

Charity Registration No. 1092012

Company Registration No. 04335730 (England and Wales)

**THE KENT BRANCH OF THE CAMPAIGN TO PROTECT
RURAL ENGLAND**

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006



THE KENT BRANCH OF THE CAMPAIGN TO PROTECT RURAL ENGLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Directors

G W M Thomas MA CEng MIMech Dip BIM (Chairman)
A W Holmes BSc PhD CChem FRSC FIFST OBE (Treasurer)
R A Knox-Johnston JP
H Moorby BSc Hons DPhil Oxon
K A West (Resigned 16.6.2006)
F F Simpson BA Hons Cantab PhD
G D Warren MSc DIC MICE CEng FGS CGeol MIWEM
G E L Yeandle, FRSA
P J Spiller Dip T P MRTPI
N C Britten BA Hons
P D Marsh ARIBA Dip Cons (AA) FSA

Company Secretary S D Dunn, Dip Comp

Chief Executive H Newport BSc Hons PhD

Charity number 1092012

Company number 4335730

Operational address 3 Evegate Park Barn
Station Road
Smeeth
Ashford
Kent TN25 6SX

Registered office 3 Evegate Park Barn
Station Road
Smeeth
Ashford
Kent TN25 6SX

Auditors Larkings
31 St George's Place
Canterbury
Kent CT1 1XD

Bankers CAF Bank Ltd
25 King's Hill Avenue
King's Hill
West Malling
Kent
ME19 4JQ

Alliance & Leicester Plc
62 Hagley Road
Birmingham
B16 8PE

CCLA Investment Management Limited
80 Cheapside
London EC2V 6DZ

Investment advisors Newton Investment Management Limited
71 Queen Victoria Street
London EC4V 4DR

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

The directors present their report and financial statements for the year ended 31 March 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

Constitution

The company was incorporated on 6 December 2001 and became a registered charity on 14 May 2002. Activities within the company did not commence until 11 October 2002. The Kent Branch of the Campaign to Protect Rural England is a company limited by guarantee and is governed by a Memorandum and Articles of Association dated 6 December 2001. The company also operates under the name CPRE Kent.

Recruitment and appointment of Trustees

The Directors of the Company are also Charity Trustees for the purpose of Charity Law, and under the Company's Articles are known as members of the Executive Committee. This committee includes *ex officio* the Chairman, Vice Chairman and Treasurer of the Company who are elected annually at the AGM, together up to five members who are also elected annually after prior nomination. Each of the twelve district committees and four specialist committees (Housing, Environment, Transport and Historic Buildings) may have one nomination, which must be made not less than 28 clear days prior to the AGM. There is also provision for three additional members to be co-opted by the Executive Committee during the year. No member may serve for more than five years continuously except the Chairman, Vice Chairman and Treasurer whose *ex officio* role may continue after previous service as members. Members are eligible to serve again after standing down for one year.

Due to the requirement to be nominated by district or specialist committees candidates are anticipated to be longer serving members of the Company and experienced in its operation. The requirement for 28 days prior notice enables members voting at the AGM to have had time to evaluate the candidates.

Trustees' training and induction

New Trustees are anticipated to be familiar with the practical work of the Company. However, they will be expected to spend some time initially in the Company's office familiarising themselves with the full range of managerial and administrative work that needs to be carried out. Trustees are also encouraged to attend the meetings of district and specialist committees outside their normal areas of experience to broaden their understanding of the wider activities of the Branch. We are also arranging, in consultation with CPRE's National Office, specific training on the duties and responsibilities of Trustees as necessary.

Objectives and activities

The objects for which the Charity is established are to promote and encourage for the benefit of the public the improvement and protection of the English Countryside and, in particular, that of Kent and its towns and villages, and the better development of the rural environment.

The principal work of the Charity is to influence planning policy and planning decisions for the better protection of the countryside of Kent and beyond. We achieve this by monitoring and commenting on planning applications and emerging planning policy, and by engaging with decision makers and the public to raise awareness and gain membership.

