

Registered Charity number 256700

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

**GROUP REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2021

MARKSHALL ESTATE

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OFFICERS AND PROFESSIONAL ADVISERS

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

MARKSHALL ESTATE

TRUSTEES' ANNUAL REPORT

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

The financial statements comply with the Charities Act 2011, the governing document, the accounting policies set out in the notes to the financial statements and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

2021: Covid Impact & Recovery

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

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

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

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

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

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Legal and administrative Information

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

The Trustees during the year under review were as follows:

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

Structure, governance and management

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

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

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

Members of the senior management team in 2021 were:

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

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

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

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

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

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

Trustee Recruitment, Induction and Training

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

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

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

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

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

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

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

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

The aims of the Charity are to:

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

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

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

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

Volunteers

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

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Public Benefit

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

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

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

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

Agriculture & the Tenanted Estate

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

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

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

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

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

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

Woodlands

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

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

Arboretum

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

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

In summer 2020, Ian Chandler (Arboretum Manager) and Martin Bowers (Senior Arborist) created a new natural play area in a wooded area between the 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 completed another natural play area at Robins Grove, called Chestnut Chase, during 2021, which is proving just as popular.

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

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

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

Visitor Centre Activities

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

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

Strategic Development

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

Trustee & Staff Changes

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

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

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

The following staff changes were made during 2021:

Internal Appointments

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

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New Appointments

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

Resignations

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

Pay Policy for Senior Staff

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

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

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

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

Financial Review

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

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

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

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

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

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

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

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

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

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

Reserves Policy & Going Concern

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

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

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Risk Management

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

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

Plans for the Future

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

Developing our income streams:

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

Further strategic plans include:

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

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Statement of Trustees' responsibilities

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The trustees are responsible for keeping sufficient accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Auditors

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

Approved by the trustees on

and signed on their behalf by

27 September 2022

Meriel Barclay

Meriel Barclay

Interim Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

Opinion

We have audited the financial statements of Markshall Estate (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and Charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the management and trustees (as required by auditing standards), inspection of the charity's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of 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 noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety legislation, employment law, anti-bribery and corruption legislation and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and trustees and inspection of regulatory and legal correspondence, if any.

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

No instances of material non-compliance were identified.

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



SCRUTTON BLAND LLP

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

Date: 6/10/22

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

MARKSHALL ESTATE

GROUP STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2021

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

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

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

MARKSHALL ESTATE

GROUP BALANCE SHEET AS AT 31 DECEMBER 2021

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

Approved by the Board of Trustees on

27 September 2022

Meriel Barclay

and signed on its behalf by

Meriel Barclay

MARKSHALL ESTATE

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2021

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

Approved by the Board of Trustees on

27 September 2022

Meriel Barclay

and signed on its behalf by

Meriel Barclay

MARKSHALL ESTATE

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

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

Basis of accounting

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Consolidation

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

Going concern

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

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

Unrestricted funds

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES - (continued)

Restricted funds

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

Permanent endowment funds

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

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

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

Income

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

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES - (continued)

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

Donated goods and services

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

Expenditure

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

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

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

Fixed assets

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

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

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

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

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

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES - (continued)

Heritage assets

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

Investments

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

Stocks

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

Debtors

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

Creditors and provisions

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

Financial instruments

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

Pension costs

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES - (continued)

Taxation

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

Cash and cash equivalents

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

Significant judgements and estimates

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

2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Disabled vehicle "Buggy"	464	-	-	464	144
General donations	7,332	13,253	-	20,585	16,684
	<u>£ 7,796</u>	<u>£ 13,253</u>	<u>£ -</u>	<u>£ 21,049</u>	<u>£ 16,828</u>

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

In the prior year, £500 of donation and legacies income related to restricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

3 GRANTS RECEIVABLE

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Land and Environmental	41,384	-	-	41,384	31,385
Other Covid related grants	18,000	-	-	18,000	27,058
Job retention scheme	41,763	-	-	41,763	42,454
	<u>£ 101,147</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 101,147</u>	<u>£ 100,897</u>
	=				

All amounts in 2020 relate to unrestricted funds.

