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THE ERNEST COOK TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

Registered number 7907411
Charity number 1146629

THE ERNEST COOK TRUST

FINANCIAL STATEMENTS

For the year ended 31 March 2015

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THE ERNEST COOK TRUST

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2015

The Ernest Cook Trust (Registered Company No. 7907411 and Registered Charity No. 1146629) was incorporated on 1 April 2012; it is the successor to The Ernest Cook Trust which was founded and endowed by the late E E Cook.

Registered office and principal address:

**The Estate Office
Fairford Park
Fairford
Gloucestershire
GL7 4JH**

Trustees:

**Mr A W M Christie-Miller (Chairman)
Mr M C Tuely FRICS
Mr H M Henderson DL
Dr V M Edwards OBE FRICS FAAV
Mr S F Eliot
Sir Bertie Ross KCVO**

Chief Executive and Company Secretary:

Mr N J Ford BA MRICS

Accountant:

Mr D J Wright

Bank:

**National Westminster Bank plc
32 Market Place
Cirencester
Gloucestershire GL7 2NU**

Solicitors:

**Charles Russell Speechlys LLP
Compass House
Lypiatt Road
Cheltenham
Gloucestershire GL50 2QJ**

**Payne Hicks Beach
10 New Square
Lincoln's Inn
London WC2A 3QG**

Auditor:

**Grant Thornton UK LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol BS1 6FT**

Investment advisers:

**Cazenove Capital Management
12 Moorgate
London EC2R 6DA**

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2015

The Trustees present their report together with financial statements for the year ended 31 March 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Ernest Edward Cook, the founder of the Trust which bears his name, died in 1955 at the age of 89. Following the sale of his family business (the travel agency Thomas Cook & Sons) in 1928, Mr Cook devoted his wealth and energy to the purchase of country houses and estates, and the collections of works of art which they contained, thus preserving them from fragmentation. Mr Cook made significant bequests and donations to the National Art Collections Fund and to the National Trust; as a result of those donations, the National Trust turned its attention to country houses, at that time only a minor activity of the Trust.

Mr Cook founded his Trust in 1952 as an educational charity, initially deriving its income from the 14,462 acres of agricultural estate land he put into trust which still continues to form part of the endowment. The Ernest Cook Trust therefore had as its founding instrument the 1952 Deed of Trust; this was added to and amended in 1984, 1995 and principally in February 2006, when the Deed was updated to reflect current activities.

The Ernest Cook Trust was incorporated in 1 April 2012 at which time all the assets and liabilities were transferred to the new body: there were no significant changes to the operation or activities of the Trust. All activities and strategies have been carried forward into the incorporated charity. The Directors of the Trust are also its Trustees for the purposes of charity law.

TRUSTEES

There are currently six Trustees, who are selected to represent a wide range of experience and expertise in the fields of education, the ownership and management of rural land, and finance.

Patrick Maclure retired in November 2014. At that time Simon Eliot (see below), who was appointed in November 2013 succeeded Mr Maclure as the Trustee with particular responsibility for the Trust's education work.

The current Trustees are:

Andrew Christie-Miller (Chairman of Trustees)

Andrew has been a Trustee since 1994; he was appointed Chairman of the Trustees in November 2013. As both a landowner and businessman Andrew brings to the board knowledge of many areas of the Trust's activities, as well as a wider perspective. Formerly Vice-Chairman of Openfield (the UK's largest farmer-owned grain-marketing company) Andrew is currently a director of a vineyard and a development company, as well as a trustee of two charitable trusts and several estates in England and Scotland.

Miles Tuely

Miles has also been a Trustee since 1994; as a very experienced land agent, Miles has considerable expertise in all areas of management of a wide range of property. Miles is also a trustee of the Nuffield Oxford Hospital Fund.

Harry Henderson

Harry has been a Trustee since 2004: as a former director of Cazenove he has a particular expertise in all aspects of financial management; he is also a landowner, so the board also benefits from his knowledge and experience of land ownership and management. Harry is chairman and director of an investment company, as well as being a director of two land-owning trusts and a trustee of four charitable trusts.

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For the year ended 31 March 2015

Dr Victoria Edwards

Victoria was appointed as a Trustee in 2007: a qualified land agent and university lecturer, she has knowledge and experience of land management and tertiary level education, with particular expertise in the environment. Victoria was formerly a board member of the Countryside Commission (and Countryside Agency) and a Forestry Commissioner; she is still involved with Forestry Research and is a member of Council and trustee of three organisations.

Simon Elliot

Simon taught at Winchester College from 1976 to 2000, where he was also a housemaster for 12 years. Simon was Headmaster of Sherborne School between 2000 and 2010: he is currently a Governor of schools in the UK and Prague, and a Trustee of the British Racing School.

Sir Bertie Ross KCVO

Bertie was the Secretary and Keeper of the Records (Chief Executive) for the Duchy of Cornwall, until his retirement in 2013. Bertie is a Fellow of the Royal Institution of Chartered Surveyors, a Trustee of several estates in England and Scotland, a member of the Rural Action Leadership Group of Business in the Community, and a Court member of the Worshipful Company of Farmers.

The Trustees are formally required to retire at the age of 75; their agreed assumption is that they will retire at the age of 70. There is an expectation that each Trustee's appointment is reviewed every five years. Once a year the Chairman discusses with each Trustee his or her contribution to the board and the work of the Trust.

When a vacancy on the Board of Trustees arises, areas of skill and experience among the Trustees that need to be enhanced or replaced are identified: new Trustees are then appointed, following a selection process carried out by the existing Trustees. New Trustees are provided with a comprehensive pack of information about the Trust and its activities; this is backed up by a personal briefing by the Chief Executive, and introductory tours of the estates.

Appropriate training, principally in trusteeship and financial management, is provided by the Trust's advisors and other professionals as necessary. The Trustees are paid under the terms of the Articles of Association.

The Trustees place great importance on good governance: both the Charity Commission's publication 'The Hallmarks of An Effective Charity' and the Code for the Voluntary and Community Sector publication entitled 'Good Governance' have been worked through in detail to ensure that the Trust complies with all the requirements in all areas of governance. In addition, the Trust subscribes to the magazine 'Governance', produced by Civil Society.

During the year, the full board of Trustees met seven times; at two of those meetings (in the spring and autumn) major grant applications were considered. At the beginning of every meeting, the Trustees are asked to declare any conflicts of interest in relation to matters to be discussed. Any such conflicts are minuted and any Trustee with a conflict takes no part in discussion of the relevant item nor any associated decision.

The Trustees have appointed sub-committees to monitor two specialist areas of activity. Further details of the Investment Committee are given on page six under the heading 'Investments'. Further details of the Development Committee are given on page seven under the sub-heading 'Development' in the section on 'Achievements and Performance'.

