

CHARITY NUMBER: 1089685

COMPANY NUMBER: 4302973

**CAMPAIGN TO PROTECT RURAL ENGLAND
(Company Limited by Guarantee)**

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2016

www.cpre.org.uk

CAMPAIGN TO PROTECT RURAL ENGLAND

Contents	Page
A Message from our Chair	1-3
Trustees' Report	4 - 20
Independent Auditor's Report	21
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 – 36
Professional Advisors	37

CAMPAIGN TO PROTECT RURAL ENGLAND

A MESSAGE FROM OUR CHAIR

2016 saw us celebrate a very important milestone: the 90th anniversary of our inauguration as the 'Council for the Preservation of Rural England'. The name may have changed, but the mission of the Campaign to Protect Rural England remains the same as that laid down by the pioneers of 1926: "The conservation of our countryside - the greatest historical monument we possess, the most essential thing which is England." Our founders could not fail to be impressed at the way succeeding generations of CPRE campaigners and volunteers have applied themselves to the task.

The ideas that saved the countryside

Our influence over the past 90 years is most clearly shown by the fact that, thanks to CPRE's battle *against* urban sprawl and *for* urban regeneration, less than 11% of England is classed as 'developed' (and half of this is park, garden or other open space). Our successful campaigns for special protection for strategic, beautiful and biodiverse countryside mean that 40% of our total land area has been designated as Green Belts, National Parks, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. Development in the rest of the country is controlled by another CPRE idea - a democratic town and country planning system, designed to balance the needs of the economy with those of society and the environment.

A further indication of our continued success can be found in the list of illustrious endorsers of our anniversary book, *22 Ideas that saved the English Countryside*, including John le Carré, Melvyn Bragg, Joan Bakewell and Simon Jenkins. Two former CPRE Presidents also sent their best wishes: David Puttnam saluted "an organisation which remains as relevant as ever", while Jonathan Dimbleby argued that "CPRE has an ever more crucial role in shaping the future of rural England." A 90th birthday event at the home of CPRE's archives, the Museum of English Rural Life, saw broadcaster Kate Adie, former Country Life editor Clive Aslet, Landscape Institute president Merrick Denton-Thompson and Shaun Spiers debate the crucial role of CPRE in the future of the countryside.

I wholeheartedly concur with Merrick's statement that "the nation owes a great debt of gratitude to the thousands of volunteers who pursue the policies of CPRE". I feel that sense of gratitude every time I'm lucky enough to visit one of our branches, and the passion and determination of the volunteers I meet justify Clive's comment that "the fact that so much beauty survives is in large part due to the campaigning vigour of the CPRE". Because we understand the importance of maintaining this vigour, CPRE treats 90 as a business-as-usual landmark. There will be no wavering in our sense of duty to the countryside. And part of that duty must be to ensure that well-planned new development brings positive change to the countryside. As our founder Patrick Abercrombie reasoned in 1926, "it should be possible for a just balance to be struck between conservation and development ... to bring forth something new but beautiful."

Promoting positive development

CPRE has always championed infrastructure that blends with its surroundings. So we were pleased to be awarded a seat on the Highways England design panel established in 2016, while our guide to rooftop solar showed how we can embrace renewable energy without intruding on the landscape. The social diversity of rural communities has been another touchstone throughout our history, and we continue to call for affordable housing that can keep villages alive and enhance local character. Our well-received report, *On Solid Ground*, showed how landowners could be encouraged to deliver quality homes within the reach of local people. A fundamental tenet of CPRE's founders was that democratic planning should allow people to shape where they live. Our branches helped put on ten popular neighbourhood planning workshops in March, while our briefings on the Neighbourhood Planning Act encouraged the Government to commit to introducing measures to strengthen protection for community-led planning.

A MESSAGE FROM OUR CHAIR (CONTINUED)

Putting brownfield first

Because we need new housing and infrastructure, CPRE must continue to argue for the most efficient use of land – our most precious resource. For that reason I am delighted that CPRE's new President, Emma Bridgewater, has made it her mission to champion the full potential of urban regeneration. As Emma rightly says, the best way to safeguard the countryside is to prioritise development where it will be truly sustainable – on the derelict urban sites that could provide affordable homes near jobs and services.

Early in 2016, the Government responded to CPRE's campaigning by doubling their brownfield development fund to over £2 billion. To further strengthen the case for 'brownfield first', we published research in March showing that – despite the protests of developers – housing on previously developed sites is built, on average, six months faster than on green fields. We also secured the introduction of 'brownfield registers' in the Housing and Planning Act in May; by November, our research showed that the registers revealed the potential for up to 1.4 million homes on suitable sites.

Reforming the housing market

The Housing White Paper, published by the Government early in 2017, represented the culmination of our recent campaigns to protect the Green Belt and promote urban regeneration. With Green Belt coming under sustained pressure from unrealistic housing targets during 2016, we published new research in December emphasising its value for recreation and biodiversity and calling for its permanent protection.

We were delighted that the white paper duly emphasised the need to maintain the Green Belt and prioritise brownfield sites. Even its title, *Fixing our broken housing market*, showed that the Government had listened to our arguments that big developers should be forced to build faster, and smaller builders supported in providing affordable housing.

On 20 February 2017, the Housing Minister, Gavin Barwell MP, gave a landmark speech at CPRE's Annual Lecture – his first major public engagement since the publication of the white paper, of which he said: "we've not only listened to your input, we've taken it on board". The minister spoke about his "great respect for the contribution CPRE members have made to public life" in their "ceaseless campaign to protect and enhance the English countryside."

With the white paper instigating a consultation on how housing numbers are calculated, CPRE will continue to engage robustly but constructively to ensure targets prioritise genuine local need over aspirational demand. With many villages under siege from development; plans for a number of new settlements; and the proposed release of enough Green Belt land to accommodate 275,000 new homes – a figure that continues to rise dramatically - we will redouble our efforts to make sure that 'winning the argument' translates into effective policy and legislation.

Working together for real change

One clear example of how we achieved this in 2016 is in the impact of the CPRE-led campaign for a plastic bag charge. The introduction of the policy saw an 85% reduction, meaning six billion fewer bags (a huge source of litter in town and country) were handed out in 2016. To capitalise on the growing public support and evidence of changing behaviour, Emma Bridgewater used her first speech as CPRE President in June to re-iterate our call for the return of a deposit return system for bottles and cans. The idea was backed by waste and packaging companies (including Coca Cola) in early 2017, and we will continue to push for progress that would reduce the roadside litter blighting our countryside.

A MESSAGE FROM OUR CHAIR (CONTINUED)

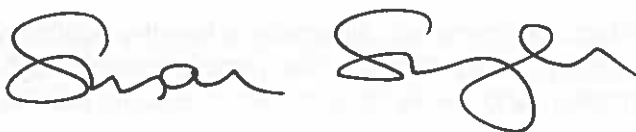
With record legacy income in 2016 giving us a record surplus, we have a wonderful platform to take all of our campaigns forward for the benefit of people and places. The humbling generosity of our members and supporters has provided us with much needed funds to help achieve our ambitious new strategic plan for 2017-19.

Those ambitions will be pursued under the leadership of a new Chief Executive following Shaun Spiers' move to Green Alliance in June 2017. While he will be a hard act to follow, I am pleased that his successor will benefit from Shaun's constructive influence on policy arguments over the past twelve years. By making the case that a democratic planning system can deliver the homes we need while protecting our countryside, he has helped convince the Government to pull back from deregulation, and instead focus on tackling housing market failings and listening to the legitimate concerns of local people. His tireless advocacy for the Green Belt and urban regeneration, in particular, has reinvigorated enthusiasm for ideas that vested interests would have abandoned for the easier option of building on green fields.