4 OTHER INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Admissions	163,968	-	-	163,968	133,844
Members' fees	79,882	-	-	79,882	66,389
	<u>£ 243,850</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 243,850</u>	<u>£ 200,233</u>
	=				

All amounts in 2020 relate to unrestricted funds.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Coach house and visitor centre lettings	301,282	-	-	301,282	26,790
Events income	18,633	-	-	18,633	2,859
Shop income	87,340	-	-	87,340	48,877
Catering income	128,519	-	-	128,519	138,548
Rental and estate income	354,000	-	-	354,000	461,773
Timber sales	2,633	-	-	2,633	4,374
Educational income	1,323	-	-	1,323	4,197
Insurance claim	6,771	-	-	6,771	-
Wayleaves	3,906	-	-	3,906	-
Miscellaneous income	16,208	-	-	16,208	-
	<u>£ 920,615</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 920,615</u>	<u>£ 687,418</u>

All amounts in 2020 relate to unrestricted funds.

6 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
UK equities	36,463	-	-	36,463	12,933
Interest received	275	-	-	275	23,673
	<u>£ 36,738</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 36,738</u>	<u>£ 36,606</u>

All investment income for 2021 and 2020 relates to financial assets measured at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

7 EXPENDITURE ON RAISING FUNDS

	Activities undertaken directly £	Visitor Centre Support costs £	Support costs £	Total 2021 £	Total 2020 £
Coach house and visitor lettings	235,381	-	72,149	307,530	66,515
Events	9,471	21,763	1,187	32,421	8,645
Shop	2,035	44,199	255	46,489	61,684
Catering	3,252	3,627	408	7,287	114,640
Rental and estates activities	211,623	-	549,369	790,992	620,403
	<u>£ 461,762</u>	<u>£ 69,589</u>	<u>£ 623,368</u>	<u>£ 1,184,719</u>	<u>£ 871,887</u>

There is no grant funding of activities.

8 CHARITABLE ACTIVITIES

	Activities undertaken directly £	Visitor Centre Support costs £	Support and Governance costs £	Total 2021 £	Total 2020 £
Arboretum	219,090	-	35,126	254,216	276,787
Admissions	-	191,504	-	191,504	53,382
Members' fees	-	93,299	-	93,299	26,479
Trustee and administration expenses	-	-	493	493	2,381
Auditors' remuneration: in respect of audit services	-	-	9,400	9,400	9,878
in respect of non audit services	-	-	13,882	13,882	5,228
	<u>£ 219,090</u>	<u>£ 284,803</u>	<u>£ 58,901</u>	<u>£ 562,794</u>	<u>£ 374,135</u>

There is no grant funding of activities.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

9 EXPENDITURE

Total expenditure can be further analysed as follows:

	2021 £	2020 £
Staff costs	918,568	648,717
Events and Visitor Centre expenditure	32,676	3,983
Shop and catering expenditure	99,440	95,737
Wedding expenditure	10,112	16,400
Repairs to property and equipment	27,136	97,909
Cleaning	43,345	28,396
Telephone	11,354	10,890
Heat, light and water	17,535	26,034
Bank interest and charges	17,597	11,063
Depreciation	158,838	80,801
Miscellaneous	25,584	31,691
Transport, fuel and maintenance	55,495	12,425
Insurance	30,835	19,196
Land access payments	18,967	30,000
Loan interest	15,111	11,558
Hire purchase interest	-	282
Subscriptions	3,856	7,325
Auditors' remuneration	23,282	9,878
Marketing and management fees and expenses	73,572	32,900
Professional fees	84,263	38,788
Trustee and administration expenses	24,985	2,381
Management, staff and volunteer expenses	4,319	2,023
Training	6,319	7,502
Plants	19,067	4,032
Bad debts (recovered)/written off	(7,223)	7,106
Printing	4,568	7,475
Licences	2,075	-
Equipment	25,107	-
Sculpture event	730	1,530
	<u>£ 1,747,513</u>	<u>£ 1,246,022</u>

