

CHARITY COMMISSION
FIRST CONTACT
06 DEC 2017
ACCOUNTS
RECEIVED

THE ERNEST COOK TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

Registered number 7907411
Charity number 1146629

THE ERNEST COOK TRUST

FINANCIAL STATEMENTS

For the year ended 31 March 2017

INDEX	PAGE
Legal and administrative details	1
Report of the Trustees	2 - 14
Report of the independent auditor	15 - 16
Principal accounting policies	17 - 20
Statement of financial activities	21
Balance sheet	22
Cash flow statement	23
Notes to the financial statements	24 - 33

THE ERNEST COOK TRUST

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2017

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 H M Henderson DL Dr V M Edwards OBE FRICS FAAV (resigned 20 May 2016) Mr S F Eliot Sir Bertie Ross KCVO Mrs M E Riall Ms J D Greenwood OBE (appointed 5 April 2017)
Chief Executive and Company Secretary:	Mr N J Ford BA MRICS (retired 30 September 2016) Dr V M Edwards OBE FRICS FAAV (appointed 1 October 2016)
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 2017

The Trustees (who are also directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Ernest Cook Trust for the year ended 31 March 2017.

1.0 WHO WE ARE: STRUCTURE, GOVERNANCE AND MANAGEMENT

Ernest Edward Cook was the grandson of Thomas Cook, founder of the travel agency Thomas Cook & Sons. Following the sale of the family business in 1928, Ernest Cook devoted his wealth and energy to the purchase of country houses and estates, and their collections of works of art. Mr Cook made significant bequests and donations to the National Art Collections Fund and to the National Trust.

In 1952, Ernest Cook founded this Trust in his own name as an educational charity. Initially the Trust derived its income from the 14,462 acres of agricultural estate land that Ernest put into trust, which still continues to form part of the endowment. Our founding instrument, the 1952 Deed of Trust, was added to and amended in 1984, 1995 and principally in February 2006, when the Deed was updated to reflect the Trust's more current activities.

The Ernest Cook Trust was incorporated on 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 were carried forward into the incorporated charity. The Directors of the Trust are also its Trustees for the purposes of charity law. Our head office is based on the Fairford Estate in Gloucestershire.

1.1 Our 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.

Dr Victoria Edwards resigned as a Trustee in May 2016 in order to take up the role of Chief Executive.

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.

Harry Henderson

Harry has been a Trustee since 2004. As a former partner of Cazenove & Co, Harry 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 of the Witan Investment Trust plc and a director of Cadogan Settled Estates Ltd, as well as being a trustee of four charitable trusts.

Simon Eliot

Simon became a Trustee in 2013. 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 became a Trustee in 2014. Sir 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 and a Court member of the Worshipful Company of Farmers.

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

Mary Riall

Mary became a Trustee in November 2015. Mary is a former teacher and was the founder and Chief Executive of the Ufton Court Educational Trust in Berkshire from 2006 to 2015, which aims to inspire and challenge young people through learning outside the classroom. She is now Chairman of Ufton Court. Mary was previously on the Council of Bradfield College and currently Chairs the Governors of the John Madjeski Academy in Reading.

Jenefer Greenwood OBE

Jenefer joined the board of Trustees in April 2017. Formerly a Crown Estate Commissioner and Director of Sales & Lettings at Grosvenor Ltd, Jenefer held posts as Chairman of the National Skills Academy for Retail and President of the British Council of Shopping Centres. Jenefer is a Fellow of the Royal Institution of Chartered Surveyors and serves as a Non-Executive Director on the board of two FTSE 250 property companies. She has been a Governor at Westonbirt School since 1999 and is currently Deputy Chairman there.

1.2 Appointment, induction and training of Trustees

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 and given a full induction programme by the senior staff, together with introductory tours of the estates.

Training of Trustees is reviewed against individual training needs. The Trust's advisors and professional bodies provide appropriate training for Trustees, principally in governance and financial management. The Trustees are paid under the terms of the Articles of Association.

1.3 Governance

The Trustees are committed to the cause of the Ernest Cook Trust and its good governance, understanding their legal duties, as explained in the Charity Commission's guide *The Essential Trustee*, the Trust's deed and subsequent policy papers, and in the Commission's third edition of *The Charity Governance Code*. In terms of current awareness, the Trust is a member of the Association of Charitable Foundations, Foundations Forum, the Environmental Funders Network and several other charitable and estate management networks. The Chief Executive is a member of the Association of Chief Executives of Voluntary Organisations (ACEVO).

The Board normally meets five or six times a year to review strategy and performance, including review visits to its agricultural estates, where Trustees meet with tenants. At two of those meetings (in the spring and autumn) major grant applications are 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 two Trustee-led committees to monitor specialist areas of activity: Investments and Estate Development. Each committee has its own terms of reference and is chaired by a Trustee. They report back to the main board. Further details of the Development Committee are given in section 2.1 and of the Investment Committee in section 2.4.

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

1.4 Management

Overall 2016/17 has been a year of transition for the Ernest Cook Trust. Nicholas Ford retired on 30 September 2016 after some fourteen years as Chief Executive. We employed recruitment consultants in December 2015, who advertised the post nationally and interviewed from January-March 2016. One of our own Trustees, Dr Victoria Edwards, applied along with some fifty candidates, and was offered the post after an extensive interview process. Dr Edwards' appointment was approved by the Charity Commission in May 2016 and she took over as Chief Executive on 1 October 2016.

