appointed as Operations Director in March
Timothy Gooch was appointed as Estate Secretary in October
Siobhan Thompson was appointed as Programme Assistant in August
Sian Green was appointed as Programme & Event Assistant in July
Zoe Defoe was appointed as Horticulturist in May
Emma Willy, Groundsperson & Estate Worker in April

Resignations

Richard Ramsey resigned as Estate Manager in October
Nigel Ward retired in December

Pay Policy for Senior Staff

The Trustees are responsible for the overall direction of the Charity and the Senior Management Team is responsible for the operations and day to day running of the Charity. All Trustees give their time freely and did not receive any remuneration during the year for these duties. Details of Trustee expenses are disclosed within the financial accounts.

At the end of 2021, the Charity employed 25 casual and 39 contracted staff. Assistance is provided by seasonal staff in the café and in the wedding and events operation. During 2021 we continued to outsource some HR matters to an external consultant. Payroll is outsourced to local accountancy firm, Scrutton Bland LLP.

The reformed Senior Management Team and the Trustees refocused early in 2022 to meet the financial challenges facing Markshall and are developing a catering offer and events package to enhance Markshall as one of the leading recreation and exploration days out in Essex.

The effect of Covid-19 has seen a change in habits in certain market segments and inflationary pressures are now evident. The whole staff team is working positively to enhance levels of service and make events in 2022, including our bi-annual sculpture exhibition, financially and operationally successful.

Financial Review

Due to the financial circumstances facing the Charity at the end of 2021, the Trustees decided to request from the Charity Commission a further draw down from the Permanent Endowment, under a Section 282 application. This request was approved.

Total incoming resources in 2021 for both the Charity and Markshall Trading Ltd (the Group) were £1,323,399, an increase of £281,417 (27.0%) from 2020. Income from admissions, including memberships, increased by £43,617 (21.7% rise) to £243,850, demonstrating that although visitor numbers were significantly lower, the increase and change in admission tariff along with the change in the Friends scheme had a positive impact.

Given the café closure for 6 months of the year income fell by £10,029 on 2020 figures to £128,519. The impact of postponed weddings due to Covid-19 in 2020 ensured that income in 2021 was back to pre-Covid year levels, rising 13% on 2019 figures to £331,391 in 2021.

Income from donations and legacies in 2021 was £20,585 which was up on the 2020 figure of £16,684.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Our Land and Environmental Grants totalled £41,384 in 2021. The Group also received Covid Recovery grants from Braintree District Council totalling £18,000, and a total of £41,763 benefit from the Government's Job Retention Scheme.

Total Group expenditure increased by 40% to £1,747,513. Of this increase Estate activity costs rose 58%, Visitor Centre Operations rose 39% and the Arboretum and in-hand land rose 3%. Employees increased from 46 in 2020 to 64 in 2021 resulting in a salary cost increase of 43% on 2020.

This switch from volunteers to an increase in contracted staff was a response to the need to introduce an annualised pay structure which assisted budgetary planning. Trustees expected it to ensure a more stable workforce at a time of financial stress and Covid-19 recovery.

Investments increased in 2021 with the deposit of £1.387m income from the land sale (which completed in August 2021), that was added to the multi-asset ethical portfolio managed by Rathbone Greenbank Investment. During 2020, the Trustees' investment approach had been primarily to increase income. This was changed at the start of 2021 to drive capital appreciation. However, with the strain the Charity was facing, there was a return to a more income-focused portfolio later in the year.

A loan was taken out for the construction of the new retail and office building, increasing the Charity's current liabilities. The security for this loan was the investments with Rathbone Greenbank.

The Trustees had agreed in 2019 that the most appropriate policy for investing funds was in specialised unit trusts and low-risk deposits designed for the charity sector, ethical shareholdings, and ethical savings accounts with the intention that the investments generate both income and capital growth in the long term. The Trustees are confident that investments are being managed with appropriate caution and understanding of market volatility, with an emphasis on fixed interest bonds and UK and international company shares with strong balance sheets, sound business models and ESG credentials. In August 2021 Trustees agreed to move to a Total Return model of investment.

Reserves Policy & Going Concern

The Trustees review the reserves policy annually to ensure that it meets the Group's changing needs and circumstances. In normal operating conditions the Trustees consider it desirable to hold minimum reserves equating to two months of essential cash flow, with reserves defined according to Charity Commission guidance CC19. Most of the cash flow required continues to relate to staff costs. As of 31st December 2021, the reserves for the Group were £242,720 and the reserves for the Charity were £173,536, and consequently this policy was met comfortably.

While the Trustees are satisfied that the Charity has adequate resources for the foreseeable future, the impact of the Covid-19 pandemic had a significant impact on the Charity in 2020 and 2021. Therefore, the Trustees considered it desirable to hold minimum reserves equating to three months of essential cash flow. The Trustees have taken action to release funds held as permanent endowment to cover operational shortfalls and to continue some long-term projects. Although the current situation poses considerable financial strain, the Trustees remain optimistic that Markshall Estate will continue to prosper and develop.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Risk Management

The Trust has a risk management plan in place which is updated and reviewed annually as outlined on page 4. The plan focuses on the key risks and uncertainties faced by the Charity including finances, the Charity's management, Trustees, reputational risk, environmental risks, health and safety and regulatory requirements.

Financial security is identified as the most significant risk faced by the Charity. Reviews of funds, including financial forecasting, are carried out regularly to ensure there is sufficient operational capital for the Charity.

Plans for the Future

The Covid-19 pandemic impacted the Charity's ability to fulfil its intended plans for 2021 and 2022, and the immediate focus is on ensuring the organisation's financial sustainability through an intensified drive on income generation across business areas, fundraising and strategic business planning.

Developing our income streams:

- The new Shop & Plant Centre launched in Summer 2021, creating more space for covers in the Orchard Kitchen café.
- As from 1 April 2021, Gift Aid is now included in the standard entry prices, with non-Gift Aid pricing clearly displayed at the Admissions Kiosk for non-taxpayers and those not wishing to pay Gift Aid. This will be of great benefit to the Charity.
- Work is progressing to generate more income through weddings and bookings for hire of the Coach House.
- A regular public programme of events commences in 2021 to bring in new income streams and visitors.
- Due to be constructed in 2022 is a play area adjacent to the Orchard Kitchen and a permanent cover over the Orchard Kitchen garden to add value and opportunities to visitors

Further strategic plans include:

- The completion of the Landscape Master Plan for the Arboretum, and a Digital Plant Catalogue (DPC) detailing the entire plant collection. The DPC will record every tree in the Arboretum with GPS measurements and will underpin aspects of business and partnership development as well as maximise learning and research opportunities for decades to come.
- Site-wide Wi-Fi connectivity enabling the Estate to provide curated geo-caching walks linked to the DPC.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources, and application of resources, including the income and expenditure of the Charity for that period.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 to operate.

The trustees are responsible for keeping sufficient accounting records which 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Scrutton Bland LLP as auditors of the Trust will be put to the trustees.

Approved by the trustees on

and signed on their behalf by

27 September 2022

Meriel Barclay

Meriel Barclay

Interim Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Opinion

We have audited the financial statements of Markshall Estate (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and 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 group and Charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

We have nothing to report in this regard.

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13 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 liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the management and trustees (as required by auditing standards), inspection of the charity's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, charity law and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Secondly, the charity is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety legislation, employment law, anti-bribery and corruption legislation and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and trustees and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. 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 auditor's 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.

Scrutton Bland LLP

SCRUTTON BLAND LLP

Chartered Accountants and Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 6/10/22

Scrutton Bland LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MARKSHALL ESTATE

GROUP STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Income						
Donations and legacies	2	7,796	13,253	-	21,049	16,828
Income from charitable activities:						
Grants receivable	3	101,147	-	-	101,147	100,897
Other income from charitable activities	4	243,850	-	-	243,850	200,233
Income from other trading activities	5	920,615	-	-	920,615	687,418
Investment income	6	36,738	-	-	36,738	36,606
Total income		1,310,146	13,253	-	1,323,399	1,041,982
Expenditure						
Expenditure on raising funds	7	1,184,719	-	-	1,184,719	871,887
Charitable activities	8	562,794	-	-	562,794	374,135
Total expenditure		1,747,513	-	-	1,747,513	1,246,022
Realised and unrealised investment gains		172,938	-	-	172,938	169,656
Gain on disposal of land		-	-	1,405,216	1,405,216	32
Net (expenditure)/income		(264,429)	13,253	1,405,216	1,154,040	(34,352)
Transfer between funds	19	(4,401)	-	4,401	-	-
Net movement in funds carried forward		(268,830)	13,253	1,409,617	1,154,040	(34,352)
Balances brought forward at 1 January 2021		£2,767,585	£1,500	£1,866,356	£4,635,441	£4,669,793
Balances carried forward at 31 December 2021		£2,498,755	£14,753	£3,275,973	£5,789,481	£4,635,441

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

Analysis between funds of the 2020 Statement of Financial Activities is shown in note 26 to the accounts.

MARKSHALL ESTATE

GROUP BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,333,038	2,952,422
Investments	13	3,131,732	1,571,604
		<u>6,464,770</u>	<u>4,524,026</u>
Current assets			
Stocks	14	23,173	8,155
Debtors	15	474,098	357,996
Cash at bank and in hand		342,529	1,032,197
		<u>839,800</u>	<u>1,398,348</u>
Creditors: amounts falling due within one year	16	<u>427,267</u>	<u>525,966</u>
Net current assets		<u>312,533</u>	<u>872,382</u>
Total assets less current liabilities		6,877,303	5,396,408
Creditors: amounts falling due after more than one year	17	<u>1,087,822</u>	<u>760,967</u>
Net assets		<u>£5,789,481</u>	<u>£4,635,441</u>
Funds			
Capital funds			
Endowments	19	3,275,973	1,866,356
Income funds			
Restricted funds	20	14,753	1,500
Unrestricted funds : General charitable funds	21	2,498,755	2,767,585
		<u>£5,789,481</u>	<u>£4,635,441</u>

Approved by the Board of Trustees on

27 September 2022

Meriel Barclay

and signed on its behalf by

Meriel Barclay

MARKSHALL ESTATE

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,315,635	2,935,600
Investments	13	3,131,739	1,571,611
		<u>6,447,374</u>	<u>4,507,211</u>
Current assets			
Stocks	14	-	6,384
Debtors	15	149,200	161,559
Cash at bank and in hand		213,932	971,110
		<u>363,132</u>	<u>1,139,053</u>
Creditors: amounts falling due within one year	16	<u>211,631</u>	<u>340,444</u>
Net current assets		<u>151,501</u>	<u>798,609</u>
Total assets less current liabilities		6,598,875	5,305,820
Creditors: amounts falling due after more than one year	17	<u>829,514</u>	<u>608,827</u>
Net assets		<u>£5,769,361</u>	<u>£4,696,993</u>
Funds			
Capital funds			
Endowments	19	3,275,973	1,866,356
Income funds			
Restricted funds	20	14,753	1,500
Unrestricted funds : General charitable funds	21	<u>2,478,635</u>	<u>2,829,137</u>
		<u>£5,769,361</u>	<u>£4,696,993</u>

Approved by the Board of Trustees on

27 September 2022

Meriel Barclay

and signed on its behalf by

Meriel Barclay

MARKSHALL ESTATE

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2021

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash flows from operating activities				
Net movements in funds	1,154,040	(34,352)	1,072,368	68,641
Depreciation of tangible assets	148,697	80,802	141,964	76,639
(Gain) on disposal of tangible assets	(1,405,216)	(32)	(1,405,216)	(32)
Unrealised investment gain	(172,938)	(169,656)	(172,938)	(169,656)
Interest paid	32,433	22,903	25,757	22,903
Interest received	(275)	(23,673)	(275)	(23,673)
Dividends received	(36,463)	(12,933)	(36,463)	(12,933)
(Increase)/decrease in debtors	(116,102)	144,650	12,359	231,353
Increase in creditors	228,156	227,615	91,874	81,087
(Increase)/decrease in stocks	(15,018)	12,496	6,384	11,281
Cash (used in)/from operations	(182,686)	247,820	(264,186)	285,610
Interest paid	(32,433)	(22,903)	(25,757)	(22,903)
Interest received	275	23,673	275	23,673
Net cash (used in)/from operations and financing activities	(214,844)	248,590	(289,668)	286,380
Cash flows from Investing activities				
Purchase of tangible fixed assets	(634,707)	(185,249)	(627,393)	(178,507)
Purchases of investments	(1,387,190)	(1,259,112)	(1,387,190)	(1,259,112)
Dividends received	36,463	12,933	36,463	12,933
Proceeds from sale of fixed assets	1,510,610	54	1,510,610	54
Net cash (used in) investing activities	(474,824)	(1,431,374)	(467,510)	(1,424,632)
Change in cash and cash equivalents in the year	(689,668)	1,182,784	(757,178)	(1,138,252)
Cash and cash equivalents brought forward	1,032,197	2,214,981	971,110	2,109,362
Cash and cash equivalents carried forward	£ 342,529	£ 1,032,197	£ 213,932	£ 971,110

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements are rounded to the nearest £1 and are prepared in sterling.

Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary undertaking Markshall Trading Ltd (formerly Marks Hall Enterprises Limited). The results of the subsidiary undertaking are consolidated on a line by line basis.

Going concern

Having considered the Charity's forecasts and projections, the Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least twelve months from the date of approving these financial statements. For this reason the Trustees continue to adopt the going concern basis in preparing the accounts.

The activities of the group were significantly impacted by the restrictions imposed as a result of the Covid-19 pandemic. As the economy has opened up and restrictions have eased the group has seen a positive improvements in its activities and revenue.