Equally importantly, during an era of over-simplified and polarised debate, Shaun's ability to articulate intelligent, evidence-based arguments means CPRE remains hugely trusted and influential – a voice for the countryside that also works for the greater good. We thank Shaun for all he has done to strengthen the organisation and look forward to working with him in his new role, which will involve co-ordinating the environmental response to Brexit – an area where CPRE is a leading voice in shaping the future of farm support.

Just as farmers remain the stewards of the countryside, our core purpose remains to stand up for the countryside, with the dedicated staff of our national office, 43 county branches and eight regional groups working closely together and supporting each other. A decade away from our centenary, we know the work we do in the three year period of this strategic plan must set us on a course to achieve our 2026 Vision of a countryside that is "valued and enjoyed by all" as our greatest national asset.

Please join us at www.cpre.org.uk and help make our vision a reality.



Su Sayer CBE

Chair, Campaign to Protect Rural England

TRUSTEES' REPORT

The continued existence and quality of so much of the English countryside is a testament to 90 years of successful campaigning by CPRE and a tribute to our county branch network.

The Trustees of the Campaign to Protect Rural England present their annual report for the year ended 31 December 2016 together with the audited financial statements for that year. The financial statements comply with the Companies Act 2006, Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP2015).

Objectives and activities

Our charitable objects are ***“to promote and encourage for the benefit of the nation the improvement and protection of the English countryside and its towns and villages and the better development of the rural environment”***.

The Trustees have referred to the guidance from the Charity Commission on public benefit in producing this report and when reviewing our aims and objectives and planning our future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Our aim is to influence policy and decisions that have an impact on the English countryside, particularly its landscapes and we do this through a combination of campaigning and intelligent, evidence-based advocacy.

We are a campaigning charity, but our impact depends on our knowledge and the power of our thinking, as much as our ability to mobilise the public. Our campaigns are backed by evidence and research and aim to improve and protect the countryside by influencing decisions on land use.

Our vision - A beautiful and living countryside that is valued and enjoyed by everyone.

We want to see England's beautiful countryside protected and improved, alongside a healthy economy and happy communities. These aims can be complementary. CPRE believes that people have the right to enjoy a beautiful countryside, and we have the ambition and sense of purpose to ensure that the English countryside remains beautiful.

Achievements like town and country planning, National Parks and Green Belts did not happen overnight; they took decades of campaigning, careful organisation and reasoned argument. At many stages they seemed impossible dreams, but now it is hard to imagine an England without them.

In our *Vision for the Countryside in 2026*, our centenary year, we emphasise the positive outcomes we want to achieve.

Better planning will ensure we reinvigorate towns and cities, while local people will be able to take an active role in their own local plans.

New life in the countryside will emerge through more affordable housing, more sustainable transport, vital services and thriving new businesses shaped by empowered rural communities.

Farmland will be recognised as far too valuable to build on – for its beauty and wildlife as well as its productivity – and we will ensure a food system that is more resilient and more local.

TRUSTEES' REPORT (CONTINUED)

Landscapes will change to incorporate wilderness, woodlands and wetlands, encouraging wildlife and allowing nature to help us tackle climate change. Urban green spaces will link people in towns and cities to their local landscapes.

Green energy will be in harmony with the landscape. Buildings will be energy efficient and have reduced-carbon emissions, while wasteful light pollution will be a thing of the past.

Above all, **attitudes** will change – beauty, tranquillity, countryside and local distinctiveness will be valued by all; creating deeper attachments to local landscapes and making quality of life and well-being as important as financial prosperity and economic growth.

Achieving our vision

CPRE has no vested interests – we own no land, we depend largely on individual donations and we are politically independent. As much as we love the countryside, we make decisions with the head as well as the heart. Planning, in particular, is all about looking at the bigger picture, and our wide remit means we have to consider the whole of the country, urban as well as rural.

The three principal ways in which we achieve our objectives are:

- 1) Initiating and supporting activities that directly improve the countryside and rural communities.
- 2) Influencing national policies to maximise the benefit and minimise the damage to the countryside.
- 3) Influencing local plans, supporting appropriate developments and preventing developments that would unnecessarily damage the countryside.

Activities and services provided

CPRE's Annual Review and this Annual Report, together with Countryside Voice, our magazine for members, provide an overview of our activities. Our website www.cpre.org.uk provides advice and access to comprehensive information on our aims, activities and services. Our planning help website www.planninghelp.cpre.org.uk provides help to local communities wishing to support or challenge a local planning application.

Our 43 branches run campaigns and provide local information via their websites, publications and events. They rely on volunteers to do much of their work and are in need of many more to help them improve and protect their local countryside.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

Our achievements and performance in 2016

Our work ranges from campaigns that can take many years to have an impact through to brief activities that can have an almost immediate impact. They also range from having an influence on thousands of hectares of land to small areas that are vital to local residents or as habitats for wildlife, or both.

1 To promote and enhance the character of the countryside

We want to retain the special characteristics of our countryside, its varied landscapes, its thriving and beautiful villages and market towns, its tranquillity and dark skies; these are a fundamental part of people's quality of life. The character of the countryside can be degraded by light pollution, litter, noise and clutter, as well as unnecessary or poor quality development.

In 2016 we planned to	Some highlights of what we achieved
Refresh and promote our 2026 Vision for the Countryside	We reviewed progress as part of an extensive information gathering process to inform the direction of our strategic plan for 2017-19. We concluded our Vision remains relevant and whilst there is some clear progress, there are some major causes for concern. The need to create a new agricultural policy for England is one of many opportunities emerging that could reverse some of the worrying trends of recent years.
Promote the idea of a land use strategy for England	We published a thought provoking pamphlet <i>Landlines: Why we need a strategic approach to land</i> , featuring many distinguished contributors, in spring 2017.
Scope a major project to improve the quality of the Green Belt	This was debated internally and was not deemed a priority for CPRE's next strategic plan. We remain supportive of the desire to enhance our Green Belts for public benefit and published <i>Our Green Belt: Worth investing in and Nature conservation and recreational opportunities in the Green Belt</i> in Dec 2016.
Produce new light pollution maps for England	We released the most detailed ever satellite maps of England's dark skies which showed just 22% of England is untouched by light pollution. 53% of our darkest skies are over National Parks and Areas of Outstanding Natural Beauty.
Lead work on solutions to eliminate litter within a generation	As part of the coalition that campaigned for the plastic bag charge, one of the early outcomes was an amazing 85% reduction in plastic bag use. This equates to six billion bags! We are now working hard on our campaign to introduce a bottle deposit return system.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

Produce three Foresight Papers on food and farming	Our first paper, <i>New Model Farming: Resilience through diversity</i> , was released in August with much positive debate over the shape of farming post-Brexit. The opportunity to shape future agricultural policy has become a priority and other papers will follow in 2017.
Other work that came to the fore	
Undergrounding of power lines	The National Grid announced proposals to underground 23.4km (14.5miles) of power cables through the Lake District National Park and remove existing overhead lines to leave the National Park free of pylons for the first time in 50 years.
Encouraging rural affordable housing	We published <i>On Solid Ground: Encouraging landowners to invest in rural affordable housing</i> . This promoted policy changes to provide landowners with greater assurance that rural affordable housing built on their land would be reserved for people with strong local connections.
Encouraging more integrated planning	The sixth paper in our Housing Foresight series, <i>Making the Link</i> , explored how effective coordination between transport and development can improve access to public transport, reduce pollution and encourage walking and cycling.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

2 To defend the countryside from damaging development

We prefer to propose solutions rather than simply saying “no” to development, for example by promoting brownfield regeneration. But when the English countryside is being threatened unnecessarily, we will stand up for it vigorously and passionately, marshalling all the support we can.