Organisation Structure

The Charity employs a full time Chief Executive who is assisted by a full time company secretary and a part time campaigns officer. The Charity is governed by an executive committee, and a finance committee reports to it. There are twelve district committees that respond to planning matters within their districts, as well as county-wide specialist committees which consider housing, the environment, transport and historic buildings.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

Achievements and performance

Amongst the achievements of this reporting year are:

- * Exhibiting at the Kent Show - recruited 30 new members
- * Appearances at Examination-in-Public of various local plans and strategies
- * District Committees
 - Responding to local planning applications
 - Contributing to consultations on emerging Local Plans and new Local Development Frameworks
 - Meetings with Council members/officers
 - Encouraging local councils to adopt additional planning guidance for countryside protection
- * Historic Buildings - as agents for Council for British Archaeology: responding to planning applications affecting any listed buildings
- * Transport Group
 - Developing a joint project on traffic control in rural lanes with KCC (pilot project in Acol, Thanet)
 - Major response and campaign publicity on KCC's Local Transport Plan
 - Manston - campaigning and lobbying to limit night flights
- * Housing Group
 - Representations and national media coverage regarding use of consultants at Ashford BC
 - Representations and significant media interest over Imperial College London's plans for expansion at Wye
- * Consultations
 - Kent Waste and Minerals plans
 - Kent Design Guide
 - South East Waste and Minerals strategy (particularly with respect to threats to Greenbelt and land in the AONB)
 - Planning for Waste in Kent
 - South East Plan
 - Kent & Medway Structure Plan
 - ODPM consultations on 'Planning for Housing Provision'
 - PPS3 (Planning Policy Statement on Housing)
 - Code for Sustainable Homes
- * Environment Group
 - Representation to House of Lords Select Committee on waste water and water supply
 - Representation on Margate Waste Water treatment plans
 - Presentation for CIWEM at Bewl Water
 - KCC Water and Wastewater Select Committee hearing
 - Shoreline Management Plans
 - River Catchment Flood Management Plans
 - Representation on the London Array Wind Farm proposals and Romney Marsh plans
- * Relocation to larger office within Evegate Park Barn
- * Thames Gateway:
 - Thames Gateway - From Rhetoric to Reality' report published with major media coverage and significant impact within the Office of the Deputy Prime Minister and the Thames Gateway Delivery Vehicle organisations
 - Poll commissioned, and results publicised, on attitudes within the Thames Gateway to development and countryside matters
- * Funding the environmental action category in the Village of the Year competition.
- * Meetings with Kent County Council and various district councils etc.
- * Publicity
 - National coverage: Politics Show and Daily Telegraph
 - Numerous local TV and radio appearances as well as local and Kent-wide newspaper interviews

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

Directors

The directors, (who are also the trustees for the purpose of Charity law), who served during the year were:

Dr A W Holmes, OBE
R A Knox-Johnston, JP
Dr H Moorby
G W M Thomas
K A West
D P Wainman (resigned 18.11.05)
F K Johnson (resigned 18.11.05)
R H Godfrey-Faussett (resigned 18.11.05)
Dr F F Simpson
G D Warren
G E L Yeandle
P J Spiller
N C Britten (appointed 18.11.05)
P D Marsh (appointed 18.11.05)
B D Goldin (appointed 6.12.05, resigned 16.03.06)

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

Financial review

The financial state of the Branch continues to be very sound thanks to the legacy received from Mr Read. We are still receiving legacy money from the sale of property and this is likely to continue for several years to come. Such money that is not needed to supplement our subscription income to meet the normal operating expenses (up to a limit of £50K per annum) is passed to Newton Investment Management for investment in our expendable endowment. There was no need to draw on our investments during the year and an additional £425,000 was invested. During the year we were very pleased to receive an additional legacy from Bob Humphrey.

The expenditure continues to increase as the Branch increases its activity and it is anticipated that this will continue for some time as we grow in order to meet the ever-increasing demands. In addition, the individual District Committees have been given support so that they can operate more efficiently and thereby reducing the load on the members and particularly on the Chairmen.

It may eventually be necessary to increase the money taken from the endowment above the £50K referred to previously. However, there will be no need for concern for many years because the reserves are so large.

Investment Policy

The Trustees have retained Newton Investment Management to manage our portfolio on a day-to-day basis and have given them the objective of securing a level of income, which matches or exceeds that of the WM Charities index (constrained by income) over any annualised period, together with some prospects for capital growth. The investment horizon is long term.

Investments may not be made in:

- * unquoted securities;
- * fixed income securities other than those of investment grade quality, i.e. whose status does not fall below BBB - as defined by Standard and Pools;
- * Options, Futures, Contracts for Differences or other Contingent Liability Transactions;
- * unregulated collective investment schemes.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

No more than ten per cent of the portfolio may be invested in a single instrument, other than in an approved collective investment scheme. The portfolio shall at all times have a level of diversification appropriate to a medium risk approach with investments being made in a broad spread of equities (directly or indirectly through pooled funds) that may include an element in cash and/or in bonds.

