

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 2007

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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 OBE BSc PhD CChem FRSC FIFST (Acting Treasurer) R A Knox-Johnston JP (Vice Chairman) H Moorby BSc Hons DPhil Oxon 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 2007**

The directors present their report and financial statements for the year ended 31 March 2007.

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 Chief Executive who is assisted by a company secretary and a part time campaigns officer. During the course of the year a deputy director and a part time administrator were taken on. 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, a committee that overviews development in the Thames Gateway and county-wide specialist committees which consider housing, the environment, transport and historic buildings.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007**

Achievements and performance

During the whole of this year we played a major role in the consultation processes that have gone into the production of the South East Plan, submitting written representations and, crucially, through being invited to contribute to the debate at the form Examination in Public of the South East Plan. Working alongside other CPRE branches from all across the South East, we were the only body beside the statutory authorities that attended every session over the course of the 4 month examination.

We also responded to many other planning consultations including; Ashford Borough Council's Preferred Options, Core Strategy and Town Centre Area Action Plan; Maidstone's Core Strategy, Affordable Housing and Open Spaces policies; Tonbridge & Malling's Preferred Options and Core Strategy; Kent County Council's Minerals and Waste Plans, Rural Delivery Framework, Waste Development Framework and "Towards 2010"; and the national Code for Sustainable Homes. In broader areas of policy we also contributed to consultations on the Environment Agency's Shoreline Management Plans, River Basin Planning and Catchment Abstraction Management Strategies, and the CAA's consultation on Flight Paths.

We wrote the following reports: "Acol Village Study", which identified areas of conflict between pedestrians and road users within the village and suggested better road/footway mix to enable people to walk around the village in safety; "A Water Resource Strategy for Kent" which showed how best use could be made of existing water supplies, and "Removing Delays at the Dartford Crossing", which showed how electronic toll charging could speed up the throughput by 30% and thus remove the need for a second Thames crossing.

We were active in opposing Imperial College's proposals for enabling development which would have destroyed up to 300 acres of land in the Kent Downs Area of Outstanding Natural Beauty (AONB) at Wye. We provided financial and campaigning support to the Wye Future Group, and other activists. As a result of our joint campaign, Ashford Borough Council refused to include a special policy for Wye in its emerging Local Development Framework, and Imperial College abandoned their scheme.

After the success against the Imperial College plans, we went on to provide practical and financial support to the creation of a "Wye Community Farm" through the Wye Community Land Trust (WCLT), as part of the CPRE national campaign on promoting local foods. WCLT aims to produce food for local people; manage the land sympathetically to protect and enhance Wye's biodiversity and landscape; and provide employment, training and volunteering opportunities, forming close links with schools and acting as an outdoor classroom.

There were many opportunities to spread the word. Among these were a major feature on the BBC SE Politics Show highlighting the findings of our "Water Resource Strategy", and other Politics Show feature in which we appeared alongside the leader of Ashford Borough Council and the CEO of Seera to debate our concerns about Ashford's failure to generate the jobs it needs to match its explosion in house building. Ashford was also the subject of an article in the Daily Mail, which also contained a profile of Dr Hilary Newport.

We featured in two current affairs programmes on Radio 4: "File on Four" discussing the water situation, and "The Price of Property", researched and presented by "Dragon's Den" presenter Evan Davis. Water supply was also the subject of a week-long feature on Radio Kent. We participated on the expert panel in a public phone-in debate, which was at the culmination of the week's programmes. As a result of the widespread interest in "A Water Resource Strategy for Kent" the report's author, Graham Warren, was invited to submit written evidence to the House of Lords Select Committee on Water and to appear at Medway's Scrutiny Committee's water review, which was since been published and draws heavily on CPRE evidence. We have also spoken through the year to various groups such as Women's Institutes, Rotary Clubs, Young Farmers clubs and various amenity and environmental societies.

We continued our series of highly acclaimed articles in "Kent Life", featuring a wide range of subjects covering CPRE's activities, including articles on tranquillity and light pollution, which complemented the articles previously written on subjects as diverse as aviation, energy, housing, water and waste.