Unrestricted funds

These are funds which are available to spend on activities that further any of the purposes of the Charity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES - (continued)

Restricted funds

Funds restricted by the donor are treated as restricted funds. All other receipts are unrestricted funds. When restricted funds, set up for the purpose of acquiring fixed assets, are fully expended on the relevant assets, the fixed assets are transferred into general funds unless the terms of the original receipt require the asset to be held in a restricted fund.

Permanent endowment funds

The land originally donated to the Trust is vested in the official custodian for Charities. The value of this land upon establishment of the Trust in 1971 is included in fixed assets and reflected as a permanent endowment fund in accordance with the Charities SORP. In 1996 and 1998 the Trust obtained permission from the Charity Commission to spend part of its permanent endowment fund on a new workshop barn and the renovation of Keepers Cottage respectively. These permissions are on the condition that one twenty fifth of the expense is transferred back annually to the permanent endowment fund. At 31 December 2021 the total expense not yet due to be transferred back was an amount of £5,208.

During the years ended 31 December 2018, 31 December 2019 and 31 December 2021 the Trust made sales of endowed land. The sale proceeds less direct legal fees incurred were transferred into separate bank accounts and held as a permanent endowment investment fund.

The Charities Commission agreed to release £227,500 of these funds under Section 282 for capital projects on 15 March 2019 and was subsequently reallocated, with agreement by the Charities Commission, for operating and project expenditure. During the prior year an application for the release of a further £480,000 was made and this was approved by the Charities Commission on 21 April 2020. After the year end that Charities Commission agreed to release a further £350,000 of these funds under Section 282 for operating and project expenditure.

Income

All income is accounted for on an accruals basis with the exception of grants which are accounted for when the Charity has sufficient entitlement to them, and legacies, where entitlement is taken as the earlier of the date on which either: the Charity is made aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants receivable are included as incoming resources from charitable activities when they are for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries and as voluntary income when the grant is of a general nature.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES - (continued)

Gifts in kind are included as incoming resources from generated funds and are valued at the estimated value to the Charity of the service received. Gift aid reclaimed on donations is recognised in the financial statements once the Charity has made a claim.

Donated goods and services

The Charity receives donated services in the form of volunteer work. The economic contribution of general volunteers is not recognised in the financial statements.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on the basis of the level of income for each activity.

Expenditure classified as costs of generating funds include fundraising costs and expenditure incurred in the running of the Visitors' Centre.

Costs classified as charitable activities relate to the expenditure incurred in the running of the arboretum and opening it to visitors, the operations of the Board of Trustees, and addressing constitutional, audit and other statutory matters.

Fixed assets

Fixed assets are included at cost less depreciation. The capitalisation limit of the Charity is £250.

No depreciation is provided on freehold land or freehold buildings. The Charity's policy is to maintain the properties in a continual state of sound repair and accordingly the Trustees are of the opinion that the lives of the properties are so long and residual values so high that their depreciation is insignificant.

Improvements to properties are depreciated at 10% on cost. Kitchen equipment purchased as part of the improvements to the Visitors' Centre is depreciated at 20% on the reducing balance method.

The value of the property contained in the financial statements is reviewed on an annual basis by the Trustees for impairment. Provision is made to reduce the value in the financial statements where it is felt the property value is overstated.

The majority of land and buildings owned by the Charity are let to provide income to the Charity. It is not practical to distinguish these as investments as they are part of the donation to the Charity and were not purchased as investments.

Plant and machinery is depreciated at 20% on the reducing balance method.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES - (continued)

Heritage assets

Markshall Estate comprises a varied landscape. The Charity maintains this landscape in the interests of the nation and for future generations. The ancient woodland, comprising approximately 200 acres and the former Deer Park, comprising approximately 250 acres is recognised as a heritage asset. Due to the nature of the asset the Trustees consider it impractical to obtain a conventional valuation, the costs being onerous compared with the additional benefit derived by the Charity and the users of the accounts.

Investments

Listed investments are included at market rate at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pension costs

The Charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Charity. The annual contributions are charged to the statement of financial activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES - (continued)

Taxation

Markshall Estate is a Charity within the meaning of the Charities Act 2011 and as such is a Charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Markshall Estate is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

Cash and cash equivalents

Cash and cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash, without being subject to a significant change in value.

Significant judgements and estimates

The more significant judgements and estimates involved in the preparation of the financial statements include assessing the depreciation rates applicable to tangible fixed assets and the way in which certain costs should be apportioned. Further details regarding these points are included within the accounting policies.

2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Disabled vehicle "Buggy"	464	-	-	464	144
General donations	7,332	13,253	-	20,585	16,684
	<u>£ 7,796</u>	<u>£ 13,253</u>	<u>£ -</u>	<u>£ 21,049</u>	<u>£ 16,828</u>

The Estate benefits greatly from the support of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102 and the Charities SORP, the economic contribution of general volunteers is not recognised in the accounts.

In the prior year, £500 of donation and legacies income related to restricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

3 GRANTS RECEIVABLE

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Land and Environmental	41,384	-	-	41,384	31,385
Other Covid related grants	18,000	-	-	18,000	27,058
Job retention scheme	41,763	-	-	41,763	42,454
	<u>£ 101,147</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 101,147</u>	<u>£ 100,897</u>

All amounts in 2020 relate to unrestricted funds.

4 OTHER INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Admissions	163,968	-	-	163,968	133,844
Members' fees	79,882	-	-	79,882	66,389
	<u>£ 243,850</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 243,850</u>	<u>£ 200,233</u>

All amounts in 2020 relate to unrestricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Coach house and visitor centre lettings	301,282	-	-	301,282	26,790
Events income	18,633	-	-	18,633	2,859
Shop income	87,340	-	-	87,340	48,877
Catering income	128,519	-	-	128,519	138,548
Rental and estate income	354,000	-	-	354,000	461,773
Timber sales	2,633	-	-	2,633	4,374
Educational income	1,323	-	-	1,323	4,197
Insurance claim	6,771	-	-	6,771	-
Wayleaves	3,906	-	-	3,906	-
Miscellaneous income	16,208	-	-	16,208	-
	<u>£ 920,615</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 920,615</u>	<u>£ 687,418</u>

All amounts in 2020 relate to unrestricted funds.

6 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
UK equities	36,463	-	-	36,463	12,933
Interest received	275	-	-	275	23,673
	<u>£ 36,738</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 36,738</u>	<u>£ 36,606</u>

All investment income for 2021 and 2020 relates to financial assets measured at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

7 EXPENDITURE ON RAISING FUNDS

	Activities undertaken directly £	Visitor Centre Support costs £	Support costs £	Total 2021 £	Total 2020 £
Coach house and visitor lettings	235,381	-	72,149	307,530	66,515
Events	9,471	21,763	1,187	32,421	8,645
Shop	2,035	44,199	255	46,489	61,684
Catering	3,252	3,627	408	7,287	114,640
Rental and estates activities	211,623	-	549,369	790,992	620,403
	<u>£ 461,762</u>	<u>£ 69,589</u>	<u>£ 623,368</u>	<u>£ 1,184,719</u>	<u>£ 871,887</u>

There is no grant funding of activities.

8 CHARITABLE ACTIVITIES

	Activities undertaken directly £	Visitor Centre Support costs £	Support and Governance costs £	Total 2021 £	Total 2020 £
Arboretum	219,090	-	35,126	254,216	276,787
Admissions	-	191,504	-	191,504	53,382
Members' fees	-	93,299	-	93,299	26,479
Trustee and administration expenses	-	-	493	493	2,381
Auditors' remuneration: in respect of audit services	-	-	9,400	9,400	9,878
in respect of non audit services	-	-	13,882	13,882	5,228
	<u>£ 219,090</u>	<u>£ 284,803</u>	<u>£ 58,901</u>	<u>£ 562,794</u>	<u>£ 374,135</u>

There is no grant funding of activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

9 EXPENDITURE

Total expenditure can be further analysed as follows:

	2021 £	2020 £
Staff costs	918,568	648,717
Events and Visitor Centre expenditure	32,676	3,983
Shop and catering expenditure	99,440	95,737
Wedding expenditure	10,112	16,400
Repairs to property and equipment	27,136	97,909
Cleaning	43,345	28,396
Telephone	11,354	10,890
Heat, light and water	17,535	26,034
Bank interest and charges	17,597	11,063
Depreciation	158,838	80,801
Miscellaneous	25,584	31,691
Transport, fuel and maintenance	55,495	12,425
Insurance	30,835	19,196
Land access payments	18,967	30,000
Loan interest	15,111	11,558
Hire purchase interest	-	282
Subscriptions	3,856	7,325
Auditors' remuneration	23,282	9,878
Marketing and management fees and expenses	73,572	32,900
Professional fees	84,263	38,788
Trustee and administration expenses	24,985	2,381
Management, staff and volunteer expenses	4,319	2,023
Training	6,319	7,502
Plants	19,067	4,032
Bad debts (recovered)/written off	(7,223)	7,106
Printing	4,568	7,475
Licences	2,075	-
Equipment	25,107	-
Sculpture event	730	1,530
	<u>£ 1,747,513</u>	<u>£ 1,246,022</u>

Of the above expenditure, £15,111 (2020: £11,558) of interest expense relates to financial liabilities measured at amortised cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

9 EXPENDITURE - (continued)

Visitor Centre support costs

Visitor Centre support costs can be further analysed as follows:

	2021 £	2020 £
Staff costs	245,255	43,160
Repairs	12,511	11,346
Cleaning	24,451	13,031
Telephone	5,838	5,563
Light, heat and water	8,285	10,523
Bank interest and charges	9,059	8,519
Miscellaneous	30,747	42,024
Depreciation	-	8,770
Insurance	10,302	6,267
Legal fees	4,315	5,896
Volunteer expenses	2,693	205
Subscriptions	936	450
	<u>£ 354,392</u>	<u>£ 155,754</u>

Basis of allocation of Visitor Centre support costs

Visitor Centre support costs have been allocated to each activity undertaken at the visitor centre on the basis of income for each activity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

9 EXPENDITURE - (continued)

General support costs

Support costs can be further analysed as follows:

	2021	2020
	£	£
Staff costs	396,303	375,771
Marketing fees	55,810	27,111
Professional fees	75,389	33,438
Management, staff and volunteer expenses	2,292	1,222
Training	3,450	5,896
Miscellaneous	22,652	23,632
Bank charges	23,374	2,826
Cleaning	18,894	4,568
Light, heat and water	9,243	15,512
Repairs	46,540	69,998
Telephone	5,516	5,327
Bad debts (recovered)/written off	(7,223)	7,106
Printing, postage and stationery	2,507	3,206
Depreciation	6,733	4,162
Insurance	607	394
Licences	2,075	380
Subscriptions	2,920	2,107
Equipment hire	5,294	-
Trustee and administration expenses	493	2,381
Auditors remuneration	9,400	9,878
	<u>£ 682,269</u>	<u>£ 594,915</u>

Basis of allocation of support costs

Support costs are specifically allocated to the department to which they relate.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

10 EMPLOYEE AND TRUSTEE INFORMATION

	2021 £	2020 £
Employees		
Wages and salaries	838,281	594,248
Social security costs	64,174	37,505
Pension costs	16,113	9,823
	<u>£918,568</u>	<u>£641,576</u>
The average monthly number of employees during the year was made up as follows:	<u>64</u>	<u>46</u>

One employee earned in excess of £60,000 (2020 – one employee).

Trustees

There were 8 Trustees who held office during the year, there were no more than 8 Trustees in office at any time during the year. A special resolution was passed unanimously to increase the maximum number of Trustees from 8 to 12.

No emoluments are payable to any trustee, in their capacity as a trustee and only directly incurred expenses are reimbursed. The amount reimbursed during the year was £493 (2020: £2,381). These expenses largely relate to travel and subsistence costs.

Indemnity insurance is maintained covering the Board of Trustees in their capacity as trustees, which cost £400 (2020: £561) in the year.

The key management personnel of the group comprise those of the Charity and the key management personnel of its wholly owned subsidiary, Marshall Trading Limited. The total employee benefits of the key management personnel of the group were £345,118 (2020: £309,589).

11 AUDIT FEE

	2021 £	2020 £
Auditors' remuneration : in respect of audit services	9,400	9,878
: in respect of payroll services	5,050	3,913
: in respect of other non-audit services	8,832	1,315
	<u>£23,282</u>	<u>£15,106</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

12 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2021	2,405,366	853,747	502,786	3,761,899
Additions	-	547,374	87,333	634,707
Disposals	(14,942)	(110,523)	(468)	(125,933)
	<u>2,390,424</u>	<u>1,290,598</u>	<u>589,651</u>	<u>4,270,673</u>
At 31 December 2021				
Depreciation				
At 1 January 2021	-	435,381	374,096	809,477
Disposals	-	(20,539)	-	(20,539)
Charge for year	-	91,966	56,731	148,697
	<u>-</u>	<u>506,808</u>	<u>430,827</u>	<u>937,635</u>
At 31 December 2021				
Net book values				
At 31 December 2021	<u>£ 2,390,424</u>	<u>£ 783,790</u>	<u>£ 158,824</u>	<u>£ 3,333,038</u>
At 31 December 2020	<u>£ 2,405,366</u>	<u>£ 418,366</u>	<u>£ 128,690</u>	<u>£ 2,952,422</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

12 TANGIBLE FIXED ASSETS - (continued)

Charity

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2021	2,405,366	853,747	465,829	3,724,942
Additions	-	547,374	80,019	627,393
Disposals	(14,942)	(110,523)	(468)	(125,933)
At 31 December 2021	<u>2,390,424</u>	<u>1,290,598</u>	<u>545,380</u>	<u>4,226,402</u>
Depreciation				
At 1 January 2021	-	435,381	353,961	789,342
Disposals	-	(20,539)	-	(20,539)
Charge for year	-	91,966	49,998	141,964
At 31 December 2021	-	<u>506,808</u>	<u>403,959</u>	<u>910,767</u>
Net book values				
At 31 December 2021	<u>£ 2,390,424</u>	<u>£ 783,790</u>	<u>£ 141,421</u>	<u>£3,315,635</u>
At 31 December 2020	<u>£ 2,405,366</u>	<u>£ 418,366</u>	<u>£ 111,868</u>	<u>£2,935,600</u>

Assets held for use in operating leases

Included within fixed assets are assets held for use in operating leases, for which the Charity receives rental income. As at 31 December 2021 the minimum annual lease payments to be received in respect of these assets is £354,000 (2020: £363,681).