As the average age of the Trust's staff is high, inevitably there continue to be several retirements and new appointments. Ken Davey, who worked at the Trust's Fairford estate for fifty years, latterly as its River Keeper, retired in November 2016 and was replaced by Jon Welch. Daphne Trinder, Estates' secretary for some twenty-six years, retired in April 2017 and Jonathan Stebbing, Deputy Agent, retired in September 2017 after almost forty years of service for the Trust. Michael Birnie joined the Trust in May as Property Director, a new post, and was joined by Alison Wright in July, as his personal assistant.

The overall management of the Trust's affairs is carried out by the Chief Executive, supported by a Finance Director, Property Director, Head of Education and Grants Manager, a small team of professional and administrative staff, and by a relevant range of external advisors.

A weekly staff meeting keeps all staff informed of the Trust's operation. Management and administrative staff are also supplied with full minutes of Trustees' meetings. We continue to update our information technology provision to improve communication amongst staff and are working towards improved remote access provision.

Matters requiring a decision by the Trustees are referred to them either at one of their meetings or, in between such meetings, by correspondence (normally email) and telephone calls.

2.0 WHAT WE DO: OBJECTIVES AND ACTIVITIES

The Ernest Cook Trust is a landed educational charity, which makes grants to suitable educational projects and arranges educational visits to its estates.

The document setting out the strategy for the operation and management of the Trust was adopted in July 2008 and reviewed in 2011 and 2014. It 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. The Trustees are currently reviewing the Trust's charitable purposes, the external environment within which it works and developing a revised strategy for its desired outputs, outcomes and impacts. Future plans for the Ernest Cook Trust are outlined at the end of this report.

2.1 Estate Management

The Trust was endowed with 14,462 acres (5,850 hectares) of agricultural land, which has grown through acquisition and endowment to over 22,300 acres (9,025 hectares) today. The Trust's estate is 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. There are seven integral estates and two other holdings, in five counties: Gloucestershire, Buckinghamshire, Dorset, Leicestershire and Oxfordshire. 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 ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

Trustees manage the estates for high capital growth and income return while seeking ways to improve the environment and habitats on the estates and protect the landscapes and heritage assets in their care. Active management is pursued, with land being acquired or disposed of as suitable opportunities arise.

A Development Committee, chaired by Sir Bertie Ross and comprising Trustee Jenefer Greenwood, the Chief Executive, the Property Director and the Finance Director, meets quarterly to advance development for non-agricultural use of individual properties and parcels of land from the Trust's overall estate. The Development Committee reports to the main Board of Trustees.

2.2 Educational Grant-Making

Grants, which must always be for clearly educational purposes, aim principally to focus upon the needs of children and young people and are awarded to registered charities or other not-for-profit organisations within the United Kingdom.

The last full review of the Trust's Grants Policy was carried out in 2006, with further review in 2014. The Trust currently gives to three main areas of activity:

- Environment and the countryside;
- Arts, crafts and architecture; and
- Literacy, numeracy and 'STEM' subjects
(Science, Technology, Engineering, and Mathematics).

All applications are expected to link in with either the National Curriculum or recognised qualifications. Funds are not usually committed for more than one year and successful applicants are normally asked to wait three years before applying for further awards.

Grant-making is organised into Small Grants (£100 to £4,000) and Large Grants (£4,000 to £12,000). Applications are processed by the Grants Manager in consultation with the Chief Executive. Applications for Large Grants that meet the Trust's criteria are passed to the Trustees, who make all decisions relating to awards and the size of grant. Large Grants are considered by the full board of Trustees twice a year. The Small Grants programme is overseen by the Education Trustee, Simon Eliot, with the help of the other Trustees by rotation. Applications for Small Grants are considered six times a year.

A few larger awards for projects closely connected to the Trust's land holdings and educational interests are made in some years, normally of up to £50,000.

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.

2.3 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. Visits are made by school children of all ages, those in tertiary-level education, and some adults.

All visits to the ECT's land offer visitors a chance to learn about the natural environment and land management; visits from schools are always linked to the National Curriculum. Our provision of outside education, which includes running eight *Forest Schools* on our land, offers children from a variety of backgrounds, in a variety of locations, the opportunity to experience learning outdoors. Enabling children to be outside in all seasons and all weathers has been shown to be of great benefit to a child's education and personal development, as well as being

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

enjoyable. The majority of our educational work takes place on the estates in Gloucestershire, but visits are also made to the estates in Dorset, Leicestershire, Buckinghamshire and Oxfordshire.

As well as delivering educational visits, we help others to teach outdoors, promoting Forest Schools, regionally and nationally, and holding regular INSET training days for teachers. We also host CEVAS (Countryside Educational Visits Accreditation Scheme) training courses, designed to teach, encourage and facilitate farmers to open their farms for school visits. This aspect of the Trust's work has continued to expand and is of increasing importance.

2.4 Investments

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

An investment committee, comprising two Trustees, Andrew Christie-Miller and Harry Henderson, and the Trust's Finance Director, meets the investment managers, Cazenove, twice a year. The committee monitors performance and discusses relevant issues, adding additional meetings as circumstances require. The investment committee reports to the Trustees at each main meeting. Trustees receive quarterly reports and valuations from the investment managers, and a summary annual report. The Chief Executive and the Finance Director attend sector briefings and Cazenove's annual Charities Conference. Papers by other investment managers are received and read, as are relevant sector publications.

3.0 WHAT WE DID: OUR ACHIEVEMENTS AND PERFORMANCE

3.1 Overall Charitable Expenditure

The Trust spent a total of £4,076,617 from an income of £4,680,314 (87.1%), 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 10.