We held a public meeting to discuss the effects that the proposed growth of Ashford would have on the surrounding villages, with Ashford's MP Damian Green, Ashford Borough Council's Strategic Planning Manager Richard Alderton joining us on the panel. We also held a joint public meeting with the National Farmers Union to discuss the Future of Farming and the Countryside. The Sevenoaks District Committee organised a meeting on "Looking After the Countryside" and Dover District Committee organised a meeting on "Water Matters".

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007**

We liaised with local authorities, attending meetings with both officers and councillors of Kent County Council on subjects such as Transport Strategy, safety of pedestrians and cyclists in rural lanes and villages, the Lower Thames Crossing, Operation Stack and the increasingly widespread reliance on "enabling development". We also met with many district council officers and councillors, the Thameside Delivery Board and the Environment Agency concerning their scoping study for alternative water supplies. We are also working with Kent Downs AONB team to promote best practice with regard to equine management and its impact on rural landscapes.

We sponsored a prize in the Environment Action category of the Village of the Year competition. Hawkhurst were the winners, and Wye with Hinxhill was runner up. We contributed to, and attended Ashford Water Day which aimed to raise public awareness over concerns about the water supply situation, and what they could do to help. We also sponsored a project for the Duke of Edinburgh's Award Scheme, in which youngsters will be invited to generate pictures and prose to encourage their appreciation of the landscape.

We supported the production of reports on the Thames Gateway ("Focus on the Gateway" and "Compact Sustainable Communities"), and contributed to the funding of National Office's publication "Untapped Potential" which researched current practice amongst local councils in getting residential development on underused and neglected land in urban areas. We have also set up a mechanism to offer financial assistance to other CPRE

Our District Committees scrutinised all planning applications that might have had an impact on the countryside and made representations when appropriate.

We have continued our objections to the massive over-development of the Kent Science Park near Sittingbourne, which, like so many other similar proposals, includes the prospect of some 5,000 additional homes to generate enough profit to fund a link road from the nearby M2 which we believe to be totally unnecessary. Working alongside the local opposition groups we presented a petition of over 5,000 signatures to the Prime Minister and met with Steven Ladyman, (then) SoS for Transport, and senior opposition ministers to outline our concerns over these proposals. We also began our ongoing campaign to prevent the development of the proposed "Super Highways Depot" in land that is within the boundaries of both the Metropolitan Green Belt and the Kent Downs Area of Outstanding Natural Beauty at Wrotham.

2006 was the 80th anniversary of CPRE and we celebrated with a Garden Party in the beautiful garden of John and Lyn Mercy near Marden. Our increasingly popular series of regular social events included visits to the Whitechapel Bell Foundry, Gore Place at Chiddingstone, Chiswick House and the BBC studios at Shepherds Bush.

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 (Resigned 16.6.06)
Dr F F Simpson
G D Warren
G E L Yeandle
P J Spiller
N C Britten
P D Marsh
R H Godfrey-Faussett (Appointed 24.11.06, resigned 25.3.07)

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.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007**

Financial review

CPRE Kent continues to have a firm and improving financial base thanks, in the main, to the Ivor Read Legacy. As our activities build up the overspend on our operations was, this year, higher than last year. This is in accordance with our strategic plan and is using the legacy as an expendable endowment. However, the gain on the investments exceeded the overspend. Part of the legacy remains as occupied houses that are yielding a poor net return due, increasingly, to the cost of repairs on these old houses. We will be discussing this problem with the other beneficiaries. We anticipate that our campaigning activities will continue to build and this will give rise to larger, but still manageable deficits. Our reserves are sufficient for this to happen for many years to come.

Provision has been made in the 2007/08 budget for any costs arising from seeking a judicial review of KCC's decision regarding the proposed Wrotham depot. We are confident that, in the unlikely event that we lose and become responsible for KCC's costs as well as our own, we will have adequate reserves.