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

13 INVESTMENTS

Group and Charity

	2021 £	2020 £
Listed investments		
Market value at 1 January 2021	1,571,604	142,836
Additions at cost	1,387,190	1,259,112
Net unrealised investment gain	172,938	169,656
Market value at 31 December 2021	<u>£ 3,131,732</u>	<u>£ 1,571,604</u>
Historical cost at 31 December 2021	<u>£ 2,741,110</u>	<u>£ 1,353,920</u>

Details of the listed investments held at 31 December 2021 are as follows :

	Cost £	Mid-market value £
M and G Charibond Common Investment Fund 7,168 Income Shares	7,786	8,685
M and G Charifund – Equities Investment Fund for Charities 708 Income Units	8,000	11,018
Charinco Common Investment Fund 4,404 Income Shares	7,042	8,090
Charishare Common Investment Fund 3,442 Income Shares	6,532	24,621
Charities Official Investment Fund 1,226 Income Units 37 Accumulated Units	7,802 371	25,220 8,922
Glaxo Smith Kline PLC 3,505 Income Shares	53,924	56,311
Rathbone Portfolio	2,649,653	2,988,865
	<u>£ 2,741,110</u>	<u>£ 3,131,732</u>

The net unrealised gain of £172,938 (2020: £169,656) is in relation to financial assets recognised at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

13 INVESTMENTS - (continued)

Fixed Asset Investments – (continued)

Charity investment in subsidiary

	2021 £	2020 £
Cost and net book value: At 1 January 2021 and at 31 December 2021	<u>£ 7</u>	<u>£ 7</u>
Group		
Total fixed asset investments	<u>£3,131,732</u>	<u>£1,571,604</u>
Charity		
Total fixed asset investments	<u>£3,131,739</u>	<u>£1,571,611</u>

The investment in a subsidiary relates to a 100% shareholding in Markshall Trading Ltd (formerly Marks Hall Enterprises Limited) a company incorporated in England and Wales, company number: 07798255. Marks Hall Enterprises Limited was incorporated on 5 October 2011 and commenced trading on 1 January 2012.

The principal activity of Markshall Trading during the year was the hire of a venue for weddings and other functions and running the catering function of the group. For the year to 31 December 2021 the company made a profit before gift aid payments of £81,668 (2020: loss £102,993) and at this date it had net assets of £20,127 (2020: £61,541 net liabilities). The results of Markshall Trading Limited have been consolidated within these financial statements on a line by line basis.

14 STOCKS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Goods for resale	<u>£23,173</u>	<u>£8,155</u>	<u>£-</u>	<u>£6,384</u>

There is no material difference between the book value of stocks and replacement cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

15 DEBTORS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	302,072	279,623	22,650	89,391
Other debtors	91,612	30,971	89,255	27,824
Prepayments	80,414	47,402	37,295	44,344
	<u>£474,098</u>	<u>£357,996</u>	<u>£149,200</u>	<u>£161,559</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Loans and overdrafts	49,601	44,942	39,601	44,213
Trade creditors	108,818	157,181	96,372	144,531
Other creditors	90,133	86,470	56,656	86,466
Amounts owed to subsidiary	-	-	-	32,228
Other taxation and social security	48,488	-	-	-
Accruals	20,325	36,901	18,955	33,006
Deferred income	109,902	200,472	47	-
	<u>£ 427,267</u>	<u>£ 525,966</u>	<u>£ 211,631</u>	<u>£ 340,444</u>

Deferred income is recognised in respect of income for future events and rent received in advance and is included within other creditors.

During the year deferred income of £329,146 was accounted for (2020: £303,341) in creditors falling due in under and over one year.

Of the prior year's deferred income, £303,341 (2020: £183,378) was released during the year ended 31 December 2021.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Loans:				
- Due between one and two years	50,562	94,628	40,562	45,357
- Due between two and five years	466,454	120,740	437,390	120,740
- Due after more than five years	351,562	442,730	351,562	442,730
	<u>868,578</u>	<u>658,098</u>	<u>829,514</u>	<u>608,827</u>
Deferred income:				
- Due between one and two years	219,244	102,869	-	-
Total	<u>£ 1,087,822</u>	<u>£ 760,967</u>	<u>£ 829,514</u>	<u>£ 608,827</u>

The Purley Farm loan of £181,626 (2020: £189,192) is secured on Bouchiers Grange and Purley Farm, Coggeshall. This loan is repayable by quarterly instalments and bears an interest rate of 2% over base rate.

The first replacement loan of £Nil (2020: £98,703) is secured on Bouchiers Grange Cottage, Marks Hall Road, Coggeshall, Essex. This loan is repayable by quarterly instalments and bears an interest rate of 5%.

The second replacement loan of £27,465 (2020: £43,277) is secured on approximately 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by quarterly instalments and bears an interest rate of 5%.

The third replacement loan of £268,638 (2020: £276,906) is secured on 1 and 2 Bouchiers Grange Cottages, and 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by monthly instalments and bears an interest rate of 5%.

The Rathbones loan of £351,785 is secured on the Charity's investment portfolio held with the creditor. This loan is repayable 5 years from signing of the agreement and bears an interest rate of 2.5% over the base rate.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

18 FINANCIAL INSTRUMENTS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	3,131,732	1,571,604	3,131,739	1,571,611
Financial assets measured at amortised cost	393,684	310,594	104,166	117,215
	<u>£ 3,525,416</u>	<u>£ 1,882,198</u>	<u>£ 3,235,905</u>	<u>£ 1,688,826</u>
Financial liabilities				
Financial liabilities measured at amortised cost	£ 1,295,845	£ 946,691	£ 1,041,145	£ 916,265
	<u>1,295,845</u>	<u>946,691</u>	<u>1,041,145</u>	<u>916,265</u>

Financial assets measured at fair value through profit or loss comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise loans and overdrafts, trade creditors, other creditors and accruals.

19 ENDOWMENTS

Group and Charity

	Balance at 1.1.21 £	Movement in funds		Balance at 31.12.21 £
		Income £	Expenditure, gains/(losses) and transfers £	
Permanent endowment				
Investment	1,481,818	-	4,401	1,486,219
Markshall Estate	384,538	1,405,216	-	1,789,754
	<u>£ 1,866,356</u>	<u>£ 1,405,216</u>	<u>£ 4,401</u>	<u>£ 3,275,973</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

20 RESTRICTED FUNDS

Group and Charity

	Balance at 1.1.21 £	Movement in funds		Balance at 31.12.21 £
		Income £	Expenditure, (gains)/losses and transfers £	
Educational events	1,500	13,000	-	14,500
Cycle path	-	253	-	253
	<u>£ 1,500</u>	<u>£ 13,253</u>	<u>£ -</u>	<u>£ 14,753</u>

Educational events

This fund represents donations towards educational events that will be held.

21 UNRESTRICTED FUNDS

	Balance at 1.1.21	Movement in funds		Balance at 31.12.21
		Income	Expenditure, (gains)/losses and transfers	
Group				
General charitable funds	<u>£ 2,767,585</u>	<u>£ 1,310,146</u>	<u>£ 1,578,976</u>	<u>£ 2,498,755</u>
Charity				
General charitable funds	<u>£ 2,829,137</u>	<u>£ 917,076</u>	<u>£ 1,267,578</u>	<u>£ 2,478,635</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

22 FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary of Markshall Trading Limited, which hires a venue for weddings and other functions.

The summary financial performance of the Charity alone is:

	2021 £	2020 £
Income	930,331	1,074,715
Expenditure		
Fundraising trading:		
Cost of goods sold and other costs	877,193	805,372
Charitable activities	539,019	361,876
Governance costs	19,905	8,514
Realised and unrealised		
Investment (gain)	(172,938)	(169,656)
Gain on disposal	(1,405,216)	(32)
Net incoming resources	1,072,368	68,641
Total funds brought forward	4,696,993	4,628,352
Total funds carried forward	£ 5,769,361	£ 4,696,993
Represented by:		
Restricted funds	14,753	1,500
Endowment funds	3,275,973	1,866,356
Unrestricted funds	2,478,635	2,829,137
Total funds	£ 5,769,361	£ 4,696,993

23 TRANSFER BETWEEN FUNDS

The £4,401 transfer from unrestricted to endowment funds represents the annual repayment to endowment reserve as set out in note 1.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	14,753	14,753
Endowment funds	216,058	86,556	2,973,359	3,275,973
Unrestricted funds				
General charitable funds	3,116,980	3,045,176	(3,663,401)	2,498,755
Total funds	£3,333,038	£3,131,732	£(675,289)	£5,789,481

Charity	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	14,753	14,753
Endowment funds	216,058	86,556	2,973,359	3,275,973
Unrestricted funds				
General charitable funds	3,099,577	3,045,183	(3,666,125)	2,478,635
Total funds	£3,315,635	£3,131,739	£(678,013)	£5,769,361

25 RELATED PARTY TRANSACTIONS

The Charity was under the control of the Trustees during the year.

The Charity has taken advantage of the exemption provided by the related party criteria of FRS 102 not to disclose transactions between group companies where the subsidiary is wholly owned within the group.

During the year there were no further related party transactions.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

26 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020 £
	£	£	£	£
Income				
Donations and legacies	16,328	500	-	16,828
Income from charitable activities:				
Grants receivable	100,897	-	-	100,897
Other income from charitable activities	200,233	-	-	200,233
159				
Income from other trading activities	687,418	-	-	687,418
Investment income	36,606	-	-	36,606
Total income	1,041,482	500	-	1,041,982
Expenditure				
Expenditure on raising funds	871,887	-	-	871,887
Charitable activities	374,135	-	-	374,135
Total expenditure	1,246,022	-	-	1,246,022
Realised and unrealised investment gains	169,656	-	-	169,656
Gain on disposal of land	32	-	-	32
Net income	(34,852)	500	-	(34,352)
Transfer between funds	475,599	-	(475,599)	-
Net movement in funds carried forward	440,747	500	(475,599)	(34,352)
Balances brought forward at 1 January 2020	2,326,838	1,000	2,341,955	4,669,793
Balances carried forward at 31 December 2020	£2,767,585	£1,500	£1,866,356	£4,635,441

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

27 ANALYSIS OF NET DEBT

Group

	Balance at 1.1.21 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.21 £
Cash at bank and in hand	1,032,197	(689,668)	-	342,529
Debt due within one year	(44,942)	(4,659)	-	(49,601)
Debt due after one year	(658,098)	(210,480)	-	(868,578)
Net funds/(debt)	£ 329,157	£(904,807)	£ -	£ (575,650)

Charity

	Balance at 1.1.21 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.21 £
Cash at bank and in hand	977,110	(763,178)	-	213,932
Debt due within one year	(44,213)	4,612	-	(39,601)
Debt due after one year	(608,827)	(220,687)	-	(829,514)
Net funds/(debt)	£ 324,070	£(979,253)	£ -	£ (655,183)

MARKSHALL ESTATE

YEAR ENDED 31 DECEMBER 2021

**Detailed Income and Expenditure Accounts
for the Trustees' information**

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Income				
Estate	477,180		542,679	
Arboretum and Land in Hand	45,094		32,481	
Visitor Centre Operations	801,125		466,822	
		<u>1,323,399</u>		<u>1,041,982</u>
Expenses				
Estate	786,578		494,653	
Arboretum and Land in Hand	238,719		223,430	
Visitor Centre Operations	722,216		527,939	
		<u>1,747,513</u>		<u>1,246,022</u>
Operating surplus/(deficit)				
Estate	(309,398)		48,026	
Arboretum and Land in Hand	(193,625)		(190,949)	
Visitor Centre Operations	78,909		(61,117)	
		<u>(424,114)</u>		<u>(204,040)</u>
Gain on disposal of fixed assets		1,405,216		32
Gain on investment		172,938		169,656
Surplus/(deficit) for the financial year		<u>£</u> <u>1,154,040</u>		<u>£ (34,352)</u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2021 - (continued)

	2021		2020	
	£	£	£	£
Income – Estate				
Rental income	350,175		426,966	
Tenant contributions	3,825		1,053	
Investment income	36,738		36,606	
Insurance and other income	19,100		33,335	
Grants and donations	29,812		31,385	
Job retention scheme grant	33,624		13,334	
Nursery	3,906		-	
	-			
		477,180		542,679
Expenses – Estate				
General maintenance	37,266		54,833	
Premises and public liability insurance	10,076		18,241	
Other professional fees	71,405		22,587	
Accountancy	19,412		6,133	
Office administration and services	27,192		14,361	
Office electricity and water	7,992		8,520	
Staff costs	417,923		245,426	
Staff and trustee expenses	2,651		3,928	
Bank charges and overdraft interest	1,862		459	
Miscellaneous	13,846		9,346	
Access payments	18,967		30,000	
Depreciation	152,105		67,869	
Loan interest	15,111		11,840	
Bad debts (recovered)/written off	(9,230)		1,110	
	-			
		786,578		494,653
Divisional (deficit)/surplus		£ (309,398)		£ 48,026