Direct investments may only be made in securities quoted on a Recognised Stock Exchange.

The Manager may not enter into any transactions for the Fund where the Manager knows that this will or may result in us having a short position in any investment.

The benchmark is WM Charities Constrained by Income Universe (excluding property).

Reserves policy

The Directors have deemed it prudent to maintain a level of liquid reserves which will not exceed one year's budgeted expenditure.

The Directors will review reserves policy annually, at the time when the budget is approved. Should it prove necessary to supplement the reserves (to reflect heightened levels of activity, for example) this will be done by calling down further funds from the expendable endowment.

Plans for future periods

A strategy committee has been formed to oversee the development of new strategic areas of activity, including the specification and recruitment of additional staff and volunteers. Work will continue across the branch and its specialist and district committees in the monitoring of, and response to, local, regional and national planning issues.

Over the coming months we intend to continue to develop the areas in which CPRE Kent actively leads the debate on environmental issues in the county, rather than reacting to threats as they arise. One of the principal areas in which we will continue our campaigning is the water crisis; our Water Resource Strategy is to be published in June 2006 and we will continue to work actively to highlight the problem of ever-increasing housing targets against the tightening environmental constraints of the South East.

We have appointed a planning officer who will start work in April. She will greatly expand our capacity to respond to consultations and to respond to the new local development frameworks around Kent and Medway, and we will keep under review the need to add an additional permanent member of staff to the team to support the ever-increasing workload of the branch office. We will continue to maintain the highest possible profile for CPRE Kent and its work, through attending events such as the county show and through working with local radio, TV and newspapers to order to increase our supporter and membership base within the county.

Risk management

A risk management strategy has been prepared and is under regular review by the Executive Committee. It highlights the major areas of risk to which the Charity is exposed and identifies the appropriate control and mitigation measures to minimise impact. Additionally, procedures have been adopted to control the authorisation of expenditure and to ensure the health and safety of staff, volunteers and visitors. The strategy is updated at least annually in consultation with the full Executive Committee.

Related parties

During previous years, funds were transferred from the previous unincorporated charity (Registered No. 286183) to the Company. Further details of this can be found in the notes to the accounts.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

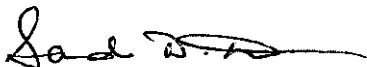
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Larkings be reappointed auditors of the company will be put to the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board of directors



S D Dunn
Company Secretary

Date: 18 August 2006

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF THE KENT BRANCH OF THE CAMPAIGN TO PROTECT RURAL ENGLAND**

We have audited the financial statements of The Kent Branch of the Campaign to Protect Rural England for the year ended 31 March 2006 set out on pages 8 to 16. These financial statements have been prepared under the accounting policies set out on page 10, and the Financial Reporting Standards for Smaller Entities (effective January 2005).

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 opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 4, the directors, (who are also the trustees of The Kent Branch of the Campaign to Protect Rural England for the purposes of Charity Law) are responsible for the preparation of the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice).

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, are properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the Charity 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Directors' Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgements 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 the 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.

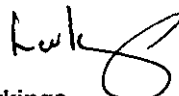
We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the circumstances set out in Note 18 to the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF THE KENT BRANCH OF THE CAMPAIGN TO PROTECT RURAL ENGLAND**

Opinion

In our opinion, the financial statements:

- * give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the Charitable Company's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- * the information given in the Directors' Report is consistent with the financial statements; and
- * have been properly prepared in accordance with the Companies Act 1985.