The overall management of the Trust's affairs is carried out by the Chief Executive, supported by professional and administrative staff, and by a relevant range of external advisors.

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For the year ended 31 March 2015

Decisions are made at the appropriate management level; day-to-day matters are decided by the managers, with reference as necessary to the Chief Executive. More important decisions are taken by the Chief Executive: matters requiring a decision by the Trustees are referred to them either at one of their meetings or, in between such meetings, by correspondence (by letter or email) and telephone calls.

The Trustees have identified and considered the major risks to which the charity is exposed; systems to mitigate those risks have been established. The Risk Assessment and Risk Register is reviewed regularly, being reported to the Trustees at both their main meetings, and reviewed formally by them once per year.

Taking into account the systems in place to mitigate risks, the Trustees considered when they reviewed the risks in November 2014, that there was, for the first time, an area where the retained risk is high, being the risk of the UK leaving the EEC. As that risk cannot be mitigated by any action taken by the Trust, the retained risk was assessed as being high. The Trustees consider that the areas in which the retained risk is medium are:

- Loss of key staff
- Static or falling rental income
- Insecure assets
- Insufficient number of suppliers
- Health and Safety at work issues
- Disaster planning and recovery
- Damage caused by roadside trees
- Problems arising from the private water supply
- Inadequate investment returns
- Antipathetic Government policy
- Adverse taxation
- Collapse of the Euro
- Climate change

There are no related parties other than the Trustees.

OBJECTIVES AND ACTIVITIES

The Ernest Cook Trust is an educational charitable foundation which makes grants to provide financial assistance to suitable educational projects run by other charities, or not-for-profit organisations, and arranges educational visits to its estates. The document setting out the strategy for the operation and management of the Trust, which was adopted in July 2008 and reviewed in 2011 and again in November 2014, contains the following statement of purpose:

“The aim of the Ernest Cook Trust is to make educational grants and to carry out other educational work so as to be highly effective in pursuit of its charitable objective whilst, subject to that, maintaining its investment in its estates in ways that ensure their value, excellence and preservation”.

Details of how the Trustees have furthered these objectives during the year are summarised in this report. Whilst the majority of beneficiaries are school-children, this is not exclusively the case.

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2015

Grant-Making

A full review of the Trust's Grants Policy was carried out in January 2006; it is influenced by Mr Cook's two great passions - the arts and the continuation of the traditional country estate - but includes support to increase standards of literacy and numeracy. Grants, which must always be for clearly educational purposes, aim principally to focus upon the needs of children and young people.

To that end the Trustees have been keen to support applications from registered charities or other not-for-profit organisations within the United Kingdom in three main areas of activity, being the environment and the countryside, the wide spectrum of arts, crafts and architecture, and literacy and numeracy. As a result of a further review of the Grants policy in February 2014 support for 'STEM' subjects (Science, Technology, Engineering, and Maths) is also now given. All applications are expected to link in with either the National Curriculum or recognised qualifications.

It is appreciated that sometimes a contribution will be required towards the salary of an education officer, but the Trust always expects to be only a part-funder. Funds are not usually committed for more than one year: successful applicants are normally asked to wait three years before applying for further help. Research grants are occasionally awarded if the work links in to the above interests: suitable projects which do not fall into any of the main categories are also considered.

Grants range from £100 to £4,000 in the Small Grants category. Relatively modest amounts to provide educational resources for small groups form a large part of the Small Grants programme; this always seems to bring great benefits. At the two main meetings grants are mostly in the range of £5,000 to £10,000, with only a few larger awards for projects closely connected to the Trust's land holdings and educational interests. Main grants to arts, crafts and architecture projects are considered at the Spring meeting; those relating to the environment are put forward at the Autumn meeting.

All applications are processed by the Grants Administrator in consultation with the Chief Executive. Applications which meet the Trust's criteria are passed to the Trustees, who make all decisions relating to awards and the size of grant. The Small Grants programme is administered by the Education Trustee, with the help of the other Trustees by rotation; applications are considered six times per year. The full board of Trustees considers applications for main grants twice per year. All recipients of grants are required to report on the use of the award, within one year of it being made; failure to do so renders a grantee ineligible for any future award.

By making grants in this way, the Trust enables numerous charitable organisations to carry out a wide variety of work benefiting diverse sections of the public; without such grant support these organisations would not have the necessary funding and would therefore not be able to carry out their enriching work.

Educational Use of the Estates

The Ernest Cook Trust's estates are used as direct resources to provide opportunities to take the curriculum outside and for visits to farms, rivers, woodland and a number of other environments: such visits are made by school children of all ages, those in tertiary-level education, and some adults.

These visits offer pupils a chance not only to learn about farming and agriculture, wildlife and biodiversity, and natural habitats but also to cover a wide range of the National Curriculum; they also enable the children to be outside in all seasons and all weathers, which has been shown to be of great benefit to a child's development, as well as being enjoyable. All visits are linked to various areas of the National Curriculum, giving the children the chance to learn in a different environment from their usual classrooms. The majority of this work takes place on the estates in Gloucestershire, but visits are also made to the estates in Dorset, Leicestershire, Buckinghamshire and Oxfordshire. This aspect of the Trust's work has continued to expand and is of increasing importance.

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On a wider scale, the Trust continues involvement with discussions and initiatives to explore ways in which organisations in this sector can collaborate, especially with work arising from the last Government's initiatives and the Learning Outside the Classroom manifesto. The Head Education Officer participates in a sector working group called 'Countryside Classroom' chaired by Lord (Don) Curry. The Head Education Officer has also continued to work with a number of schools and other bodies to promote Forest Schools, both regionally and nationally, with a view to encouraging the use of these areas (of which the Trust currently runs a total of eight) as outdoor classrooms. The Trust plays a leading role in this area.

The Ernest Cook Trust is at the forefront of practical provision of outside education, offering children from a variety of backgrounds, in a variety of locations, the opportunity to experience what is increasingly considered by experts to be a highly important element of education and personal development.

Land Management

The Trust's landed assets consist of seven main estates and two other holdings, in five counties, these being Gloucestershire, Buckinghamshire, Leicestershire, Dorset and Oxfordshire. The estates cover some 22,300 acres, made up mainly of let farmland (with 31 main tenants renting 45 farms between them) but also including woodland, houses, cottages and a few small commercial premises. The aim is to achieve the highest standards of estate management and stewardship, in accordance with the practice of the best-managed landed estates: the Trustees and staff aim to remain true to the founder's vision in an ever-changing world. By following these aims, the Trustees intend to improve the environment and habitats on the estates and protect the landscapes and heritage assets in their care. As with any estate the situation is not static, with land being acquired or disposed of, as suitable opportunities arise, to improve the holdings, and in pursuit of the charitable object. The Trustees are always willing to discuss further acquisitions and bequests with landowners.