In 2016 we planned to	Some highlights of what we achieved
Get the Government to accept there is enough suitable brownfield land for at least a million new homes	<p>Our research shows there are enough suitable brownfield sites to provide between 1.1 and 1.4 million new homes and that brownfield land is actually being built out six months faster than greenfield.</p> <p>The Government has stopped challenging the 1 million figure. The number of homes created on brownfield sites should begin to increase as the Government's £2bn funding, new brownfield registers, and other measures filter through.</p>
Provide advice for local authorities, on completing brownfield registers	Our analysis of 53 pilot brownfield registers as part of a pilot study organised by Department for Communities and Local Government (DCLG) of 73 local authorities suggested there might be more brownfield land than previously thought. This analysis underpinned the estimates of 1.1m to 1.4m above.
Start to develop a planning network across branches to support or challenge local planning proposals	We have commissioned a study within CPRE to gather knowledge and generate ideas with the aim of improving local planning support.
Publish research on the relationship between road building, congestion and economic growth	The research has been completed and our report was published in early 2017.
Publish guidance (with CPRE Gloucestershire) on the siting of rooftop solar panels	We published a good practice guide in October 2016, available on our website. It received coverage in Country Life magazine.
Other work that came to the fore	
Opportunities to promote and strengthen Neighbourhood Planning	<p>We worked with Action for Communities in Rural England (ACRE) to run 10 roadshows across England on neighbourhood planning. These were funded by the DCLG.</p> <p>We also successfully promoted amendments to the Neighbourhood Planning Bill which generated significant interest in Parliament and secured ministerial commitments to address the issues.</p>
<i>Green Belt under Siege 2016</i>	Our <i>Green Belt under Siege</i> report, which got the widest coverage in national media outlets for the issue in over 10 years, showed that the number of houses planned for the Green Belts across England had risen to 275,000.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

3 To increase and harness support for the countryside

Our priorities are to focus on public and parliamentary activity to ensure that our voice is heard in public and political countryside debates. We want to encourage people to engage in decisions affecting their countryside and through campaigns, communications and marketing initiatives increase political support for CPRE's vision.

In 2016 we planned to	Some highlights of what we achieved
Ensure good contacts with key Ministers, Special Advisers and MPs	Our regular contact and dialogue proved to be very important in shaping some of the direction of the Housing White Paper, the Neighbourhood Planning Bill and the Housing and Planning Bill. We gave written and oral evidence to several Bill and Select Committees.
Build our digital presence	There was further growth in engaging people via social media, Facebook sites and Twitter accounts. Improvements to our website are now scheduled for 2017/18.
Create a new strategy for membership recruitment and retention	We have widened the strategy to regular giving and engaged the Good Agency to assist us.
Other work that came to the fore	
We published a book <i>"22 Ideas that saved the English Countryside"</i>	Written by former chairman, Peter Waine, and our senior communications and information officer, Oliver Hilliam it celebrates Green Belts, National Parks, rural planning, urban regeneration and the idea of CPRE itself and has received considerable critical acclaim.

4 To develop our capability

We aim to improve how all areas of CPRE can work together. We need to develop our campaigning and communication techniques in response to changes in the media and communication channels. We will invest in fundraising and income development including membership and maintain adequate financial reserves. We will seek to ensure that branches are well led, well connected within CPRE and financially stable.

In 2016 we planned to	Some highlights of what we achieved
Introduce an intranet	The contract was issued during 2016 and our intranet will go live in 2017.
Place a greater focus on a small number of national campaigns	Our brownfield and Green Belt campaigns were our main focus in 2016 and we believe these influenced the direction of the Government's White paper on housing <i>Fixing our broken housing market</i> published in February 2017
Work with branches in the integration of national and local campaigns	We are providing campaign training to branches and are working together in a variety of ways to help achieve our and their strategic priorities.

TRUSTEES' REPORT (CONTINUED)

Financial Review

The financial statements on pages 22 to 36 indicate our financial results for the year. Total income increased from £3.7m to £6.6m, which led to an overall surplus of £3.8m.

We set cautious income budgets for 2016 and exceeded several of them, with the most significant contribution being from legacies.

- Legacy income of £4.2m exceeded our budget by an astonishing £3.2m, due to a small number of very generous bequests.
- Membership, (net of the branch and regional share), and Committed Giving income was static at £1.2m.
- Funding from charitable trusts and companies increased from £502k to £550k.
- Appeal income of £449k was £30k more than in 2015.

We would like to thank our many supporters who helped optimise the value of their donations by completing Gift Aid forms. We reclaimed £399k in Gift Aid in 2016 (2015: £394k).

Our surplus of £3.8m has provided us with a significant sum for investment in our strategic priorities. The Board has approved a deficit budget for 2017 of nearly £1m. £1.9m has been reserved to help finance activity during 2018-19 that will enable us to achieve our objectives in our new strategic plan and finance our current London office base until the lease ends in 2022.

Having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections, the trustees are satisfied that it remains appropriate to prepare the statements on a going concern basis.

Financial Reserves Policy

The Board understand their obligation to apply income to CPRE's charitable objectives within a reasonable time of receipt. The Board reviewed its reserves policy in September 2016 to set the context for the 2017 budget.

Our reserves policy is:

"To hold unrestricted investments and cash, excluding any designated funds, in a range of £2.35m – £5.75m. This reflects the Trustees current appraisal of working capital requirements, the risks in CPRE's sources of income, an allowance for unplanned expenditure and a degree of funding for key investments during the next planning cycle".

For the purpose of its policy, CPRE has defined its reserves as its unrestricted liquid reserves, i.e. its investments and cash. We have ignored our fixed assets, as they are illiquid. We have ignored debtors less creditors because the major component is legacies receivable. As legacies may not be received for up to two years from the date of probate, we feel it is imprudent to include them in our reserves target range. Therefore, our policy focuses on our unrestricted liquid assets and these were £5.6m at 31 December 2016 (31 December 2015: £3.6m).

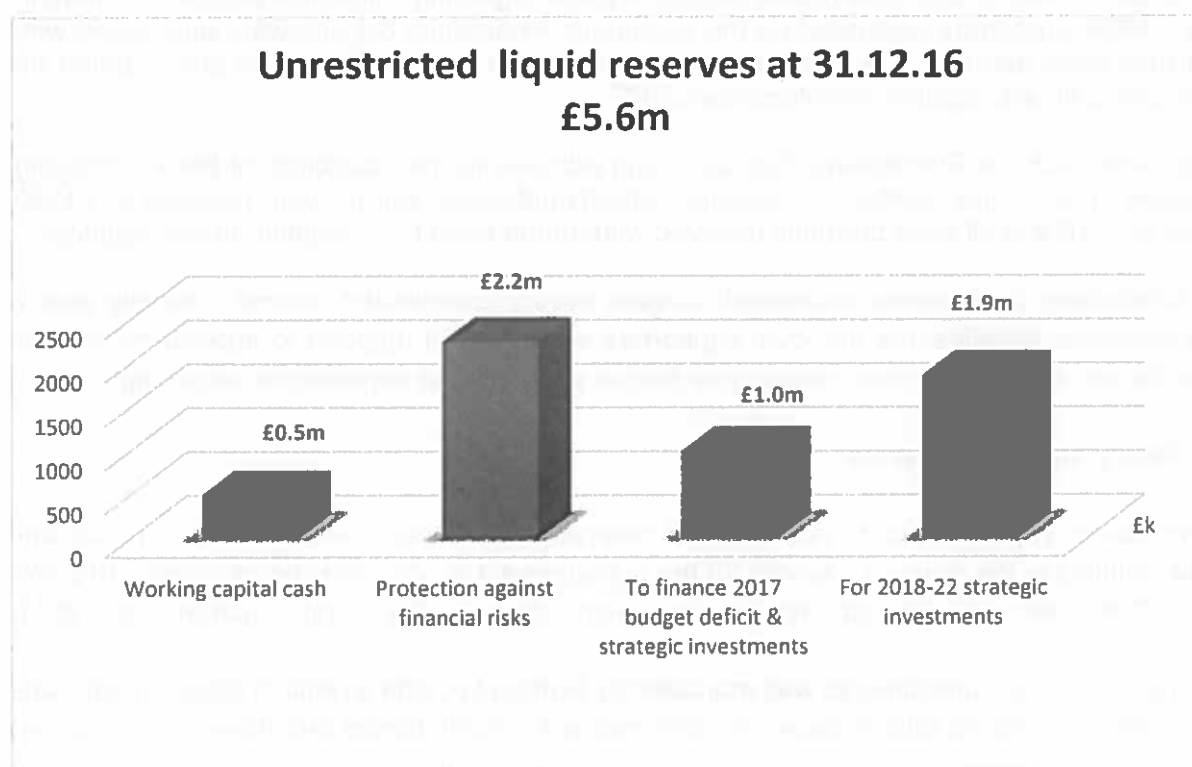
CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