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Income – Arboretum and land in hand				
Grants and donations	39,049		16,827	
Job retention scheme grant	3,412		5,096	
Timber sales	2,633		10,558	
	<u> </u>		<u> </u>	
		45,094		32,481
Expenses – Arboretum and land In hand				
Personnel expenses	134		677	
Staff costs	183,324		165,859	
Equipment	6,337		4,065	
Equipment hire	4,056		400	
Planting and tree surgery	3,678		4,032	
Fuel and oil	7,821		5,865	
Repairs and maintenance	15,071		7,402	
Vehicle insurance and tax	10,754		12,497	
Heat, power and water	1,922		6,402	
Miscellaneous	5,622		7,126	
Other professional Fees	-		9,105	
	<u> </u>		<u> </u>	
		238,719		223,430
Divisional deficit		<u>£ (193,625)</u>		<u>£ (190,949)</u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2020

	2021		2020	
	£	£	£	£
Income – Visitor Centre Operations				
Admission	163,968		133,844	
Catering	128,519		138,548	
Shop and plants	37,843		48,877	
Membership	79,882		66,389	
Coach house	331,391		20,606	
Events	38,021		2,859	
Other income	5,202		490	
Education and engagement	-		4,127	
Job retention scheme grant	4,727		24,024	
Grants	11,572		27,058	
		801,125		466,822
Expenses – Visitor Centre Operations				
Catering	42,310		48,488	
Shop	71,521		47,253	
Wedding	10,112		70,260	
Events	23,934		5,513	
Bank and credit card charges	31,250		8,519	
Cleaning	34,112		22,671	
VC electric and water	7,621		10,523	
Repairs and maintenance	26,666		14,105	
Staff, volunteer and trustee expenses	1,534		845	
Miscellaneous	14,662		5,026	
Marketing and promotions	73,476		30,923	
Staff costs	320,515		228,200	
Office and administration costs	27,994		17,341	
Depreciation	6,733		8,876	
Insurance	10,683		-	
Legal and professional fees	9,562		5,896	
Education and engagement	-		3,500	
Equipment	7,524		-	
Bad debts written off	2,007		-	
		722,216		527,939
Divisional surplus/(deficit)		78,909		(61,117)

Markshall Estate

England & Wales - Charity number 256700

Accounts

**MARKSHALL ESTATE
(FORMERLY MARKS HALL ESTATE)**

**GROUP REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2020

MARKSHALL ESTATE

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MARKSHALL ESTATE

OFFICERS AND PROFESSIONAL ADVISERS

Trustees Peter Griffiths
Margaret Attwood
Robert Cowlin
William Conner
Jan Smith
Benjamin Woodgate
Geoffrey Dunn (appointed 1 January 2021)
Ian Hodge (appointed 26 March 2020)

Executive Director Kath Cockshaw
Markshall Estate
Markshall
Coggeshall
CO6 1TG

Registered Office Markshall Estate
Markshall
Coggeshall
CO6 1TG

Registered Number Charity 256700

Auditors Scrutton Bland LLP
Chartered Accountants and
Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
CO4 9YQ

Bankers Barclays Bank plc
9 High Street
Colchester
Essex
CO1 1DD

Solicitors Holmes and Hills LLP
Bocking End
Braintree
Essex
CM7 9AJ

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

In accordance with the requirements of the Charities Act 2011, the Trustees present this annual report and the audited financial statements of the Charity for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011, the governing document, the accounting policies set out in the notes to the financial statements 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).

2020 – a Year Like No Other

Like most businesses in the world, certainly all public venues, Marks Hall Estate Charity income streams have been severely affected by the global Covid-19 pandemic. In 2020 and Q1 2021, the Arboretum and Visitor Centre were closed to members and visitors for three separate periods complying with government lockdowns, tier restrictions and other public health measures, as part of a national effort to reduce the spread of the Covid-19 virus and protect staff and volunteers.

Trustees and senior management began to plan in the first half of March 2020 how to take appropriate measures to reduce outgoings. The Charity took immediate advantage of the Government's job retention scheme and were successful in applying for and receiving grant support from Braintree District Council.

Income from admissions, catering, and shop and plant centre sales, which is mostly generated through the spring and summer months, ceased entirely from 23 March 2020 for 3 months during lockdown #1, and were phased back in between 2 June and the start of lockdown #2 on 5 November 2020 which lasted four weeks. Weddings and Coach House hire events were postponed or cancelled due to Government bans and very tight public health measures on public gatherings, and weddings, in particular.

Following a case of Covid in the staff in the first week of December, we struggled to staff our visitor facilities safely and on the advice of Trustees and stakeholders we had to cancel a planned Father Christmas trail event which had sold out, losing an important seasonal income stream. Lockdown #3 was announced on 6 January 2021, and the Arboretum re-opened to visitors on 18 March 2021.

Some of our estate tenants have indicated that they may struggle to pay future rent. However, Rental and Estate income was £461,773 in 2020, up on £429,158 in 2019. This was due to the allocation of pre-payments and accruals across some of our tenants rent schedules.

At the time of reporting in August 2021, following the first double vaccine roll-out, public measures are no longer mandatory, but social distancing and mask wearing is still encouraged in some public spaces. The virus is still very much with us, and, at present, there are high levels of Covid-19 in the local schools and community. We anticipate that the Estate may have to adjust its usual trading activities, particularly those of catering, plant sales and retail, events and weddings again in the near future. Rental income may be reduced or delayed, and volunteer resource is likely to be limited.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

In Q1 2021, it was formally agreed by Trustees to change the name of the Estate from Marks Hall Estate to Markshall Estate, following a rebranding exercise which was centred on our heritage and a move back to the original name of our land - Markshall. The name of the charity and subsidiary trading company were consequently changed from Marks Hall Estate to Markshall Estate, and from Marks Hall Enterprises to Markshall Trading Ltd, respectively.

In our next Annual Report, we will detail more innovations at Markshall Estate in 2021, including more on the re-brand project, the new website, new public facilities, and the launch of our 50th Anniversary Year. See the end of this report for more about our future plans.

Legal and administrative information

The information on page 1 forms part of this report. The Charity is registered with the Charity Commission of England and Wales under registration no. 256700.

The Trustees during the year under review were as follows:

Meriel Barclay (Chair of Trustees) (Retired 31 December 2020)
Peter Griffiths
Margaret Attwood
Michael Lear (retired 10 November 2020)
William Conner
Robert Cowlin
Jan Smith
Benjamin Woodgate
Ian Hodge (appointed 26 March 2020)

Structure, governance and management

The Charity was founded by Will and codicil of Thomas Phillips Price registered in the Principal Registry on 16 February 1933. The scheme for its regulation was approved and established by the Charity Commission on 15th November 1971.

The Trustees meet quarterly as a minimum. At the beginning of 2019 terms of reference were agreed for the establishment of a Finance sub-committee and a Built Estate sub-committee. These committees also meet quarterly in advance of the Trustees' main board meeting to review, and to make recommendations to the board on all matters relating to finance, investments, and the management of the built estate including an overview of ongoing project work.

Composition of the sub-committees includes at least two Trustees, including the Chair of Trustees, and senior members of staff. The day to day management of the Charity is undertaken by the Executive Director and senior members of staff. Senior staff meetings occur on a regular basis for the purpose of taking decisions and reporting to Trustees principally on the management of the lands in hand including the Arboretum and woodlands, visitor related activities, fundraising, marketing and events.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Members of the senior management team in 2020 were:

Kath Cockshaw	Executive Director
Richard Ramsey	Estate Manager
Ian Chandler	Arboretum Manager
Karen Marchlik	Visitor Operations Manager
Drea Lee	Marketing & Communications Manager (from January 2020)
Lauren Shields	Financial Administrator
Lisa Calvert	Events Manager

Revenue is raised through the letting or hire of estate property, admission and membership fees for the Arboretum and through activities undertaken at the Visitor Centre including a café, shop and plant centre. Other income is raised from events, grants and sponsorship. Markshall Trading Ltd is a wholly owned trading subsidiary of the Charity. Its principal activities are the hire and letting of the Coach House for weddings and events. Profits generated by the trading company are gift aided to the Charity.

Expenditure is managed through budget allocation to the department heads for Estate, Arboretum and Woodlands, Visitor Centre and Markshall Trading Ltd with any variation approved by the Executive Director, or as necessary by the Trustees / Directors.

As an integral part of the management policy the Trustees regularly review the risk register which lists external and internal risk factors which may affect the Charity and its subsidiary.

Senior staff keep health and safety issues under regular review as far as this affects employees, volunteers, contractors and visitors to Markshall Estate.

Working with professional advisers, the Trustees seek to ensure that all the Charity's management and decision making processes take full account of and comply with relevant legislative and regulatory controls. Insurance including property ownership and public liability cover is reassessed annually.

Trustee Recruitment, Induction and Training

As Trustees retire, replacement candidates are identified by the remaining Trustees through open advertising including on the Charity's website, social media and through approaches to interested organisations including The Royal Botanic Gardens Kew (RBG Kew). Prior to the recruitment process commencing, a skills audit is undertaken across the Trustee board to identify those skills which would be most helpful for new Trustees to possess. Prospective Trustees receive a Trustee recruitment pack providing them with details of the role and background information. RBG Kew has the option, but not the obligation, to appoint a Trustee of its choosing to the Marks Hall Estate board. Michael Lear, who was appointed a Trustee of RBG Kew in 2017, fulfilled this role until 10 November 2020.

As part of their induction programme, new Trustees are made aware of their responsibilities through discussion with the Chair and their fellow Trustees. This includes an introduction to the history, objectives, and work of the Charity. New Trustees also receive a copy of the Charity's governing document, copies of the previous two years' annual reports and accounts and Charity Commission information on Trustees' responsibilities. They are also invited and encouraged to familiarise themselves with the Visitor Centre, Arboretum, and the wider estate.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Strategic Objectives and Activities

Summary of activities

Markshall Estate extends to approximately 2,350 acres and is vested in the Official Custodian for Charities in trust for the Charity.

The estate comprises tenanted farm holdings extending in total to around 1,550 acres, residential and commercial property, parkland, coniferous woodlands managed by the Forestry Commission, and in hand broadleaved woodland, much of which is of high nature conservation value. At the heart of the estate is a 200 acre Arboretum established in the mid-1980s with ornamental lakes and a 2 acre walled garden.

The Arboretum and Visitor Centre have been open to the public since 1993. The Visitor Centre contains a café, shop and administrative offices.

There is a membership scheme designed for frequent visitors with individual, joint, family and concessionary categories. There are no restrictions on who may join the membership scheme.

The Coach House is a weddings and events venue and is managed as a subsidiary of the Charity, trading under the name Markshall Trading Ltd (formerly Marks Hall Enterprises Ltd). The bar operation continues to be managed in house.

45,493 visits (day visitors and members) were made to Marks Hall Estate during 2020, an increase of 3,500 on 2019, despite the Arboretum being closed to visitors and members for approximately one third of the year. As travel between different areas of the UK was discouraged or prohibited through most of 2020, this number reflects the need for local people to have somewhere easy and safe to walk in nature, where it is easy to socially distance during a global pandemic and a growing awareness of Marks Hall Estate and the qualities of our Arboretum – its scale, beauty and general upkeep were often commented on by visitors in 2020.

Day visitors are charged for admission. In 2020 the standard admission rates remained unchanged which was a decision taken by senior management and Trustees in respect of many people losing or experiencing diminished income streams as a result of the pandemic.

Adult	£ 6.00
Adult Concession	£ 5.75 (over 65 and disabled). Carers may enter free of charge.
Group rate	£ 5.00 (for groups of 10+)
Family	£ 14.50
Child	£ 2.75
Under 5's	free

Gift Aid admission prices were also offered @10% higher than the standard rates.

The Charity's object is 'the advancement, in the interests of the nation, of agriculture, arboriculture and forestry'.

The aims of the Charity are to:

- i) Maintain and develop the estate, including its buildings, farmland and woodlands through the adoption of sound estate management principles. In doing so the Charity has due regard to the estate's high nature conservation value, its landscape and its historic interest and seeks ways in which they may be enhanced.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

- ii) Develop an Arboretum of national significance, of value for scientific and educational purposes, and to share experiences with other like-minded organisations.
- iii) Provide a visitor attraction of interest to all ages and groups for recreation, learning and general enjoyment.
- iv) Maintain existing and develop new income streams to allow the charitable object to be developed further.

The main objectives and activities for the year were shaped by these aims and continued to focus on managing the visitor related activities, Arboretum and the wider let and in hand estate.

The strategies employed by the Charity to achieve its aims include:

- i) Supporting its farming tenants through allowing, as appropriate, the diversification of their farming businesses, offering encouragement to enter environmental and other grant schemes and by facilitating innovative ideas. This is intended to provide an environment whereby farming tenants can develop their businesses for the benefit of themselves, the Charity and agriculture in general.
- ii) Managing our in-hand land outside the Arboretum, extending to around 90 acres of grass and parkland, for the benefit of agriculture, the environment and recreation.
- iii) Continuing to focus on maintaining and developing new opportunities for income generation to the Charity.
- iv) Maintaining a good working relationship with the Forestry Commission. It is the Charity's aim to continue to restore the ancient broadleaved woods, after the last of the commercial conifers planted by the Forestry Commission in the 1950s and 60s, and now extending to just over 60 acres, have been felled in the next 3 to 4 years.
- v) Managing in-hand woodland on a traditional coppice with standards system following sound silvicultural techniques and for the benefit of flora and fauna. Some 120 acres of woodland is designated as semi natural ancient woodland and has extremely high nature conservation value.
- vi) Managing the Arboretum to a consistently high and professional standard and expanding and developing the ornamental grounds as resources permit and as areas of coniferous trees are removed by the Forestry Commission. The Arboretum is arranged on a geographical basis with representative plantings from North America, Europe, Asia and Gondwanaland.
- vii) Encouraging and prolonging visits through the provision of facilities and activities at the Visitor Centre, within the Arboretum and the wider estate to enhance visitors' recreational and learning experience and to contribute towards their health and wellbeing.
- viii) Fostering good relationships with the local community and stakeholders, including tenants, volunteers, visitors and local businesses to obtain their support for the Charity's aims and objectives.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Volunteers

The Charity's staff are supported by approximately 70 volunteers who work at the Visitor Centre on the shop counter, in the admission kiosk or driving the buggy for those less able. A further team of volunteers assist on a regular basis in the Arboretum. It is estimated that the hours given by volunteers would equate to the employment of approximately four full time staff. The Trustees thank the volunteers for their considerable and continued help and support during a difficult year for some of them in 2020 and look forward to welcoming more volunteers to the site in 2021 and beyond.