Investments

As well as the landed estates, the Trust also has a portfolio of investments; the income from these investments, and the surplus income from the estates, form the fund from which the educational grants are made. Detailed information about these investments, and their professional management, is given in the section of this report headed 'Financial Review'.

An investment committee, comprising two trustees and the Trust's accountant, meets the investment managers twice a year, monitoring performance and discussing relevant issues; additional meetings are held as circumstances require. The investment sub-committee reports to the Trustees at each main meeting: the investment managers report in person annually to the full board of Trustees. In the interim, quarterly reports and valuations are produced and disseminated to the Trustees. The Chief Executive, and the accountant, attend sector briefings by Cazenove and their annual Charities Conference. Papers by other investment managers are received and read, as are relevant sector publications.

ACHIEVEMENTS AND PERFORMANCE

Overall Charitable Expenditure

The Trust spent a total of £4,134,486 from an income of £4,232,841 (97.7%), in pursuit of its charitable objectives. Excess expenditure over income is accounted for by the Trust's stated Total Return approach to investments as detailed under Investment Policy on page nine.

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REPORT OF THE TRUSTEES

For the year ended 31 March 2015

Estates

The programme of work to maintain and improve the fabric of the estates has continued: major improvements have been made to one farm and one residential property; at a further 12 properties either refurbishments or major repairs have been carried out. Following assessments of the requirements on all estates, a rolling programme of electrical inspections and the necessary resultant work has been extended to all property, and a programme of major roof refurbishments continued. The consequences of this programme are both aesthetic and financial improvements.

Only two agricultural rent reviews were carried out as they fell due during the year. 149 acres of bare agricultural land adjacent to the Trust's estate at Little Dalby were bought and let to the main agricultural tenant on that estate. Taking into account all factors that have affected rental income, the rent roll has increased from £3,224,890 to £3,343,925. Taking into account the current state of the agricultural industry, the Trustees decided in September 2014 not to serve Notices to review the rent of arable holdings in 2015; however, in the light of the conditions at the time, the Trustees decided to serve Notices to review dairy holdings.

Monitoring of the likely effects of the proposals for the creation of a high-speed railway (HS2), the proposed route of which passes through the Hartwell estate, has continued; the main thrust of such work has been negotiation with hs2 Ltd about mitigating the effects in readiness for submission of the Trust's concerns to the Select Committee. Such monitoring continues to be undertaken in liaison with the National Trust (the tenants of Hartwell House) and with the neighbouring landowners, the Waddesdon and Carington estates.

Development

A committee, comprising two Trustees and the Chief Executive, assisted by the other agents, meets every six months with the planning consultants who have been appointed to investigate and take forward small-scale development opportunities on the estates, principally as a source of capital funds. Following the obtaining of planning permission for the conversion of barns at Goodfellows Yard, on the Filkins estate, for residential use, one of those barns was sold; the others are being marketed. Similar plans are being prepared in relation to Waiten Hill Farm buildings (development of which will be carried out in three planned phases), and Beefurlong Barn, on the Fairford estate. Following the very long process of obtaining planning permission for residential development, and several failed attempts at disposal, the site at Manor Farm, Somerby, on the Little Dalby estate, was eventually sold.

Educational Grants

During the year 517 grants were awarded, totalling £1,808,053. £1,036,537 was awarded under the large grants programme and £771,516 in the small grants category. Once grants, either cancelled or returned, have been taken into account, a net total of 511 grants, totalling £1,796,024, were made. These figures compare with 551 grants, totalling £1,800,050, being made in 2014. All grants were awarded in accordance with the approved policy.

Areas of grant-making were as follows:

| | |
|-------------------------------|-------------------|
| Arts, Crafts and Architecture | £633,348 |
| Environment | £651,187 |
| Literacy & STEM | £462,091 |
| Other | £ 49,398 |
| | <hr/> |
| | £1,796,024 |

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REPORT OF THE TRUSTEES

For the year ended 31 March 2015

Many small grants during the year have helped primary schools with the cost of workshops with visiting artists, a wide range of activities to teach children about healthy eating, food and how it is grown, and the training of Forest School leaders. Many supplementary schools, improving standards in literacy and numeracy among children from ethnic minorities, have also been supported.

In the Large Grants category, awards have been made towards the costs of outreach work with schools by a range of arts organisations, bursaries and apprenticeships organised by cathedrals and other establishments involved with arts and crafts and the environment, and the salaries of education officers employed by larger organisations operating in these fields.

Educational Visits to the Estates

Use of the estates as direct educational resources has continued to increase and expand: a total of 26,590 individual visits were received, compared with 24,400 last year. There were 15,500 visits to the Gloucestershire estates during the year, including visits repeated on a weekly, monthly or termly basis as part of the Forest School initiative. The programme also included residential visits during the summer and autumn terms, individual attention for students from Coln House School (BESD), holiday clubs, adult groups, scout groups and Professional Development days for teachers. Visits linked to all areas of the National Curriculum are made by children at all key stages in primary and secondary education. A two-day visit was made by students from Reading University, arranged with Victoria Edwards (Trustee), to discuss practical farming with a number of tenants on the Fairford, Hatherop and Slimbridge Estates. In addition, Dr Edwards arranged a visit to the Hartwell Estate by students from across the real estate discipline, to look at a number of aspects of management. The educational work has increased on all the estates: a further part-time education officer has been appointed at Fairford and the hours of some of the educational officers have been increased accordingly. The demand for this work continues to grow, with more and more schools booking visits. The Trustees continue strongly to support this area of the Trust's activities.

Strategic Review

Following consideration by the Trustees of the object of the Trust, and discussion with the Charity Commission and others, after the passing of the Charities Act 2011, a comprehensive review of the strategy for the future operation and management of the Trust was adopted in July 2008; this takes account of the Trustees' powers under the terms of the Trust Deed, and aims both to raise the profile of the Trust and its work, and to increase the size of the Trust. In accordance with the strategy, a rolling five-year plan was prepared and adopted; this was again reviewed and amended during the year.

A comprehensive review of the strategy was conducted during the second half of 2011. The reviewed strategic document was updated, not only to record developments in relation to previously identified areas of activity, but also to reflect the fundamentally different economic climate and the effect of the proposals for a high-speed rail line on the potential development land at Hartwell. An addition was also made to refer to the Trustees' environmental policy. In November 2014 the strategy was again reviewed, following a Trustees' 'Away-Day' in February 2014, at which this was discussed. The central importance of the Trust; direct educational work, and the need to hold land in order to deliver such work, was emphasised.

Public Relations

Public Relations work continued during the year, with the purpose of continuing to raise the Trust's profile, and publicise its activities.