**Larkings
Chartered Accountants and
Registered Auditors
Canterbury
Kent CT1 1XD**

Date: 1 September 2006

**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2006**

	Notes	Unrestricted Funds £	Endowment Funds £	Total 2006 £	Total 2005 £
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations and legacies	2	1,491	382,650	384,141	757,852
<i>Activities for generating funds:</i>					
300/500 Club subscriptions		4,932	-	4,932	6,516
Rent receivable		-	-	-	230
Investment income	3	2,217	154,630	156,847	142,851
Incoming resources from charitable activities:					
Subscriptions		33,292	-	33,292	25,619
Functions and sundry income		3,044	-	3,044	3,738
Total incoming resources		<u>44,976</u>	<u>537,280</u>	<u>582,256</u>	<u>936,806</u>
Resources expended					
Costs of generating funds	4	2,516	19,933	22,449	40,493
Charitable activities	5	197,010	-	197,010	194,568
Governance costs	6	16,598	-	16,598	12,804
Total resources expended		<u>216,124</u>	<u>19,933</u>	<u>236,057</u>	<u>247,865</u>
Net incoming/(outgoing) resources before transfers	9	(171,148)	517,347	346,199	688,941
Transfers between funds		<u>184,697</u>	<u>(184,697)</u>	<u>-</u>	<u>-</u>
Net incoming resources before other recognised gains		13,549	332,650	346,199	688,941
Other recognised gains					
Gains on revaluation of investments	12	<u>8,730</u>	<u>558,208</u>	<u>566,938</u>	<u>235,462</u>
Net movement in funds		22,279	890,858	913,137	924,403
Reconciliation of funds					
Transfer of assets from The Kent Branch of the Council for the Protection of Rural England	15	-	-	-	74,644
Fund balances at 1 April 2005		<u>197,395</u>	<u>2,404,531</u>	<u>2,601,926</u>	<u>1,602,879</u>
Fund balances at 31 March 2006		<u>219,674</u>	<u>3,295,389</u>	<u>3,515,063</u>	<u>2,601,926</u>

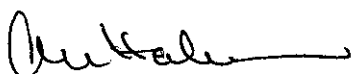
The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus realised gains on investments and was £392,350 (2005 - £761,196).

BALANCE SHEET
AS AT 31 MARCH 2006

	Notes	£	2006 £	£	2005 £
Fixed assets					
Tangible assets	11		12,927		14,800
Investments	12		<u>3,351,813</u>		<u>2,266,236</u>
			3,364,740		2,281,036
Current assets					
Debtors	13	23,606		29,058	
Cash at bank and in hand		<u>145,801</u>		<u>302,359</u>	
		169,407		331,417	
Creditors: amounts falling due within one year	14	<u>(19,084)</u>		<u>(10,527)</u>	
Net current assets			<u>150,323</u>		<u>320,890</u>
Net assets			<u>3,515,063</u>		<u>2,601,926</u>
Capital funds					
Endowment funds (includes revaluation reserve of £666,354 (2005 - £163,207))	16		3,295,389		2,404,531
Income funds					
Unrestricted funds			<u>219,674</u>		<u>197,395</u>
Total funds	17		<u>3,515,063</u>		<u>2,601,926</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the board for issue on 18 August 2006



Dr A W Holmes

G W M Thomas



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1 Accounting policies**a) Basis of preparation**

The financial statements are prepared under the historical cost convention modified to include the investments at market value assets.

The financial statements have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective January 2005) and the Companies Act 1985.

b) Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Subscriptions relates to the amounts received from the CPRE National Office. These are included on a cash basis as members pay at different rates and cover a year from the date the member pays the subscription. The charity's trustees opinion is that the cost of calculating any accrual or deferred income overweighs any benefit.

c) Resources expended

Resources are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Costs of operating funds comprise the costs associated with attracting voluntary income and the costs of the 300/500 Club prizes and investment management fees.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and the estimated costs linked to the strategic management of the Charity.

d) Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation provided are rates calculated to write off the cost less estimated residual value of each asset over its expended useful life, as follows:

Freehold Land	NIL
Fixtures and Fittings	20% on cost
Computer & Office Equipment	25% on cost

e) Pensions

The pension costs charged in the financial statements represent the contributions payable by the charity to employees personal pension schemes during the period in accordance with the Financial Reporting Standard for Smaller Entities. The schemes are defined contributions schemes.

f) Company Status

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

g) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The expendable endowment fund was created by the Trustees. Investment income arising on the endowment fund and investment management charges are initially allocated to the endowment fund, but a transfer is made to the unrestricted fund which represents this income and expenses plus £50,000 per year. Any capital gains or losses arising on the investments form part of the fund.

h) Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

2 Donations and legacies	2006	2005
	£	£
Donations	1,476	2,290
Branch appeal	-	1,929
Legacies	382,665	753,633
	<u>384,141</u>	<u>757,852</u>
 3 Investment income	 2006	 2005
	£	£
Dividends receivable from equity shares	61,039	58,961
Dividends receivable from unit trusts	5,274	3,772
Interest receivable from fixed interest securities	26,432	11,613
Bank Interest receivable	9,743	6,713
Inland Revenue interest	199	-
Income from the Estate of A I Read (deceased)	54,160	61,792
	<u>156,847</u>	<u>142,851</u>
 4 Cost of generating funds	 2006	 2005
	£	£
Fundraising costs	-	24,425
Investment management fees	19,933	12,852
300/500 Club prizes	2,516	3,216
	<u>22,449</u>	<u>40,493</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