Public benefit

In deciding the Charity's work over the course of the year the Trustees give due regard to the Charity Commission's guidance on public benefit. We constantly receive 4 and 5 star visitor reviews saying how much people enjoy the site, its beauty, general upkeep of the Arboretum and our facilities.

The Trustees believe that the Charity provides significant public benefit to visitors for general enjoyment and recreation and to those with specific interests such as historians, gardeners, arboriculturists and landscape and wildlife specialists. The Arboretum hosts regular visits from local schools, colleges, horticultural and other interest groups.

Some of our visitor feedback details specific health related benefits achieved through visiting our site, especially mental health. In 2020, we began to scope a programme of work around health and wellbeing to include activities to improve mental health working with local groups, and regular visitors living with dementia and autism and their carers - and physical health such as yoga, forest bathing, and walking to improve fitness. In 2022 we will start a Park Run programme which was planned to commence in 2021.

As a result of the pandemic there is funding available in this area, and we are looking at ways of working with suppliers in these areas which don't require too much staff time from our core team to organise and deliver.

Agriculture and the Tenanted Estate

The tenanted estate comprises five arable farm holdings of an average size of approximately 310 acres. Four of the holdings are equipped with traditional and modern buildings and farmhouses. The farm holdings are let on either Agricultural Holdings Act agreements or Farm Business Tenancies. The rest of the let estate is made up of commercial property, which is used as offices, storage or light industrial, residential property and various grazing lets and other land uses, including a small cricket bat willow plantation.

The Charity's in-hand estate (other than the Arboretum, woodlands and visitor facilities) comprises around 90 acres of parkland, surrounding the Arboretum. Much of this land was in arable use until the early 1990's and is now grazed with cattle under a Higher Level Environmental Stewardship Scheme, for the benefit of flora and fauna and landscape enhancement.

As in previous years, the Charity has undertaken repairs and building improvements to several properties and infrastructure across the in hand and let estate. The Trustees have also undertaken rent reviews and granted new leases where property has become vacant.

In 2020 rental and estate income including land and environmental grants amounted to £461,773.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

In 2016 planning consent was obtained for the residential development of two small parcels of land at Tilkey Road and Tey Road, Coggeshall. Both sites were marketed in 2017 and the sale of the Tilkey Road site completed in early 2018. Disposal of the site at Tey Road completed in October 2019, once planning consent for a new scheme had been obtained by the purchaser. Under the sale terms it was agreed that payment of part of the purchase price, amounting to £260,500 would be deferred to October 2020 and this was subsequently received.

During 2020 Trustees progressed their plans for the development of land adjacent to Earls Colne Business Park for letting to local businesses. In 2019, Trustees obtained planning consent for conversion of redundant farm buildings at Bullocks Cross to two residential dwellings. When the latter project is completed, it will create a new income stream for the Charity as well as protecting the listed buildings from further deterioration.

With assistance from members of the local community, Trustees are developing plans for the creation of an 8.2 km cycle path through Markshall Estate linking the villages of Earls Colne and Coggeshall and farther towards Braintree town centre and Kelvedon station. The cycle path will provide a safe recreational activity for all age groups and is intended to encourage more visitors to the estate and prolong their stay. We received planning permission for the cycle path and planned changes to the Visitor Centre in August 2020. A further planning application regarding development of the new shop building was approved at the end of the year.

Woodlands

The woodlands at Markshall Estate extend to over 450 acres, the majority of which are designated as Local Wildlife Sites. Little Monks Wood, Crowland's Wood, Grange Wood, Nunty's Wood, Cleveland Wood, Lilly Wood and Marks Hall Wood form a continuous block of ancient woodland on the western side of the Estate, parts of which are considered by Natural England to be one of the finest series of small leaved lime woods in the country. Ancient woods are defined as any area that has been wooded continuously since at least 1600 AD and they are the UK's richest land-based habitat for wildlife. These woodlands have continued to be managed in a traditional manner principally through coppicing.

Visitors have access through some of the ancient woodland at Markshall Estate, but it is the Trustees' intention to improve this access, and to provide better information on the high ecological and historical importance of the woodlands and their management. In 2018 the Forestry Commission clear felled around 75 acres of commercial standing timber in their ownership and this land will naturally regenerate as broadleaved woodland or be replanted in accordance with the Countryside Stewardship Scheme Woodland Improvement Grant which commenced in early 2019.

At the end of 2019, the Charity (through Marks Hall Enterprises Ltd) transferred the management of the firewood business utilising timber from the estate woodland and from the management of trees within the Arboretum and surrounding parkland to Broadleaf Firewood, run by Ken Rodgers and Gavin Bartholomew. We sell the timber produced from Arboretum and woodland management to Broadleaf, and they also help us in the coppicing of the woodlands.

During 2019 the Trustees had continued to raise their concerns about the construction of an Integrated Waste Management Facility at Rivenhall, located 5 km from Markshall Estate. Concerns focused on the long-term effect of emissions from the incineration of waste on the ecology of the ancient woodlands. Meetings were held with the site promoters, Indaver, who agreed to undertake air monitoring on the estate to determine existing background levels, on which further modelling would be done. At the end of 2020, necessary permits were put in place to allow the development to move to the construction phase. This matter will be updated in the next Annual Report.

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

Arboretum

The Arboretum continues to be managed for the enjoyment and benefit of the public, offering contemporary lakeside gardens and an extensive Arboretum, with many rare and interesting species, planted in a geographical landscape scheme.

During 2019, 10 acres of ex-Forestry Commission land were cleared allowing for the plant collection to be expanded into this area in 2021 in accordance with the revised Landscape Master Plan setting out the vision for the growth of the Arboretum over the next 20 to 30 years. We will obtain the updated LMP in 2021.

In summer 2020, Ian Chandler Arboretum Manager and Martin Bowers Senior Arborist created a new natural play area in a wooded area between the Honywood Oak and the Walled Garden. When the Arboretum opened to the public following the first lockdown, the area became an instant hit with families. The Arboretum team plan another natural play area at Robins Grove for completion in 2021.

Interpretation, new visitor facilities, and landscape features will be introduced across the Arboretum, in 2021-22 enabling visitors to obtain a much better understanding of the collection within each geographical area.

In a normal year, a number of guided walks for the general public, gardening and social groups, and horticultural and landscape design students have taken place during the year. Markshall Estate has also hosted a number of corporate volunteer groups.

The Charity planned to host the 75th Anniversary annual memorial service for 'Operation Varsity' in March 2020 to remember those servicemen who flew from Earls Colne airfield during WWII. Unfortunately, due to Covid pandemic restrictions, the event (which is usually attended by veterans, their families and members of the local community) had to be cancelled.

Visitor Centre Related Activities

Bad weather meant a reasonably quiet start to the year for visitor admissions from January to March. The Visitor Centre closed to the public when the first UK-wide lockdown was announced by the government on Monday 23 March 2020. All staff and Trustee meetings were moved to a video conferencing system.

Members were finally permitted back to the Arboretum at the beginning of June 2020, and Visitors were permitted one week later, but with no café access and limited access to the outside disabled toilet only. We began a limited catering service serving from the doorway of the café in July, mask wearing was made mandatory in the UK on 24 July. A series of further measures were introduced through Q3 meaning continual change and signage planning for the VC and catering teams, until a second national lockdown commenced on 5 November 2020 and lasted for four weeks. Lockdown was lifted on 4 December, replaced by more public measures, but we struggled to staff our facilities due to staff availability and safety, resulting in a period of closure in December. We also had to cancel our planned Christmas trail event, which had sold out.

Due to the pandemic, secondary spend in the café, shop and plant centre was obviously lower than forecast, however visitor numbers were very high in Q3 at 20,046, an increase of 2,082 on Q3 2019 figures, and were the highest ever for half term and Halloween in October 2020 at 5,406, an increase of some 4,111 on 2019.

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Following the commercial success of a popular illustration exhibition in the café in 2019, further exhibitions are scheduled in 2021 but there was no point organising one of these in 2020.

Markshall Estate continues to be supported by a steady membership base with 2076 members as at December 2020, an increase of 300+ on 2019. The Charity continues to seek ways to develop its membership offer and provide members with added value and incentives, a relaunch of the scheme is planned for November 2021 which is the 50th anniversary of the Charity.

Due to the series of national lockdowns and public measures, most of the annual events programme and schools visits were cancelled.

Strategic Development

Despite the difficulties caused by the Covid-19 pandemic, throughout the year the Trustees and senior staff continued to work on the strategic development of the Charity. Three workshops had taken place in 2019, designed to review and plan its future direction and the pursuit of projects and opportunities which will further the charitable object, promote public benefit and ensure its financial stability.

Executive Director Kath Cockshaw produced a new 5-year Strategy Plan and Operational Plan in June 2020. Both plans were communicated to staff in a series of team meetings during the second half of 2020 and the Operational Plan will form the basis of staff objectives, drafted for the next Annual Performance Development Review process, which is scheduled for March 2021.

Trustee and Staff Changes

At the end of 2019, Professor James Raven had been appointed Trustee Emeritus in recognition of his outstanding contribution to heritage research, and to secure his support for future heritage-related fundraising bids. Executive Director Kath Cockshaw retains a good working relationship with James. In March 2020, Ian Hodge, retired Professor of Land Economy at Cambridge University, was appointed a Trustee.

In January 2020 Drea Lee was appointed Marketing & Communications Manager, she was previously at Historic Royal Palaces, Windsor Castle and English Heritage, Audley End prior to that. In April, Kath Cockshaw made the case to Trustees to accelerate the planned recruitment for a new Education & Engagement Coordinator role, in recognition of the need to provide resources to home educators during the Covid-19 pandemic and to provide new ways of engaging with our visitors, members and local community on site in recognition of our charitable objects and to build new income streams for the Charity. James Harrod was appointed to this position in August, commencing the role at the beginning of September 2020.

Pay Policy for Senior Staff

The Trustees are responsible for the overall direction of the Charity and the senior management team is responsible for the operations and day to day running of the Charity. All Trustees give their time freely and did not receive any remuneration during the year for these duties. Details of Trustee expenses are disclosed within the financial accounts.

The pay for all staff is reviewed annually in line with the Charity's pay policy and staff were awarded a 2% pay increase in January 2020.

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At the end of 2020, the Charity employed 18 full time and 14 part time members of staff. Assistance is usually provided by seasonal staff in the café and in assisting with the wedding and events operation but demand for this was low due to the impact of Covid-19 on our operations. During 2020 we continued to outsource some HR matters to external consultant Luella Dixon. Payroll is outsourced to local Accountancy firm, Scrutton Bland LLP.

Financial Review

Financial forecasting at the start of Q2 2020 indicated that the Charity would not be able to cover its operating expenditure beyond March 2021. Under a section 282 resolution made by the Trustees, the Charity Commission had agreed in March 2019 to release £227,500 of funds received from the sale of endowed land at Coggeshall in for capital projects. Release of an additional £480,000 was approved by the Charity Commission on 21st April 2020, enabling the Charity to weather the pandemic through 2020 and beyond. On further application to them in Q2 2020, £305,000 of this total amount was reallocated for operating expenditure.

Due to the negative impact of the Covid-19 pandemic on most of our income streams, total incoming resources in 2020 for both the Charity and Markshall Trading Ltd (formerly Marks Hall Enterprises Ltd) (the Group) was £1,041,482, a decrease of £284,752 (21.5%) on 2019.

However, income from admissions, including memberships, actually increased by £8,569 (4.5% rise) to £200,233 which was really encouraging, demonstrating reliance on our outdoor spaces for walking by local visitors and members, old and new, and we noticed an upturn in younger families looking for outdoor places to go.

Given the café closure and reduced catering offer, catering spend decreased by £92,106 (40% down) to £138,548, while public hire of the Coach House and Visitor Centre decreased by nearly 91% to £26,790. Due to the lockdowns and public measures associated with Covid-19, the Coach House hosted just 6 weddings, 3 Essex Air Ambulance business meetings, a book launch, and 2 funerals in 2020. We had been scheduled to host 65 weddings and other bookings. Several couples' weddings were cancelled, but fortunately most postponed.

Income from donations and legacies in 2020 was £16,828 (£500 Restricted) which was down, again due to the Covid pandemic, on the 2019 figure of £18,671.

Our Land and Environmental Grants totalled £31,385 in 2020. The Group also received Covid Recovery grants from Braintree District Council totalling £27,058, and a total of £42,454 benefit from the government's Job Retention Scheme.

Total Group expenditure decreased by 3.9% to £1,246,022 due to savings on salaries and other outgoings through periods of enforced closure.

Investments increased in Q1 2020 with the Trust's deposit of £1.1M income from the land sale (which had completed in 2019) in a multi-asset ethical portfolio managed by Rathbones Greenbank Investment. During 2020, Trustees' investment approach had been to primarily increase capital, but there was little interest or income. The Group's fixed assets therefore increased due to investment endowment funds obtained through land sale and Net current assets of the Group decreased from £2,380,328 at year end 2019 to £872,382 in 2020.