3.2 Estate Management

Work to modernise the estates department, employing improved information technology and incorporating a new property management system was put on hold during personnel changes. Nevertheless, the department continued with its programme of work to maintain and improve the fabric of the estates while seeking opportunities to add value to the portfolio. Further land was purchased on the Trent estate; major improvements have been made to two farms; 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.

Only two agricultural rent reviews were carried out during the year because a decision was made to defer other reviews due for 12 months as a result of market conditions. An increase was seen at one arable/livestock holding and a small decrease seen on the dairy holding, reflecting the decrease in farm milk prices. The overall rent roll across the property portfolio increased from £3,418,162 to £3,481,463.

The route of high-speed railway (HS2) passes through the Hartwell estate; monitoring of the likely effects of the construction continues. Mitigation work has been agreed and was enshrined in a formal document, *The Hartwell Agreement*, signed by the Secretary of State at the end of 2016. It is anticipated that contractors for hs2 Ltd will enter on to the Estate in mid-2018 to begin construction; preliminary site investigations and surveys are already taking place. Monitoring continues to be undertaken in liaison with the National Trust (the tenants of Hartwell House) and with the neighbouring landowners. Surrender of Calley Farm, one of the agricultural holdings to be dissected by HS2, was negotiated by the Trust with the longstanding tenant, effective 29 September 2017. Part of

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

the farm will be re-let on a fixed term Farm Business Tenancy with the neighbouring ECT tenant and part will be farmed by contract with him.

With regards to the development of a site at Waiten Hill Farm on the Fairford estate, reported in last year's annual report, an offer has been accepted on Tallett Barn, which will be disposed of with planning consent for conversion to a residential property. The Trust is considering developing in-house the adjacent paddock, for which planning permission for a small residential development of five units has been obtained, having resolved the affordable housing issue. A full development appraisal will be conducted before a final decision is made.

3.3 Grant Making

During the year 556 grants were awarded, totalling £1,954,535. A total of £1,090,046 was awarded under the large grants programme and £864,489 in the small grants category. Once cancelled or returned grants have been taken into account, a net total of 553 grants, totalling £1,947,235 were made. These figures compare with 536 grants, totalling £1,849,253 being made in 2016. All grants were awarded in accordance with the approved policy.

Areas of grant-making were as follows:

Arts, Crafts and Architecture	£ 687,092
Environment and the Countryside	£ 749,961
Literacy & STEM	£ 481,282
Other	£ 28,900
	<u>£1,947,235</u>

Many small grants during the year have helped primary schools with the cost of workshops, engaging visiting artists and purchasing musical instruments. They have also helped with a wide range of resources and activities to teach children about wildlife, growing food, sustainability and healthy eating, and with training and equipment for Forest Schools. Many supplementary schools, which improve standards in literacy and numeracy among children from ethnic minorities, have also been supported.

Large Grants have been awarded to a range of arts organisations, covering the cost of outreach work with schools and supplying bursaries and scholarships for students at arts and crafts institutions and cathedral schools. Traineeships and apprenticeships in horticulture and the countryside have been awarded and large grants have contributed to the salaries of education officers employed by larger organisations operating in our specific fields.

An 'exceptional grant' of £50,000 was given in the Environment sub-category of the Large Grants category to the Game & Wildlife Conservation Trust (GWCT) to support its Farm Cluster research into biodiversity on farms. The GWCT will help to establish a cluster of farmers on the Trust's Fairford Estate and will encourage and monitor the effects of that cluster on improving biodiversity on the Estate.

3.4 Educational Use of the Estates

Use of the estates as direct educational resources has continued to increase and expand and the hours of some of the educational officers have been increased accordingly. Visits linked to all areas of the National Curriculum are made by children at all key stages in primary and secondary education. A total of 32,000 individual visits were hosted (where one child is counted as one visit), compared with 31,080 last year. There were 19,350 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, holiday clubs, adult groups, scout groups and professional development days for teachers.

Towards the end of 2016, we entered into a pilot partnership with the Devonshire Educational Trust on the Chatsworth Estate, where we have part-funded a full time education officer to offer outdoor education on the ECT

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

'model' at Chatsworth. We are monitoring the effectiveness of the partnership carefully, as this means of expanding our educational work geographically is likely to form part of the Trust's new strategy. Further such partnerships will be formed on the basis of well-defined criteria, such as locations close to populations of particular need.

To measure the impact of our outdoor educational work, we commissioned independent consultants to conduct an empirical study of children benefitting from Ernest Cook Trust visits. Guidepost Research reported back to the Trustees in September 2016. The research included assessing the impact of the ECT on teacher experiences and on children's educational learning and social, emotional and behavioural wellbeing. A full copy of the report is available, but highlights are reported here.

The research project began by establishing the value of existing ECT practice to schools by collecting simple survey data from schools that had attended visits at the Ernest Cook Trust. Of the 54 teachers who completed the ECT survey, 81% rated the programme content that was delivered to the children as 'very good', 17% as 'good' and 2% as 'OK' (no teachers considered the programme to be 'poor'). When asked to rate the overall experience of the *children* during the ECT programme, 87% responded 'very good' and 13% 'good'; and 80% of teachers rated their *own* overall experience as 'very good' and 17% as 'good' (3% no response). The teachers' comments included: "*A brilliant day - so well organised! Highly recommend the day to everyone*" and "*The setting is stimulating, educational and uplifting. Your staff are knowledgeable, personable, professional and respond really well to children. We love bringing the children here and enjoy working with your excellent staff*".