Of the above expenditure, £15,111 (2020: £11,558) of interest expense relates to financial liabilities measured at amortised cost.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

9 EXPENDITURE - (continued)

Visitor Centre support costs

Visitor Centre support costs can be further analysed as follows:

	2021 £	2020 £
Staff costs	245,255	43,160
Repairs	12,511	11,346
Cleaning	24,451	13,031
Telephone	5,838	5,563
Light, heat and water	8,285	10,523
Bank interest and charges	9,059	8,519
Miscellaneous	30,747	42,024
Depreciation	-	8,770
Insurance	10,302	6,267
Legal fees	4,315	5,896
Volunteer expenses	2,693	205
Subscriptions	936	450
	<u>£ 354,392</u>	<u>£ 155,754</u>

Basis of allocation of Visitor Centre support costs

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

9 EXPENDITURE - (continued)

General support costs

Support costs can be further analysed as follows:

	2021 £	2020 £
Staff costs	396,303	375,771
Marketing fees	55,810	27,111
Professional fees	75,389	33,438
Management, staff and volunteer expenses	2,292	1,222
Training	3,450	5,896
Miscellaneous	22,652	23,632
Bank charges	23,374	2,826
Cleaning	18,894	4,568
Light, heat and water	9,243	15,512
Repairs	46,540	69,998
Telephone	5,516	5,327
Bad debts (recovered)/written off	(7,223)	7,106
Printing, postage and stationery	2,507	3,206
Depreciation	6,733	4,162
Insurance	607	394
Licences	2,075	380
Subscriptions	2,920	2,107
Equipment hire	5,294	-
Trustee and administration expenses	493	2,381
Auditors remuneration	9,400	9,878
	<u>£ 682,269</u>	<u>£ 594,915</u>

Basis of allocation of support costs

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

10 EMPLOYEE AND TRUSTEE INFORMATION

	2021 £	2020 £
Employees		
Wages and salaries	838,281	594,248
Social security costs	64,174	37,505
Pension costs	16,113	9,823
	<u>£918,568</u>	<u>£641,576</u>
 The average monthly number of employees during the year was made up as follows:	 <u>64</u>	 <u>46</u>

One employee earned in excess of £60,000 (2020 – one employee).

Trustees

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

No emoluments are payable to any trustee, in their capacity as a trustee and only directly incurred expenses are reimbursed. The amount reimbursed during the year was £493 (2020: £2,381). These expenses largely relate to travel and subsistence costs.

Indemnity insurance is maintained covering the Board of Trustees in their capacity as trustees, which cost £400 (2020: £561) in the year.

The key management personnel of the group comprise those of the Charity and the key management personnel of its wholly owned subsidiary, Markshall Trading Limited. The total employee benefits of the key management personnel of the group were £345,118 (2020: £309,589).

11 AUDIT FEE

	2021 £	2020 £
Auditors' remuneration : in respect of audit services	9,400	9,878
: in respect of payroll services	5,050	3,913
: in respect of other non-audit services	8,832	1,315
	<u>£23,282</u>	<u>£15,106</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

12 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2021	2,405,366	853,747	502,786	3,761,899
Additions	-	547,374	87,333	634,707
Disposals	(14,942)	(110,523)	(468)	(125,933)
	<u>2,390,424</u>	<u>1,290,598</u>	<u>589,651</u>	<u>4,270,673</u>
At 31 December 2021				
Depreciation				
At 1 January 2021	-	435,381	374,096	809,477
Disposals	-	(20,539)	-	(20,539)
Charge for year	-	91,966	56,731	148,697
	<u>-</u>	<u>506,808</u>	<u>430,827</u>	<u>937,635</u>
At 31 December 2021				
Net book values				
At 31 December 2021	<u>£ 2,390,424</u>	<u>£ 783,790</u>	<u>£ 158,824</u>	<u>£ 3,333,038</u>
At 31 December 2020	<u>£ 2,405,366</u>	<u>£ 418,366</u>	<u>£ 128,690</u>	<u>£ 2,952,422</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

