

CHARITY NUMBER: 1089685

COMPANY NUMBER: 4302973

CAMPAIGN TO PROTECT RURAL ENGLAND
(Company Limited By Guarantee)

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2005

www.cpre.org.uk



CAMPAIGN TO PROTECT RURAL ENGLAND

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CAMPAIGN TO PROTECT RURAL ENGLAND

LEGAL AND ADMINISTRATIVE DETAILS

The Executive Committee (the Trustees) of the Campaign to Protect Rural England present their annual report for the year ended 31 December 2005 together with the audited financial statements for that year. The accounts comply with the Companies Act 1985, the relevant governing documents and the Statement of Recommended Practice (SORP 2000).

Reference and Administrative details

The Campaign to Protect Rural England, also known as CPRE, is a registered charity (number 1089685) and a company limited by guarantee (number 04302973). It was founded in 1926. Its registered office is at 128 Southwark Street, London, SE1 0SW.

The members of the Executive Committee are Directors under company law and Trustees under charity law.

The present Trustees, and any past Trustees who served during the year, are listed below. The Patron, President and Vice Presidents, the Senior Management Team and the external advisers of the charity are also set out below.

Patron

Her Majesty The Queen

President

Sir Max Hastings

Vice Presidents

David Astor CBE

Jonathan Dimbleby

Dame Jennifer Jenkins

Lord Marlesford

Nicholas McAndrew

Lord Puttnam

The Executive Committee (Trustees /Directors)

Sir Nigel Thompson	Chairman	
Lawrence Wragg	Vice Chairman	(until 16 June 2005)
Dr Anne Robinson	Vice Chairman	(from 16 June 2005)
David Edmunds	Vice Chairman	
Adrian Phillips	Chairman of Policy Committee	
Barrie Collins	Honorary Treasurer	
David Wragg	Yorks & the Humber	
Brian Montgomery	East Midlands	
Roger Martin	South West	
Alison Streatfeild-James	Co-opted	
Christopher Napier	South East	
Gill Smith	West Midlands	
Philip Kolvin	London	(until 3 March 2005)
	Co-opted	(from 3 March 2005)
Donald Mitchell	London	(from 3 March 2005)
Barry Porter	East of England	(until 16 June 2005)
Lawrence Wragg	East of England	(from 16 June 2005)
Jan Arger	North East	(from 16 June 2005)
Jean Stainthorpe	North West	(from 16 June 2005)
Chris Wiltsher	North East	(until 16 June 2005)
Len Watson	North West	(until 16 June 2005)

CAMPAIGN TO PROTECT RURAL ENGLAND

LEGAL AND ADMINISTRATIVE DETAILS (CONTINUED)

Company Secretary

Helen Jennings

Sub-committees of the Executive Committee:

Finance and Audit Committee

Barrie Collins (Chairman)

Sir Nigel Thompson

John Cooper

David Edmunds

Dr Anne Robinson (from June 2005)

Lawrence Wragg

Policy Committee

Professor Adrian Phillips (Chairman)

Chris Brearley

Michael Coupe

Alice Crampin (from July 2005)

Martin Crookston

Caroline Drummond (from July 2005)

David Edmunds

Peter Langley (from July 2005)

Roger Levett (until July 2005)

Dr Clive Potter

Dr Anne Robinson

Dr Ian Shepherd (until July 2005)

John Sykes

Sir Nigel Thompson

Lawrence Wragg (until July 2005)

Staff Salaries Review Panel

David Edmunds (Chairman)

Sir Nigel Thompson

Barrie Collins

John Cooper

Amanda Bond (National Trust)

Lawrence Wragg (until June 2005)

Dr Anne Robinson (from June 2005)

Senior Management Team

Shaun Spiers (Chief Executive)

Pat Macaulay (Director of Finance and Resources) (until September 2005)

Helen Jennings (Director of Finance and Operations) (from October 2005)

Nicholas Schoon (Director of Communications)

Neil Sinden (Director of Policy)

Zoe Parks (Director of Development)

Stephen White (Director of Fundraising and Supporter Services) (until August 2005)

Christopher Boyd (Acting Director of Fundraising and Supporter Services) (from September 2005)

CAMPAIGN TO PROTECT RURAL ENGLAND

LEGAL AND ADMINISTRATIVE DETAILS (CONTINUED)

Professional Advisers:

Honorary Standing Counsel

John Hobson QC

Solicitors

Charles Russell
8 - 10 New Fetter Lane
London
EC4A 1RS

Auditors

Horwath Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Bankers

Barclays Bank plc
London Business Banking
United Kingdom House
7th Floor
180 Oxford St
London
W1D 1EA

Investment Managers

Charities Official Investment Fund
St Alphage House
2 Fore St
London
EC2Y 5AQ

M & G Securities Limited
M & G House
Victoria Road
Chelmsford
CM1 1FB

Charities Aid Foundation
Kings Hill
West Malling
Kent
ME19 4TA

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT

Structure, Governance and Management

The organisation is governed by its Memorandum and Articles of Association adopted on 4 October 2001 and last amended on 16 June 2005.

The Executive Committee is responsible for the overall governance of the organisation. The members of the Executive Committee are Directors under company law and Trustees under charity law.

The Executive Committee comprises sixteen Trustees. Of these, nine are nominated by each of the nine regional groups, five are ex-officio Honorary Officers and two are co-opted Trustees. The five Honorary Officers are the Chairman, two Vice Chairmen, Chairman of the Policy Committee and the Honorary Treasurer.