It is clear that schools value the free at point of delivery policy employed by the Trust in not charging for our school visits, and several teachers commented that they struggled to obtain funding for coaches to get to our estates. Our policy of not charging, together with the quality of our visits, means that it is impossible for us to meet demand and some teachers commented that they would like to attend more regularly. Very few charitable education providers do not charge at all for their services and a review of our charging policy will be made as part of our overall strategic review.

The principal aim of the study was to establish the impact of ECT programmes on children's educational attainment progression in core curriculum areas of English reading, English writing and mathematics, and the impact on children's social emotional and behaviour wellbeing using report data. A *between-groups* design was used, which compared a group of children who visited the ECT and completed an outdoor learning programme with a group of children who did not visit the ECT and instead remained in school and completed classroom-based learning. Results of the research demonstrated positive mental health and educational impacts of the Ernest Cook Trust's outdoor learning programme on children. Impacts were particularly notable for behaviour, with improvement in behaviour as a result of ECT visits measured on the majority of behaviour variables (with statistically significant positive behaviour change on total behaviour difficulties, emotional problems, conduct problems and hyperactivity). Trends for increased learning in English writing and maths compared to controls were also observed, although group differences were not found to be statistically significant. The Trustees are considering other ways of measuring the impact of our educational visits and whether a longitudinal study, encompassing a greater number of children, might prove worthwhile.

As well as school visits, which mostly take place on or in-hand (not let) land, a two-day visit was again made by students from the MSc Rural Land and Business Management programme at the University of Reading, to discuss practical farming with a number of tenants on the Fairford, Hatherop and Slimbridge Estates. Our estates department hosts these visits and is looking of ways to increase the educational use of the let land (see Future Plans).

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

3.5 Operation

The Trust operated well over the 2016/17 year, given a significant amount of staff changes.

In 2016 we reported on plans for the building of a new office in Fairford, considered necessary as the existing offices are no longer 'fit-for-purpose'. The Trust appointed architects, who prepared plans for application for planning permission. However, a feasibility assessment, taking into consideration the site, potential use of existing buildings, planning policy, and development of the Trust's estate at Fairford, suggested that redevelopment of the Trust's existing office space would be more efficient and effective. We hope that work will commence on the redevelopment project early in the financial year 2018/19. The redeveloped office will meet modern requirements and help us to meet higher environmental and wellbeing standards in our workspace. In the meantime, reconfiguration of the workspace has alleviated some of our existing office problems.

Public Relations work was reviewed and it was decided to take some of the activities outsourced to consultants back in-hand, with a view to improving internal communications within the Trust. This has been very successful, resulting in a much stronger team spirit and better-informed staff and internal stakeholders. Once internal communication work is complete, a review of the Trust's external communications will take place. In the meantime, press releases continue to be produced by our PR consultants and the Trust's website and Facebook page are regularly updated with new stories and refreshed photographs.

Work on the Trust's Environmental Policy has continued and Energy Performance certificates are being completed on all residential properties in order to comply with regulatory changes in 2018. A structured programme of environmental improvement is planned for the coming year.

3.6 Public Benefit

In accordance with the Charities Act 2011, 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 £1.85m 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 £408,677 (2016: £378,316).

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.

Further details of the educational work are set out on the Trust's website.

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

4.0 FINANCIAL PERFORMANCE

4.1 Financial Review

The fund balance carried forward at 31 March 2017 is £181,507,012, compared with £132,247,764 in 2016; the increase arises mainly from realised and unrealised gains on investments together with the result of the five-year property revaluation undertaken (see 4.5). 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.

4.2 Reserves Policy

The Trustees have continued to set aside reserves as follows:

- the Expendable Endowment represents the Endowment of the Charity at 31 March 2017.

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' grant payments and other direct charitable expenditure. This level of reserves is considered necessary to ensure that the charity is able to maintain its level of grant-making.

4.3 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: Cazenove Capital Management currently fulfil this role; their performance is reviewed on a regular basis, including by use of external advisors.

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 four years. The total value of the portfolio, net of withdrawals under the total return policy, increased considerably during the year, reflecting the input of the long-term loan negotiated with AMC (see below) and strong growth in the markets. 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".

The Trustees have for some time considered the level of charitable giving in the light of the overall capital value of the Trust's assets, and the availability of liquid assets to fund reinvestment. As reported last year, the Trustees took out a long-term loan from the Agricultural Mortgage Corporation in May 2016, with the intention of

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

including it in the investment portfolio for the short term but using the capital for expansion of the Trust's charitable activities within three years.

4.4 Pay policy for Senior Staff

The Trustees consider the Board of Trustees and the senior management team comprise the key management personnel of the Trust in charge of directing and running the Trust on a day-to-day basis. Details of Trustees' fees and expenses are disclosed in note 9.

Trustees review the remuneration of the senior staff on an annual basis, taking into account the requirements of their role and performance during the year. The Trustees do benchmark pay levels against the comparable positions in similar organisations.

4.5 Policies and Format

The accounts have been prepared in accordance with the accounting policies set out herein. The revaluation of investments (both freehold property and listed investments) to their market value at 31 March 2017 is shown as movement of funds in the Statement of Financial Activities, resulting in gains of £49,348,087 (2016: losses of £293,979). 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 2017. 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 (2016: £1,859,000) and improvements/repairs of £1,326,500 (2016: £1,110,500) in 2017/2018 are detailed in note 18, 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.

5.0 ANNUAL RISK STATEMENT

Proactive risk management helps us to anticipate and respond to challenges in our operating environment. In 2016/17 robust risk management enabled us to make informed decisions and take calculated risks with respect to our work. In doing so we were able to:-

- keep the children we work with safe while delivering first class education;
- safeguard our staff, especially those working outdoors; and
- deliver high quality estate and investment management.