Unrestricted liquid reserves

	2016	2015
	£'000	£'000
Investments	4,047	3,044
Cash at bank	<u>2,101</u>	<u>1,100</u>
	6,148	4,144
Less: Restricted funds	(422)	(415)
Less: Endowments	(110)	(98)
Unrestricted Liquid Reserves	<u>5,616</u>	<u>3,631</u>

The year-end total of £5.6m is near the top of our target range of £5.75m and so for 2017 we have approved a deficit budget and strategic investments of nearly £1m in order to extend our campaigning and improve our services. We have reserved a further £1.9m for activity and committed expenditure between 2018-22. We had no undesignated funds at 31 December 2016.



TRUSTEES' REPORT (CONTINUED)

Fundraising approach and performance

CPRE undertakes fundraising activity to its supporters via direct mail, telephone and email in line with the Fundraising Code of Practice set by the Fundraising Regulator. Our fundraising promise, which is available on our website to reassure supporters of our approach, is

'When you support us by becoming a member, campaigner or donor you can be sure of the following:

- We will never sell your contact details to anyone outside of CPRE*
- We will only contact you if you have expressed an interest in our work*
- If we phone you, we will always check you are happy to take the call*
- If you ask us to change how we communicate with you, or stop, we will respect that*
- We do not engage in cold-calling, door to door or street fundraising*
- We try hard to ensure no one ever feels pressurised to support our work*
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice*
- All our activities are open, fair, honest and legal*

In 2016, CPRE worked with a carefully selected telemarketing partner: QTS, who adhere to the Fundraising Code of Practice and have robust policies in place regarding vulnerable people and treating donors fairly. CPRE supporters registered on the Telephone Preference Service were only called with an appeal if they have agreed to receive such calls. Callers are thoroughly trained and updated on CPRE's work and calls are regularly monitored by CPRE.

CPRE is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. A very small number of complaints about fundraising activity were received by CPRE national office in 2016 and all were promptly resolved without the need for escalation to the regulator.

Our overall fundraising performance exceeded budgets set for unrestricted income – mainly due to several very generous legacies and our loyal supporters continuing to respond to appeals throughout the year. We did not achieve our restricted income budget and curtailed expenditure accordingly.

Investment Policy and Performance

Following the further improvement to our financial reserves, we revised our investment policy and strategy. This resulted in the issue of a tender for the management of our investments in late 2016. We appointed CCLA and transferred funds to them during the first quarter of 2017.

During 2016 part of CPRE's investments was managed by Ruffer LLP, with a remit to obtain an absolute rate of return that exceeds the rate of return on cash over a 12 month period and never to lose money over a rolling 12 month period.

We added £0.6m (2015 £1.4m) to our investments during 2016 adding to the units we held in Sarasins Alpha Charities Investment Fund for endowments, Charities Official Investment Fund Income (COIF) Fund and COIF's Fixed Interest Fund.

For the year to 31 December 2016 the total portfolio showed a gain of 11.1% (2015 1.3%). This was better than the return on cash for the same period (0.5%), set as the benchmark to beat.

TRUSTEES' REPORT (CONTINUED)

CPRE's prime ethical consideration is to identify any obvious conflicts of interest between its objectives and the objectives/activities of any company whose shares may be acquired directly for the purpose of investment. We had no direct investment in company shares at 31 December 2016.

Risk Management

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

The Senior Management Team and senior staff assess risks as part of most processes. The Board review current material risks at each Board meeting during the year and a thorough review of potential risks was undertaken in December 2016.

The main categories of risk are:

- Governance
- Reputation
- Financial
- Regulatory
- External

The Board considers the gross risk before taking into account the internal and external controls and the residual net risk after these internal and external controls are applied. The major net risks relate to external factors beyond CPRE's control; the most significant are considered to be:

- Changes in policy and/or planning decisions leading to further degradation of the countryside
- A downturn in the economy leading to a decrease in income

The most significant internal risks prior to our internal controls are considered to be:

- Inadequate financial reserves to withstand one or more major risks materialising
- Security of electronic data
- Loss of key staff
- Poor customer care

Our internal controls are intended to manage rather than eliminate risks and to give reasonable rather than absolute assurances.

There are only three significant residual internal net risks, all of which are assessed as acceptable

- Loss of key staff
- Poor customer care leading to the loss of a major supporter
- Fragmentation of CPRE as a federal organisation.

The system of internal control includes:

- A three year strategic plan
- An annual operational plan, with actual performance being monitored regularly
- A range of policies (e.g. financial reserves policy) and procedures
- A Memorandum of Understanding with CPRE regions and branches

TRUSTEES' REPORT (CONTINUED)

- A regular risk assessment programme
- A staff structure and scheme of delegation that aids continuity of our work

The scheme of delegation sets out the delegated authority of the Audit Committee, the Policy Committee, the Nominations Committee and the principal officers. The day-to-day management is delegated to the Chief Executive, the principal officers and other CPRE staff.

CPRE's Future Plans

The Board approved a new strategic plan for 2017-19 in December 2016.

Our aims for this plan are:

- To promote and enhance the character of the countryside
- To promote a more sustainable approach to land use
- To defend the countryside from damaging development

Our goals are:

1. A planning system that protects and enhances the countryside as well as achieving positive outcomes for people, the economy and the environment

Strategic objectives

- A planning system that protects and enhances the countryside
- National policy supports realistic housing targets in local plans
- More and better use of brownfield land for development
- Stronger and better implemented national policy on Green Belt protection

2. Efficient infrastructure systems that enhance the beauty and vitality of the countryside

Strategic objectives

- A transport system that enables travel choices, particularly in rural areas
- A National Infrastructure Commission that delivers benefits for the countryside

3. Rural landscapes and character are protected and enhanced

Strategic objectives

- A new English agricultural policy that benefits the countryside
- The distinctive rural landscapes that people enjoy are enhanced and better protected
- A more tranquil countryside with darker skies
- A countryside unspoilt by litter

TRUSTEES' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal and Administrative Details

The Campaign to Protect Rural England is a registered charity (number 1089685) and a company limited by guarantee (number 04302973). It was founded in 1926. It is registered in England and its registered office is 5-11 Lavington Street, London, SE1 0NZ. It is governed by its Memorandum and Articles of Association adopted on 4 October 2001, which were amended on 30 June 2016.

The members of the Trustee Board are Trustees under charity law and Directors under company law. They are also known as Board Members.

CPRE has a wholly owned trading subsidiary, CPRE Enterprises Limited (Company No 4287611) which has been dormant throughout the year.