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Press releases continue to be produced covering particularly the direct educational work and grant recipients; a high rate of take-up is achieved. The website is kept up-to-date with new stories and refreshed photo galleries; it has also been redesigned to ensure compatibility with smartphones and tablets.

A short film, showing examples of the Trust's education work, has been produced; this, along with associated clips, has been used during talks by the Chief Executive and the Head of Education.

Environmental Performance

The Trustees adopted an Environmental Policy in March 2011, using the advice and input of Dr Edwards (one of the Trustees) and an independent specialist consultant. In accordance with this policy, an Environment Group was established, comprising a number of members of staff under the guidance of the consultant, to consider and take steps to improve the Trust's energy efficiency, and to reduce its 'carbon footprint' and waste. Initial work concentrated on the Estate Office at Fairford, where steps have been taken to improve energy efficiency, and on Trust houses occupied by members of staff. As a result of the consultant being uncertain of her ability to continue to be involved, this work has stalled, although an environmentally-friendly central heating system was installed in a large let house during the year.

FINANCIAL REVIEW

The fund balance carried forward at 31 March 2015 is £132,763,019, compared with £129,701,529 in 2014; the increase arises mainly from realised and unrealised gains on investments and a revaluation of some agricultural holdings following substantial rent reviews. Grant-making was set at a level of £1.85m for the year. The sources of funds are rental income and returns from investments; the statements show that, after necessary expenditure on the estates and management, these funds have been used in furtherance of the object of the charity, by the making of educational grants, and by use of the estates as direct educational resources through the employment of education officers.

Reserves Policy

The Trustees have continued to set aside reserves as follows:

- the Expendable Endowment represents the Endowment of the Charity at 31 March 2015.
- the Pension Fund is a designated reserve, the purpose of which is to fund the expected shortfall of pensions in respect of some current employees; it is based on an actuarial variation.

The level of the designated fund is set at approximately one year's gross estate expenditure; the level of the undesignated fund represents twelve months' revenue expenditure. This level of reserves is considered necessary to ensure that the charity is able to maintain its level of grant-making.

Investment Policy and Performance

The Trust Deed empowers the Trustees to appoint investment advisors, who have discretion to invest funds for the Trust within the guidelines established by the Trust Deed: Schroders, now trading as Cazenove Capital Management, currently fulfil this role; their appointment for a further period of three years was confirmed in November 2010. In July 2013 Schroders merged with Cazenove; the same individuals remain responsible for management of the Trust's investments. Given their satisfaction with Cazenove, the Trustees decided, rather than carry out a full review of alternative investment managers, to commission a report from an independent expert, to assess Cazenove's performance. This report was carried out after the end of the year and to the Trustees' satisfaction.

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Investments are being made in accordance with a Strategic Asset Allocation agreed by the Trustees in November 2005 and updated in April 2008, designed to give an appropriate and widespread investment across a number of asset classes.

In April 2008, the Trustees adopted a "total return" approach to their investments, under which they will draw down a percentage of the value of the portfolio, from capital growth and income, in order to meet the agreed level of grant-making. This approach commenced in January 2009 since when 4% has been drawn down based on calendar year-end portfolio balances over the previous three years, weighted 40% in the most recent year and 30% each for the two previous years.

Cazenove's performance is assessed against an agreed composite benchmark; that benchmark, which also has a long-term target of inflation plus 3%, has been surpassed for the past two years. The total value of the portfolio, net of withdrawals under the total return policy, has increased, reflecting the general upturn in the economy since 2008. The Trust continues to benefit from embracing a policy of diversification of investments, both across different asset classes within the portfolio, and through its land holdings.

As the Trust's equity and bond holdings are invested in pooled funds, social, ethical and environmental factors governing investment are determined within the management of those funds.

The Risk Register contains a specific section on Financial Risks: these were considered during the year. The mandate to the investment manager states that they should "maximise total return with due regard to risk".

Policies and Format

The accounts have been prepared in accordance with the accounting policies set out herein: there have been no changes in the accounting policies. The revaluation of investments (both freehold property and listed investments) to their market value at 31 March 2015 is shown as movement of funds in the Statement of Financial Activities, resulting in gains of £3,347,892 (2014: £2,194,714). The investments acquired by the Trust are held in accordance with the powers of the Trustees. In accordance with the requirement to value freehold land and buildings at five-yearly intervals, an internal valuation was carried out as at 31 March 2012. Actual and theoretical rents were combined with appropriate Years Purchase (YP) figures to produce individual valuations, which were then collated to produce totals. External advice was sought to establish appropriate YP figures, and in relation to development land at Hartwell.

Planned expenditure towards grants of £1,859,000 (2014: £1,809,000) and improvements/repairs of £1,557,500 (2014: £1,300,000) in 2015/2016 are detailed in note 17, but are not provided for in financial statements. The Trust has adequate resources to meet the existing short-term commitments, and the Trustees are confident that future income from investments will meet the Trust's longer-term liabilities.

PUBLIC BENEFIT

Following the passing of the Charities Act 2011, there must be an identifiable benefit or benefits arising from the work of all charities; such benefits must be to the public or a section of the public. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit and the advancement of education when reviewing the Trust's aims and objectives and in planning future activities and setting the grant-making policy for the year.

In pursuit of its educational charitable object, the Trust gives away a sum of about £1.8m per year in educational grants, as can be seen from this report and the financial statements. In addition, direct use is made of the Trust's estates as educational resources, by hosting an increasing number of visits by school-children and other parties. Such visits are made without charge: the cost to the Trust of that work was £295,832 (2014: 274,735).

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Although grants are only made to registered charities, not-for-profit organisations or community interest companies, no section of the public is excluded from the grant-making work of the Trust, which is open to applicants from anywhere within the United Kingdom. Educational visits are in practice only made by groups within reasonable travelling distance of the Trust's estates, but the number of estates involved in this work has grown. No fees are charged by the Trust in connection with any of the Trust's work. Those working for the Trust are remunerated, but there are otherwise no private benefits.

It can therefore be seen that the work of the Trust benefits the public; further details of the educational work are set out on the Trust's website, which is frequently updated, to provide more information.

PLANS FOR THE FUTURE

The figures in these accounts show that the Ernest Cook Trust is financially sound, enabling growth in its operations. The total sum available for grant-giving will increase to the level of £1.85m for the forthcoming year; it is planned that this sum will be further increased during the period of the current five-year plan.

The strategy for the future of the Trust and management of its assets, including maintenance of, and improvements to, the landed estates, will be followed, subject to review. The five-year plan will also be followed and updated annually. It is anticipated that the demand for educational visits will continue to grow.

The Trustees recognise the need for independent assessment of the educational work; discussions with a suitably qualified and experienced researcher will therefore be progressed.