In 2017 we employed consultants to conduct a full Health and Safety audit on the Trust's landed estate. Implementation of revised procedure is under way and an education specialist will be employed to conduct a thorough review of school visits at all Trust educational sites.

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

The Risk Assessment and Risk Register is reviewed regularly by the Chief Executive, reporting to the Trustees twice a year, and reviewed by the Trustees annually. The Trustees consider that Britain's departure from the EU represents a high risk to the Trust, largely with respect to its possible impact on agricultural incomes and rents. Areas in which the retained risk is medium are:

- Loss of key staff
- Static or falling rental income
- Educational visits accident
- 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 or Pound Sterling
- Climate change

In 2017, one serious incident was reported to the Charity Commission regarding one of the Trust's tenants: there is no anticipated financial or other impact for the Trust.

6.0 OUR FUTURE: STRATEGIC REVIEW 2017/18

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 remain at the level of £1.85m for the forthcoming year.

The last comprehensive strategic review of the operation and management of the Trust was undertaken in 2011, with a further review in 2014. The central importance of the Trust, direct educational work, and the need to hold land in order to deliver such work, was emphasised.

The Trustees have decided to take the opportunity of a change of leadership and key personnel to undertake a comprehensive review of the Trust's work and its structure in 2017/18. A Trustees' review away-day was held in May 2016, with regular follow-up discussion amongst the Board of Trustees and the Chief Executive. As part of our Quinquennial celebrations in September 2017, we held a conference with all our agricultural tenants, some retired agricultural tenants, all staff, and all Trustees, with presentations and discussions about the Trust's future. Separate strategic review meetings have been held with educational staff, estate staff and staff at the Trust's headquarters. A further strategy away-day was held with Trustees in November 2017, allowing the Trust to redefine its aims and objectives. The new strategy will be developed into a corporate plan, which will provide detail of the Trust's work and form the basis of performance measurement and reporting to Trustees.

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

As well as maintaining our current objectives of managing our investment portfolio to maximise its capability in supporting the Trust's strategic goals, and monitoring & mitigating the effects of HS2, we envisage that we will address several new objectives in the forthcoming year, to:-

- Expand our learning outside the classroom provision by forming strategic partnerships with other landowners and organisations.
- Move to electronic grant applications.
- Review our current grant categories and find ways of better measuring the impact of our grant giving.
- Prepare strategies for each of our estates and improve their value through investment and restructuring, value-adding opportunities, purchases and sales.
- Increase the educational benefits derived from the Estate.
- Actively seek out a range of partners who can help us to deliver our strategic goals using a variety of models and agreements, acknowledging that we can achieve more by being collaborative in our approach.
- Review the Trust's Environmental Policy and put in place an Environmental Management System.

THE ERNEST COOK TRUST

REPORT OF THE TRUSTEES

For the year ended 31 March 2017

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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 (FRS 102);
- 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: 16 November 2017

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

We have audited the financial statements of The Ernest Cook Trust for the year ended 31 March 2017, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 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, 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 2017 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ERNEST COOK TRUST**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

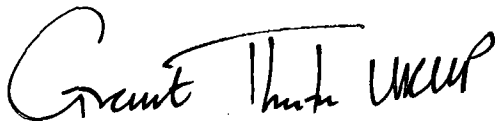
Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report



Mark Bishop FCA
Senior Statutory Auditor for and on behalf of
Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

16 November 2017

THE ERNEST COOK TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2017

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, except for the modification to a fair value basis for investment properties, freehold properties and listed investments as specified in the accounting policies below.

The financial planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Trustees consider that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)) and the Companies Act 2006.

These financial statements for the year ended 31 March 2017 comply with FRS 102 and Charities SORP (FRS 102). The date of transition is 1 April 2014.

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 2017.

In accordance with paragraph 24.12 of the Charities SORP (FRS 102) 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.

RELATED PARTY TRANSACTIONS

In September 2016 the Trust issued two loans to the Chief Executive, Nicholas Ford, amounting to £200,000 and £500,000, to enable him to purchase a home. The former loan, which was secured on the property, is subject to a fixed rate interest charge of 3.75% per annum for five years and 2.5% above the sterling LIBOR thereafter. The loan is repayable within 12 months of the death of the surviving borrower, Mr Ford or his wife. This loan of £200,000 remained outstanding at the year end of 31 March 2017 as disclosed in note 12 to the accounts.

The second loan of £500,000, which was also secured on the property, was subject to interest charges of 4% above weekly sterling LIBOR rates and was repaid in full to the Trust in March 2017.

INCOME

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be reliably measured.

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.

THE ERNEST COOK TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2017

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.

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.

The Companies Act 2006 requires all investment properties to be depreciated. However, the requirement conflicts with the generally accepted accounting principle. 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.

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. The yields (YP) are formally reviewed every five years.

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 ERNEST COOK TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2017

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.

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 18.

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

THE ERNEST COOK TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2017

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.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation – the Trust exercises judgement to determine useful lives and residual values for tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.
- Provisions – provisions have been made against trade debtors; these provisions are an estimate of actual expected outcome and the timing of future cash flows is dependent on future events.
- Properties – the value of properties owned by the Trust has been considered in relation to current market conditions, actual transactions and offers made for sale and rental.