Trustees who are not Honorary Officers may remain in office for four years. Honorary Officers may remain in office for five years. A Trustee may become an Honorary Officer at the end of his or her term of office as a Trustee so long as no individual serves as a Trustee for more than nine consecutive years.

The Executive Committee has three sub-committees: Finance and Audit, Policy, and Staff Salaries Review Panel. The Executive Committee sets terms of reference for all sub-committees. Each sub-committee reports regularly to the Executive Committee.

Finance and Audit Committee

The Finance and Audit Committee comprises the Chairman of CPRE, the Honorary Treasurer, one Trustee with significant, recent and relevant financial experience and one lay Trustee. Additional Trustees and/or external expertise may be co-opted to the committee at the discretion of the committee Chairman and the Honorary Treasurer. The Director of Finance and Operations is the secretary to the committee, and the Chief Executive also attends.

The objectives of the Finance and Audit Committee are: to provide an independent oversight function in order to ensure the risks of the charity, financial and otherwise, are effectively reviewed and that annual financial statements are a true reflection of the activities of the charity; to provide guidance and oversight on matters of financial strategy, policy and resources; to review budgets and performance.

Policy Committee

The Policy Committee comprises a Chairman, appointed on the recommendation of the Chairman and two Vice Chairmen of CPRE, and such other members who may be appointed by the Executive Committee on the recommendation of the Chairman of the Policy Committee; these members may be Trustees or external advisers who are selected for their expertise in a particular area. Branches and regional groups are also invited to nominate members to the committee when vacancies arise. There is no formal limit to the number of members of the committee. Appointments to the committee are for three years with an option to renew for a further three years. The Chief Executive and the Director of Policy also attend Policy Committee meetings.

The Policy Committee advises the Executive Committee on the development of a coherent and effective policy and campaigns strategy. It discusses and recommends strategic policy and campaign priorities within the overall framework of CPRE's resources and priorities and advises staff on policy and campaign issues. The Executive Committee approves the annual policy and campaigns strategy as recommended by the Policy Committee.

The Policy Committee also explores matters of wider relevance to the policy agenda and reports its findings to the Executive Committee.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

Staff Salaries Review Panel

The Staff Salaries Review Panel comprises the Chairman of CPRE, the two Vice Chairmen, the Honorary Treasurer, plus one Trustee or other volunteer with appropriate experience. An additional co-opted member with external expertise may be invited at the discretion of the Panel Chairman. The Director of Development is the Secretary to the Panel and the Chief Executive should also be present at meetings of the Panel. Other senior staff, including the Human Resources manager and also a staff representative, may be invited to attend as appropriate at the discretion of the Panel Chairman.

The objectives of the Panel are to provide an independent oversight function in order to ensure that employment risks of CPRE, financial and otherwise, are effectively identified and reviewed and that employment practices comply with current legislation and good practice; to provide guidance and oversight on matters of staff employment strategy, policy and resources; and to review salary setting and salary review processes making recommendations, where appropriate, to the Executive Committee.

Group Structure

CPRE Enterprises Limited

The organisation has a wholly owned subsidiary, CPRE Enterprises Limited, which operates as a trading subsidiary of the main charity.

The Executive Committee resolved during the year to wind up the activities of CPRE Enterprises Limited and to bring the trading activities back into the main charity. The financial statements include trading activities for the period from April 2005.

CPRE Enterprises Limited is still in existence at the end of the year but is now effectively dormant, all relevant transactions and balances having been brought back in to the main charity's accounts. The company will be formally wound up in 2006.

Regional Groups

CPRE has nine regional groups, which are constitutionally part of the national charity. The groups were set up in 1998/9 to mirror changes in the planning system whereby Regional Assemblies in their role of Regional Planning Bodies devised spatial plans on a regional basis.

CPRE employs ten staff that work with the regional groups.

The regions administer their own finances and these are consolidated into the main charity financial statements at the end of each year.

Branches

There are forty-one separately constituted branches that operate under the umbrella of the CPRE name. As legal entities in their own right their results do not form part of these financial statements. Two further branches are, constitutionally, part of the main charity and their finances are consolidated into the main charity financial statements at the end of each year.

TRUSTEES' REPORT (CONTINUED)

Statement of Trustees' Responsibilities and Corporate Governance

The Trustees are responsible for their annual report, and for the preparation of financial statements, for each financial year. These should give a true and fair view of the incoming resources and the application of resources of the charity during the year, and of the state of affairs as at the end of the financial year. In preparing these financial statements, the Trustees are required to:

- ensure that the most suitable accounting policies are established and applied consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether the applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems and controls, financial and otherwise. They are also responsible for keeping proper 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 Companies Act 1985. They are also responsible for safeguarding the assets of the charity and for their proper application as required by charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and financial information used within the charity, or for publication, is reliable;
- the charity complies with relevant laws and regulations.

Corporate Governance

Internal controls over income and expenditure continue to be refined. Procedures are in place to ensure that the finances are monitored regularly and that appropriate management information is prepared and reviewed by the Senior Management Team. The Finance and Audit Committee and the Executive Committee review management reports regularly.

Risk Management

The Executive Committee recognises its responsibilities in terms of managing risk and has systems in place that ensure that the risks faced by the charity are identified, assessed, mitigated and monitored.

Risks are assessed by senior staff and the Senior Management Team and then considered in detail by the Finance and Audit Committee. A formal review of the charity's risk management procedures is considered by the Executive Committee on an annual basis. In 2006 the risk register will be reviewed at each meeting of the Executive Committee. The key controls used by CPRE include:

- formal agenda for Executive Committee meetings;
- detailed terms of reference for the Policy, Finance and Audit, and SSRP sub-committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational and governance structure and lines of reporting
- formal written policies; and
- authorisation and approval levels.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

Through the risk management processes established for CPRE, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objects, Objectives and Principal Activities

The objects for which the charity is established are to promote and encourage for the benefit of the nation the improvement and protection of the English countryside and its towns and villages and the better development of the rural environment.