5 Charitable activities	2006	2005
	£	£
Costs directly allocated to campaigning activities		
Staff costs	50,534	31,788
Travelling expenses	3,537	3,012
Grants payable (see below)	26,273	22,981
Publicity and printing	17,368	45,422
Events	1,833	3,026
District contributions	1,316	1,099
Kent Voice	4,651	3,919
Professional fees	3,414	2,518
 Support costs allocated to campaigning activities		
Premises costs	16,872	13,261
General office staff	39,448	36,687
Staff training	1,806	4,923
Recruitment expenses	4,897	-
Printing, postage and stationery	7,707	6,258
Telephone	2,329	2,964
Computer and equipment maintenance	6,523	5,016
Legal and professional	1,005	2,483
Depreciation	6,342	5,201
Sundry	1,155	4,010
	<u>197,010</u>	<u>194,568</u>

Grants payable are split as follows :

	2006	2005
	£	£
CPRE London - Thames Gateway Project	18,363	16,962
South East Regional Group	7,660	1,019
Kent & Sussex Farming & Wildlife Advisory Group	-	5,000
Action with Communities in Rural Kent	250	-
	<u>26,273</u>	<u>22,981</u>

The Thames Gateway Project is a joint project between CPRE nationally, CPRE London, CPRE Essex and CPRE Kent. It is campaigning to reduce the impact of developments in the Thames Gateway. The grant is our contribution towards the costs incurred by CPRE London (as the Managing Party) and has been incurred in order to try and reduce the impact of the Thames Gateway development within Kent.

SERG (South East Regional Group) is a group formed by National Office to deal with regional matters on behalf of the individual county branches. The contribution CPRE Kent has made relates to the work done by the group on behalf of Kent.

6 Governance costs	2006	2005
	£	£
Staff costs	10,723	9,926
Audit and accountancy	5,875	2,878
	<u>16,598</u>	<u>12,804</u>

7 Directors

None of the directors (or any persons connected with them) received any remuneration during the year, but 4 (2005 - 4) of them were reimbursed a total of £1,783 (2005 - £1,432) travelling expenses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

8 Employees

Number of employees

The average monthly number of employees during the year, calculated on the basis of full time equivalents, was:

	2006 No.	2005 No.
Campaign work	2	1
Support and administration	1	1
	<u>3</u>	<u>2</u>

Employment costs

	2006 £	2005 £
Wages and salaries	87,543	67,367
Social security costs	9,294	7,227
Other pension costs	3,868	3,807
	<u>100,705</u>	<u>78,401</u>

There were no employees whose annual emoluments were £60,000 or more.

9 Net incoming resources for the year

	2006 £	2005 £
Net incoming resources is stated after charging:		
Depreciation of tangible assets	6,342	5,202
Auditors' remuneration - audit fees	5,875	2,879
- other services	975	2,468
	<u>13,192</u>	<u>10,549</u>

10 Taxation

The charitable company is exempt from Corporation Tax on its charitable activities.

11 Tangible fixed assets

	Freehold Land £	Computers & office equipment £	Fixtures, & fittings £	Total £
Cost				
As at 1 April 2005	524	16,238	5,611	22,373
Additions	-	4,468	-	4,468
Disposals	-	(50)	-	(50)
As at 31 March 2006	<u>524</u>	<u>20,656</u>	<u>5,611</u>	<u>26,791</u>
Depreciation				
As at 1 April 2005	-	6,130	1,443	7,573
Charge for the year	-	5,164	1,156	6,320
Disposals	-	(29)	-	(29)
As at 31 March 2006	<u>-</u>	<u>11,265</u>	<u>2,599</u>	<u>13,864</u>
Net book values				
As at 31 March 2006	<u>524</u>	<u>9,391</u>	<u>3,012</u>	<u>12,927</u>
As at 31 March 2005	<u>524</u>	<u>10,108</u>	<u>4,168</u>	<u>14,800</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