12 TANGIBLE FIXED ASSETS - (continued)

Charity

	Freehold property £	Improvements to properties £	Plant and machinery £	Total £
Cost				
At 1 January 2021	2,405,366	853,747	465,829	3,724,942
Additions	-	547,374	80,019	627,393
Disposals	(14,942)	(110,523)	(468)	(125,933)
At 31 December 2021	<u>2,390,424</u>	<u>1,290,598</u>	<u>545,380</u>	<u>4,226,402</u>
Depreciation				
At 1 January 2021	-	435,381	353,961	789,342
Disposals	-	(20,539)	-	(20,539)
Charge for year	-	91,966	49,998	141,964
At 31 December 2021	<u>-</u>	<u>506,808</u>	<u>403,959</u>	<u>910,767</u>
Net book values				
At 31 December 2021	<u>£ 2,390,424</u>	<u>£ 783,790</u>	<u>£ 141,421</u>	<u>£3,315,635</u>
At 31 December 2020	<u>£ 2,405,366</u>	<u>£ 418,366</u>	<u>£ 111,868</u>	<u>£2,935,600</u>

Assets held for use in operating leases

Included within fixed assets are assets held for use in operating leases, for which the Charity receives rental income. As at 31 December 2021 the minimum annual lease payments to be received in respect of these assets is £354,000 (2020: £363,681).

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

13 INVESTMENTS

Group and Charity

	2021 £	2020 £
Listed investments		
Market value at 1 January 2021	1,571,604	142,836
Additions at cost	1,387,190	1,259,112
Net unrealised investment gain	172,938	169,656
Market value at 31 December 2021	<u>£ 3,131,732</u>	<u>£ 1,571,604</u>
Historical cost at 31 December 2021	<u>£ 2,741,110</u>	<u>£ 1,353,920</u>

Details of the listed investments held at 31 December 2021 are as follows :

	Cost £	Mid-market value £
M and G Charibond Common Investment Fund 7,168 Income Shares	7,786	8,685
M and G Charifund – Equities Investment Fund for Charities 708 Income Units	8,000	11,018
Charinco Common Investment Fund 4,404 Income Shares	7,042	8,090
Charishare Common Investment Fund 3,442 Income Shares	6,532	24,621
Charities Official Investment Fund 1,226 Income Units 37 Accumulated Units	7,802 371	25,220 8,922
Glaxo Smith Kline PLC 3,505 Income Shares	53,924	56,311
Rathbone Portfolio	2,649,653	2,988,865
	<u>£ 2,741,110</u>	<u>£ 3,131,732</u>

The net unrealised gain of £172,938 (2020: £169,656) is in relation to financial assets recognised at fair value.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

13 INVESTMENTS - (continued)

Fixed Asset Investments – (continued)

Charity investment in subsidiary

	2021 £	2020 £
Cost and net book value: At 1 January 2021 and at 31 December 2021	<u>£ 7</u>	<u>£ 7</u>
Group		
Total fixed asset investments	<u>£3,131,732</u>	<u>£1,571,604</u>
Charity		
Total fixed asset investments	<u>£3,131,739</u>	<u>£1,571,611</u>

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

The principal activity of Markshall Trading during the year was the hire of a venue for weddings and other functions and running the catering function of the group. For the year to 31 December 2021 the company made a profit before gift aid payments of £81,668 (2020: loss £102,993) and at this date it had net assets of £20,127 (2020: £61,541 net liabilities). The results of Markshall Trading Limited have been consolidated within these financial statements on a line by line basis.