CPRE wants a beautiful, tranquil and diverse countryside that everyone can value and enjoy; a working countryside that contributes to national well being by enriching our quality of life, as well as providing us with crucial natural resources, including food. We wish to see the sustainable use of land and other natural resources in town and country. The countryside, including its villages and towns is ever changing, but we strive to ensure that change and development respect the character of England's natural and built landscapes, enhancing the environment for the enjoyment and benefit of all.

CPRE campaigns for a sustainable future for the English countryside, a vital but undervalued environmental, economic and social asset to the nation. We highlight threats and promote positive solutions. Our in-depth research supports active campaigning, and through reasoned argument and lobbying we seek to influence public opinion and decision-makers at every level.

Achievements and Performance

CPRE's policy and campaigning priorities for 2005 encompassed work in fourteen areas. We achieved what we set out to do in all but one of these (see below).

In partnership with our regional groups, we sought to influence Regional Spatial Strategies (RSS) and the Government's Sustainable Communities Plan, particularly plans for the London – Stansted – Cambridge - Peterborough (LSCP) Growth Area, which we regarded as highly damaging, and the Thames Gateway Growth Area, of which we were broadly supportive.

We ran a major campaign to increase understanding of the danger of plans for the LSCP Growth Area. This involved public meetings in the affected counties, co-ordination of NGO campaigning, dissemination of campaign materials and a detailed response to the draft East of England RSS. Partly as a result of this campaigning, there were a record 26,000 responses to the draft RSS. Towards the end of the year, CPRE was represented throughout the Examination-in-Public (EiP) of the draft RSS and was invited to submit evidence in all key areas. We circulated widely a weekly email bulletin on the EiP. It is too early to estimate the impact of all this activity, but we achieved all our aims in terms of raising awareness of the Plan and proposing improvements.

We lobbied hard on the Thames Gateway and, in partnership with CPRE London, produced a detailed report, *Thames Gateway: From Rhetoric to Reality*. Unfortunately we were unable to run a campaign on the Northern Way Growth Strategy, partly because of the departure of the Regional Policy Officer for the North West. Notwithstanding this failure, CPRE played an active role in influencing policy in all nine English regions.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

Kate Barker's Treasury review of housing supply was a major preoccupation. We achieved wide publicity for our severe reservations about the Barker Review recommendations, and argued our case in meetings with Parliamentarians, ministers and civil servants. At the beginning of the year, we published a detailed critique, *Building on Barker*, which we launched at a seminar attended by Kate Barker and senior individuals from government, housing, industry and the environmental movement. In December the Government published draft *Planning Policy Statement 3 – Housing*. Although critical of much of the thinking behind it, we recognised that the draft was a great improvement on previous proposals and that our arguments had been listened to.

In the summer, we attracted wide support for our major campaign to celebrate and strengthen the Green Belt.

Our campaign to enforce planning laws on roadside advertisements was successful. We 'named and shamed' a number of high profile companies illegally advertising along roadsides; several of these companies publicly undertook to stop doing so. Our campaign was endorsed by a number of local authorities and, by the end of the year, the Government was urging local authorities to take action.

Away from housing and planning we:

- conducted a joint project with the National Farmers' Union on managing the countryside (to be published in 2006);
- produced detailed tranquillity maps for two areas in the North East. This work will be developed in 2006 to produce tranquillity maps for each English region, and to embed tranquillity indicators in regional and local plans;
- supported the campaign for a South Downs National Park (the decision on which is expected in 2006);
- piloted community involvement in devising landscape character assessments without the use of consultants, and published a toolkit, *Unlocking the Landscape*. Further work will be carried out in 2006;
- published a hard-hitting report, *Your Countryside, Your Choice*, which set out in stark detail the future for the countryside if current development trends continue. The report generated extensive news coverage and comment, and 10,000 copies were downloaded from our website in the week after its launch;
- continued to work on a number of transport campaigns CPRE continued to highlight the damage to the countryside from an expanding roads programme – and the spiralling costs of new road schemes;
- planned our campaigns for 2006, CPRE's eightieth anniversary year.

Throughout the year, we continued to lobby politicians and officials on a range of issues affecting the countryside. Towards the end of the year, we were heavily involved in debates on the Natural Environment and Rural Communities Bill, which establishes Natural England as the new agency to protect England's landscapes and biodiversity. We supported our County branches and other campaigners with advice, including through our bi-monthly campaign newsletter, *Fieldwork* and through our website. We informed our members of our work and developments in the countryside through our quarterly magazine, *Countryside Voice* and in many contributions in the media.

Financial Review and Results for the year

The Statement of Financial Activities (SoFA), set out on pages 15 to 16, shows that CPRE has continued to respond to the challenge it has set itself of using its resources to respond to the challenges facing the countryside.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

The results illustrate that the rigorous financial control and management that has taken place during the year has resulted in the operating deficit reducing from £459,000 in 2004 to £159,000 in 2005.

The Trustees understand that supporters expect us to make every effort to spend as much as possible on our main charitable purposes and a determined effort has been made to reduce those costs that do not have a direct bearing on our charitable activities. Management and administration costs and the costs of generating funds have both reduced this year. Support costs have increased as a result of a deliberate move to put more staff resources into the support function, which includes IT and membership services. The Trustees have started to look very closely at the way costs are measured and allocated, including a detailed analysis of time spent on different activities. This process will continue with even greater rigour in 2006. A new Director of Finance and Operations has recently been appointed to reinforce this process of strong financial management and control.

