

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

**GROUP REPORT AND  
FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

# MARKSHALL ESTATE

## CONTENTS

---

	<b>Pages</b>
Officers and professional advisers	1
Trustees' annual report	2 - 13
Independent auditor's report	14 - 16
Group statement of financial activities	17
Group balance sheet	18
Charity balance sheet	19
Statement of cash flows and consolidated statement of cash flows	20
Notes to the financial statements	21 - 44

---

The following pages are included for the Trustees' information  
and do not form part of the financial statements:

Income and expenditure account	45 - 49
--------------------------------	---------

# MARKSHALL ESTATE

## OFFICERS AND PROFESSIONAL ADVISERS

---

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

# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

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

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

### Legal and administrative information

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

The Trustees during the year under review were as follows:

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

### Structure, Governance & Management

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

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

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

Members of the Senior Management Team are:

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

# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

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

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

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

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

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

### **Trustee Recruitment, Induction & Training**

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

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

# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

### Strategic Objectives & Activities

#### Summary of Activities

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

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

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

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

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

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

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

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

The aims of the Charity are to:

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



# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

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

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

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

### Volunteers

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

# **MARKSHALL ESTATE**

## **TRUSTEES' ANNUAL REPORT**

---

### **Public Benefit**

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

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

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

### **Agriculture & the Tenanted Estate**

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

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

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

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

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



# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

### Woodlands

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

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

### Arboretum

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

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

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

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

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

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

# **MARKSHALL ESTATE**

## **TRUSTEES' ANNUAL REPORT**

---

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

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

### **Visitor Centre Activities**

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

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

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

### **Strategic Development**

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

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

# **MARKSHALL ESTATE**

## **TRUSTEES' ANNUAL REPORT**

---

### **Trustee Changes**

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

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

### **Staff and Remuneration**

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

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

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

### **Financial Review**

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

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

# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

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

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

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

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

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

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

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

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



# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

### Reserves Policy, Going Concern and Plans for the Future

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

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

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

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

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

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

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

# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

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

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

### **Risk Management**

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

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

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

### **Statement of Trustees' Responsibilities**

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

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

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

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



# MARKSHALL ESTATE

## TRUSTEES' ANNUAL REPORT

---

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

In so far as the Trustees are aware:

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

### Auditors

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

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

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



**Meriel Barclay**  
Chair of Trustees

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

---

## Opinion

We have audited the financial statements of Markshall Estate (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and Charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

---

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKSHALL ESTATE

---

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

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

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

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

### Use of our report

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

SB Audit LLP

### SB AUDIT LLP

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

Date: 31/10/23

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

# MARKSHALL ESTATE

## GROUP STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2022

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

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

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



# MARKSHALL ESTATE

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2022

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

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

*Meriel Barclay*

**Meriel Barclay**



# MARKSHALL ESTATE

## CHARITY BALANCE SHEET AS AT 31 DECEMBER 2022

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

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

*Meriel Barclay*

**Meriel Barclay**

# MARKSHALL ESTATE

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

---

### 1 ACCOUNTING POLICIES

#### ***Basis of accounting***

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

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

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

#### ***Consolidation***

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

#### ***Going concern***

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

#### ***Unrestricted funds***

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

---

### 1 ACCOUNTING POLICIES - (continued)

#### *Restricted funds*

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

#### *Permanent endowment funds*

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

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

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

#### *Income*

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

---

### 1 ACCOUNTING POLICIES - (continued)

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

#### ***Donated goods and services***

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

#### ***Expenditure***

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

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

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

#### ***Fixed assets***

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

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

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

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

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

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

---

### 1 ACCOUNTING POLICIES - (continued)

#### *Heritage assets*

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

#### *Investments*

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

#### *Stocks*

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

#### *Debtors*

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

#### *Creditors and provisions*

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

#### *Financial instruments*

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

#### *Pension costs*

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 1 ACCOUNTING POLICIES - (continued)

#### *Taxation*

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

#### **Cash and cash equivalents**

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

#### **Significant judgements and estimates**

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

### 2 DONATIONS AND LEGACIES

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

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

---

### 3 GRANTS RECEIVABLE

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

All amounts in 2021 relate to unrestricted funds.

### 4 OTHER INCOME FROM CHARITABLE ACTIVITIES

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

All amounts in 2021 relate to unrestricted funds.

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 5 INCOME FROM OTHER TRADING ACTIVITIES

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

All amounts in 2021 relate to unrestricted funds.

### 6 INVESTMENT INCOME

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 7 EXPENDITURE ON RAISING FUNDS

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

There is no grant funding of activities.

### 8 CHARITABLE ACTIVITIES

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

There is no grant funding of activities.

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 9 EXPENDITURE

Total expenditure can be further analysed as follows:

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

---

### 9 EXPENDITURE - (continued)

#### Visitor Centre support costs

Visitor Centre support costs can be further analysed as follows:

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

#### Basis of allocation of Visitor Centre support costs

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 9 EXPENDITURE - (continued)

#### General support costs

Support costs can be further analysed as follows:

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

#### Basis of allocation of support costs

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 10 EMPLOYEE AND TRUSTEE INFORMATION

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

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

#### Trustees

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

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

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

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

### 11 AUDIT FEE

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 12 TANGIBLE FIXED ASSETS

#### Group

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 12 TANGIBLE FIXED ASSETS - (continued)

#### Charity

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

#### Assets held for use in operating leases

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 13 INVESTMENTS

#### Group and Charity

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

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

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 13 INVESTMENTS - (continued)

#### Fixed Asset Investments – (continued)

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

#### Charity investment in subsidiary

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

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

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

### 14 STOCKS

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 15 DEBTORS

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

### 16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

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

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

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

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 18 FINANCIAL INSTRUMENTS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	2,341,008	3,131,732	2,341,015	3,131,739
Financial assets measured at amortised cost	373,966	393,684	185,906	104,166
	<u>£ 2,714,974</u>	<u>£ 3,525,416</u>	<u>£ 2,526,921</u>	<u>£ 3,235,905</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>£ 1,374,785</u>	<u>£ 1,295,845</u>	<u>£ 1,276,257</u>	<u>£ 1,041,145</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 1.1.22	Movement in funds		Balance at 31.12.22
	£	Income	Expenditure, gains/(losses) and transfers	£
	£	£	£	£
<b>Permanent endowment</b>				
Investment	1,486,219	-	(345,599)	1,140,620
Markshall Estate	1,789,754	-	-	1,789,754
	<u>£ 3,275,973</u>	<u>£ -</u>	<u>£ (345,599)</u>	<u>£ 2,930,374</u>

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 20 RESTRICTED FUNDS

#### Group and Charity

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

#### Educational events

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

### 21 UNRESTRICTED FUNDS

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

### 22 CAPITAL COMMITMENTS

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

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 23 FINANCIAL PERFORMANCE OF THE CHARITY

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

The summary financial performance of the Charity alone is:

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

### 24 TRANSFER BETWEEN FUNDS

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 25 ANALYSIS OF NET ASSETS BETWEEN FUNDS

#### Group

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

#### Charity

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

### 26 RELATED PARTY TRANSACTIONS

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

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

During the year there were no further related party transactions.

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 27 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

### 28 ANALYSIS OF NET DEBT

#### Group

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

#### Charity

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

# **MARKSHALL ESTATE**

**YEAR ENDED 31 DECEMBER 2022**

---

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



# MARKSHALL ESTATE

## INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2022

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

# MARKSHALL ESTATE

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

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

# MARKSHALL ESTATE

## INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2022

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

# MARKSHALL ESTATE

## INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2022

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