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 2017

	Note	Unrestricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income					
Estate income	1	3,596,298	-	3,596,298	3,544,936
Investment income	2	1,084,016	-	1,084,016	818,209
Total income		4,680,314	-	4,680,314	4,363,145
Expenditure					
Activities in furtherance of the charity's objectives:					
Estate expenditure	3	1,666,233	-	1,666,233	1,530,234
Grants	4	2,410,384	-	2,410,384	2,278,564
Activities for generating funds:					
Investment management fees		170,012	-	170,012	140,366
Other expenditure					
Other resources expended	6	836,873	-	836,873	408,115
Total expenditure		5,083,502	-	5,083,502	4,357,279
Net income / expenditure before gains and losses on investments		(403,188)	-	(403,188)	5,866
Transfers		403,188	(403,188)	-	-
Realised gains / (losses) on investment fixed assets		-	314,349	314,349	(215,942)
Unrealised gains / (losses) on investment fixed assets	10,11	-	49,348,087	49,348,087	(293,979)
Net income / expenditure and net movement in funds		-	49,259,248	49,259,248	(504,055)
Fund balances brought forward at 1 April		4,383,529	127,864,235	132,247,764	132,751,819
Fund balances carried forward at 31 March		4,383,529	177,123,483	181,507,012	132,247,764

THE ERNEST COOK TRUST

BALANCE SHEET

AS AT 31 MARCH 2017

		2017	2016
	Note	£	£
Fixed assets			
Tangible assets	10	3,071,221	2,053,906
Investments	11	<u>187,314,170</u>	<u>129,821,542</u>
		<u>190,385,391</u>	<u>131,875,448</u>
Current assets			
Debtors: falling due after more than one year	12	200,000	-
Debtors: falling due within one year	12	1,388,629	1,319,441
Cash at bank and in hand		<u>1,002,446</u>	<u>398,279</u>
		<u>2,591,075</u>	<u>1,717,720</u>
Creditors: amounts falling due within one year	13	<u>(770,812)</u>	<u>(635,050)</u>
Net current assets		<u>1,820,263</u>	<u>1,082,670</u>
Total assets less current liabilities		<u>192,205,654</u>	<u>132,958,118</u>
Creditors: falling due after more than one year	14	<u>(10,698,642)</u>	<u>(710,354)</u>
		<u>181,507,012</u>	<u>132,247,764</u>
Capital and income funds			
Unrestricted funds		4,383,529	4,383,529
Endowment funds		<u>177,123,483</u>	<u>127,864,235</u>
	16	<u>181,507,012</u>	<u>132,247,764</u>

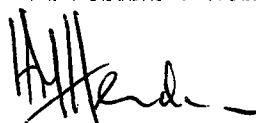
The Ernest Cook Trust (Registered No. 7907411)

The financial statements were approved by the Trustees on 16 November 2017.



A W M Christie-Miller

Trustee



H M Henderson

Trustee

THE ERNEST COOK TRUST

CASH FLOW STATEMENT

For the year ended 31 March 2017

	2017	2016
	£	£
Cash flows from operating activities		
Net movement in funds	49,259,248	(504,055)
Adjustments for:		
Depreciation of tangible fixed assets	67,891	67,150
(Gains) / losses on investments	(49,662,436)	509,921
Dividends & interest from investments	(1,084,016)	(818,209)
Increase in trade & other debtors	(269,188)	(169,486)
Increase / (decrease) in trade creditors	124,050	(167,835)
Profit on sale of fixed assets	(16,497)	(14,997)
Net cash used in operating activities	<u>(1,580,948)</u>	<u>(1,097,511)</u>
Cash flows from investing activities		
Proceeds from sale of tangible assets	16,500	15,000
Proceeds from sale landed estates	367,254	1,226,404
Purchase of tangible fixed assets	(51,000)	(121,253)
Purchase improvements landed estates	(297,130)	(399,324)
Dividends & interest from investments	1,084,016	818,209
Proceeds from sale of investments	2,735,834	4,574,636
Purchase of investments	(12,351,038)	(3,982,136)
Net cash used in investing activities	<u>(8,495,564)</u>	<u>2,131,536</u>
Cash flows from financing activities		
Cash inflow from new borrowing	10,000,000	-
Repayments of borrowing	-	(325,000)
Net cash used in financing activities	<u>10,000,000</u>	<u>(325,000)</u>
Increase in cash in the year	(76,512)	709,025
Cash brought forward at 1 April	1,893,321	1,184,296
Cash carried forward at 31 March	<u>1,816,809</u>	<u>1,893,321</u>

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1	ESTATE INCOME		
	Unrestricted		
		2017	2016
		£	£
	Rents	3,481,463	3,418,162
	Forestry income	30,739	34,661
	Countryside stewardship & other grants	17,522	17,865
	Other income	66,574	74,248
		<u>3,596,298</u>	<u>3,544,936</u>
2	INVESTMENT INCOME		
	Unrestricted		
		2017	2016
		£	£
	Dividends, distributions and interest from quoted securities (gross)	1,066,848	816,545
	Bank and other interest (gross)	17,168	1,664
		<u>1,084,016</u>	<u>818,209</u>
3	ESTATE EXPENDITURE		
	Unrestricted		
		2017	2016
		£	£
	Repairs and replacements	710,144	502,724
	Depreciation	34,606	28,505
	Rates	15,425	13,058
	Insurance	91,260	86,423
	Light and heat	14,726	15,711
	Telephone	2,012	2,121
	Estate wages and pension costs	167,096	177,997
	Casual labour	4,331	17,713
	Equipment and vehicle expenses	19,690	21,859
	Legal fees	79,997	133,008
	Other professional fees	93,112	92,650
	Sundry expenses	21,343	13,044
	Bad debts	37,739	21,050
	Profit on sale of assets	(9,999)	(13,448)
	Non recoverable VAT	110,802	135,839
	Management salaries and pension costs	273,949	281,980
		<u>1,666,233</u>	<u>1,530,234</u>