14 STOCKS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Goods for resale	<u>£23,173</u>	<u>£8,155</u>	<u>£-</u>	<u>£6,384</u>

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

15 DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	302,072	279,623	22,650	89,391
Other debtors	91,612	30,971	89,255	27,824
Prepayments	80,414	47,402	37,295	44,344
	<u>£474,098</u>	<u>£357,996</u>	<u>£149,200</u>	<u>£161,559</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Loans and overdrafts	49,601	44,942	39,601	44,213
Trade creditors	108,818	157,181	96,372	144,531
Other creditors	90,133	86,470	56,656	86,466
Amounts owed to subsidiary	-	-	-	32,228
Other taxation and social security	48,488	-	-	-
Accruals	20,325	36,901	18,955	33,006
Deferred income	109,902	200,472	47	-
	<u>£ 427,267</u>	<u>£ 525,966</u>	<u>£ 211,631</u>	<u>£ 340,444</u>

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

During the year deferred income of £329,146 was accounted for (2020: £303,341) in creditors falling due in under and over one year.

Of the prior year's deferred income, £303,341 (2020: £183,378) was released during the year ended 31 December 2021.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Loans:				
- Due between one and two years	50,562	94,628	40,562	45,357
- Due between two and five years	466,454	120,740	437,390	120,740
- Due after more than five years	351,562	442,730	351,562	442,730
	<u>868,578</u>	<u>658,098</u>	<u>829,514</u>	<u>608,827</u>
Deferred income:				
- Due between one and two years	219,244	102,869	-	-
Total	<u>£ 1,087,822</u>	<u>£ 760,967</u>	<u>£ 829,514</u>	<u>£ 608,827</u>

The Purley Farm loan of £181,626 (2020: £189,192) is secured on Bouchiers Grange and Purley Farm, Coggeshall. This loan is repayable by quarterly instalments and bears an interest rate of 2% over base rate.

The first replacement loan of £Nil (2020: £98,703) is secured on Bouchiers Grange Cottage, Marks Hall Road, Coggeshall, Essex. This loan is repayable by quarterly instalments and bears an interest rate of 5%.

The second replacement loan of £27,465 (2020: £43,277) is secured on approximately 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by quarterly instalments and bears an interest rate of 5%.

The third replacement loan of £268,638 (2020: £276,906) is secured on 1 and 2 Bouchiers Grange Cottages, and 2 acres of land adjacent to Earls Colne Business Park, Earls Colne. The loan is repayable by monthly instalments and bears an interest rate of 5%.

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

18 FINANCIAL INSTRUMENTS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Financial assets				
Financial assets measured at fair value through profit or loss	3,131,732	1,571,604	3,131,739	1,571,611
Financial assets measured at amortised cost	393,684	310,594	104,166	117,215
	<u>£ 3,525,416</u>	<u>£ 1,882,198</u>	<u>£ 3,235,905</u>	<u>£ 1,688,826</u>
Financial liabilities				
Financial liabilities measured at amortised cost	£ 1,295,845	£ 946,691	£ 1,041,145	£ 916,265
	<u>1,295,845</u>	<u>946,691</u>	<u>1,041,145</u>	<u>916,265</u>

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

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

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

19 ENDOWMENTS

Group and Charity

	Balance at 1.1.21	Movement in funds		Balance at 31.12.21
	£	Income	Expenditure, gains/(losses) and transfers	£
	£	£	£	£
Permanent endowment				
Investment	1,481,818	-	4,401	1,486,219
Markshall Estate	384,538	1,405,216	-	1,789,754
	<u>£ 1,866,356</u>	<u>£ 1,405,216</u>	<u>£ 4,401</u>	<u>£ 3,275,973</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

20 RESTRICTED FUNDS

Group and Charity

	Balance at 1.1.21 £	Movement in funds		Balance at 31.12.21 £
		Income £	Expenditure, (gains)/losses and transfers £	
Educational events	1,500	13,000	-	14,500
Cycle path	-	253	-	253
	<u>£ 1,500</u>	<u>£ 13,253</u>	<u>£ -</u>	<u>£ 14,753</u>

Educational events

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

21 UNRESTRICTED FUNDS

	Balance at 1.1.21	Movement in funds		Balance at 31.12.21
		Income	Expenditure, (gains)/losses and transfers	
Group				
General charitable funds	<u>£ 2,767,585</u>	<u>£ 1,310,146</u>	<u>£ 1,578,976</u>	<u>£ 2,498,755</u>
Charity				
General charitable funds	<u>£ 2,829,137</u>	<u>£ 917,076</u>	<u>£ 1,267,578</u>	<u>£ 2,478,635</u>

