

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

**GROUP REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2020

MARKSHALL ESTATE

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OFFICERS AND PROFESSIONAL ADVISERS

Trustees	Peter Griffiths Margaret Attwood Robert Cowlin William Conner Jan Smith Benjamin Woodgate Geoffrey Dunn Ian Hodge	(appointed 1 January 2021) (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.

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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.

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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.

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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 discourage 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.

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- 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.

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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.

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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, Nunt'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.

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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.

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 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
		4,524,026	2,990,833
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
		1,398,348	2,738,278
Creditors: amounts falling due within one year	16	525,966	357,950
Net current assets		872,382	2,380,328
Total assets less current liabilities		5,396,408	5,371,161
Creditors: amounts falling due after more than one year	17	760,967	701,368
Net assets		£4,635,441	£4,669,793
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	2,767,585	2,326,838
		£4,635,441	£4,669,793

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
		4,507,211	2,976,597
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
		1,139,053	2,519,939
Creditors: amounts falling due within one year	16	340,444	217,450
Net current assets		798,609	2,302,489
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		£4,696,993	£4,628,352
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
		£4,696,993	£4,628,352

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
	<u>£ 155,754</u>	<u>£ 303,509</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 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>-</u>	<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>
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Charity

Total fixed asset investments	<u>£1,571,611</u>	<u>£142,843</u>
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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
	£1,882,198	£ 623,200	£ 1,688,826	£ 513,473
Financial liabilities				
Financial liabilities measured at amortised cost	£ 946,691	£ 739,563	£916,265	£734,049

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
	£ 2,341,955	£ -	£ 475,599	£ 1,866,356

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 £	Income £	Movement in funds 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	Income	Movement in funds 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
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)
Net incoming resources	68,641	1,075,800
Total funds brought forward	4,628,352	3,552,552
Total funds carried forward	£4,696,993	£4,628,352
Represented by:		
Restricted funds	1,500	1,000
Endowment funds	1,866,356	2,341,955
Unrestricted funds	2,829,137	2,285,397
Total funds	£ 4,696,993	£ 4,628,352

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	£ 2,952,422	£1,571,604	£ 111,415	£ 4,635,441

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	£ 2,935,600	£1,571,611	£ 189,782	£ 4,696,993

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	
		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	
		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	
		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	
		223,430		198,449
Divisional deficit		£ (190,949)		£ (167,910)

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	4127		-	
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