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

4 GRANT PAYMENTS AND OTHER DIRECT CHARITABLE EXPENDITURE Unrestricted

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

	2017		2016	
	£	£	£	£
Educational grants to institutions		1,952,435		1,855,916
Educational grants to individuals		2,100		1,400
		<u>1,954,535</u>		<u>1,857,316</u>
Grant making expenditure:				
Grant salaries and pension costs	49,397		46,551	
Office expenses and equipment	3,049		2,740	
Depreciation	14,574		17,479	
Postage and telephone	1,495		1,126	
Printing and stationery	531		578	
Education salaries and pension costs	277,273		252,672	
Education expenses and equipment	88,840		97,474	
Education special projects	16,578		-	
Non recoverable VAT	11,412		10,691	
Grants returned	(7,300)		(8,063)	
		<u>455,849</u>		<u>421,248</u>
		<u>2,410,384</u>		<u>2,278,564</u>

5 GOVERNANCE COSTS Unrestricted

	2017	2016
	£	£
Salaries and pensions	47,551	44,216
Trustees remuneration (note 9)	42,958	49,033
Travelling and subsistence	5,900	4,672
Audit and accountancy	18,813	14,272
Legal fees	31,043	26,340
Other professional fees	150	21,353
Public relations fees	35,339	28,698
Trustees indemnity insurance	2,338	2,264
Non recoverable VAT	12,195	9,708
	<u>196,287</u>	<u>200,556</u>

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

6 OTHER RESOURCES EXPENDED

Unrestricted

	2017	2016
	£	£
Establishment expenditure		
Rates	3,031	3,320
Light and heating	4,990	4,914
Depreciation	18,711	21,166
Insurance	20,051	19,289
	<u>46,783</u>	<u>48,689</u>
Administration expenditure		
Salaries and pension costs	21,188	39,566
Pensions to past employees	8,748	8,629
Travelling and subsistence	11,851	10,337
Equipment and motor vehicles	15,544	15,721
Printing and stationery	8,603	6,073
Postage and telephone	6,617	6,167
Other professional fees	128,609	40,584
Subscriptions	13,449	12,479
Governance costs (see note 5)	196,287	200,556
Sundries	24,324	5,611
Profit on sale of asset	(6,498)	(1,549)
	<u>428,722</u>	<u>344,174</u>
Financial expenditure		
Non recoverable VAT	25,504	10,582
Bank and interest charges	335,864	4,670
	<u>361,368</u>	<u>15,252</u>
Total management and administration	<u>836,873</u>	<u>408,115</u>

7 ANALYSIS OF RESOURCES EXPENDED

	Staff costs	Depreciation	Other	Total	Total
	£	£	£	2017	2016
				£	£
Investment management fees	-	-	170,012	170,012	140,366
Grant making expenditure	326,670	14,574	2,069,140	2,410,384	2,278,564
Estate repairs and expenditure	441,045	34,606	1,190,582	1,666,233	1,530,234
Governance costs	47,551	-	148,736	196,287	200,556
Support costs	21,188	18,711	600,687	640,586	207,559
Resources expended	<u>836,454</u>	<u>67,891</u>	<u>4,179,157</u>	<u>5,083,502</u>	<u>4,357,279</u>

Total resources expended include:

	2017	2016
	£	£
Auditor's remuneration	18,813	14,272
Auditor's remuneration: non-audit	-	12,613
Pension costs	<u>65,413</u>	<u>80,157</u>

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

8. EMPLOYEES

	2017	2016
	£	£
Wages and salaries	685,304	669,587
Social security costs	64,068	59,749
Other pension costs	65,413	80,157
	<u>814,785</u>	<u>809,493</u>

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

	2017	2016
	Number	Number
Maintenance of estates	7	6
Management and administration	17	17
	<u>24</u>	<u>23</u>

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

	2017	2016
	Number	Number
£100,001 to £110,000	-	1
£70,001 to £80,000	1	1

Contributions of £6,860 (2016: £26,386) were made during the year for the provision of a money purchase pension scheme for the highest paid employee.

Key management personnel comprise the Trustees, Chief Executive Officer, Deputy Agent and Finance Director. Total employee benefits of key management personnel, including figures in note 9, were £344,360 (2016: £356,840).

9. TRUSTEES' REMUNERATION

	2017	2016
Recipient	£	£
Mr A W M Christie-Miller	12,000	12,000
Mr M C Tuely	-	4,554
Mr H M Henderson	7,000	7,000
Dr V M Edwards	958	7,000
Mr S F Eliot	9,000	9,000
Sir Bertie Ross	7,000	7,000
Mrs M E Riall	7,000	2,479
	<u>42,958</u>	<u>49,033</u>

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Expense reimbursements paid to the Trustees during the year amounted to £5,900 (2016: £4,672). At the year end an amount of £10,003 (2016: £12,203) 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 2016	1,923,791	506,936	2,430,727
Transfer from investment properties	108,900	-	108,900
Transfer to investment properties	(303,930)	-	(303,930)
Additions	-	51,000	51,000
Disposals	-	(45,052)	(45,052)
Revaluation	1,229,239	-	1,229,239
At 31 March 2017	<u>2,958,000</u>	<u>512,884</u>	<u>3,470,884</u>
Depreciation			
At 1 April 2016	-	376,821	376,821
Charged in the year	-	67,891	67,891
Disposals	-	(45,049)	(45,049)
At 31 March 2017	-	<u>399,663</u>	<u>399,663</u>
Net book amount at 31 March 2017	<u>2,958,000</u>	<u>113,221</u>	<u>3,071,221</u>
Net book amount at 31 March 2016	<u>1,923,791</u>	<u>130,115</u>	<u>2,053,906</u>