Monitoring and commenting on the HS2 proposals will continue: following the passing of the enabling Hybrid Bill in early 2014, a petition was lodged against the proposals; the timing of appearance in front of the Select Committee is uncertain.

Work will continue to improve the energy efficiency of the Trust's direct operation, and reduce the waste produced. Opportunities for extending the scope of the adopted environmental policy to its landed estates and grant-giving work will be assessed. This accords with the general nationwide move towards environmental monitoring and reporting.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of the Ernest Cook Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

Auditor

The resolution for the reappointment of Grant Thornton UK LLP as auditor of the Charitable Company will be proposed at the forthcoming AGM.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by Section 415a of the Companies Act 2006.

On behalf of the Trustees:



.....
A W M Christie-Miller, Chairman of the Trustees

Date: 23 November 2015

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ERNEST COOK TRUST

We have audited the financial statements of The Ernest Cook Trust for the year ended 31 March 2015 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Paul Putnam
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

23 November 2015

THE ERNEST COOK TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2015

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, except that investments are valued at market value. They comply with the Statement of Recommended Practice: Accounting by Charities (the SORP) issued in February 2005 together with the reporting requirements of the Companies Act 2006 and applicable United Kingdom accounting standards. They are prepared on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The accounting policies have remained unchanged from the prior year and are set out below.

SUBSIDIARY COMPANIES

The Trust has two wholly owned subsidiaries which are incorporated in the United Kingdom. The Trust owns 100 ordinary £1 shares in each company.

E C T Farms Limited and Mintglebe Limited are dormant companies and were for the whole of the year ended 31 March 2015.

In accordance with paragraph 383 (c) of the Charities' SORP the Trust has not prepared consolidated financial statements incorporating the result of its subsidiary companies on the basis that both companies are dormant and their results are not material to the group.

INCOME

Income represents the total amount receivable by the Trust during the year for rental of property, dividends, including associated transitional relief, interest and amounts under deeds of covenant due to the Trust.

Estate income from rental of property is shown gross within Incoming Resources and the related estate expenditure is included within Activities in furtherance of the charity's objectives.

Lease premiums received are amortised over the period of the lease.

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Income is recognised from the sale of freehold property at the date of the exchange of contracts.

Donations are accounted for on a receivable basis.

EXPENDITURE

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the Trust's objectives;
- expenditure incurred in the strategic operation of the Trust (Governance);
- expenditure incurred in the management and administration of the Trust (Other Resources Expended);
- costs of generating funds.

THE ERNEST COOK TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2015

Employment costs are divided between enterprises based on the best estimate of the division of the time spent by each employee. Costs of managing the Trust (Support Costs), are charged directly to Other Resources Expended.

GRANTS PAYABLE

Grants are included in the accounts only when an unconditional commitment exists.

INVESTMENTS

Additions to investment properties include purchases of land and buildings and property development costs, and are included at valuation.

Assets held for investment purposes are shown in the financial statements at their value to the Trust at the balance sheet date.

Traded securities are valued based on the latest market prices at the year-end.

Realised surpluses or deficits on the disposal of investments are included in the Statement of Financial Activities and calculated based on the sale price against the previously posted valuation. Unrealised surpluses or deficits on revaluation of investments, calculated on the year-end valuation in comparison to either the initial cost price or previous year-end valuation, are included in the Statement of Financial Activities.

The Companies Act 2006 requires all investment properties to be depreciated. However, the requirement conflicts with the generally accepted accounting principle set out in SSAP19. The Directors consider that to depreciate freehold buildings held for investment purposes would not give a true and fair view so they are not depreciated but are subject to valuations at five year intervals: a valuation was therefore completed as at 31 March 2012. In the interim years, an annual impairment review is carried out on all freehold land and buildings held for investment purposes; any material changes are then reflected in the financial statements.

Expenditure on improvements to buildings is capitalised and incorporated into the existing buildings valuation. In addition an annual review is made of these investment properties; if a material change results, then an appropriate adjustment is made to the valuation within the five year valuation.

FIXED ASSETS FOR CHARITY USE

Expenditure on vehicles, plant & machinery and office equipment in excess of £3,500 is capitalised and written off on a straight line basis over either three or four years based on the useful economic life of the asset. Some more substantial fixtures & fittings are written off over 10 years. These assets are listed under 'Other' in the table of tangible fixed assets in note 10.

The Directors consider that freehold land and buildings held for use on a continuing basis by the Trust should not be depreciated as the residual value is greater than or equal to historic cost. This value is sustained by regular maintenance and repair, which is charged to the profit and loss account. Therefore no adjustment for depreciation of freehold property has been made in the financial statements. These functional assets are subject to valuations and impairment reviews in the same way as for freehold land and buildings held for investment purposes. A valuation was completed as at 31 March 2012.

THE ERNEST COOK TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2015

FUTURE COMMITMENTS

Planned expenditure in respect of educational grants and repairs to property are not provided for in the financial statements but are disclosed in note 17.

FUNDS

Expendable endowment fund

The expendable endowment fund, previously referred to as the capital reserve in prior years, was established following the initial endowment of 14,462 acres received from the Founder of the Trust, Ernest Edward Cook, in 1952 when he founded the Ernest Cook Trust as an educational charity.

Unrestricted fund

This fund represents the net incoming resources of the Trust, before realised and unrealised gains and losses, since its foundation in 1952. The nature of this unrestricted fund enables the Trustees to apply this fund in the furtherance of the charity's objectives.

Designated unrestricted funds

Designated funds are unrestricted funds which have been designated for specific purposes by the trustees.

CONTRIBUTION TO PENSION FUNDS

Defined contribution scheme

The pension costs charged in the year in respect of this scheme represent the amount of the contributions payable to the scheme in respect of the accounting period.

Targeted contribution scheme

In the light of unsustainable increasing costs, the Trustees reviewed the pension provision for members of this scheme. As a result of this review and following advice from their pensions consultants, the Trustees decided to stop targeting a pension in respect of service after 1 April 2007; in respect of such future service, the employer's contribution will be defined. The pension costs charged in the year in respect of this scheme represent the amount of contributions payable to the scheme in respect of the accounting period.