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

22 FINANCIAL PERFORMANCE OF THE CHARITY

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

The summary financial performance of the Charity alone is:

	2021 £	2020 £
Income	930,331	1,074,715
Expenditure		
Fundraising trading:		
Cost of goods sold and other costs	877,193	805,372
Charitable activities	539,019	361,876
Governance costs	19,905	8,514
Realised and unrealised		
Investment (gain)	(172,938)	(169,656)
Gain on disposal	(1,405,216)	(32)
Net incoming resources	1,072,368	68,641
Total funds brought forward	4,696,993	4,628,352
Total funds carried forward	£ 5,769,361	£ 4,696,993
 Represented by:		
Restricted funds	14,753	1,500
Endowment funds	3,275,973	1,866,356
Unrestricted funds	2,478,635	2,829,137
Total funds	£ 5,769,361	£ 4,696,993

23 TRANSFER BETWEEN FUNDS

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

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group				
	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	14,753	14,753
Endowment funds	216,058	86,556	2,973,359	3,275,973
Unrestricted funds				
General charitable funds	3,116,980	3,045,176	(3,663,401)	2,498,755
Total funds	<u>£3,333,038</u>	<u>£3,131,732</u>	<u>£(675,289)</u>	<u>£5,789,481</u>

Charity				
	Tangible fixed assets £	Investments £	Net current assets less long term liabilities £	Total £
Restricted funds	-	-	14,753	14,753
Endowment funds	216,058	86,556	2,973,359	3,275,973
Unrestricted funds				
General charitable funds	3,099,577	3,045,183	(3,666,125)	2,478,635
Total funds	<u>£3,315,635</u>	<u>£3,131,739</u>	<u>£(678,013)</u>	<u>£5,769,361</u>

25 RELATED PARTY TRANSACTIONS

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

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

During the year there were no further related party transactions.

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

26 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020 £
	£	£	£	£
Income				
Donations and legacies	16,328	500	-	16,828
Income from charitable activities:				
Grants receivable	100,897	-	-	100,897
Other income from charitable activities	200,233	-	-	200,233
159				
Income from other trading activities	687,418	-	-	687,418
Investment income	36,606	-	-	36,606
Total income	1,041,482	500	-	1,041,982
Expenditure				
Expenditure on raising funds	871,887	-	-	871,887
Charitable activities	374,135	-	-	374,135
Total expenditure	1,246,022	-	-	1,246,022
Realised and unrealised investment gains	169,656	-	-	169,656
Gain on disposal of land	32	-	-	32
Net income	(34,852)	500	-	(34,352)
Transfer between funds	475,599	-	(475,599)	-
Net movement in funds carried forward	440,747	500	(475,599)	(34,352)
Balances brought forward at 1 January 2020	2,326,838	1,000	2,341,955	4,669,793
Balances carried forward at 31 December 2020	£2,767,585	£1,500	£1,866,356	£4,635,441

MARKSHALL ESTATE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

27 ANALYSIS OF NET DEBT

Group

	Balance at 1.1.21 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.21 £
Cash at bank and in hand	1,032,197	(689,668)	-	342,529
Debt due within one year	(44,942)	(4,659)	-	(49,601)
Debt due after one year	(658,098)	(210,480)	-	(868,578)
Net funds/(debt)	£ 329,157	£(904,807)	£ -	£ (575,650)

Charity

	Balance at 1.1.21 £	Cash Movements £	Non Cash Movements £	Balance at 31.12.21 £
Cash at bank and in hand	977,110	(763,178)	-	213,932
Debt due within one year	(44,213)	4,612	-	(39,601)
Debt due after one year	(608,827)	(220,687)	-	(829,514)
Net funds/(debt)	£ 324,070	£(979,253)	£ -	£ (655,183)