Structure

The national CPRE comprises the National Office in London and eight regional groups.

The regional groups were originally set up to influence regional plans but their role has evolved into one of engaging with sub-regional planning bodies and supporting our branches. All regional work in London is carried out by the London branch.

The regional groups' financial results are incorporated into the main charity financial statements at the end of each year.

The wider CPRE network operates as a federal structure of 43 branches and over 100 active district groups. There are 41 separately constituted branches that operate within the wider CPRE federal structure. As legal entities in their own right, with their own boards of trustees, their results do not form part of these financial statements. Two branches, Durham and Northumberland, are part of the main charity and their finances are incorporated into the charity financial statements at the end of each year.

While 41 of the branches are separately registered charities, with their own governing documents and boards of trustees, most use the name and branding of CPRE. All deliver broadly similar objectives and receive a share of the membership subscriptions from CPRE's members. The Chairs of our branches hold over 70% of the voting rights at our Annual General Meeting.

The Board believes that the structure of the organisation is a huge strength that gives CPRE both a national presence and a strong and effective grassroots involvement.

General Council

The General Council comprises the voting members of CPRE.

TRUSTEES' REPORT (CONTINUED)

The Board

The Board is made up of at least three and not more than ten trustees including the Chair, the Chair of Policy Committee and the Treasurer. It is composed of up to eight Elected Board Members (including the posts listed above) and up to two Selected Board Members. All Elected Board Members serve a three year term of office but may be eligible for re-election for a further three year term. All Selected Board Members hold office until the next AGM but may be eligible for co-option for a further year at the discretion of the Board, subject to a maximum term of six years.

Recruitment of trustees

Trustees are recruited in accordance with our Articles of Association and the process is undertaken by the Nominations Committee who make recommendations to the Board.

Induction and training of trustees

All members of the Board have role descriptions and take part in induction programmes, training and development as appropriate.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year 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 its net incoming/outgoing resources 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 FRS102 and the Charities SORP (SORP2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. 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.

TRUSTEES' REPORT (CONTINUED)

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The following statements have been affirmed by each of the Trustees of the charitable company:

- so far as each Trustee is aware, there is no relevant audit information, (that is, information needed by the company's auditors in connection with preparing their report), of which the company's auditors are unaware; and
- each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Sub Committees

The Board has three sub-committees; the Policy Committee, Audit Committee and Nominations Committee. The Board sets terms of reference for sub-committees, all of which report directly to the Board.

The purpose of the Policy Committee is to provide a body of expertise to advise the Board and assist staff and trustees of CPRE in all aspects of its external policy.

The purpose of the Nominations Committee is to select suitable candidates to be nominated for the Board. It is chaired by a member of CPRE's General Council.

REFERENCE AND ADMINISTRATIVE DETAILS

Management

The Board delegates responsibility for the day to day management of CPRE to its Chief Executive. He is aided by the Senior Management Team and other senior colleagues.

The present office holders and any past office holders who served during the year, and to the date of signing this Report, are listed below.

Patron

Her Majesty The Queen

President

Emma Bridgewater

Vice Presidents

Bill Bryson

Tom Flood

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

The Board (Trustees/Directors)

Su Sayer	Chair
Melinda Appleby	Chair of Policy Committee retired 30 June 2016
Catherine Graham-Harrison	Chair of Policy Committee appointed 30 June 2016
James Ravine	Treasurer retired 30 June 2016
Lucie Hammond	Treasurer appointed 30 June 2016
Stephen Anderson	General Board Member
Mike Benner	General Board Member
Margaret Clark	Selected Board Member
Martin Crookston	Selected Board Member
Christine Drury	General Board Member (Vice Chair)
Elizabeth Hamilton	General Board Member
Peter Raynes	General Board Member retired 30 June 2016
Robin Thompson	General Board Member appointed 30 June 2016

Sub-committees of the Board:

Policy Committee

Melinda Appleby	Chair retired 30 June 2016
Catherine Graham-Harrison	Chair appointed 30 June 2016
Su Sayer	Trustee
Lyndis Cole	
David Coleman	Retired 21 April 2016
John Croxen	
John Hoare	
Richard Lloyd	
Michael Monk	
Henrietta Sherwin	
Alice Thomson	Retired 23 June 2016
Stan Jones	Appointed 23 June 2016
Anna Hall	Appointed 23 June 2016

Audit Committee

James Ravine	Chair retired 30 June 2016
Lucie Hammond	Chair appointed 30 June 2016
Peter Raynes	Trustee retired 30 June 2016
Robin Thompson	Trustee appointed 30 June 2016

Nominations Committee

Georgie Bigg	Chair retired 13 March 2017
Su Sayer	Trustee
Martin Crookston	Trustee
Isabella Stone	Chair appointed 13 March 2017
Marion Temple	Branch nominated member

TRUSTEES' REPORT (CONTINUED)

The principal officers are:

Shaun Spiers	Chief Executive
Tom Fyans	Director of Campaigns and Policy
Linda Allen	Director of Fundraising and Supporter Services (left 3 February 2017)
Elvira Meucci-Lyons	Director of Fundraising and Supporter Services (started 11 May 2017)
Julian Purvis	Director of Finance & Company Secretary

Professional Advisers:

A list of CPRE's main professional advisers appears on page 37.

Health and Safety

The Board considers managing health and safety and wellbeing of our staff, volunteers, suppliers and visitors a key priority.

The Board is ultimately responsible for compliance with health and safety legislation. The day-to-day responsibility is delegated to the Chief Executive and Director of Finance, who are responsible for compliance, relevant policy development and performance. Health and Safety is a line-management responsibility throughout CPRE.

During the course of the year there were no significant accidents or incidents involving members of staff, volunteers, contractors or visitors to our office.

Employees and Volunteers

Our staff and volunteers continue to build CPRE's long-established reputation for professionalism, expertise and quality. They are the reason for our many lobbying and campaigning successes.

CPRE's volunteers are also highly valued and the Board is grateful for the huge amount of work they do. The work of volunteers in the branches and regional groups is supported by advice and other support from National Office, including inductions, training seminars and our events programme.

We support equal opportunities, and recruit and promote employees on the basis of aptitude and ability without discrimination. CPRE seeks to enable disabled employees to play a full role in the organisation.

Remuneration Policy

The pay of the principal officers - see above - is determined by the Board of Trustees. Salaries are benchmarked with those of charities of similar size in terms of income, staff numbers and complexity.

The same benefits, including pensions, and terms and conditions apply to the principal officers as all other staff.

CAMPAIGN TO PROTECT RURAL ENGLAND

TRUSTEES' REPORT (CONTINUED)

All other staff salaries are set by the principal officers, as a team. Salaries are arranged in organisation-wide pay bands, using comparisons with charities of similar size in London. They are reviewed annually and any changes to pay bands are determined by the Board of Trustees.

The Board includes trustees appointed by our volunteer branch chairs and trustees with significant pay expertise and knowledge, especially of the charity sector.

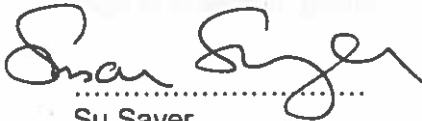
All our staff work in London and are paid at least the London Living Wage.

Auditor

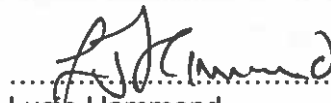
Haysmacintyre has indicated its willingness to be reappointed as statutory auditor.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) 2015 and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 11 May 2017 and signed on their behalf by:



.....
Su Sayer
Chair



.....
Lucie Hammond
Treasurer

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

We have audited the financial statements of Campaign to Protect Rural England for the year ended 31 December 2016 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).

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 the charitable company's 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 pages 16-17, 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.