Gross income increased by 9%, as a result of a number of factors. The Trustees are delighted to note that the warm appeals programme exceeded budget by £126,000 and they would like to acknowledge the efforts of staff in achieving this.

The Trustees remain grateful for the generosity of all our supporters but are disappointed to note that subscription income has fallen slightly compared to last year. The Trustees are aware that there is scope to increase recruitment activity by the field organisation and this will be another focus during the forthcoming year. It has been encouraging to note that more of our supporters than ever are signing Gift Aid declarations, both current and retrospective, and this has made a significant contribution to income this year.

The charity has continued its efforts aimed at increasing income from the corporate sector and the Trustees remain hopeful that these will bear fruit in the near future.

Legacy income came in on budget with a record number of seventy bequests. We are grateful to all our supporters who have made a bequest in our favour.

The Trustees were disappointed to note that income from major donors was less than expected and this will be a priority for next year's fundraising activity.

A review of fundraising was undertaken during the year, which made a number of recommendations as to how fundraising income could be increased. A new Director of Fundraising and Supporter Services has been appointed for 2006 and her remit will be to maximise fundraising income along the lines suggested by the review.

Trustees recognise that our staff are a critical part of the organisation and represent a valuable resource. They also recognise that staffing costs represent a significant proportion of our cost base. Trustees have been careful this year to balance the staffing needs of the organisation with the need to ensure the long-term future financial viability of the charity. The challenge for the future will be to reward and retain staff in a way that will enable the charity to achieve its objectives but which will not jeopardise financial stability.

This year has seen the introduction of a Strategic Plan for 2006-08, accompanied by a detailed Operational Plan for 2006. The strategic planning process was driven by the need to focus our efforts in order to protect the countryside as well as the desire to plan for SORP 2005.

The strategic planning process provides Trustees and staff with a clear idea of where we are, where we want to be, and how we are going to get there, and all of us look forward to the challenge of seeing this process through over the next three years.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

Reserves Policy

The reserves policy, set by the Executive Committee, states that unrestricted reserves must be maintained at a level equal to at least four months' expenditure over a three-year period. Free reserves at the end of the year amount to £1,893,874, which represents 7 months' expenditure. Budgeted expenditure over the next three years will take reserves down to the four-month level.

Investment Policy and Performance

The investment policy states that the Trustees recognise that the charity's investment portfolio is not large enough to justify investing in individual companies, with the associated time costs and investment management costs that this would involve. It has therefore invested in Common Investment Funds, which give a diverse, low risk portfolio. The use of Common Investment Funds ensures that the proportion of funds held indirectly in a company that the Trustees would not wish to invest in directly are small. The Trustees therefore consider that the use of CIF funds does not compromise the charity's ethical stance.

The Trustees have set a benchmark for its investment portfolio that is based on the benchmark portfolio structure as published by the WM Company. The allocation of investments between Fixed Interest, UK Equities and Overseas Equities must not be more than 10% either side of the benchmark figures of:

	%
Fixed Interest	15
UK Equities	70
Overseas Equities	15
	<hr/>
	100

At the end of the year the portfolio structure was as follows:

	%
Fixed Interest	17
UK Equities	71
Overseas Equities	8
Cash and Property	4
	<hr/>
	100

The financial statements show that at the end of the year the investment portfolio had generated an income of £59,000 and an unrealised capital gain of £217,000. This is in line with Trustees' expectations.

The Trustees recognise that past performance is not a guide to future performance and that the price of shares, and other securities, and income derived from them may go down as well as up.

Employees and Volunteers

Since its founding in 1926, CPRE has been driven by the passion and determination of its staff and volunteers. They continue to build CPRE's long-established reputation for professionalism and quality. They are the reason for our many lobbying and campaigning successes.

The Trustees aims to encourage a good work-life balance, training and flexible working conditions. Employees and volunteers are kept fully informed about the charity's strategy and objectives and everyone is encouraged to give their suggestions and views on performance and strategy.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

The charity is committed to providing training programmes with the aim of developing employees and volunteers and also with the objective of enhancing the skills within the organisation as a whole. In 2006 we plan to develop a high quality training and development programme which we hope will motivate and develop staff.

This year has seen a high turnover of staff within the organisation and, whilst we are pleased to see people moving on to new challenges, we recognise that high staff turnover can undermine morale for those staff who remain. We intend to address this next year with a mixture of training and development and a new staff rewards package.

The charity supports equal opportunities, and recruits and promotes employees on the basis of aptitude and ability without discrimination.

CPRE also seeks to encourage disabled employees to play an active role in developing both the organisation and themselves.

Pensions

CPRE operates a Group Personal Pension Plan with Norwich Union, which all employees who have completed their probationary period are eligible to join. The charity contributes 6% of salary to all employees who choose to join the scheme. Thirty five staff took advantage of this in 2005.

Future Plans

CPRE's Strategic Plan for 2006-8 sets four principal aims. Three are directly related to our charitable purposes: to campaign to ensure 'the right housing and attendant developments in the right place'; to improve public appreciation of the countryside; and to raise the profile of CPRE's causes. The fourth strategic aim – to improve CPRE's financial and operational efficiency- provides the means of delivering on the first three aims.