MARKSHALL ESTATE

YEAR ENDED 31 DECEMBER 2021

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

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Income				
Estate	477,180		542,679	
Arboretum and Land in Hand	45,094		32,481	
Visitor Centre Operations	801,125		466,822	
		1,323,399		1,041,982
Expenses				
Estate	786,578		494,653	
Arboretum and Land in Hand	238,719		223,430	
Visitor Centre Operations	722,216		527,939	
		1,747,513		1,246,022
Operating surplus/(deficit)				
Estate	(309,398)		48,026	
Arboretum and Land in Hand	(193,625)		(190,949)	
Visitor Centre Operations	78,909		(61,117)	
		(424,114)		(204,040)
Gain on disposal of fixed assets		1,405,216		32
Gain on investment		172,938		169,656
Surplus/(deficit) for the financial year		£ 1,154,040		£ (34,352)

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2021 - (continued)

	2021		2020	
	£	£	£	£
Income – Estate				
Rental income	350,175		426,966	
Tenant contributions	3,825		1,053	
Investment income	36,738		36,606	
Insurance and other income	19,100		33,335	
Grants and donations	29,812		31,385	
Job retention scheme grant	33,624		13,334	
Nursery	3,906		-	
	<u>-</u>		<u>-</u>	
		477,180		542,679
Expenses – Estate				
General maintenance	37,266		54,833	
Premises and public liability insurance	10,076		18,241	
Other professional fees	71,405		22,587	
Accountancy	19,412		6,133	
Office administration and services	27,192		14,361	
Office electricity and water	7,992		8,520	
Staff costs	417,923		245,426	
Staff and trustee expenses	2,651		3,928	
Bank charges and overdraft interest	1,862		459	
Miscellaneous	13,846		9,346	
Access payments	18,967		30,000	
Depreciation	152,105		67,869	
Loan interest	15,111		11,840	
Bad debts (recovered)/written off	(9,230)		1,110	
	<u>-</u>		<u>-</u>	
		786,578		494,653
Divisional (deficit)/surplus		<u><u>£ (309,398)</u></u>		<u><u>£ 48,026</u></u>

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Income – Arboretum and land in hand				
Grants and donations	39,049		16,827	
Job retention scheme grant	3,412		5,096	
Timber sales	2,633		10,558	
		45,094		32,481
Expenses – Arboretum and land in hand				
Personnel expenses	134		677	
Staff costs	183,324		165,859	
Equipment	6,337		4,065	
Equipment hire	4,056		400	
Planting and tree surgery	3,678		4,032	
Fuel and oil	7,821		5,865	
Repairs and maintenance	15,071		7,402	
Vehicle insurance and tax	10,754		12,497	
Heat, power and water	1,922		6,402	
Miscellaneous	5,622		7,126	
Other professional Fees	-		9,105	
		238,719		223,430
Divisional deficit		£ (193,625)		£ (190,949)

MARKSHALL ESTATE

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2020

	2021		2020	
	£	£	£	£
Income – Visitor Centre Operations				
Admission	163,968		133,844	
Catering	128,519		138,548	
Shop and plants	37,843		48,877	
Membership	79,882		66,389	
Coach house	331,391		20,606	
Events	38,021		2,859	
Other income	5,202		490	
Education and engagement	-		4,127	
Job retention scheme grant	4,727		24,024	
Grants	11,572		27,058	
		801,125		466,822
Expenses – Visitor Centre Operations				
Catering	42,310		48,488	
Shop	71,521		47,253	
Wedding	10,112		70,260	
Events	23,934		5,513	
Bank and credit card charges	31,250		8,519	
Cleaning	34,112		22,671	
VC electric and water	7,621		10,523	
Repairs and maintenance	26,666		14,105	
Staff, volunteer and trustee expenses	1,534		845	
Miscellaneous	14,662		5,026	
Marketing and promotions	73,476		30,923	
Staff costs	320,515		228,200	
Office and administration costs	27,994		17,341	
Depreciation	6,733		8,876	
Insurance	10,683		-	
Legal and professional fees	9,562		5,896	
Education and engagement	-		3,500	
Equipment	7,524		-	
Bad debts written off	2,007		-	
		722,216		527,939
Divisional surplus/(deficit)		78,909		(61,117)