We have been appointed auditor under the Companies Act 2006. 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 December 2016 and of the charitable company's net movement in funds, including the 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.

Opinions 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 Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Annual Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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 in preparing the Trustees' Annual Report.



Richard Weaver
Senior Statutory Auditor

For and on behalf of
haysmacintyre
Statutory Auditor
London

Date: 11 May 2017

CAMPAIGN TO PROTECT RURAL ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2016 Total £	2015 Total £
Income from						
Donations and legacies	2 & 3	6,179,482	361,340	-	6,540,822	3,617,777
Other trading activities	4	37,720	-	-	37,720	28,156
Investments	5	43,600	1,493	-	45,093	20,189
Total		6,260,802	362,833	-	6,623,635	3,666,122
Expenditure on						
Raising funds	6	611,437	-	-	611,437	719,491
Charitable activities	7	2,238,207	355,033	-	2,593,240	2,388,786
Total	7	2,849,644	355,033	-	3,204,677	3,108,277
		3,411,158	7,800	-	3,418,958	557,845
Net gains on investments	11	390,577	-	12,579	403,156	16,655
Net income		3,801,735	7,800	12,579	3,822,114	574,500
Reconciliation of funds:						
Total funds brought forward		<u>4,529,607</u>	<u>414,883</u>	<u>97,662</u>	<u>5,042,152</u>	<u>4,467,652</u>
Total funds carried forward		<u>8,331,342</u>	<u>422,683</u>	<u>110,241</u>	<u>8,864,266</u>	<u>5,042,152</u>

All of the charity's activities are continuing.

There are no gains and losses other than those shown above.

The notes on pages 25 to 36 form part of these financial statements

CAMPAIGN TO PROTECT RURAL ENGLAND
(A COMPANY LIMITED BY GUARANTEE-COMPANY NO. 4302973)

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	10	278,509	332,087
Investments	11	<u>4,047,138</u>	<u>3,043,982</u>
<i>Total fixed assets</i>		<u>4,325,647</u>	<u>3,376,069</u>
CURRENT ASSETS			
Debtors	13	2,648,129	737,289
Regional bank balances		219,674	192,185
Cash at bank and in hand		<u>2,101,242</u>	<u>1,099,655</u>
<i>Total current assets</i>		<u>4,969,045</u>	2,029,129
Liabilities:			
Creditors: Amounts falling due within one year	14	<u>(430,426)</u>	<u>(357,308)</u>
<i>Net current assets</i>		<u>4,538,619</u>	<u>1,671,821</u>
<i>Total assets less current liabilities</i>		<u>8,864,266</u>	5,047,890
Creditors: amounts falling due after more than one year	14	-	(5,738)
<i>Total net assets</i>		<u>8,864,266</u>	<u>5,042,152</u>
The funds of the charity:			
Unrestricted funds	16	8,331,342	4,529,607
Restricted funds	17	422,683	414,883
Endowment fund	18	<u>110,241</u>	<u>97,662</u>
<i>Total charity funds</i>		<u>8,864,266</u>	<u>5,042,152</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 May 2017

 } Su Sayer
Chair

 } Lucie Hammond
Treasurer

The notes on pages 25 to 36 form part of these financial statements.

CAMPAIGN TO PROTECT RURAL ENGLAND
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Cash flows from operating activities:		
<i>Net cash provided by operating activities (see Table 1)</i>	<u>1,561,021</u>	<u>824,183</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	33,032	11,449
Bank and other interest received	12,061	8,740
Purchase of property, plant and equipment	(4,527)	(1,975)
Purchase of investments	<u>(600,000)</u>	<u>(1,401,927)</u>
Net cash outflow used in investing activities	<u>(559,434)</u>	<u>(1,383,713)</u>
Increase/(Decrease) in Cash	<u>1,001,587</u>	<u>(559,530)</u>
<i>Change in cash and cash equivalents in the year</i>	<u>1,001,587</u>	<u>(559,530)</u>
Cash and cash equivalents at 1 January 2016 (see Table 2)	<u>1,099,655</u>	<u>1,659,185</u>
<i>Cash and cash equivalents at 31 December 2016 (see Table 2)</i>	<u>2,101,242</u>	<u>1,099,655</u>

	2016 £	2015 £
Table 1: Reconciliation of net income to net cash flow from operating activities		
<i>Net income for the year</i>	3,822,114	574,500
Adjustments for:		
Depreciation charges	58,105	72,466
(Gains)/losses on investments	(403,156)	(16,655)
Dividends, interest and rents from investments	(45,093)	(20,189)
Investment management charges	-	12,201
(Increase)/Decrease in debtors	(1,910,840)	308,215
(Increase)/Decrease in regional cash balances	(27,489)	16,283
Increase/(Decrease) in creditors	67,380	(122,638)
<i>Net cash provided by operating activities</i>	<u>1,561,021</u>	<u>824,183</u>

	2016 £	2015 £
Table 2: Analysis of cash and cash equivalents		
Cash in hand	1,592,391	1,099,655
Notice deposits (6 months)	508,851	-
Total cash and cash equivalents	<u>2,101,242</u>	<u>1,099,655</u>

The notes on pages 25 to 36 form part of these financial statements.

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of accounting and statement of compliance

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015), the Companies Act 2006 and applicable accounting standards (FRS102). There are no material uncertainties related to events or conditions which would cast doubt on the charity's ability to continue as a going concern.

Consolidated accounts have not been prepared, as the operation of the wholly owned trading subsidiary, CPRE Enterprises Limited, was not material to the income, expenditure or net assets of CPRE in the year.

The principal accounting policies and estimation techniques are as follows:

b) Branches

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

c) Regional Groups

CPRE is responsible for the activities of eight regional groups. The income and expenditure of these groups have been included within these financial statements.

d) Income

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

Legacies are recognised when the conditions of entitlement, probability and measurement are met. Each bequest is recognised once a reasonable estimate of its value can be made and providing there is no evidence of any significant contentious claims against the deceased's estate. Where CPRE is left part of the residue of an estate, the deceased's Will, initial statements of assets and liabilities and draft estate accounts are used to calculate the estimated value of the bequest. This estimate is only recognised as income once the executors have proved the Will (i.e. obtained probate). Probate values will normally be used to estimate value.

Grants receivable and merchandise income are accounted for on an accruals basis.

Donated services are included at the rate that would have been charged if the charity had been invoiced for them. An equivalent amount is included in expenditure.

e) Fixed Assets

Items over £500 are capitalised. Fixed assets are stated at cost less accumulated depreciation.

Depreciation of fixed assets is provided at rates calculated to write off the cost of fixed assets over their anticipated useful lives and is charged on a monthly basis from purchase. The rates used during the year were as follows:

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

f) Fixed Asset Investments

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

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

g) Operating Leases

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

h) Fund Accounting

Restricted funds are those the use of which is restricted by the conditions imposed by the donors. Endowment funds are those where the income can be spent but the capital element retained. General funds are those which are available for the general advancement of CPRE's objectives.

i) Allocation of Costs

Overheads and support costs have been allocated to the cost headings in the Statement of Financial Activities as follows:

An estimate of staff time spent on each activity during the year, together with the individual's salary cost, has been used to calculate the actual cost of staff time spent on each activity. These staff cost figures have been used to calculate a percentage figure, which has been used to apportion the total overhead and support costs.

Support costs include the costs of Human Resources and IT, Finance and Governance. Overhead costs include rent, depreciation and office costs.

Expenditure is recognised on an accruals basis when a liability is incurred.

Raising funds

The cost of raising funds includes the production and postage costs of appeals and raffles, the marketing and promotional costs of all our fundraising programmes, the costs of members and supporter recruitment and the administrative cost of processing donations.