Trustees and senior staff will rigorously scrutinise delivery of the Strategic Plan throughout the year. It is recognised that CPRE is a campaigning organisation and must have the capacity to respond to events. Some flexibility is built into the Plan and it will be amended if new priorities emerge in the course of the year. Work on updating the three-year strategy and developing a detailed plan for 2007 will begin in the second half of 2006. Key performance indicators are being developed to enable sound monitoring of achievements and use of resources.

Underpinning the business planning process has been a recognition that CPRE must move towards a balanced budget within the next couple of years. This could be achieved by cutting expenditure, increasing income, or a combination of the two. In 2005, all costs were rigorously scrutinised and savings were made without damaging the organisation's effectiveness. In the longer term, if CPRE is to maintain its current level of operations – which we consider necessary in view of the manifold threats to the English countryside – it will be necessary to increase income. 2005 saw the development of a new fundraising strategy, aimed at increasing income without increasing costs. The appointment of a new Director of Fundraising and Supporter Services will ensure that this will be implemented in 2006

The Trustees believe that the charity has a sound basis on which to build for the future and are looking forward to the challenges ahead.



2 March 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAMPAIGN TO PROTECT RURAL ENGLAND

We have audited the financial statements of the Campaign to Protect Rural England for the year ended 31 December 2005 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Executive Committee and Auditors

The responsibilities of the Executive Committee, who are the Directors for the purposes of company law and charity trustees for the purposes of charity law, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Executive Committee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 December 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and;
- have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors

28 June 2006

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

CAMPAIGN TO PROTECT RURAL ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2005

INCOME AND EXPENDITURE

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2005 Total £	2004 Total £
INCOMING RESOURCES						
Activities in furtherance of the charity's objects:						
Subscriptions		778,888	-	-	778,888	784,221
Less: Branch share	1b)	(400,467)	-	-	(400,467)	(395,858)
		<u>378,421</u>	<u>-</u>	<u>-</u>	<u>378,421</u>	<u>388,363</u>
Branch income		6,157	-	-	6,157	5,309
Regional income		41,514	-	-	41,514	66,957
Donations, legacies and similar incoming resources	2	2,632,176	38,000	-	2,670,176	2,432,146
Grants for policy work	3	-	122,483	-	122,483	20,250
		<u>3,058,268</u>	<u>160,483</u>	<u>-</u>	<u>3,218,751</u>	<u>2,913,025</u>
Activities for generating funds:						
Merchandise income		39,146	-	-	39,146	-
Investment income	4	58,764	1,939	-	60,703	68,536
Other incoming resources	5	46,825	-	-	46,825	53,558
		<u>144,735</u>	<u>1,939</u>	<u>-</u>	<u>146,674</u>	<u>122,094</u>
Total incoming resources		3,203,003	162,422	-	3,365,425	3,035,119
RESOURCES EXPENDED						
Cost of generating funds	6	724,121	142	-	724,263	801,168
Merchandise costs	6	41,223	-	-	41,223	-
		<u>765,344</u>	<u>142</u>	<u>-</u>	<u>765,486</u>	<u>801,168</u>
Net incoming resources available for charitable application		2,437,659	162,280	-	2,599,939	2,233,951
Charitable expenditure						
Costs of activities in furtherance of the charity's objects:						
- National		1,788,644	123,192	-	1,911,836	1,853,821
- Branch		10,479	-	-	10,479	11,368
- Regional		303,817	-	-	303,817	375,106
Support costs		362,103	238	-	362,341	268,768
Management and administration		171,061	98	-	171,159	184,235
		<u>2,635,104</u>	<u>123,528</u>	<u>-</u>	<u>2,758,632</u>	<u>2,693,298</u>
Total charitable expenditure	7	2,636,104	123,528	-	2,759,632	2,693,298
Total resources expended	7	3,401,448	123,670	-	3,525,118	3,494,466
Net (outgoing)/incoming resources for the year		(198,445)	38,752	-	(159,693)	(459,347)
(Before transfers between funds)						
Transfers between funds	16	4,030	(4,030)	-	-	-
Net (outgoing)/incoming resources for the year		(194,415)	34,722	-	(159,693)	(459,347)

The notes on pages 18 to 28 form part of these financial statements

CAMPAIGN TO PROTECT RURAL ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2005

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2005 Total £	2004 Total £
Net (outgoing)/incoming resources for the year	(194,415)	34,722	-	(159,693)	(459,347)
Realised gains on investments	-	-	-	-	14,032
Unrealised gains on investments	<u>208,661</u>	<u>-</u>	<u>7,881</u>	<u>216,542</u>	<u>91,768</u>
Net movement of resources in the year	<u>14,246</u>	<u>34,722</u>	<u>7,881</u>	<u>56,849</u>	<u>(353,547)</u>
Funds brought forward	<u>2,047,844</u>	<u>17,876</u>	<u>56,616</u>	<u>2,122,336</u>	<u>2,475,883</u>
Funds carried forward at 31 December 2005	<u>2,062,090</u>	<u>52,598</u>	<u>64,497</u>	<u>2,179,185</u>	<u>2,122,336</u>

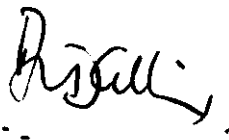
The notes on pages 18 to 28 form part of these financial statements