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 Poors;
- * Options, Futures, Contracts for Differences or other Contingent Liability Transactions;
- * unregulated collective investment schemes.

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

Our opposition to the plans for the Highways Super Depot AONB and MGB designated land at Wrotham continues. The Secretary of State judged the matter not to be of national significance, and allowed Kent County Council to determine its own application. We are now seeking a judicial review of the procedures that were followed when KCC granted permission for its own application on this site. While this will potentially incur substantial expense on CPRE Kent's part, we believe that this is a point of principle that we cannot easily concede.

Following on from the success our Water Resource Strategy report, we are producing a report covering the whole of the South East Region. We are also producing a report on the effects of climate change on Kent, and one examining proposals for the growth area at Ashford.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007**

We will be keeping a watching brief on proposed developments such as the Lower Thames Crossing, Kent International Gateway at junction 8 of the M20, possible developments at the County Showground at Detling and a replacement for Operation Stack.

Finally, we are engaging in a project to radically improve our visibility and raise the profile of the issues CPRE addresses, through attending more local and county events and engaging with the public wherever possible. We will also improve our website to attract the interest of a wide range of people who have concerns about environmental issues in their area. Our long-term aim is to increase our membership, reversing the slight decline that we are experiencing (although the decline in CPRE Kent's membership is far less than that of other CPRE branches).

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.

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.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007**

Statement of Disclosure of Information to Auditors

We the trustees of the charity who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

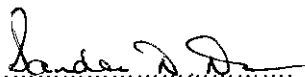
- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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: 24 August 2007

**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 2007 set out on pages 9 to 17. These financial statements have been prepared under the accounting policies set out on page 11, and the Financial Reporting Standard 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 5, 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 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- * the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- * the information given in the Directors' Report is consistent with the financial statements.


Larkings
Chartered Accountants and
Registered Auditors
Canterbury
Kent CT1 1XD

Date: ... 14.11.2007 ...

**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	Unrestricted Funds £	Endowment Funds £	Total 2007 £	Total 2006 £
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations and legacies	2	1,550	243,545	245,095	384,141
<i>Activities for generating funds:</i>					
Lottery Club subscriptions		4,488	-	4,488	4,932
Investment income	3	2,298	184,719	187,017	156,847
Incoming resources from charitable activities:					
Subscriptions		32,512	-	32,512	33,292
Functions and sundry income		3,917	-	3,917	3,044
Total incoming resources		<u>44,765</u>	<u>428,264</u>	<u>473,029</u>	<u>582,256</u>
Resources expended					
Costs of generating funds	4	2,244	22,756	25,000	22,449
Charitable activities	5	246,751	-	246,751	197,010
Governance costs	6	17,696	-	17,696	16,598
Total resources expended		<u>266,691</u>	<u>22,756</u>	<u>289,447</u>	<u>236,057</u>
Net incoming/(outgoing) resources before transfers	9	(221,926)	405,508	183,582	346,199
Transfers between funds	16	<u>211,963</u>	<u>(211,963)</u>	<u>-</u>	<u>-</u>
Net incoming resources before other recognised gains		(9,963)	193,545	183,582	346,199
Other recognised gains					
Gains on revaluation of investments	12	<u>4,820</u>	<u>88,617</u>	<u>93,437</u>	<u>566,938</u>
Net movement in funds		(5,143)	282,162	277,019	913,137
Reconciliation of funds					
Fund balances at 1 April 2006		<u>219,674</u>	<u>3,295,389</u>	<u>3,515,063</u>	<u>2,601,926</u>
Fund balances at 31 March 2007		<u>214,531</u>	<u>3,577,551</u>	<u>3,792,082</u>	<u>3,515,063</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 £186,503 (2006 - £392,350).