THE ERNEST COOK TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT AND A STATEMENT OF RECOGNISED GAINS AND LOSSES)

For the year ended 31 March 2015

| | Note | Unrestricted funds 2015 | Endowment funds 2015 | Total funds 2015 £ | Total funds 2014 £ |
|--|-------|-------------------------------|----------------------------|-----------------------------|-----------------------------|
| Incoming resources | | | | | |
| Estate income | 1 | 3,462,886 | - | 3,462,886 | 3,322,728 |
| Investment income | 2 | 769,955 | - | 769,955 | 707,123 |
| Total incoming resources | | 4,232,841 | - | 4,232,841 | 4,029,851 |
| Resources expended | | | | | |
| Activities in furtherance of the charity's objectives: | | | | | |
| Estate expenditure | 3 | 1,993,690 | - | 1,993,690 | 1,897,911 |
| Grants | 4 | 2,140,796 | - | 2,140,796 | 2,144,027 |
| Governance costs | 5 | 184,379 | - | 184,379 | 175,237 |
| Activities for generating funds: | | | | | |
| Investment management fees | | 124,607 | - | 124,607 | 118,160 |
| Other expenditure | | | | | |
| Other resources expended | 6 | 175,330 | - | 175,330 | 140,398 |
| Total resources expended | | 4,618,802 | - | 4,618,802 | 4,475,733 |
| Net outgoing resources for the year | | (385,961) | - | (385,961) | (445,882) |
| Transfers | | 385,961 | (385,961) | - | - |
| Other recognised gains and losses | | | | | |
| Gains on investment fixed assets | | | | | |
| Realised | | - | 99,559 | 99,559 | 242,914 |
| Net income and expenditure | | - | (286,402) | (286,402) | (202,968) |
| Unrealised gains on investment fixed assets | | | | | |
| Unrealised | 10,11 | - | 3,347,892 | 3,347,892 | 2,194,714 |
| Net movement in funds | | - | 3,061,490 | 3,061,490 | 1,991,746 |
| Fund balances brought forward at 1 April | | 4,383,529 | 125,318,000 | 129,701,529 | 127,709,783 |
| Fund balances carried forward at 31 March | | 4,383,529 | 128,379,490 | 132,763,019 | 129,701,529 |

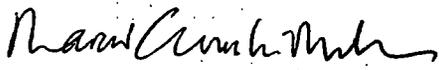
THE ERNEST COOK TRUST

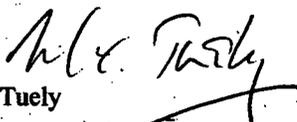
BALANCE SHEET

AS AT 31 MARCH 2015

| | | 2015 | 2014 |
|--|------|--------------------|--------------------|
| | Note | £ | £ |
| Fixed assets | | | |
| Tangible assets | 10 | 2,140,988 | 2,108,103 |
| Investments | 11 | <u>131,030,510</u> | <u>127,262,399</u> |
| | | <u>133,171,498</u> | <u>129,370,502</u> |
| Current assets | | | |
| Debtors | 12 | 1,149,955 | 1,095,794 |
| Cash at bank and in hand | | <u>268,605</u> | <u>591,272</u> |
| | | <u>1,418,560</u> | <u>1,687,066</u> |
| Creditors: amounts falling due within one year | 13 | <u>(1,104,973)</u> | <u>(622,261)</u> |
| Net current assets | | <u>313,587</u> | <u>1,064,805</u> |
| Total assets less current liabilities | | <u>133,485,085</u> | <u>130,435,307</u> |
| Creditors: amounts falling due after more than one year | 14 | <u>(722,066)</u> | <u>(733,778)</u> |
| | | <u>132,763,019</u> | <u>129,701,529</u> |
| Capital and income funds | | | |
| Unrestricted funds | | 4,383,529 | 4,383,529 |
| Endowment funds | | <u>128,379,490</u> | <u>125,318,000</u> |
| | 15 | <u>132,763,019</u> | <u>129,701,529</u> |

The financial statements were approved by the Trustees on 23 November 2015.


A W M Christie-Miller Trustee


M C Tuely Trustee

The accompanying accounting policies and notes form an integral part of these financial statements.

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

1 ESTATE INCOME

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| Rents | 3,343,925 | 3,224,890 |
| Forestry income | 34,793 | 9,344 |
| Countryside stewardship & other grants | 9,536 | 12,226 |
| Other income | 74,632 | 76,268 |
| | <u>3,462,886</u> | <u>3,322,728</u> |

2 INVESTMENT INCOME

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Dividends, distributions and interest from quoted securities (gross) | 769,062 | 705,922 |
| Bank and other interest (gross) | 893 | 1,201 |
| | <u>769,955</u> | <u>707,123</u> |

3 ESTATE EXPENDITURE

| | 2015 £ | 2014 £ |
|---------------------------------------|------------------|------------------|
| Repairs and replacements | 852,073 | 863,140 |
| Depreciation | 19,124 | 10,368 |
| Rates | 20,270 | 25,941 |
| Insurance | 83,014 | 77,601 |
| Light and heat | 16,658 | 15,857 |
| Telephone | 2,180 | 2,660 |
| Estate wages and pension costs | 312,727 | 201,396 |
| Casual labour | 27,125 | 14,349 |
| Equipment and vehicle expenses | 26,152 | 32,725 |
| Legal fees | 38,356 | 31,137 |
| Other professional fees | 105,566 | 155,497 |
| Sundry expenses | 7,421 | 6,503 |
| Bad debts | 28,106 | 18,321 |
| Profit on sale of assets | (5,499) | (1,650) |
| Non recoverable VAT | 151,706 | 146,426 |
| Management salaries and pension costs | 308,711 | 297,640 |
| | <u>1,993,690</u> | <u>1,897,911</u> |

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

4 GRANT PAYMENTS AND OTHER DIRECT CHARITABLE EXPENDITURE

The value of the grants and other direct charitable expenditure paid during the year are as follows:

| | 2015 | | 2014 | |
|--------------------------------------|----------|------------------|---------|------------------|
| | £ | £ | £ | £ |
| Educational grants to institutions | | 1,805,953 | | 1,804,276 |
| Educational grants to individuals | | 2,100 | | 2,450 |
| | | <u>1,808,053</u> | | <u>1,806,726</u> |
| Grant making expenditure: | | | | |
| Grant salaries and pension costs | 44,573 | | 46,525 | |
| Office expenses and equipment | 2,530 | | 2,502 | |
| Depreciation | 24,037 | | 18,791 | |
| Postage and telephone | 1,240 | | 1,097 | |
| Printing and stationery | 597 | | 327 | |
| Education salaries and pension costs | 208,424 | | 190,491 | |
| Education expenses and equipment | 55,809 | | 71,733 | |
| Non recoverable VAT | 7,562 | | 12,511 | |
| Grants returned | (12,029) | | (6,676) | |
| | | <u>332,743</u> | | <u>337,301</u> |
| | | <u>2,140,796</u> | | <u>2,144,027</u> |