11 FIXED ASSET INVESTMENTS

	Investment properties £	Listed investments £	Other investments £	Total £
Cost or valuation				
At 1 April 2016	98,699,916	29,531,384	1,590,242	129,821,542
Transfer from tangible fixed assets	303,930	-	-	303,930
Transfer to tangible fixed assets	(108,900)	-	-	(108,900)
Additions	297,130	12,351,038	13,698,069	26,346,237
Disposals	(204,020)	(2,584,719)	(14,378,748)	(17,167,487)
Unrealised gain on revaluation	43,353,869	4,764,979	-	48,118,848
At 31 March 2017	<u>142,341,925</u>	<u>44,062,682</u>	<u>909,563</u>	<u>187,314,170</u>
Historical cost				
At 31 March 2017	-	37,361,715	706,880	38,068,595

If the fixed asset investments excluding properties had not been revalued they would have been included on the historical cost basis as £38,068,595 (2016: £28,578,158). It is not possible to determine the historical cost of the investment properties as many of them were settled by the founder in 1952.

The unrealised gain of £48,118,848 (2016: loss £293,979) is in relation to endowment funds.

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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.

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

	UK £	Non UK £	2017 Total £	2016 Total £
Investment properties	142,341,925	-	142,341,925	98,699,916
Listed investments	32,994,532	11,068,150	44,062,682	29,531,384
Other investments	909,563	-	909,563	1,590,242
	<u>176,246,020</u>	<u>11,068,150</u>	<u>187,314,170</u>	<u>129,821,542</u>

Listed and other investments by fund type are as follows:

	2017	2016
UK equities	36%	39%
Non-UK equities	20%	19%
Bonds	12%	10%
Alternatives	30%	27%
Cash	2%	5%
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	2,560,176
L & G UK Index Trust Fund	2,270,313
Old Mutual UK Alpha Fund	2,259,180
Trojan Income Fund	2,193,651
Schroder Charity Equity Fund	<u>2,163,475</u>

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

12 DEBTORS

	2017 £	2016 £
Due after more than one year		
Other debtors	200,000	-
	<u>200,000</u>	<u>-</u>
	2017 £	2016 £
Due within one year		
Rents receivable	1,145,562	1,190,984
Other debtors and prepayments	243,067	128,457
	<u>1,388,629</u>	<u>1,319,441</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Social security and other taxes	165,887	152,055
Pension creditor	9,020	6,532
Other creditors and accruals	583,093	463,651
Deferred income	12,812	12,812
	<u>770,812</u>	<u>635,050</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Loans	10,000,000	-
Deferred income	698,642	710,354
	<u>10,698,642</u>	<u>710,354</u>

The loan is secured on part of the Fairford and Hatherop estates at a fixed interest rate of 3.51% over 20 years.

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

15 FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets		
Financial assets measured at amortised cost	<u>2,415,488</u>	<u>1,674,023</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(10,582,993)</u>	<u>(463,552)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and cash balances at year end.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and loans payable at year end.

16 FUNDS AND RESERVES

	Unrestricted fund £	Endowment fund £	Total £
At 1 April 2016	4,383,529	127,864,235	132,247,764
Incoming resources	4,680,314	-	4,680,314
Expenditure	(5,083,502)	-	(5,083,502)
Transfers	403,188	(403,188)	-
Gains	-	49,662,436	49,662,436
At 31 March 2017	<u>4,383,529</u>	<u>177,123,483</u>	<u>181,507,012</u>

Unrestricted funds are analysed as follows:

	Unrestricted undesignated funds £	Unrestricted designated funds £	Total £
At 1 April 2016	2,893,233	1,490,296	4,383,529
Incoming resources	4,680,314	-	4,680,314
Expenditure	(5,083,502)	-	(5,083,502)
Transfers	566,984	(163,796)	403,188
At 31 March 2017	<u>3,057,029</u>	<u>1,326,500</u>	<u>4,383,529</u>

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Designated funds are analysed as follows:

	Designated fund £	Designated pension fund £	Total £
At 1 April 2016	1,150,000	340,296	1,490,296
Incoming resources	-	-	-
Transfers	176,500	(340,296)	(163,796)
At 31 March 2017	<u>1,326,500</u>	<u>-</u>	<u>1,326,500</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.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Expendable endowment £	Designated fund £	Undesignated fund £	Total £
Tangible fixed assets	3,071,221	-	-	3,071,221
Fixed asset investments	174,052,262	9,434,067	3,827,841	187,314,170
Current assets	-	2,591,075	-	2,591,075
Current liabilities	-	-	(770,812)	(770,812)
Long term liabilities	-	(10,698,642)	-	(10,698,642)
	<u>177,123,483</u>	<u>1,326,500</u>	<u>3,057,029</u>	<u>181,507,012</u>

THE ERNEST COOK TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

18 COMMITMENTS FOR FUTURE EXPENDITURE

There were no capital commitments as at 31 March 2017 or 31 March 2016. 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:

	2017 £	2016 £
Educational grants	1,859,000	1,859,000
Improvements and repairs	<u>1,326,500</u>	<u>1,150,000</u>
	<u>3,185,500</u>	<u>3,009,000</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.

19 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.