BALANCE SHEET
AS AT 31 MARCH 2007


	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	11		8,566		12,927
Investments	12		<u>3,552,887</u>		<u>3,351,813</u>
			3,561,453		3,364,740
Current assets					
Debtors	13	171,445		23,606	
Cash at bank and in hand		<u>84,176</u>		<u>145,801</u>	
		255,621		169,407	
Creditors: amounts falling due within one year	14	<u>(24,992)</u>		<u>(19,084)</u>	
Net current assets			<u>230,629</u>		<u>150,323</u>
Net assets			<u>3,792,082</u>		<u>3,515,063</u>
Capital funds					
Endowment funds (includes revaluation reserve of £646,650 (2006 - £666,354))	16		3,577,551		3,295,389
Income funds					
Unrestricted funds			<u>214,531</u>		<u>219,674</u>
Total funds	17		<u>3,792,082</u>		<u>3,515,063</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 24 August 2007



 Dr A W Holmes



 G W M Thomas

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

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

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

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 Lottery 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 2007**

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	2007	2006
	£	£
Donations	1,050	1,476
Legacies	244,045	382,665
	<u>245,095</u>	<u>384,141</u>
 3 Investment income	 2007	 2006
	£	£
Dividends receivable from equity shares	100,698	61,039
Dividends receivable from unit trusts	2,298	2,203
Dividends receivable from property trusts	5,425	3,071
Interest receivable from fixed interest securities	20,985	26,432
Interest receivable from preference shares	1,279	-
Bank interest receivable	9,692	9,743
Inland Revenue interest	-	199
Income from the Estate of A I Read (deceased)	46,640	54,160
	<u>187,017</u>	<u>156,847</u>
 4 Cost of generating funds	 2007	 2006
	£	£
Investment management fees	22,756	19,933
Lottery Club prizes	2,244	2,516
	<u>25,000</u>	<u>22,449</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

5 Charitable activities	2007 £	2006 £
Costs directly allocated to campaigning activities		
Staff costs	70,101	50,534
Travelling expenses	4,180	3,537
Grants payable (see below)	11,572	26,273
Publicity and printing	34,384	17,368
Events	7,155	1,833
District contributions	3,054	1,316
Kent Voice	3,850	4,651
Professional fees	2,250	3,414
Volunteering activities	1,730	-
Support costs allocated to campaigning activities		
Premises costs	23,791	16,872
General office staff	53,328	39,448
Staff training	311	1,806
Recruitment expenses	6,941	4,897
Printing, postage and stationery	8,199	7,707
Telephone	1,974	2,329
Computer and equipment maintenance	4,889	6,523
Legal and professional	529	1,005
Depreciation	6,643	6,342
Sundry	1,870	1,155
	<u>246,751</u>	<u>197,010</u>

Grants payable are analysed as follows :

	2007 £	2006 £
CPRE - National Office	10,000	-
CPRE London - Thames Gateway Project	-	18,363
South East Regional Group	1,572	7,660
Action with Communities in Rural Kent	-	250
	<u>11,572</u>	<u>26,273</u>

The grant to CPRE - National Office was a contribution towards their publication entitled 'Untapped Potential' which researched current practice amongst local councils in getting residential development on underused and neglected land in urban areas.

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	2007 £	2006 £
Staff costs	12,083	10,723
Audit and accountancy	4,759	5,875
Other costs	854	-
	<u>17,696</u>	<u>16,598</u>

7 Directors

None of the directors (or any persons connected with them) received any remuneration during the year, but 5.(2006 - 4) of them were reimbursed a total of £2,199 (2006 - £1,783) travelling and other incidental expenses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

8 Employees

Number of employees

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

	2007 No.	2006 No.
Campaign work	2	2
Support and administration	2	1
	<u>4</u>	<u>3</u>

Employment costs

	2007 £	2006 £
Wages and salaries	118,252	87,543
Social security costs	12,216	9,294
Other pension costs	5,044	3,868
	<u>135,512</u>	<u>100,705</u>