5 GOVERNANCE COSTS

| | 2015 | 2014 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Salaries and pensions | 42,958 | 43,233 |
| Trustees remuneration (note 9) | 53,483 | 43,739 |
| Travelling and subsistence | 5,746 | 5,028 |
| Audit and accountancy | 14,602 | 14,765 |
| Legal fees | 25,615 | 27,331 |
| Other professional fees | 4,741 | 2,180 |
| Public relations fees | 29,059 | 30,955 |
| Trustees indemnity insurance | 2,262 | 2,262 |
| Non recoverable VAT | 5,913 | 5,744 |
| | <u>184,379</u> | <u>175,237</u> |

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

6 OTHER RESOURCES EXPENDED

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Establishment expenditure | | |
| Rates | 5,168 | 5,158 |
| Light and heating | 9,486 | 4,452 |
| Depreciation | 14,271 | 6,783 |
| Insurance | 19,211 | 19,413 |
| | <u>48,136</u> | <u>35,806</u> |
| Administration expenditure | | |
| Salaries and pension costs | 24,937 | 20,053 |
| Pensions to past employees | 8,478 | 8,275 |
| Travelling and subsistence | 11,335 | 12,428 |
| Equipment and motor vehicles | 18,882 | 22,865 |
| Printing and stationery | 6,741 | 9,607 |
| Postage and telephone | 6,040 | 5,529 |
| Other professional fees | 12,152 | 5,279 |
| Subscriptions | 11,157 | 9,587 |
| Sundries | 8,197 | 8,506 |
| Profit on sale of asset | (1,498) | - |
| | <u>106,421</u> | <u>102,129</u> |
| Financial expenditure | | |
| Non recoverable VAT | 6,350 | 1,350 |
| Bank charges | 14,423 | 1,113 |
| | <u>20,773</u> | <u>2,463</u> |
| Total management and administration | <u>175,330</u> | <u>140,398</u> |

7 ANALYSIS OF RESOURCES EXPENDED

| | Staff costs £ | Depreciation £ | Other £ | Total 2015 £ | Total 2014 £ |
|--------------------------------|------------------|-------------------|------------------|--------------------|--------------------|
| Investment management fees | - | - | 124,607 | 124,607 | 118,160 |
| Grant making expenditure | 252,997 | 24,037 | 1,863,762 | 2,140,796 | 2,144,027 |
| Estate repairs and expenditure | 621,438 | 19,123 | 1,353,129 | 1,993,690 | 1,897,911 |
| Governance costs | 42,958 | - | 141,421 | 184,379 | 175,237 |
| Support costs | 24,937 | 14,271 | 136,122 | 175,330 | 140,398 |
| Resources expended | <u>942,330</u> | <u>57,431</u> | <u>3,619,041</u> | <u>4,618,802</u> | <u>4,475,733</u> |

Total resources expended include:

| | 2015 £ | 2014 £ |
|-----------------------------------|----------------|---------------|
| Auditor's remuneration | 14,602 | 14,765 |
| Auditor's remuneration: non-audit | 4,611 | 2,050 |
| Pension costs | <u>187,788</u> | <u>93,802</u> |

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

8 EMPLOYEES

| | 2015 £ | 2014 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 651,348 | 633,935 |
| Social security costs | 62,832 | 62,666 |
| Other pension costs | 187,788 | 93,802 |
| | <u>901,968</u> | <u>790,403</u> |

The average number of employees during the period, analysed by activity, were as follows:

| | 2015 Number | 2014 Number |
|-------------------------------|----------------|----------------|
| Maintenance of estates | 6 | 7 |
| Management and administration | 16 | 16 |
| | <u>22</u> | <u>23</u> |

The emoluments of higher paid employees fell within the following ranges:

| | 2015 Number | 2014 Number |
|----------------------|----------------|----------------|
| £100,001 to £110,000 | 1 | 1 |
| £70,001 to £80,000 | 1 | 1 |

Contributions of £16,145 (2014: £15,759) were made during the year for the provision of a money purchase pension scheme for the highest paid employee.

9 TRUSTEES' REMUNERATION

| Recipient | 2015 £ | 2014 £ |
|--------------------------|---------------|---------------|
| Mr S A J P Bosanquet | - | 5,118 |
| Mr A W M Christie-Miller | 12,000 | 8,186 |
| Mr M C Tuely | 7,000 | 6,375 |
| Mr P S W K Maclure | 5,733 | 7,739 |
| Mr H M Henderson | 7,000 | 6,375 |
| Dr V M Edwards | 7,000 | 6,375 |
| Mr S F Eliot | 7,750 | 2,536 |
| Sir Bertie Ross | 7,000 | 1,035 |
| | <u>53,483</u> | <u>43,739</u> |

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

Expense reimbursements paid to the Trustees during the year amounted to £5,746 (2014: £5,027). At the year end an amount of £13,425 (2014: £14,807) was owed to the Trustees. There is a disclosure in the Deed of Trust to provide remuneration to Trustees.

10 TANGIBLE FIXED ASSETS

| | Freehold land and buildings £ | Other £ | Total £ |
|---|--|----------------|------------------|
| Cost | | | |
| At 1 April 2014 | 1,992,510 | 449,133 | 2,441,643 |
| Additions | 8,450 | 81,870 | 90,320 |
| Disposals | - | (39,838) | (39,838) |
| At 31 March 2015 | <u>2,000,960</u> | <u>491,165</u> | <u>2,492,125</u> |
| Depreciation | | | |
| At 1 April 2014 | - | 333,540 | 333,540 |
| Charged in the year | - | 57,432 | 57,432 |
| Disposals | - | (39,835) | (39,835) |
| At 31 March 2015 | <u>-</u> | <u>351,137</u> | <u>351,137</u> |
| Net book amount at 31 March 2015 | <u>2,000,960</u> | <u>140,028</u> | <u>2,140,988</u> |
| Net book amount at 31 March 2014 | <u>1,992,510</u> | <u>115,593</u> | <u>2,108,103</u> |

11 FIXED ASSET INVESTMENTS

| | Investment properties £ | Listed investments £ | Other investments £ | Total £ |
|--------------------------------|-------------------------------|----------------------------|---------------------------|--------------------|
| Cost or valuation | | | | |
| At 1 April 2014 | 97,131,556 | 29,562,138 | 568,705 | 127,262,399 |
| Additions | 1,131,028 | 4,123,130 | 5,461,386 | 10,715,544 |
| Disposals | (434,450) | (4,841,675) | (5,019,200) | (10,295,325) |
| Unrealised gain on revaluation | 1,316,000 | 2,031,892 | - | 3,347,892 |
| At 31 March 2015 | <u>99,144,134</u> | <u>30,875,485</u> | <u>1,010,891</u> | <u>131,030,510</u> |
| Historical cost | | | | |
| At 31 March 2015 | <u>-</u> | <u>19,514,570</u> | <u>808,208</u> | <u>20,322,778</u> |

If the fixed asset investments excluding properties had not been revalued they would have been included on the historical cost basis as £20,322,778 (2014: £24,089,308).