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The Trustees had agreed in 2019 that the most appropriate policy for investing funds was in specialised unit trusts and low risk deposits designed for the charity sector, ethical shareholdings, and ethical savings accounts with the intention that the investments generate both income and capital growth in the long term. The Trustees are confident that investments are being managed with appropriate caution and understanding of market volatility, with an emphasis on fixed interest bonds and UK and international companies with strong balance sheets and sound business models.

At the Feb 2021 board meeting, Trustees discussed the idea of moving to a Total Return model of investment which was agreed at the August 2021 board meeting. The Charity's Trust Deed will be amended accordingly in Q4 2021.

Reserves Policy and Going Concern

The Trustees review the reserves policy annually to ensure that it meets the Group's changing needs and circumstances. In normal operating conditions the Trustees consider it desirable to hold minimum reserves equating to two months of essential cash flow, with reserves defined according to Charity Commission guidance CC19. The majority of the cash flow required continues to relate to staff costs. As of 31st December 2020, the reserves for the Group were £658,445 and consequently this policy is met comfortably.

While the Trustees are satisfied that the Charity has adequate resources for the foreseeable future, the impact of the Covid-19 pandemic has had a significant impact on the Charity in 2020 and 2021. Therefore, the Trustees consider it desirable to hold minimum reserves equating to three months of essential cash flow. The Trustees have taken action to release funds held as permanent endowment to cover operational shortfalls and to continue some long term projects. Although the current situation poses considerable problems, the Trustees remain optimistic that Markshall Estate will continue to prosper and develop.

Risk Management

The Trustees have a risk management plan in place which is updated and reviewed annually by the board. The plan focuses on the key risks and uncertainties faced by the Charity including financial uncertainty, the Charity's management, Trustees, reputational risk, environmental risks, health and safety and regulatory requirements.

Financial security is identified as the most significant risk faced by the Charity. As outlined above, the Trustees, Executive Director and senior staff conduct regular risk reviews, and regular reviews of funds, including financial forecasting, to ensure there is sufficient operational capital for the Charity.

Plans for the Future

The Covid-19 pandemic impacted the Charity's ability to fulfil all of its intended plans for 2020 and 2021, and the immediate focus is on ensuring the organisation's financial sustainability through an intensified drive on income generation across business areas, fundraising and strategic business planning.

The goal of the Charity's 5-Year Strategy is to enable the sustainable development of Markshall Estate to further the charitable object and public benefit. 2021 marks the start of the 50th anniversary of the Charity – and we will deliver three major objectives in this year:

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- i) As from Q1 2020, our fundraising plan has a strong focus on Individual Giving – we are working intensively on development of the Membership scheme, Patron support, Donations, Legacies, Adopt a Tree, Commemorative scheme, and we plan to start to deliver targeted High Net Worth events.
- ii) Developing our income streams:
- The Visitor Car Park was extended at the end of 2020 to enable more visitor admissions at busy times
 - The new Shop & Plant Centre launched in Summer 2021, creating more space for covers in the Orchard Kitchen café.
 - As from 1 April 2021, Gift Aid is now included in the standard entry prices, with non-Gift Aid pricing clearly displayed at the Admissions Kiosk for non tax-payers and those not wishing to pay Gift Aid - this will be a huge benefit to the Charity.
 - We are working to generate more income through weddings and bookings for hire of the Coach House
 - A regular public programme of events commences in 2021 to bring in new income streams
 - A classroom building planned for 2022 will bring in new hire income and pay-barrier income through public use of the building.
- iii) Raising our public profile as a 21st century estate with a world-class Arboretum at its heart, and an environmentally sustainable organisation which is taking a lead on climate change locally activities in line with our public benefit

Further strategic plans include:

- The completion in 2021 of the production of the Landscape Master Plan for the Arboretum, and a Digital Plant Catalogue detailing the entire plant collection. The DPC will record every tree in the Arboretum with GPS measurements, and will underpin aspects of business and partnership development as well as maximise learning and research opportunities for decades to come.
- Site wide Wi-Fi connectivity enabling the estate to provide curated geo-caching walks linked to the DPC.
- Initial planning consent was obtained for the development of a network of cycle paths through the estate in August 2020. This is a multi-stakeholder project which will be realised through close working partnerships with Braintree District Council, Essex County Council, Coggeshall and Earls Colne groups, local landowners and funders.

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TRUSTEES' ANNUAL REPORT

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources, and application of resources, including the income and expenditure of the Charity for that period.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 to operate.

The trustees are responsible for keeping sufficient accounting records which 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Scrutton Bland LLP as auditors of the Trust will be put to the trustees.

Approved by the trustees on 16 November 2021 and signed on their behalf by

Geoff Dunn
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Opinion

We have audited the financial statements of Markshall Estate (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and 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 group and Charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

We have nothing to report in this regard.

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12 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 liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the management and trustees (as required by auditing standards), inspection of the charity's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, charity law and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety legislation, anti-bribery and corruption legislation and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and trustees and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. 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 auditor's 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.

SCRUTTON BLAND LLP

Chartered Accountants and Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 16 November 2021

Scrutton Bland LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MARKSHALL ESTATE

GROUP STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Income						
Donations and legacies	2	16,328	500	-	16,828	18,671
Income from charitable activities:						
Grants receivable	3	100,897	-	-	100,897	36,976
Other income from charitable activities	4	200,233	-	-	200,233	191,664
Income from other trading activities	5	687,418	-	-	687,418	1,073,175
Investment income	6	36,606	-	-	36,606	5,748
Total income		1,041,482	500	-	1,041,982	1,326,234
Expenditure						
Expenditure on raising funds	7	871,887	-	-	871,887	950,831
Charitable activities	8	374,135	-	-	374,135	346,213
Total expenditure		1,246,022	-	-	1,246,022	1,297,044
Realised and unrealised investment gains		169,656	-	-	169,656	20,405
Gain on disposal of land		32	-	-	32	1,042,740
Net (expenditure)/income		(34,852)	500	-	(34,352)	1,092,335
Transfer between funds	19	475,599	-	(475,599)	-	-
Net movement in funds carried forward		440,747	500	(475,599)	(34,352)	1,092,335
Balances brought forward at 1 January 2020		£2,326,838	£1,000	£2,341,955	£4,669,793	£3,577,458
Balances carried forward at 31 December 2020		£2,767,585	£1,500	£1,866,356	£4,635,441	£4,669,793

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

Analysis between funds of the 2019 Statement of Financial Activities is shown in note 26 to the accounts.

MARKSHALL ESTATE

GROUP BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	12	2,952,422	2,847,997
Investments	13	1,571,604	142,836
		<u>4,524,026</u>	<u>2,990,833</u>
Current assets			
Stocks	14	8,155	20,651
Debtors	15	357,996	502,646
Cash at bank and in hand		1,032,197	2,214,981
		<u>1,398,348</u>	<u>2,738,278</u>
Creditors: amounts falling due within one year	16	<u>525,966</u>	<u>357,950</u>
Net current assets		<u>872,382</u>	<u>2,380,328</u>
Total assets less current liabilities		5,396,408	5,371,161
Creditors: amounts falling due after more than one year	17	<u>760,967</u>	<u>701,368</u>
Net assets		<u><u>£4,635,441</u></u>	<u><u>£4,669,793</u></u>
Funds			
Capital funds			
Endowments	19	1,866,356	2,341,955
Income funds			
Restricted funds	20	1,500	1,000
Unrestricted funds :			
General charitable funds	21	<u>2,767,585</u>	<u>2,326,838</u>
		<u><u>£4,635,441</u></u>	<u><u>£4,669,793</u></u>

Approved by the Board of Trustees on 16 November 2021 and signed on its behalf by

Geoff Dunn

MARKSHALL ESTATE

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	12	2,935,600	2,833,754
Investments	13	1,571,611	142,843
		<u>4,507,211</u>	<u>2,976,597</u>
Current assets			
Stocks	14	6,384	17,665
Debtors	15	161,559	392,912
Cash at bank and in hand		971,110	2,109,362
		<u>1,139,053</u>	<u>2,519,939</u>
Creditors: amounts falling due within one year	16	340,444	217,450
Net current assets		<u>798,609</u>	<u>2,302,489</u>
Total assets less current liabilities		5,305,820	5,279,086
Creditors: amounts falling due after more than one year	17	608,827	650,734
Net assets		<u>£4,696,993</u>	<u>£4,628,352</u>
Funds			
Capital funds			
Endowments	19	1,866,356	2,341,955
Income funds			
Restricted funds	20	1,500	1,000
Unrestricted funds :			
General charitable funds	21	2,829,137	2,285,397
		<u>£4,696,993</u>	<u>£4,628,352</u>

Approved by the Board of Trustees on 16 November 2021 and signed on its behalf by

Geoff Dunn

MARKSHALL ESTATE

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2020

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash flows from operating activities				
Net movements in funds	(34,352)	1,092,335	68,641	1,075,800
Depreciation of tangible assets	80,802	76,593	76,639	72,472
(Gain) on disposal of tangible assets	(32)	(1,042,740)	(32)	(1,042,740)
Unrealised investment (gain)	(169,656)	(20,405)	(169,656)	(20,405)
Interest paid	22,903	28,653	22,903	28,653
Interest received	(23,673)	(530)	(23,673)	(64)
Dividends received	(12,933)	(5,218)	(12,933)	(5,218)
Decrease/(increase) in debtors	144,650	(375,214)	231,353	(275,024)
Increase in creditors	227,615	97,098	81,087	(38,593)
Decrease/(increase) in stocks	12,496	(9,069)	11,281	(9,635)
Cash from/(used in) operations	247,820	(158,497)	285,610	(214,754)
Interest paid	(22,903)	(28,653)	(22,903)	(28,653)
Interest received	23,673	530	23,673	64
Net cash from/(used in) operating activities	248,590	(186,620)	286,380	(243,343)
Cash flows from investing activities				
Purchase of tangible fixed assets	(185,249)	(76,187)	(178,507)	(72,636)
Purchases of investments	(1,259,112)	(6)	(1,259,112)	(6)
Dividends received	12,933	5,218	12,933	5,218
Proceeds from sale of fixed assets	54	1,043,751	54	1,043,751
Net cash (used in)/from investing activities	(1,431,374)	972,776	(1,424,632)	976,327
Change in cash and cash equivalents in the year	1,182,784	786,156	(1,138,252)	732,984
Cash and cash equivalents brought forward	2,214,981	1,428,825	2,109,362	1,376,378
Cash and cash equivalents carried forward	£1,032,197	£ 2,214,981	£ 971,110	£ 2,109,362

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements are rounded to the nearest £1 and are prepared in sterling.

Consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiary undertaking Markshall Trading Ltd (formerly Marks Hall Enterprises Limited). The results of the subsidiary undertaking are consolidated on a line by line basis. As a consolidated statement of financial activities is published, a separate statement of financial activities for the parent Charity is omitted from the group financial statements.

Going concern

Having considered the Charity's forecasts and projections, the Trustees are satisfied that the Charity has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least twelve months from the date of approving these financial statements. For this reason the Trustees continue to adopt the going concern basis in preparing the accounts.

The activities of the group continue to be significantly impacted by the restrictions imposed as a result of the Covid-19 pandemic. The impact of the coronavirus will have a very significant effect on the economy and the Group during 2021 and potentially beyond. As a result, because not all future events or conditions can be predicted, it is not possible to guarantee the Group's ability to continue as a going concern. The future of the world economy is unclear at this present time due to the ongoing Covid-19 outbreak and it is therefore difficult to evaluate all of the potential implications on the Group's activities, customers, suppliers and the wider economy.

Unrestricted funds

These are funds which are available to spend on activities that further any of the purposes of the Charity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES - (continued)

Restricted funds

Funds restricted by the donor are treated as restricted funds. All other receipts are unrestricted funds. When restricted funds, set up for the purpose of acquiring fixed assets, are fully expended on the relevant assets, the fixed assets are transferred into general funds unless the terms of the original receipt require the asset to be held in a restricted fund.

Permanent endowment funds

The land originally donated to the Trust is vested in the official custodian for Charities. The value of this land upon establishment of the Trust in 1971 is included in fixed assets and reflected as a permanent endowment fund in accordance with the Charities SORP. In 1996 and 1998 the Trust obtained permission from the Charity Commission to spend part of its permanent endowment fund on a new workshop barn and the renovation of Keepers Cottage respectively. These permissions are on the condition that one twenty fifth of the expense is transferred back annually to the permanent endowment fund. At 31 December 2020 the total expense not yet due to be transferred back was an amount of £9,609.

During the years ended 31 December 2018 and 31 December 2019 the Trust made sales of endowed land. The sale proceeds less direct legal fees incurred were transferred into separate bank accounts and held as a permanent endowment investment fund.

The Charities Commission agreed to release £227,500 of these funds under Section 282 for capital projects on 15 March 2019 and since the year end this has been reallocated, with agreement by the Charities Commission, for operating and project expenditure. During the year an application for the release of a further £480,000 was made and this was approved by the Charities Commission on 21 April 2020.

Income

All income is accounted for on an accruals basis with the exception of grants which are accounted for when the Charity has sufficient entitlement to them, and legacies, where entitlement is taken as the earlier of the date on which either: the Charity is made aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants receivable are included as incoming resources from charitable activities when they are for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries and as voluntary income when the grant is of a general nature.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES - (continued)

Gifts in kind are included as incoming resources from generated funds and are valued at the estimated value to the Charity of the service received. Gift aid reclaimed on donations is recognised in the financial statements once the Charity has made a claim.

Donated goods and services

The Charity receives donated services in the form of volunteer work. The economic contribution of general volunteers is not recognised in the financial statements.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on the basis of the level of income for each activity.