Charitable activities

Charitable activity costs include all expenditure incurred in direct pursuit of CPRE's charitable objectives. These include all policy work, development of the branches and regional groups and the production of policy information about its work.

It also includes Membership and Supporter services including the materials, administrative and processing costs for member and supporter services.

j) Taxation

VAT

Irrecoverable VAT is included under the relevant expense headings. In 2016 this amounted to £97,916 (2015 £89,464).

Corporation Tax

CPRE is a registered charity and can claim exemption from Corporation tax on income and gains, which are applied for charitable purposes under the Corporation taxes Act 2010.

Pension schemes

CPRE operates defined contribution pension schemes for all qualifying employees. The assets of the schemes are held in separate funds administered by independent providers.

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Membership subscriptions	1,502,906	-	1,502,906	1,485,287
Less: Branch share of subscriptions(note 1b)	<u>(591,093)</u>	-	<u>(591,093)</u>	<u>(593,017)</u>
	911,813	-	911,813	892,270
Legacies	4,160,255	-	4,160,255	1,299,441
Appeals	448,928	-	448,928	418,660
Charitable Trusts and Companies (note 3)	218,490	331,173	549,663	502,251
Committed giving	287,797	-	287,797	309,517
Major personal donations	21,115	30,167	51,282	98,086
Raffles	65,912	-	65,912	42,662
General donations	50,397	-	50,397	41,097
Give as You Earn donations	5,461	-	5,461	6,542
Regional Income	9,110	-	9,110	5,973
Branch Income	204	-	204	1,278
	<u>6,179,482</u>	<u>361,340</u>	<u>6,540,822</u>	<u>3,617,777</u>

At 31 December 2016, our estimate of the value of legacies that had been bequeathed to CPRE, but which had not been included in the financial statements, was £50,154 (2015: £1,000,298). None of these bequests has a remaining life interest.

3. GENERAL, CORPORATE AND TRUST DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Esmée Fairbairn Foundation	-	218,803	218,803	140,671
Kristina Martin Trust	50,000	-	50,000	-
Charities Aid Foundation	27,927	-	27,927	-
The Underwood Trust	20,000	-	20,000	41,500
The Lambert Family Trust	20,000	-	20,000	-
The Samworth Foundation	-	20,000	20,000	20,000
Anonymous donation	-	15,000	15,000	-
The Salamanca Group	14,000	-	14,000	-
Dept. of Communities & Local Govt.	-	12,100	12,100	-
The Tolkien Trust	-	10,000	10,000	15,000
RCS Foundation	-	-	-	72,681
Google (donated services)	-	-	-	64,312
Salamanca Group Trust Ltd	-	-	-	40,000
NFU Mutual	-	12,000	12,000	12,500
JTI	-	10,000	10,000	10,000
Donations less than £10,000	86,563	33,270	119,833	85,587
	<u>218,490</u>	<u>331,173</u>	<u>549,663</u>	<u>502,251</u>

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

4. OTHER TRADING ACTIVITIES

	2016 £	2015 £
Rental income	24,000	24,000
CPRE publications	13,320	3,881
Merchandise income	400	275
	37,720	28,156

5. INVESTMENTS

	2016 £	2015 £
UK listed securities	33,032	11,449
Bank interest	12,061	8,740
	45,093	20,189

6. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
Fundraising costs:				
Direct costs	181,623	-	181,623	274,414
Employment costs	321,694	-	321,694	303,435
Overheads	108,120	-	108,120	141,642
	611,437	-	611,437	719,491
Total				

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

7. ANALYSIS OF EXPENDITURE

	Direct Employment Costs	Support Costs	Direct Costs	2016 Total	2015 Total
	£	£	£	£	£
Charitable activities					
Promote and enhance the character of the countryside	128,782	59,958	32,637	221,377	177,836
Defend the countryside from damaging development	406,920	201,249	164,366	772,535	687,194
Increase and harness support for the countryside	383,268	166,412	306,256	855,936	690,697
Develop our capability	150,881	60,516	99,250	310,647	335,410
Membership and Supporter services	223,655	99,792	109,298	432,745	497,649
	<u>1,293,506</u>	<u>587,927</u>	<u>711,807</u>	<u>2,593,240</u>	<u>2,388,786</u>
Raising funds	321,694	108,120	181,623	611,437	719,491
	<u>1,615,200</u>	<u>696,047</u>	<u>893,430</u>	<u>3,204,677</u>	<u>3,108,277</u>
Analysis of support costs by charitable activity					
	Overheads £	IT & HR £	Finance £	Governance £	Total £
Promote and enhance the character of the countryside	36,390	8,369	11,622	3,577	59,958
Defend the countryside from damaging development	122,142	28,092	39,010	12,005	201,249
Increase and harness support for the countryside	100,998	23,230	32,257	9,927	166,412
Develop our capability	36,729	8,447	11,730	3,610	60,516
Membership and Supporter services	60,566	13,930	19,343	5,953	99,792
	<u>356,825</u>	<u>82,068</u>	<u>113,962</u>	<u>35,072</u>	<u>587,927</u>
2016 Total support costs	<u>356,825</u>	<u>82,068</u>	<u>113,962</u>	<u>35,072</u>	<u>587,927</u>
2015 Total support costs	<u>332,986</u>	<u>77,143</u>	<u>109,392</u>	<u>31,906</u>	<u>551,427</u>

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

8. EMPLOYEE INFORMATION

The average monthly headcount was 40 (2015 40). The average number of employees, on a full-time equivalent basis was as follows:

	2016 No	2015 No
Full time	33	33
Part time (FTE)	5	5
	<u>38</u>	<u>38</u>
Employee costs were as follows:	£	£
Salaries	1,543,319	1,454,898
National Insurance	166,354	156,086
Pension contributions	101,009	94,417
	<u>1,810,682</u>	<u>1,705,401</u>

CPRE operates a Group Personal Pension Plan that all members of staff are eligible to join after the completion of their probationary service period. CPRE contributes 7% (6% until 31 March 2015) of eligible employees' salaries to their pension plans. 41 members of staff (2015: 37) were members of the Group Personal Pension Plan at the end of the year. Of the higher paid employees 4 (2015: 3) were members of the Group Personal Pension Plan. Contributions into the Plan for these employees were £20,740 (2015: £16,039). The total value of employee benefits received by key management personnel, (our principal officers (see page 19) was £336,233 (2015: £307,945). Included within the £1.8m are redundancy and termination costs of £30,000 (2015 nil).

Employees paid £60,000 or more	2016	2015
£100,000 - £109,999	1	-
£90,000 - £99,999	-	1
£80,000 - £89,999	2	-
£70,000 - £79,999	-	2
£60,000 - £69,999	1	-

9. TRUSTEES' REMUNERATION AND EXPENSES

None of the Trustees received any remuneration during the year (2015: none). Travelling expenses reimbursed to 8 (2015:6) trustees during the year amounted to £3,214 (2015: £2,172).

AUDITOR'S REMUNERATION

The amounts payable to haysmacintyre were:

	2016 £	2015 £
Audit costs:		
Statutory	13,300	12,950
IT review	-	3,430
Taxation advice:		
VAT	-	913
	<u>13,300</u>	<u>17,293</u>
Total	<u>13,300</u>	<u>17,293</u>

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

10. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Computer Equipment £	Furniture and Equipment £	Total £
Cost				
At 1 January 2016	472,003	323,766	3,054	798,823
Additions	-	4,527	-	4,527
Disposals	-	(47,384)	-	(47,384)
At 31 December 2015	472,003	280,909	3,054	755,966
Depreciation				
At 1 January 2016	197,979	265,703	3,054	466,736
Charge for the year	43,751	14,354	-	58,105
Disposals	-	(47,384)	-	(47,384)
At 31 December 2015	241,730	232,673	3,054	477,457
Net book value				
At 31 December 2016	230,273	48,236	-	278,509
At 31 December 2015	274,024	58,063	-	332,087

11. INVESTMENTS

	Listed Investments £	Unlisted Investments £	Cash £	Total £
Value at 1 January 2016	3,043,970	3	9	3,043,982
Additions/ (Disposals)	600,000	-	-	600,000
Investment gains	403,156	-	-	403,156
Value at 31 December 2016	4,047,126	3	9	4,047,138

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

12. TRADING SUBSIDIARY

CPRE Enterprises Limited

The organisation has a wholly owned subsidiary registered in England, CPRE Enterprises Limited.

