

# **MARKSHALL ESTATE**

## **GROUP REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

# MARKSHALL ESTATE

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# MARKSHALL ESTATE

## OFFICERS AND PROFESSIONAL ADVISERS

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<b>Trustees</b>	Peter Griffiths Robert Cowlin Jan E Smith Benjamin Woodgate Ian Hodge David Whipps Meriel Barclay	(retired 1 June 2023)
<b>Chief Executive</b>	David Finkle	
<b>Registered Office</b>	Markshall Estate Markshall Coggeshall CO6 1TG	
<b>Registered Number</b>	Charity 256700	
<b>Auditors</b>	Sumer Auditco Limited 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

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

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

### Legal and administrative information

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

The Trustees during the year under review were as follows:

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

### Structure, Governance & Management

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

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

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

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

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

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

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

Members of the Senior Management Team are:

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

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

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

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

### Trustee Recruitment, Induction & Training

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

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

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### Strategic Objectives & Activities

#### Summary of Activities

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

The aims of the Charity are to:

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

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

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

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

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

### Public Benefit

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

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

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

### Arboretum

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

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

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

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

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

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

A range of guided walks for the public, gardening and social groups, and horticultural and landscape design students have taken place during the year. During 2023 a new play area was created in the Picnic Field and has proved to be a great success. This complements the natural play areas in a wooded area near the 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 2023 the shop gradually increased its variety of stock, determined by demand from visitors. It will continue to widen its range of products. The new building opened in 2022 provides a much improved admissions area, an area to display artifacts relating to Markshall's heritage and a retail area. Above the shop is an office providing enhanced work space for staff.

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

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



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

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

### **Woodlands**

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

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

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

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

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

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

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

### Strategic Development

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

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

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

### Staff and Remuneration

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

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

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

### Financial Review

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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### **Risk Management**

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

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

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

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

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

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

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

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

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

In so far as the Trustees are aware:

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

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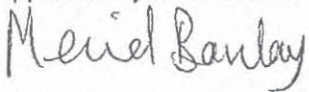
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#### Auditors

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

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

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

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


**Meriel Barclay**  
Chair of Trustees

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

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## Opinion

We have audited the financial statements of Markshall Estate (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and Charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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



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

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We have nothing to report in this regard.

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

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

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

## **Responsibilities of trustees**

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

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

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

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

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

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

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

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

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

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

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

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.

*Sumer Auditco Limited*

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

Date: 24/10/24

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

# MARKSHALL ESTATE

## GROUP STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2023

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

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

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

# MARKSHALL ESTATE

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2023

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

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

*Meriel Barclay*

**Meriel Barclay**

# MARKSHALL ESTATE

## CHARITY BALANCE SHEET AS AT 31 DECEMBER 2023

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

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

*Meriel Barclay*

Meriel Barclay

# MARKSHALL ESTATE

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

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 1 ACCOUNTING POLICIES

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

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

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

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

#### ***Consolidation***

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

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

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

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 1 ACCOUNTING POLICIES - (continued)

#### ***Restricted funds***

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

#### ***Permanent endowment funds***

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

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

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

#### ***Income***

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

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 1 ACCOUNTING POLICIES - (continued)

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

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

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

#### ***Expenditure***

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

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

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

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

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

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

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

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 1 ACCOUNTING POLICIES - (continued)

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

#### ***Heritage assets***

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

#### ***Investments***

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

#### ***Stocks***

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

#### ***Debtors***

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

#### ***Creditors and provisions***

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

#### ***Financial instruments***

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

#### ***Pension costs***

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 1 ACCOUNTING POLICIES - (continued)

#### *Taxation*

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

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

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

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

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

### 2 DONATIONS AND LEGACIES

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

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 3 GRANTS RECEIVABLE

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

All amounts in 2022 relate to unrestricted funds.

### 4 OTHER INCOME FROM CHARITABLE ACTIVITIES

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

All amounts in 2022 relate to unrestricted funds.

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 5 INCOME FROM OTHER TRADING ACTIVITIES

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

All amounts in 2022 relate to unrestricted funds.

### 6 INVESTMENT INCOME

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 7 EXPENDITURE ON RAISING FUNDS

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

There is no grant funding of activities.

### 8 CHARITABLE ACTIVITIES

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

There is no grant funding of activities.

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 9 EXPENDITURE

Total expenditure can be further analysed as follows:

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 9 EXPENDITURE - (continued)

#### Visitor Centre support costs

Visitor Centre support costs can be further analysed as follows:

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

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

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 9 EXPENDITURE - (continued)

#### General support costs

Support costs can be further analysed as follows:

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

#### Basis of allocation of support costs

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 10 EMPLOYEE AND TRUSTEE INFORMATION

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

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

#### Trustees

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

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

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

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

### 11 AUDIT FEE

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 12 TANGIBLE FIXED ASSETS

#### Group

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 12 TANGIBLE FIXED ASSETS - (continued)

#### Charity

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

#### Assets held for use in operating leases

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 13 INVESTMENTS

#### Group and Charity

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

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 13 INVESTMENTS - (continued)

#### Fixed Asset Investments – (continued)

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

#### Charity investment in subsidiary

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

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

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

### 14 STOCKS

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 15 DEBTORS

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

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

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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

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

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

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

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

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



# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 18 FINANCIAL INSTRUMENTS

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

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

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

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

### 19 ENDOWMENTS

#### Group and Charity

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 20 RESTRICTED FUNDS

#### Group and Charity

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

#### Educational events

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

### 21 UNRESTRICTED FUNDS

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

### 22 CAPITAL COMMITMENTS

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 23 FINANCIAL PERFORMANCE OF THE CHARITY

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

The summary financial performance of the Charity alone is:

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

### 24 TRANSFER BETWEEN FUNDS

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

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

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 25 ANALYSIS OF NET ASSETS BETWEEN FUNDS

#### Group

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

#### Charity

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

### 26 RELATED PARTY TRANSACTIONS

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

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

During the year there were no further related party transactions.

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

### 27 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022
	£	£	£	£
<b>Income</b>				
Donations and legacies	89,043	-	-	89,043
Income from charitable activities:				
Grants receivable	27,317	-	-	27,317
Other income from charitable activities	282,453	-	-	282,453
Income from other trading activities	1,247,461	-	-	1,247,461
Investment income	54,986	-	-	54,986
<b>Total income</b>	<b>1,701,260</b>	<b>-</b>	<b>-</b>	<b>1,701,260</b>
<b>Expenditure</b>				
Expenditure on raising funds	1,340,752	-	-	1,340,752
Charitable activities	909,361	420	-	909,781
<b>Total expenditure</b>	<b>2,250,113</b>	<b>420</b>	<b>-</b>	<b>2,250,533</b>
Realised and unrealised investment gains	(192,395)	-	(350,000)	(542,395)
Gain on disposal of land	-	-	-	-
<b>Net income</b>	<b>(741,248)</b>	<b>(420)</b>	<b>(350,000)</b>	<b>(1,091,668)</b>
Transfer between funds	(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>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>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>

# MARKSHALL ESTATE

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023

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### 28 ANALYSIS OF NET DEBT

#### Group

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

#### Charity

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

# **MARKSHALL ESTATE**

**YEAR ENDED 31 DECEMBER 2023**

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

# MARKSHALL ESTATE

## INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2023

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

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# MARKSHALL ESTATE

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

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

# MARKSHALL ESTATE

## INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2023

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

# MARKSHALL ESTATE

## INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2023

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