Expenditure classified as costs of generating funds include fundraising costs and expenditure incurred in the running of the Visitors' Centre.

Costs classified as charitable activities relate to the expenditure incurred in the running of the arboretum and opening it to visitors, the operations of the Board of Trustees, and addressing constitutional, audit and other statutory matters.

Fixed assets

Fixed assets are included at cost less depreciation. The capitalisation limit of the Charity is £250.

No depreciation is provided on freehold land or freehold buildings. The Charity's policy is to maintain the properties in a continual state of sound repair and accordingly the Trustees are of the opinion that the lives of the properties are so long and residual values so high that their depreciation is insignificant.

Improvements to properties are depreciated at 10% on cost. Kitchen equipment purchased as part of the improvements to the Visitors' Centre is depreciated at 20% on the reducing balance method.

The value of the property contained in the financial statements is reviewed on an annual basis by the Trustees for impairment. Provision is made to reduce the value in the financial statements where it is felt the property value is overstated.

The majority of land and buildings owned by the Charity are let to provide income to the Charity. It is not practical to distinguish these as investments as they are part of the donation to the Charity and were not purchased as investments.

Plant and machinery is depreciated at 20% on the reducing balance method.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES - (continued)

Heritage assets

Marks Hall Estate comprises a varied landscape. The Charity maintains this landscape in the interests of the nation and for future generations. The ancient woodland, comprising approximately 200 acres and the former Deer Park, comprising approximately 250 acres is recognised as a heritage asset. Due to the nature of the asset the Trustees consider it impractical to obtain a conventional valuation, the costs being onerous compared with the additional benefit derived by the Charity and the users of the accounts.

Leasing and hire purchase commitments

Assets held under hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the hire purchase obligations are charged in the profit and loss account over the periods of the contracts and represent a constant proportion of the balance of capital repayments outstanding.

Investments

Listed investments are included at market rate at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans and hire purchase which are subsequently measured at amortised cost using the effective interest method.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES - (continued)

Pension costs

The Charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Charity. The annual contributions are charged to the statement of financial activities.

Taxation

Marks Hall Estate is a Charity within the meaning of the Charities Act 2011 and as such is a Charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly Marks Hall Estate is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

Cash and cash equivalents

Cash and cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash, without being subject to a significant change in value.

Significant judgements and estimates

The more significant judgements and estimates involved in the preparation of the financial statements include assessing the depreciation rates applicable to tangible fixed assets and the way in which certain costs should be apportioned. Further details regarding these points are included within the accounting policies.

2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Disabled vehicle "Buggy"	144	-	-	144	4,369
General donations	16,184	500	-	16,684	14,302
	£ 16,328	£500	£ -	£ 16,828	£ 18,671

The Estate benefits greatly from the support of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102 and the Charities SORP, the economic contribution of general volunteers is not recognised in the accounts.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

3 GRANTS RECEIVABLE

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Land and Environmental	31,385	-	-	31,385	36,976
Other Covid related grants	27,058	-	-	27,058	-
Job retention scheme	42,454	-	-	42,454	-
	<u>£ 100,897</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 100,897</u>	<u>£ 36,976</u>

4 OTHER INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Admissions	133,844	-	-	133,844	149,257
Members' fees	66,389	-	-	66,389	42,407
	<u>£ 200,233</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 200,233</u>	<u>£ 191,664</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Coach house and visitor centre lettings	26,790	-	-	26,790	293,072
Events income	2,859	-	-	2,859	36,924
Shop income	48,877	-	-	48,877	63,205
Catering income	138,548	-	-	138,548	230,654
Rental and estate income	461,773	-	-	461,773	429,158
Timber sales	4,374	-	-	4,374	20,162
Educational income	4,197	-	-	4,197	-
	<u>£ 687,418</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 687,418</u>	<u>£ 1,073,175</u>

6 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
UK equities	12,933	-	-	12,933	5,218
Interest received	23,673	-	-	23,673	530
	<u>£ 36,606</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 36,606</u>	<u>£ 5,748</u>

All investment income for 2020 and 2019 relates to financial assets measured at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

7 EXPENDITURE ON RAISING FUNDS

	Activities undertaken directly £	Visitor Centre Support costs £	Support costs £	Total 2020 £	Total 2019 £
Coach house and visitor lettings	34,302	-	32,213	66,515	255,395
Events	7,088	1,140	417	8,645	64,034
Shop	39,847	19,494	2,343	61,684	73,911
Catering	56,084	55,259	3,297	114,640	204,380
Rental and estates activities	115,689	-	504,714	620,403	353,111
	<u>£ 253,010</u>	<u>£ 75,893</u>	<u>£ 542,984</u>	<u>£ 871,887</u>	<u>£ 950,831</u>

There is no grant funding of activities.

8 CHARITABLE ACTIVITIES

	Activities undertaken directly £	Visitor Centre Support costs £	Support and Governance costs £	Total 2020 £	Total 2019 £
Arboretum	242,343	-	34,444	276,787	207,144
Admissions	-	53,382	-	53,382	86,715
Members' fees	-	26,479	-	26,479	24,638
Trustee and administration expenses	-	-	2,381	2,381	1,512
Auditors' remuneration: in respect of audit services	-	-	9,878	9,878	16,545
in respect of non audit services	-	-	5,228	5,228	9,659
	<u>£ 242,343</u>	<u>£ 79,861</u>	<u>£ 51,931</u>	<u>£ 374,135</u>	<u>£ 346,213</u>

There is no grant funding of activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

9 EXPENDITURE

Total expenditure can be further analysed as follows:

	2020	2019
	£	£
Staff costs	648,717	586,116
Events and Visitor Centre expenditure	3,983	12,347
Shop and catering expenditure	95,737	99,776
Wedding expenditure	16,400	80,585
Repairs to property and equipment	97,909	70,353
Cleaning	28,396	31,316
Telephone	10,890	9,798
Heat, light and water	26,034	24,950
Bank interest and charges	11,063	12,001
Depreciation	80,801	76,593
Miscellaneous	31,691	25,284
Transport, fuel and maintenance	12,425	15,539
Insurance	19,196	22,532
Land access payments	30,000	29,154
Loan interest	11,558	19,264
Hire purchase interest	282	-
Subscriptions	7,325	7,980
Auditors' remuneration	9,878	26,204
Marketing and management fees and expenses	32,900	33,998
Professional fees	38,788	50,129
Trustee and administration expenses	2,381	1,512
Management, staff and volunteer expenses	2,023	12,957
Training	7,502	4,268
Plants	4,032	4,475
Bad debts recovered	7,106	750
Printing	7,475	6,459
D J Expense	-	4,371
Sculpture event	1,530	22,161
Country Show	-	6,172
	<u>£ 1,246,022</u>	<u>£ 1,297,044</u>

Of the above expenditure, £11,558 (2019: £19,264) of interest expense relates to financial liabilities measured at amortised cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

9 EXPENDITURE - (continued)

Visitor Centre support costs

Visitor Centre support costs can be further analysed as follows:

	2020	2019
	£	£
Staff costs	43,160	200,511
Repairs	11,346	19,595
Cleaning	13,031	14,357
Telephone	5,563	4,057
Light, heat and water	10,523	11,851
Bank interest and charges	8,519	8,124
Miscellaneous	42,024	22,808
Depreciation	8,770	4,755
Insurance	6,267	7,428
Legal fees	5,896	5,029
Volunteer expenses	205	3,484
Subscriptions	450	1,510
	£ 155,754	£ 303,509

Basis of allocation of Visitor Centre support costs

Visitor Centre support costs have been allocated to each activity undertaken at the visitor centre on the basis of income for each activity.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

9 EXPENDITURE - (continued)

General support costs

Support costs can be further analysed as follows:

	2020 £	2019 £
Staff costs	375,771	210,702
Marketing fees	27,111	21,040
Professional fees	33,438	45,100
Management, staff and volunteer expenses	1,222	6,325
Training	5,896	1,342
Miscellaneous	23,632	18,871
Bank charges	2,826	3,877
Cleaning	4,568	11,812
Light, heat and water	15,512	13,099
Repairs	69,998	38,943
Telephone	5,327	5,741
Bad debts recovered	7,106	750
Printing, postage and stationery	3,206	3,575
Depreciation	4,162	4,121
Insurance	394	247
Licences	380	388
Subscriptions	2,107	3,739
Equipment hire	-	1,214
Trustee and administration expenses	2,381	1,512
Auditors remuneration	9,878	26,204
	<u>£ 594,915</u>	<u>£ 418,602</u>

Basis of allocation of support costs

Support costs are specifically allocated to the department to which they relate.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

10 EMPLOYEE AND TRUSTEE INFORMATION

	2020 £	2019 £
Employees		
Wages and salaries	594,248	541,000
Social security costs	37,505	37,857
Pension costs	9,823	9,080
	<u>£641,576</u>	<u>£587,937</u>
The average monthly number of employees during the year was made up as follows:	<u>46</u>	<u>43</u>

One employee earned in excess of £60,000 (2019 – one employee).

Trustees

There were 9 Trustees who held office during the year, there were no more than 9 Trustees in office at any time during the year. A special resolution was passed unanimously to increase the maximum number of Trustees from 8 to 12.

No emoluments are payable to any trustee, in their capacity as a trustee and only directly incurred expenses are reimbursed. The amount reimbursed during the year was £2,381 (2019: £1,512). These expenses largely relate to travel and subsistence costs.

Indemnity insurance is maintained covering the Board of Trustees in their capacity as trustees, which cost £561 (2019: £915) in the year.

The key management personnel of the group comprise those of the Charity and the key management personnel of its wholly owned subsidiary, Marks Hall Enterprises Limited. The total employee benefits of the key management personnel of the group were £309,589 (2019: £204,916).

11 AUDIT FEE

	2020 £	2019 £
Auditors' remuneration: in respect of audit services	9,878	10,100
: in respect of payroll services	3,913	1,924
: in respect of other non-audit services	1,315	6,920
	<u>£15,106</u>	<u>£18,944</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

12 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2020	2,405,148	703,120	468,432	3,576,700
Additions	218	150,627	34,404	185,249
Disposals	-	-	(50)	(50)
At 31 December 2020	<u>2,405,366</u>	<u>853,747</u>	<u>502,786</u>	<u>3,761,899</u>
Depreciation				
At 1 January 2020	-	386,677	342,026	728,703
Disposals	-	48,704	32,098	80,802
Charge for year	-	-	(28)	(28)
At 31 December 2020	<u>-</u>	<u>435,381</u>	<u>374,096</u>	<u>809,477</u>
Net book values				
At 31 December 2020	<u>£ 2,405,366</u>	<u>£ 418,366</u>	<u>£ 128,690</u>	<u>£ 2,952,422</u>
At 31 December 2019	<u>£ 2,405,148</u>	<u>£ 316,443</u>	<u>£ 126,406</u>	<u>£2,847,997</u>

Included within the net book value of £2,935,6003 is £9,600 (2019: £12,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,400 (2019: £3,000).

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

12 TANGIBLE FIXED ASSETS - (continued)

Charity

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2020	2,405,148	703,120	438,217	3,546,485
Additions	218	150,627	27,662	178,507
Disposals	-	-	(50)	(50)
At 31 December 2020	<u>2,405,366</u>	<u>853,747</u>	<u>465,829</u>	<u>3,724,942</u>
Depreciation				
At 1 January 2020	-	386,677	326,054	712,731
Disposals	-	48,704	27,935	76,639
Charge for year	-	-	(28)	(28)
At 31 December 2020	-	<u>435,381</u>	<u>353,961</u>	<u>78,342</u>
Net book values				
At 31 December 2020	<u>£ 2,405,366</u>	<u>£ 418,366</u>	<u>£ 111,868</u>	<u>£2,935,600</u>
At 31 December 2019	<u>£ 2,405,148</u>	<u>£ 316,443</u>	<u>£ 112,163</u>	<u>£2,833,754</u>

Included within the net book value of £2,935,600 is £9,600 (2019: £12,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,400 (2019: £3,000).

Assets held for use in operating leases

Included within fixed assets are assets held for use in operating leases, for which the Charity receives rental income. As at 31 December 2020 the minimum annual lease payments to be received in respect of these assets is £363,681 (2019: £363,681).

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

13 INVESTMENTS

Group and Charity

	2020 £	2019 £
Listed investments		
Market value at 1 January 2020	142,836	122,425
Additions at cost	1,259,112	6
Net unrealised investment gain	169,656	20,405
	<u>£ 1,571,604</u>	<u>£ 142,836</u>
Market value at 31 December 2020		
	<u>£ 1,571,604</u>	<u>£ 142,836</u>
Historical cost at 31 December 2020	<u>£ 1,353,920</u>	<u>£ 91,443</u>

Details of the listed investments held at 31 December 2020 are as follows :

	Cost £	Mid-market value £
M and G Charibond Common Investment Fund 7,168 Income Shares	7,786	8,994
M and G Charifund – Equities Investment Fund for Charities 708 Income Units	8,000	9,718
Charinco Common Investment Fund 4,404 Income Shares	7,042	8,676
Charishare Common Investment Fund 3,442 Income Shares	6,532	22,215
Charities Official Investment Fund 1,226 Income Units 37 Accumulated Units	7,802 357	22,086 7,595
Glaxo Smith Kline PLC 3,505 Income Shares	53,924	47,037
Rathbone Portfolio	1,262,477	1,445,283
	<u>£ 1,353,920</u>	<u>£ 1,571,604</u>

The net unrealised gain of £169,604 (2019: £20,405) is in relation to financial assets recognised at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

13 INVESTMENTS - (continued)

Fixed Asset Investments – (continued)

Charity investment in subsidiary

	2020 £	2019 £
Cost and net book value: At 1 January 2020 and at 31 December 2020	<u>£ 7</u>	<u>£ 7</u>
Group		
Total fixed asset investments	<u>£1,571,604</u>	<u>£142,836</u>
Charity		
Total fixed asset investments	<u>£1,571,611</u>	<u>£142,843</u>

The investment in a subsidiary relates to a 100% shareholding in Markshall Trading Ltd (formerly Marks Hall Enterprises Limited) a company incorporated in England and Wales, company number: 07798255. Marks Hall Enterprises Limited was incorporated on 5 October 2011 and commenced trading on 1 January 2012.