CAMPAIGN TO PROTECT RURAL ENGLAND
BALANCE SHEET
AS AT 31 DECEMBER 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	10	168,216	201,041
Investments	11	<u>1,772,044</u>	<u>1,555,502</u>
		<u>1,940,260</u>	<u>1,756,543</u>
CURRENT ASSETS			
Debtors	13	260,155	413,060
Loan to CPRE Enterprises Limited		11,929	28,262
Merchandise stock		3,600	-
Cash at bank and in hand		<u>236,008</u>	<u>312,378</u>
		<u>511,692</u>	<u>753,700</u>
CREDITORS: amounts falling due within one year	14	<u>(272,767)</u>	<u>(387,907)</u>
NET CURRENT ASSETS		<u>238,925</u>	<u>365,793</u>
NET ASSETS		<u>2,179,185</u>	<u>2,122,336</u>
FUNDS			
Unrestricted funds	15	2,062,090	2,047,844
Restricted funds	16	52,598	17,876
Endowment fund	17	<u>64,497</u>	<u>56,616</u>
		<u>2,179,185</u>	<u>2,122,336</u>

Approved by the Executive Committee on
and signed on its behalf:

} (Chairman) 

} (Honorary Treasurer) 

2 March 2006

The notes on pages 18 to 28 form part of these financial statements

CAMPAIGN TO PROTECT RURAL ENGLAND
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2005

	2005 £	2004 £
Reconciliation of Net Movement in Funds to		
Cash Inflow from Operating Activities		
Net movement in funds in the year	56,849	(353,547)
Depreciation	52,459	57,218
Net realised and unrealised (gains)/losses on investments	(216,542)	(105,800)
Dividend income received	(54,711)	(63,184)
Bank and other interest received	(5,992)	(5,352)
Bank charges paid	15,551	12,288
Decrease / (increase) in debtors	169,238	(155,259)
Increase in stock	(3,600)	-
Decrease in creditors	(115,140)	138,217
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(101,888)	(475,419)

	2005 £	2004 £
CASHFLOW STATEMENT		
Net Cash (Outflow) from Operating Activities	(101,888)	(475,419)
Returns on Investments and servicing of finance		
Dividend income received	54,711	63,184
Bank and other interest received	5,992	5,352
Bank charges paid	(15,551)	(12,288)
	45,152	56,248
Capital Expenditure and Financial Investment		
Purchase of tangible fixed assets	(19,634)	-
Purchase of investments	-	-
Proceeds on sale of investments	-	250,000
Net cash inflow from investing activities	(19,634)	250,000
(Decrease) in Cash	(76,370)	(169,171)

Analysis of Changes in Cash

Balance at 1 January	312,378	481,549
Net cash outflow	(76,370)	(169,171)
Balance at 31 December	236,008	312,378

The notes on pages 18 to 28 form part of these financial statements

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

1. PRINCIPAL ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000), Companies Act 1985 and applicable accounting standards.

Consolidated accounts have not been prepared, as the operation of the wholly owned trading subsidiary, CPRE Enterprises Limited, was not material to the income, expenditure or net assets of CPRE in the year. The company also claims exemption from the requirement to file an individual statement of Profit and Loss under section 230 of the Companies Act 1989.

b) Branches

CPRE branches receive a share of the membership subscription paid in respect of members assigned to them, which includes tax recovered from gift aid. The majority of the branches are autonomous separately registered charities and produce their own financial statements, which are not consolidated. However, there are two branches that, with their district committees, are considered to be part of the National Office (County Durham and Northumberland). The accounts of these branches have been included within the financial statements of CPRE.

c) Regions

CPRE is responsible for the activities of nine regional groups operating in the North West, North East, East Midlands, West Midlands, East of England, Yorkshire and the Humber, South West, London and South East regions. The income and expenditure of these groups has been included within these financial statements.

d) Incoming Resources

Voluntary income and subscriptions are recorded when received at the National Office.

Legacies and bequests are recognised when CPRE is advised by the personal representative of an estate that payment will be made, or property transferred, and the amount involved can be quantified.

Grants receivable are accounted for on an accruals basis.

e) Fixed Assets

Items over £500 are capitalised.

Fixed assets are stated at cost less accumulated depreciation.

Depreciation of fixed assets is provided at rates calculated to write off the cost of fixed assets over their anticipated useful lives.

The rates used during the year were as follows:

Leasehold improvements	10% straight line
Furniture and equipment	25% or 33 1/3% straight line
Computer equipment	33 1/3% straight line

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

f) Fixed Asset Investments

Fixed asset investments are stated at market value. Investment income is included in the Statement of Financial Activities on a receivable basis. Realised and unrealised gains and losses on investment assets are combined in the Statement of Financial Activities. Realised gains are based on disposal proceeds compared with either opening market value or cost if acquired during the year.

g) Operating Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

h) Fund Accounting

Restricted funds are those the use of which is restricted by the conditions imposed by the donors. Endowment funds are those where the income can be spent but the capital element retained. Designated funds are those that the Executive Committee has earmarked for a particular purpose. General funds are those which are available for the general advancement of CPRE's objectives.

i) Allocation of Costs

Cost of generating funds

The cost of generating funds primarily comprises costs associated with raising funds from all sources of incoming resources and also includes an element of raising CPRE's profile. Employment costs and a share of office overheads also form part of the cost of generating funds.

Costs of activities in furtherance of CPRE's objects

National costs include all expenditure made by CPRE in direct pursuit of its charitable objectives. This includes all its policy work, development of CPRE's branches and regional groups and the production of policy information about its work.

Branch expenditure is direct expenditure incurred by the branches whose accounts are consolidated into these figures. (See note 7).

Regional expenditure is expenditure incurred by CPRE's nine regional groups. This comprises salary costs borne by the national office together with direct regional expenditure.

Support costs include expenditure incurred in providing administrative, IT and financial services in support of the direct charitable expenditure above, plus the costs associated with the provision of membership services.

Management and administration costs include costs incurred in the central management of CPRE including constitutional and governance matters.