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

9 Net incoming resources for the year

	2007 £	2006 £
Net incoming resources is stated after charging:		
Depreciation of tangible assets	6,643	6,342
Auditors' remuneration - audit fees	4,759	5,875
- other services	529	975
	<u></u>	<u></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 2006	524	20,656	5,611	26,791
Additions	-	599	1,683	2,282
Disposals	-	-	-	-
As at 31 March 2007	<u>524</u>	<u>21,255</u>	<u>7,294</u>	<u>29,073</u>
Depreciation				
As at 1 April 2006	-	11,265	2,599	13,864
Charge for the year	-	5,252	1,391	6,643
Disposals	-	-	-	-
As at 31 March 2007	<u>-</u>	<u>16,517</u>	<u>3,990</u>	<u>20,507</u>
Net book values				
As at 31 March 2007	<u>524</u>	<u>4,738</u>	<u>3,304</u>	<u>8,566</u>
As at 31 March 2006	<u>524</u>	<u>9,391</u>	<u>3,012</u>	<u>12,927</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

12 Fixed asset investments	2007 £	2006 £
Market value at 1 April 2006	3,351,813	2,266,236
Acquisitions at cost	733,685	1,224,510
Disposal proceeds	(626,048)	(705,871)
Change in value in the year:		
Realised	2,921	46,151
Unrealised	90,516	520,787
Market value at 31 March 2007	3,552,887	3,351,813
	<u>2,906,237</u>	<u>2,685,459</u>
Historical cost at 31 March 2007		
Investments are represented by:		
UK listed investments:		
Fixed interest securities	262,897	464,070
Equity shares	2,485,875	1,765,304
Preference shares	41,888	-
Property trusts	186,985	79,005
Unit trusts	57,571	52,751
Cash funds	46,338	44,196
Non UK listed investments:		
Fixed interest securities	45,428	48,549
Equity shares	425,905	897,938
	<u>3,552,887</u>	<u>3,351,813</u>
13 Debtors	2007 £	2006 £
The Kent Branch of the Council for the Protection of Rural England	474	387
Tax repayable	10,185	11,880
Other debtors	156,456	8,519
Prepayments and accrued income	4,330	2,820
	<u>171,445</u>	<u>23,606</u>
14 Creditors: amounts falling due within one year	2007 £	2006 £
Other creditors	12,344	7,149
Accruals	12,053	11,935
Deferred income	595	-
	<u>24,992</u>	<u>19,084</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

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.

16 Endowment fund

	Balance at 01 04 06 £	Net Incoming resources £	Gain on investments £	Transfer to unrestricted fund £	Balance at 31 03 07 £
Expendable endowment					
Arthur Ivor Read Legacy	3,295,389	405,508	88,617	(211,963)	3,577,551
	<u>3,295,389</u>	<u>405,508</u>	<u>88,617</u>	<u>(211,963)</u>	<u>3,577,551</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 2007, 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 2007, properties with a probate value of £2,849,725 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 £7,752,775 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 2007**

17 Analysis of net assets between funds

	Unrestricted funds £	Endowment funds £	Total 2007 £
Fund balances at 31 March 2007 are represented by:			
Tangible fixed assets	8,566	-	8,566
Investment	57,571	3,495,316	3,552,887
Current assets	173,386	82,235	255,621
Creditors: amounts falling due within one year	(24,992)	-	(24,992)
	<u>214,531</u>	<u>3,577,551</u>	<u>3,792,082</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 Contingent Liability

Since the year end the charity have agreed to challenge the decision of Kent County Council (KCC) to give themselves planning permission for a Highways Depot in an area of outstanding natural beauty at Wrotham by seeking a judicial review.

The Charity has been advised that they have a very strong case and that if the charity succeeds in getting a judicial review the charity will be able to ask to recover their costs from KCC. However, the charity has also been advised by their solicitors that, in the unlikely event that the request is turned down, the worst case scenario is that their costs could amount to £93,000. The charity are also advised that inter parties costs, if awarded, are unlikely to exceed £40,000. The charity's total liability is, therefore unlikely to exceed £133,000.

The resources of the charity are well able to meet such expenditure and that such expenditure is entirely in line with the charity's objectives.

It is anticipated that the judicial review decision will be made in October 2007 and, provided the review is granted, there will be a full trial, which will probably be held in the Spring of 2008.