The principal activity of Markshall Trading during the year was the hire of a venue for weddings and other functions. For the year to 31 December 2020 the company made a loss before gift aid payments of £102,993 (2019: profit £28,295) and at this date it had reserves of £(61,541) (2019: £41,452). The results of Markshall Trading Limited have been consolidated within these financial statements on a line by line basis.

14 STOCKS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Goods for resale	<u>£8,155</u>	<u>£20,651</u>	<u>£6,384</u>	<u>£17,665</u>

There is no material difference between the book value of stocks and replacement cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

15 DEBTORS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	279,623	182,972	89,391	65,206
Other debtors	30,971	297,392	27,824	305,424
Prepayments	47,402	22,282	44,344	22,282
	<u>£357,996</u>	<u>£502,646</u>	<u>£161,559</u>	<u>£392,912</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Loans and overdrafts	44,942	44,213	44,213	44,213
Trade creditors	157,181	36,816	144,531	31,302
Other creditors	86,470	74,425	86,466	73,700
Amounts owed to subsidiary	-	-	32,228	-
Accruals	36,901	17,300	33,006	13,435
Hire purchase	-	1,818	-	1,818
Deferred income	200,472	183,378	-	52,982
	<u>£ 525,966</u>	<u>£ 357,950</u>	<u>£ 340,444</u>	<u>£ 217,450</u>

Deferred income is recognised in respect of income for future events and rent received in advance and is included within other creditors.

During the year deferred income of £303,341 was accounted for (2019: £234,012) in creditors falling due in under and over one year.

Of the prior year's deferred income, £183,378 (2019: £115,042) was released during the year ended 31 December 2020.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Loans:				
- Due between one and two years	94,628	45,362	45,357	45,362
- Due between two and five years	120,740	139,222	120,740	139,222
- Due after more than five years	442,730	466,150	442,730	466,150
	658,098	650,734	608,827	650,734
Hire purchase:				
- Due between one and two years	-	-	-	-
- Due between two and five years	-	-	-	-
Deferred income:				
- Due between one and two years	102,869	50,634	-	-
Total	£ 760,967	£ 701,368	£ 608,827	£ 650,734

The Purley Farm loan of £189,192 (2019: £199,262) is secured on Bouchiers Grange and Purley Farm, Coggeshall. This loan is repayable by quarterly instalments and bears an interest rate of 2% over base rate.

The first replacement loan of £98,703 (2019: £105,729) is secured on Bouchiers Grange Cottage, Marks Hall Road, Coggeshall, Essex. This loan is repayable by quarterly instalments and bears an interest rate of 5%.

The second replacement loan of £43,277 (2019: £58,875) is secured on approximately 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by quarterly instalments and bears an interest rate of 5%.

The third replacement loan of £276,906 (2019: £286,868) is secured on 1 and 2 Bouchiers Grange Cottages, and 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by monthly instalments and bears an interest rate of 5%.

The hire purchase liability is secured on the assets to which it relates.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

18 FINANCIAL INSTRUMENTS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,571,604	142,836	1,571,611	142,843
Financial assets measured at amortised cost	310,594	480,364	117,215	370,630
	<u>£1,882,198</u>	<u>£ 623,200</u>	<u>£ 1,688,826</u>	<u>£ 513,473</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>£ 946,691</u>	<u>£ 739,563</u>	<u>£916,265</u>	<u>£734,049</u>

Financial assets measured at fair value through profit or loss comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise loans and overdrafts, trade creditors, other creditors and accruals.

19 ENDOWMENTS

Group and Charity

	Balance at 1.1.20 £	Movement in funds		Balance at 31.12.20 £
		Income £	Expenditure, gains/(losses) and transfers £	
Permanent endowment				
Investment	1,957,417	-	475,599	1,481,818
Marks Hall Estate	384,538	-	-	384,538
	<u>£ 2,341,955</u>	<u>£ -</u>	<u>£ 475,599</u>	<u>£ 1,866,356</u>

Included within Movement in Funds is a transfer of £480,000 from endowment funds into unrestricted funds which was approved by the Charities Commission on 21 April 2020.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

20 RESTRICTED FUNDS

Group and Charity

	Balance at 1.1.20 £	Movement in funds Income £	Expenditure, (gains)/losses and transfers £	Balance at 31.12.20 £
Educational events	1,000	500	-	1,500
	<u>£ 1,000</u>	<u>£ 500</u>	<u>£ -</u>	<u>£ 1,500</u>

Educational events

This fund represents donations towards educational events that will be held.

21 UNRESTRICTED FUNDS

	Balance at 1.1.20	Movement in funds Income	Expenditure, (gains)/losses and transfers	Balance at 31.12.20
Group				
General charitable funds	<u>£ 2,326,838</u>	<u>£ 1,041,482</u>	<u>£ 600,735</u>	<u>£ 2,767,585</u>
Charity				
General charitable funds	<u>£ 2,285,397</u>	<u>£ 1,074,715</u>	<u>£ 530,975</u>	<u>£ 2,829,137</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

22 FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary of Marks Hall Enterprises Limited, which hires a venue for weddings and other functions.

The summary financial performance of the Charity alone is:

	2020	2019
	£	£
Income	1,074,715	1,139,042
	<hr/>	<hr/>
Expenditure		
Fundraising trading:		
Cost of goods sold and other costs	805,372	787,433
Charitable activities	361,876	318,497
Governance costs	8,514	20,456
Realised and unrealised		
Investment (gain)	(169,656)	(20,404)
Gain on disposal	(32)	(1,042,740)
	<hr/>	<hr/>
Net incoming resources	68,641	1,075,800
Total funds brought forward	4,628,352	3,552,552
	<hr/>	<hr/>
Total funds carried forward	£4,696,993	£4,628,352
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Restricted funds	1,500	1,000
Endowment funds	1,866,356	2,341,955
Unrestricted funds	2,829,137	2,285,397
	<hr/>	<hr/>
Total funds	£ 4,696,993	£ 4,628,352
	<hr/> <hr/>	<hr/> <hr/>

23 TRANSFER BETWEEN FUNDS

The £4,401 transfer from unrestricted to endowment funds represents the annual repayment to endowment reserve as set out in note 1.

£480,000 has been transferred from endowment funds to unrestricted funds, as approved by the Charities Commission on 21 April 2020.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds				
Educational events	-	-	1,500	1,500
Endowment funds	231,000	80,524	1,554,832	1,866,356
Unrestricted funds				
General charitable funds	2,721,422	1,491,080	(1,444,917)	2,767,585
Total funds	<u>£ 2,952,422</u>	<u>£1,571,604</u>	<u>£ 111,415</u>	<u>£ 4,635,441</u>

Charity

	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds				
Educational events	-	-	1,500	1,500
Endowment funds	231,000	80,524	1,554,832	1,866,356
Unrestricted funds				
General charitable funds	2,704,600	1,491,087	(1,366,550)	2,829,137
Total funds	<u>£ 2,935,600</u>	<u>£1,571,611</u>	<u>£ 189,782</u>	<u>£ 4,696,993</u>

25 RELATED PARTY TRANSACTIONS

The Charity was under the control of the Trustees during the year.

The Charity has taken advantage of the exemption provided by the related party criteria of FRS 102 not to disclose transactions between group companies where the subsidiary is wholly owned within the group.

During the year there were no further related party transactions.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

26 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2019
	£	£	£	£
Income				
Donations and legacies	17,671	1,000	-	18,671
Income from charitable activities:				
Grants receivable	36,976	-	-	36,976
Other income from charitable activities	191,664	-	-	191,664
Income from other trading activities	1,073,175	-	-	1,073,175
Investment income	5,748	-	-	5,748
Other income				
- Insurance claims	-	-	-	-
Total income	1,325,234	1,000	-	1,326,234
Expenditure				
Expenditure on raising funds	950,831	-	-	950,831
Charitable activities	346,213	-	-	346,213
Total expenditure	1,297,044	-	-	1,297,044
Realised and unrealised investment gains	9,866	-	10,539	20,405
Gain on disposal of land	1,748	-	1,040,992	1,042,740
Net income	39,804	1,000	1,051,531	1,092,335
Transfer between funds	223,099	-	(223,099)	-
Net movement in funds carried forward	262,903	1,000	828,432	1,092,335
Balances brought forward at 1 January 2019	2,063,935	-	1,513,523	3,577,458
Balances carried forward at 31 December 2019	£2,326,838	£1,000	£2,341,955	£4,669,793

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

27 ANALYSIS OF NET DEBT

Group	Balance at 1.1.20 £	Cash Movements £	Non Cash Movements £	Balance at 1.12.20 £
Cash at bank and in hand	2,214,981	(1,182,784)	-	1,032,197
Debt due within one year	(44,213)	729	-	(44,942)
Debt due after one year	(701,368)	(59,599)	-	(760,967)
Net funds	£ 1,469,400	£(1,241,654)	£ -	£ 226,288

Charity

	Balance at 1.1.20 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.20 £
Cash at bank and in hand	2,109,362	(1,132,252)	-	977,110
Debt due within one year	(44,213)	-	-	(44,213)
Debt due after one year	(650,734)	41,907	-	(608,827)
Net funds	£ 1,414,415	£(1,090,345)	£ -	£ 324,070

MARKSHALL ESTATE

YEAR ENDED 31 DECEMBER 2020

Detailed Income and Expenditure Accounts for the Trustees' information

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Income				
Estate	542,679		479,476	
Arboretum and Land in Hand	32,481		30,539	
Visitor Centre Operations	466,822		816,219	
		1,041,982		1,326,234
Expenses				
Estate	494,653		436,109	
Arboretum and Land in Hand	223,430		198,449	
Visitor Centre Operations	527,939		662,486	
		1,246,022		1,297,044
Operating surplus/(deficit)				
Estate	48,026		43,367	
Arboretum and Land in Hand	(190,949)		(167,910)	
Visitor Centre Operations	(61,117)		153,733	
		(204,040)		29,190
Gain on disposal of fixed assets		32		1,042,740
Gain on investment		169,656		20,405
(Deficit)/surplus for the financial year		£ (34,352)		£ 1,092,335

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2020 - (continued)

	2020		2019	
	£	£	£	£
Income – Estate				
Rental income	426,966		398,786	
Tenant contributions	1,053		13,135	
Investment income	36,606		5,748	
Insurance and other income	33,335		19,752	
Grants and donations	31,385		36,976	
Job retention scheme grant	13,334		-	
Nursery	-		5,079	
	<hr/>		<hr/>	
		542,679		479,476
Expenses – Estate				
General maintenance	54,833		19,819	
Premises and public liability insurance	18,241		7,428	
Other professional fees	22,587		24,065	
Accountancy	6,133		18,944	
Office administration and services	14,361		14,407	
Office electricity and water	8,520		6,394	
Staff costs	245,426		207,555	
Staff and trustee expenses	3,928		8,698	
Bank charges and overdraft interest	459		1,265	
Miscellaneous	9,346		10,966	
Access payments	30,000		29,154	
Depreciation	67,869		67,717	
Loan interest	11,840		19,264	
Bad debts written off	1,110		433	
	<hr/>		<hr/>	
		494,653		436,109
Divisional surplus		£ 48,026		£ 43,367

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Income – Arboretum and land in hand				
Grants and donations	16,827		10,377	
Job retention scheme grant	5,096		-	
Timber sales	10,558		20,162	
	<u> </u>		<u> </u>	
		32,481		30,539
Expenses – Arboretum and land in hand				
Personnel expenses	677		439	
Staff costs	165,859		150,715	
Equipment	4,065		4,883	
Equipment hire	400		2,455	
Planting and tree surgery	4,032		4,475	
Fuel and oil	5,865		7,044	
Repairs and maintenance	7,402		10,738	
Vehicle insurance and tax	12,497		8,258	
Heat, power and water	6,402		-	
Miscellaneous	7,126		6,142	
Other professional Fees	9,105		3,300	
	<u> </u>		<u> </u>	
		223,430		198,449
Divisional deficit		<u><u>£ (190,949)</u></u>		<u><u>£ (167,910)</u></u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Income – Visitor Centre Operations				
Admission	133,844		149,257	
Catering	138,548		230,616	
Shop and plants	48,877		63,205	
Membership	66,389		42,407	
Coach house	20,606		293,072	
Events	2,859		36,924	
Other income	490		738	
Education and engagement	4,127		-	
Job retention scheme grant	24,024		-	
Grants	27,058		-	
		466,822		816,219
Expenses – Visitor Centre Operations				
Catering	48,488		64,247	
Shop	47,253		35,529	
Wedding	70,260		80,585	
Events	5,513		40,680	
Bank and credit card charges	8,519		10,736	
Cleaning	22,671		28,498	
VC electric and water	10,523		16,041	
Repairs and maintenance	14,105		37,851	
Staff, volunteer and trustee expenses	845		5,856	
Miscellaneous	5,026		7,975	
Marketing and promotions	30,923		36,729	
Staff costs	228,200		227,846	
Office and administration costs	17,341		26,642	
Enterprises	-		4,371	
Depreciation	8,876		8,876	
Legal and professional fees	5,896		30,024	
Education and engagement	3,500		-	
		527,939		662,486
Divisional (deficit)/surplus		(61,117)		153,733