CPRE Enterprises Limited has been dormant throughout 2016 and 2015.

Summarised Balance Sheet of CPRE Enterprises Limited

	2016	2015
	£	£
Cash at bank	<u>2</u>	<u>2</u>
Called up share capital	<u>2</u>	<u>2</u>
13. DEBTORS	2016	2015
	£	£
Accrued legacy income	2,502,644	571,279
Prepayments	82,570	101,146
Other debtors	51,902	52,283
Other accrued income	11,013	12,581
	<u>2,648,129</u>	<u>737,289</u>
14. CREDITORS: amounts falling due within one year	2016	2015
	£	£
Share of subscriptions owed to branches	150,115	158,903
Accruals and deferred income	83,258	67,672
Trade creditors	143,905	40,390
Taxation and social security	46,650	32,576
Pension schemes	767	11,874
Deferred rent	5,731	45,893
	<u>430,426</u>	<u>357,308</u>
CREDITORS: amounts falling due after more than one year	2016	2015
	£	£
Deferred rent	<u>-</u>	<u>5,738</u>

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

15. FINANCIAL INSTRUMENTS	2016	2015
	£	£
Financial assets measured at fair value	<u>6,368,054</u>	<u>4,335,822</u>
Financial assets measured at amortised cost	<u>2,648,129</u>	<u>737,289</u>
Financial liabilities measured at amortised cost	<u>430,426</u>	<u>363,046</u>

Financial assets measured at fair value comprise listed investments and cash balances.

Financial assets measured at amortised cost comprise all debtors.

Financial liabilities measured at amortised cost comprise all creditors.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Total Net Assets
	£	£	£	£
General Funds	278,509	-	2,437,377	2,715,886
Designated Funds	-	3,936,897	1,678,559	5,615,456
Unrestricted Funds	<u>278,509</u>	<u>3,936,897</u>	<u>4,115,936</u>	<u>8,331,342</u>
Restricted Funds	-	-	422,683	422,683
Endowment Fund	-	110,241	-	110,241
At 31 December 2016	<u>278,509</u>	<u>4,047,138</u>	<u>4,538,619</u>	<u>8,864,266</u>

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

17. RESTRICTED FUNDS

	Balance at 1 January 2016 £	Incoming Resources £	Resources Expended £	Balance at 31 December 2016 £
Esmée Fairbairn Foundation - 1	156,633	-	77,354	79,279
Esmée Fairbairn Foundation - 2	-	218,803	87,170	131,633
CPRE Mark	20,455	-	-	20,455
Anonymous donors	28,357	15,000	43,357	-
JTI	14,783	10,000	20,141	4,642
The Samworth Foundation	5,000	20,000	20,000	5,000
Balances b/fwd: each under £5,000	10,211	-	6,161	4,050
Underwood Trust	19,480	-	14,757	4,723
NFU Mutual	(600)	12,000	11,400	-
Andrew Mason legacy	150,564	1,493	3,000	149,057
CPRE Gloucestershire	-	29,167	29,167	-
James Woolf	10,000	-	10,000	-
Department for Communities & Local Government	-	12,100	12,100	-
The Tolkien Trust	-	10,000	-	10,000
The B & J Lloyd Trust	-	5,000	1,026	3,974
The Miller Trust	-	5,000	-	5,000
New donations: each under £5,000	-	24,270	19,400	4,870
Total restricted funds	414,883	362,833	355,033	422,683

- Restricted funds at 31 December 2016 include accumulated income from the endowment fund less any disbursements. The CPRE Mark fund is used for the branch award scheme as noted in note 18.
- The first grant from the Esmée Fairbairn Foundation is for the funding of two posts working on housing and energy campaigns. The second grant is towards a project looking at litter at a strategic level in Essex.
- The new anonymous donations were for our work protecting Green Belts.
- The donation from JTI is for the Stop the Drop campaign.
- The Samworth Foundation supported a senior Rural Policy Campaigner post.
- NFU Mutual supported the production costs of our CPRE Members Guide and the "Local Voice" pages in our Countryside Voice magazine for members.
- The bequest from Mr Andrew Mason is for projects in Devon.
- CPRE Gloucestershire funded a Housing Policy Research and adviser post.
- The Department for Communities and Local Government supported our Neighbourhood Planning project, which was carried out in Partnership with Action in Communities in Rural England (ACRE).
- The donation from the Tolkien Trust is for our work on enhancing our website.
- The donation from B & J Lloyd Family Charitable Trust is for our work on Land Use.
- The Miller Trust is supporting our Smarter Travel research.

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

18. ENDOWMENT FUND

	<i>Balance at</i> 1 January 2016 £	Transfers £	Income, Investment Gains/ (losses) £	Balance at 31 December 2016 £
Endowment Fund (Colonel Hill)	<u>97,662</u>	<u>-</u>	<u>12,579</u>	<u>110,241</u>

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

19. OPERATING LEASE COMMITMENTS

At 31 December 2016, CPRE was committed to making the following payments in respect of non-cancellable operating leases:

	2016 £	2015 £
Land and Buildings		
Lease expiring within 1 year (*)	-	258,188
Lease expiring within 2-5 years	1,020,067	-
Other		
Lease expiring		
within 1 year	-	-
within 2 to 5 years	1,912	2,687

(*) The property lease for 5 – 11 Lavington Street expires in February 2022. The break clause in February 2017 was not exercised and the new rent is being determined.

CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

20. COMPARATIVE YEAR 2015

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2015 Total £
Income from				
Donations and legacies	3,188,539	429,238	-	3,617,777
Other trading activities	28,156	-	-	28,156
Investments	19,467	722	-	20,189
Total	<u>3,236,162</u>	<u>429,960</u>	<u>-</u>	<u>3,666,122</u>
Expenditure on				
Raising funds	719,491	-	-	719,491
Charitable activities	2,160,458	228,328	-	2,388,786
Total	<u>2,879,949</u>	<u>228,328</u>	<u>-</u>	<u>3,108,277</u>
Net gains on investments	17,455	-	(800)	16,655
Net income	373,668	201,632	(800)	574,500
Reconciliation of funds:				
Total funds brought forward	<u>4,155,939</u>	<u>213,251</u>	<u>98,462</u>	<u>4,467,652</u>
Total funds carried forward	<u>4,529,607</u>	<u>414,883</u>	<u>97,662</u>	<u>5,042,152</u>

There are no gains and losses other than those shown above.

**CAMPAIGN TO PROTECT RURAL ENGLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016**

PROFESSIONAL ADVISORS

Honorary Standing Counsel

John Hobson QC

Legal Panel

Paul Brown QC

Stephen Whale

Solicitors

Russell Cooke LLP

2 Putney Hill

Putney

London

SW15 6AB

Freeths LLP

1 Vine Street

London

W1J 0AH

Auditor

haysmacintyre

26 Red Lion Square

London

WC1R 4AG

Bankers

NatWest

2a Charing Cross Road

London

WC2H ONN

Investment Managers

CCLA

Senator House

85 Queen Victoria Street

London

EC4V 4ET