It is not possible to determine the historical cost of the investment properties as many of them were settled by the founder in 1952. A full revaluation of these properties was undertaken as at 31 March 2012. The figures are reviewed every year and adjustments made to reflect material changes.

The Trustees hold 100 shares of £1 in each of the Trust's two wholly owned subsidiaries, ECT Farms Limited and Mintglebe Ltd. Both of these companies are dormant.

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

An analysis of the location of investments for the Trust is as follows:

| | UK £ | Non UK £ | 2015 Total £ | 2014 Total £ |
|-----------------------|--------------------|------------------|--------------------|--------------------|
| Investment properties | 99,144,134 | - | 99,144,134 | 97,131,556 |
| Listed investments | 23,818,340 | 7,057,148 | 30,875,488 | 29,562,138 |
| Other investments | 1,010,891 | - | 1,010,891 | 568,705 |
| | <u>123,973,365</u> | <u>7,057,148</u> | <u>131,030,513</u> | <u>127,262,399</u> |

Listed and other investments by fund type are as follows:

| | 2015 | 2014 |
|-----------------|-------------|-------------|
| UK equities | 40% | 45% |
| Non-UK equities | 20% | 18% |
| Bonds | 10% | 10% |
| Alternatives | 27% | 25% |
| Cash | 3% | 2% |
| Total | <u>100%</u> | <u>100%</u> |

All equities are held within funds and are therefore indirect holdings.

Individual investments which comprise over 5% of the value of the portfolio at the year end are as follows:

| | £ |
|--------------------------------|------------------|
| Majedie UK Equity Fund | 2,124,062 |
| L & G UK Index Trust Fund | 1,810,921 |
| AXA Framlington UK Select Fund | 1,801,935 |
| Charities Property Fund | <u>1,546,277</u> |

12 DEBTORS

| | 2015 £ | 2014 £ |
|-------------------------------|------------------|------------------|
| Rents receivable | 1,065,043 | 1,020,707 |
| Other debtors and prepayments | 84,912 | 75,087 |
| | <u>1,149,955</u> | <u>1,095,794</u> |

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|---------------------------------|------------------|----------------|
| Social security and other taxes | 235,026 | 141,993 |
| Loans and overdrafts | 325,000 | - |
| Pension creditor | 8,701 | 11,118 |
| Other creditors and accruals | 515,349 | 452,533 |
| Deferred income | 20,897 | 16,617 |
| | <u>1,104,973</u> | <u>622,261</u> |

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2015 £ | 2014 £ |
|-----------------|----------------|----------------|
| Deferred income | <u>722,066</u> | <u>733,778</u> |

15 FUNDS AND RESERVES

| | Unrestricted fund £ | Endowment fund £ | Total £ |
|--------------------|---------------------------|------------------------|--------------------|
| At 1 April 2014 | 4,235,842 | 125,465,687 | 129,701,529 |
| Incoming resources | 4,232,841 | - | 4,232,841 |
| Expenditure | (4,618,802) | - | (4,618,802) |
| Transfers | 490,415 | (490,415) | - |
| Gains | - | 3,447,451 | 3,447,451 |
| At 31 March 2015 | <u>4,340,296</u> | <u>128,422,723</u> | <u>132,763,019</u> |

Unrestricted funds are analysed as follows:

| | Unrestricted undesignated funds £ | Unrestricted designated funds £ | Total £ |
|--------------------|--|--|------------------|
| At 1 April 2014 | 2,450,000 | 1,785,842 | 4,235,842 |
| Incoming resources | 4,232,841 | - | 4,232,841 |
| Expenditure | (4,618,802) | - | (4,618,802) |
| Transfers | 385,961 | 104,454 | 490,415 |
| At 31 March 2015 | <u>2,450,000</u> | <u>1,890,296</u> | <u>4,340,296</u> |

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

Designated funds are analysed as follows:

| | Designated fund £ | Designated pension fund £ | Total £ |
|--------------------|----------------------|------------------------------|------------------|
| At 1 April 2014 | 1,300,000 | 485,842 | 1,785,842 |
| Incoming resources | - | - | - |
| Transfers | 250,000 | (145,546) | 104,454 |
| At 31 March 2015 | <u>1,550,000</u> | <u>340,296</u> | <u>1,890,296</u> |

Transfers between funds are made to maintain reserves in line with policies set out in the Trustees report.

Expendable endowment fund

This is a reserve representing the capital assets of the Trust.

Designated fund

The Trustees maintain a designated fund which represents a proportion of annual rental and investment income. The purpose of this is to provide a cash reserve for planned expenditure in respect of repairs and costs relating to the estates.

Designated pension fund

This is a reserve to provide for the anticipated under-funding of the targeted pension scheme only. The provision is based on actuarial methods and assumptions.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Expendable endowment £ | Designated fund £ | Undesignated fund £ | Designated pension fund £ | Total £ |
|-------------------------|---------------------------|----------------------|------------------------|------------------------------|--------------------|
| Tangible fixed assets | 2,140,988 | - | - | - | 2,140,988 |
| Fixed asset investments | 126,281,735 | 853,506 | 3,554,973 | 340,296 | 131,030,510 |
| Current assets | - | 1,418,560 | - | - | 1,418,560 |
| Current liabilities | - | - | (1,104,973) | - | (1,104,973) |
| Long term liabilities | - | (722,066) | - | - | (722,066) |
| | <u>128,422,723</u> | <u>1,550,000</u> | <u>2,450,000</u> | <u>340,296</u> | <u>132,763,019</u> |

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

17 COMMITMENTS FOR FUTURE EXPENDITURE

There were no capital commitments as at 31 March 2015 or 31 March 2014. However, expenditure had been planned to be made in relation to a number of educational grants and improvements and repairs to properties. These can be summarised as follows:

| | 2015 £ | 2014 £ |
|--------------------------|------------------|------------------|
| Educational grants | 1,859,000 | 1,809,000 |
| Improvements and repairs | 1,557,500 | 1,300,000 |
| | <u>3,416,500</u> | <u>3,109,000</u> |

This expenditure has not been provided for in these financial statements on the basis that no contractual obligation exists at the financial year end, but there are sufficient funds to cover the planned expenditure. Planned improvements and repairs have no set dates for confirmed expenditure.

18 PENSIONS

Defined contribution schemes

The Trust operates two defined contribution pension schemes for the benefit of employees. The assets of the schemes are administered by trustees in funds independent from those of the Trust.

19 POST BALANCE SHEET EVENTS

In May and October 2015, the Trust sold the two remaining barns at Goodfellows Yard on the Filkins estate for conversion to residential use. These sales raised a net £616,570. In addition Tranches IV & V at the Fairford Leys development in Buckinghamshire were sold for £560,000 in July 2015.