12 Fixed asset investments	2006 £	2005 £
Market value at 1 April 2005	2,266,236	1,473,809
Transferred from The Kent Branch of the Council for the Protection of Rural England	-	74,644
Acquisitions at cost	1,224,510	1,871,452
Disposal proceeds	(705,871)	(1,389,131)
Change in value in the year:		
Realised	46,151	72,255
Unrealised	520,787	163,207
Market value at 31 March 2006	<u>3,351,813</u>	<u>2,266,236</u>
Historical cost at 31 March 2006	<u>2,685,459</u>	<u>2,103,029</u>
Investments are represented by:		
UK listed investments:		
Fixed interest securities	464,070	396,930
Equity shares	1,765,304	1,265,629
Unit trusts	52,751	44,090
Cash funds	44,196	63,419
Non UK listed investments:		
Fixed interest securities	48,549	58,593
Equity shares	976,943	437,575
	<u>3,351,813</u>	<u>2,266,236</u>
13 Debtors	2006 £	2005 £
The Kent Branch of the Council for the Protection of Rural England	387	-
Tax repayable	11,880	26,006
Other debtors	8,519	2,138
Prepayments and accrued income	2,820	914
	<u>23,606</u>	<u>29,058</u>
14 Creditors: amounts falling due within one year	£	£
The Kent Branch of the Council for the Protection of Rural England	-	134
Other creditors	7,149	-
Accruals	11,935	10,393
	<u>19,084</u>	<u>10,527</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

15 Transfer of activities and assets from The Kent Branch of the Council for the Protection of Rural England

At the annual general meeting on 11 October 2002 of The Kent Branch of the Council for the Protection of Rural England (an unincorporated charity, charity number 286183) it was agreed that the assets and activities of The Kent Branch of the Council for the Protection of Rural England would be transferred to this company.

	2006 £	2005 £
The following assets and liabilities were transferred:		
Tangible fixed assets	-	-
Investments	-	74,644
Debtors	-	-
Cash at bank	-	-
Creditors	-	-
	<u>-</u>	<u>74,644</u>

16 Endowment fund

	Balance at 01 04 05 £	Net Incoming resources £	Gain on investments £	Transfer to unrestricted fund £	Balance at 31 03 06 £
Expendable endowment					
Arthur Ivor Read Legacy	2,404,531	517,347	558,208	(184,697)	3,295,389
	<u>2,404,531</u>	<u>517,347</u>	<u>558,208</u>	<u>(184,697)</u>	<u>3,295,389</u>

The expendable endowment was created by the trustees and represents the amounts transferred from the unincorporated charity, having originally been received from the Estate of Arthur Ivor Read Deceased. The trustees intend to transfer the investment income plus a sum of £50,000 of the capital to unrestricted funds every year.

The charity is entitled to receive further sums from the Estate of Arthur Ivor Read deceased arising primarily from rents received and the disposal of the late Mr Read's freehold property interests. The charity is entitled to one-quarter of the residue of the Estate. At 31 March 2006, all of the non freehold property assets have been distributed.

For probate purposes, the value of the freehold interest passing to the residuary beneficiaries was £7,352,750 (one-quarter share £1,838,187). As at 31 March 2006, properties with a probate value of £2,435,000 had been disposed of.

For tax purposes, the freehold properties have been appropriated to the residuary beneficiaries, who are all charities, but the responsibility for the disposal of these properties still lies with the executors. The amount finally passing to the charity and when it will be received are uncertain. The latest Section 36 valuation indicates the value of the properties remaining to be sold is £8,763,725 of which the Charity is entitled to receive one quarter less ongoing expenses and maintenance costs.

In accordance with the Statement of Recommended Practice, that due to the uncertainty of the timing and the amount to be received, proceeds from the Estate of the late Arthur Ivor Read will be included in the Statement of Financial Activities when received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

17 Analysis of net assets between funds

	Unrestricted funds £	Endowment funds £	Total 2006 £
Fund balances at 31 March 2006 are represented by:			
Tangible fixed assets	12,927	-	12,927
Investment	52,751	3,299,062	3,351,813
Current assets	167,465	1,942	169,407
Creditors: amounts falling due within one year	(13,469)	(5,615)	(19,084)
	<u>219,674</u>	<u>3,295,389</u>	<u>3,515,063</u>

18 APB Ethical Standard - Provision Available for Small Entities

In common with many other businesses of our size, we use our auditors to assist with the preparation of the financial statements, to assist with tax repayments and to advise on the money due to the charity under the A I Read legacy.

19 Restatement of comparative figures

The analysis of incoming resources and resources expended has been changed in the year's financial statements to reflect compliance with the Charities SORP (2005).