Overheads are allocated to expense headings based on time spent by staff.

Irrecoverable VAT is included under the relevant expense headings.

Membership and support costs

Trustees have reviewed the allocation of membership and supporter costs and have allocated the costs in a more appropriate manner. Comparative figures have been restated.

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	2005 £	2004 £
General donations	56,110	70,060
Major donations	20,138	21,236
Committed giving	639,673	609,468
Give As You Earn donations	9,864	14,935
Appeal receipts	560,177	417,093
Raffle income	73,060	59,130
General corporate and trust donations	76,224	76,684
Legacies	1,234,930	1,163,540
	<u>2,670,176</u>	<u>2,432,146</u>

3. GRANTS FOR POLICY WORK

	2005 £	2004 £
Countryside Agency	1,880	-
The Community Fund	15,000	10,000
J Lewis Partnership	5,000	-
Esmee Fairbairn	41,800	-
Nemet Trust	1,344	-
Restore UK	6,627	-
South East Regional Group	4,000	-
Carr Shepherds Crosswaite LLP	2,000	-
Ellerman Foundation	5,507	-
Tesco plc	20,575	-
Maurice Laing Foundation	18,750	6,250
Steel charitable Trust	-	3,000
Fishmongers Company	-	1,000
	<u>122,483</u>	<u>20,250</u>

4. ANALYSIS OF INVESTMENT INCOME

	2005 £	2004 £
UK listed securities	54,705	63,178
UK unquoted securities	6	6
Bank and other interest	5,992	5,352
	<u>60,703</u>	<u>68,536</u>

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

5. OTHER INCOMING RESOURCES

	2005 £	2004 £
CPRE Publications	5,351	7,875
Advertising income	37,455	38,093
Insurance claim	-	395
Management charge – CPRE Enterprises Limited	1,422	5,472
Other	2,597	1,723
	<u>46,825</u>	<u>53,558</u>

6. COST OF GENERATING FUNDS

	2005 £	2004 £
Fundraising and membership support	500,454	420,301
Employment costs	174,849	273,387
Overheads	48,960	107,480
	<u>724,263</u>	<u>801,168</u>
Merchandise expenditure	<u>41,223</u>	<u>-</u>

The cost of generating funds primarily comprises costs associated with raising funds from all sources of incoming resources and also includes an element of raising CPRE's profile in the context of the issues with which it deals and costs associated with servicing CPRE's members and supporters.

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

7. ANALYSIS OF CHARITABLE EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	2005 Total £	2004 Total £
National Office Employment Costs	1,428,727	33,137	1,461,864	1,239,906
National Office Operating Costs	307,976	1,347	309,323	468,649
Activity Costs				
National policy	57,387	57,847	115,234	127,836
Communication	226,486	11,184	237,670	203,510
Field support	98,824	19,938	118,762	109,761
Volunteers	6,031	-	6,031	18,777
Membership	157,119	75	157,194	86,512
Administration	39,258	-	39,258	51,873
Total Activity Costs	585,105	89,044	674,149	598,269
Total National Office costs	2,321,808	123,528	2,445,336	2,306,824
Branch expenditure (Note 1)	10,479	-	10,479	11,368
Regional expenditure (Note 1)	303,817	-	303,817	375,106
Total Charitable Expenditure	2,636,104	123,528	2,759,632	2,693,298

The above expenditure has been apportioned on an equitable basis to each of CPRE's activities and equates to total resources used as shown on page 11.

Auditors' remuneration, included in Management and Administration costs, is £17,500 for audit fees (2004: £14,900).

Operating lease rentals of £307,850 including VAT (2004: £307,850) have been included in Resources Expended.

The natural analysis of expenditure is shown below:

	Employment Costs £	Overheads £	Other Costs £	2005 Total £	2004 £
National	1,113,748	391,219	1,157,994	2,662,961	2,654,989
Branch	-	-	10,479	10,479	11,368
Regional	215,481	-	88,336	303,817	375,106
Support costs	265,105	82,017	29,580	376,702	268,768
Management and Administration	83,011	40,305	47,843	171,159	184,235
	1,677,345	513,541	1,334,232	3,525,118	3,494,466

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

8. EMPLOYEE INFORMATION

The average number of employees in CPRE in 2004 was as follows:

	2005 £	2004 £
<u>National Office</u>		
Full-time	42	42
Part-time	6	5
<u>Regional</u>		
Full-time	3	3
Part-time	9	9
Total	60	59

Employee costs were as follows:

Salaries	1,252,665	1,231,543
National insurance	130,464	127,646
Pension contributions	78,735	75,703
	1,461,864	1,434,892
 Included in regional expenditure (Note 7)		
Salaries	188,788	192,126
National insurance	16,931	17,078
Pension contributions	9,762	9,972
	215,481	219,176
Total	1,677,345	1,654,068

CPRE contributes 6% of eligible employees' salaries to their personal pension schemes. 35 members of staff are in the pension scheme.

One employee (2004: nil) received remuneration during the year in the band £50,000 to £60,000 and one employee (2004: one employee) received remuneration during the year in the band £60,000 to £70,000. Both received pension contributions as stated above.

9. TRUSTEES' REMUNERATION AND EXPENSES

None of the Trustees received any remuneration during the year (2004: nil). Travelling expenses reimbursed to 15 (2004: 15) Trustees during the year amounted to £4,573 (2004: £2,297).

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

10. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computer Equipment £	Furniture and Equipment £	Total £
Cost				
At 1 January 2005	216,755	75,053	115,894	407,702
Additions	-	19,634	-	19,634
Disposals	-	(45,021)	(1,514)	(46,535)
At 31 December 2005	216,755	49,666	114,380	380,801
Depreciation				
At 1 January 2005	54,188	53,359	99,114	206,661
Charge for the year	21,675	18,002	12,782	52,459
Disposals	-	(45,021)	(1,514)	(46,535)
At 31 December 2005	75,863	26,340	110,382	212,585
Net book value				
At 31 December 2005	140,892	23,326	3,998	168,216
<i>At 31 December 2004</i>	<i>162,566</i>	<i>21,695</i>	<i>16,780</i>	<i>201,041</i>

11. INVESTMENTS

	Note	General Fund £	2005 Endowment Fund £	Total £
Listed Investments				
Market value				
1 January 2005		1,498,833	56,616	1,555,449
Realised and unrealised gains		208,661	7,881	216,542
Market value				
31 December 2005		1,707,494	64,497	1,771,991
Unquoted investments				
Shares in subsidiary at cost	1a	2	-	2
Other unquoted shares at cost		51	-	51
Total market value 31 December 2005		1,707,547	64,497	1,772,044
Cost 31 December 2005		1,875,159	50,000	1,925,159

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

11. INVESTMENTS (CONTINUED)

	General Fund £	2004 Endowment Fund £	Total £
Listed investments			
Market value 1 January 2004	1,645,934	53,715	1,699,649
Sale proceeds	(250,000)	-	(250,000)
Realised and unrealised gains	<u>102,899</u>	<u>2,901</u>	<u>105,800</u>
 Market value 31 December 2004	 <u>1,498,833</u>	 <u>56,616</u>	 <u>1,555,449</u>
 Unquoted investments			
Shares in subsidiary at cost	2	-	2
Other unquoted shares at cost	<u>51</u>	<u>-</u>	<u>51</u>
 Total market value 31 December 2004	 <u>1,498,886</u>	 <u>56,616</u>	 <u>1,555,502</u>
 Cost 31 December 2004	 <u>1,875,159</u>	 <u>50,000</u>	 <u>1,925,159</u>

The listed investments comprise Common Investment Funds, all of which are managed in the United Kingdom.

12. TRADING SUBSIDIARY

CPRE Enterprises Limited

CPRE owns 100% of CPRE Enterprises Limited, whose main activity is to sell merchandise on behalf of CPRE. It donates under gift aid its profits liable for taxation to CPRE. The Trustees of CPRE took a decision during the year that the activities of CPRE Enterprises Limited would be brought back into the national charity. This was done with effect from April 2005. Accordingly, the Directors of CPRE Enterprises Limited intend to wind up that company in 2006. Trading results extracted from its audited accounts for the year ended 31 December 2005 represent three months trading and are shown below:

	2005 £	2004 £
Turnover	817	39,912
Cost of Sales	<u>(200)</u>	<u>(18,004)</u>
Trading profit	617	21,908
Administration expenses (excluding contribution to CPRE overheads and including development and fulfilment)	<u>(3,651)</u>	<u>(17,806)</u>
Gross profit/(loss)	(3,034)	4,102
Contribution to CPRE overheads	<u>-</u>	<u>(5,472)</u>
Loss on ordinary activities before taxation	(3,034)	(1,370)
Taxation	<u>-</u>	<u>-</u>
Net loss for the financial year	<u>(3,034)</u>	<u>(1,370)</u>

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

12. TRADING SUBSIDIARY (CONTINUED)

Summarised Balance Sheet of CPRE Enterprises Limited	2005 £
Cash at bank	11,931
Due to CPRE	<u>11,929</u>
Net assets	<u>2</u>
Net Shareholder funds	<u>2</u>

13. DEBTORS

	2005 £	2004 £
VAT recoverable	5,137	7,202
Other debtors	113,289	294,706
Prepayments and accrued income	<u>141,729</u>	<u>111,152</u>
	<u>260,155</u>	<u>413,060</u>

14. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Grants in advance	16,066	95,750
Accruals	57,589	41,380
Other creditors	<u>199,112</u>	<u>250,777</u>
	<u>272,767</u>	<u>387,907</u>

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds	168,216	1,707,547	186,327	2,062,090
Restricted Funds	-	-	52,598	52,598
Endowment Fund	-	64,497	-	64,497
At 31 December 2005	168,216	1,772,044	238,925	2,179,185

16. RESTRICTED FUNDS

	<i>Balance at 1 January 2005</i> £	Incoming Resources £	Outgoing Resources £	Balance at 31 December 2005 £
CPRE Mark	17,876	-	3,278	14,598
Rufford Maurice Laing	-	38,000	-	38,000
Total restricted funds	17,876	38,000	3,278	52,598

Restricted funds at 31 December 2005 include accumulated income from the endowment fund less any disbursements. There has been a transfer from Restricted Funds during the year, which represents disbursements made in previous years that had been incorrectly charged to Unrestricted Funds.

Restricted Funds also includes a donation of £38,000 from the Rufford Maurice Laing Foundation to fund part of our skills training programme on Improving Communications and Delivering Project Skills for our Volunteers. None of this money had been spent at the end of the year.

17. ENDOWMENT FUND

The Endowment Fund was established by a donation in 1997. The income from the Fund is used to fund the CPRE Mark, which signifies approval for constructive developments and schemes, which leave the environment protected or enhanced.

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2005

18. OPERATING LEASE

At 31 December 2005 CPRE was committed to making the following annual payments in respect of a non-cancellable operating lease.

	Land and Buildings	
	2005	2004
	£	£
Expiring in over 5 years	<u>307,850</u>	<u>307,850</u>

The lease expires in April 2012.