

# COBTREE MANOR ESTATE CHARITY COMMITTEE MEETING

Date: Tuesday 25 January 2022  
Time: 2.00 p.m.  
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Cox, Garten (Chairman), Kimmance, Perry (Vice-Chairman) and Springett

*The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.*

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4. Notification of Visiting Members	
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6. Disclosures of Lobbying	
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
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**Issued on Monday 17 January 2022**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

## PART II

**To move that the public be excluded for the item set out in Part II of the Agenda because of the likely disclosure of exempt information for the reason specified having applied the Public Interest Test.**

	<b>Head of Schedule 12A and Brief Description</b>	
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### **INFORMATION FOR THE PUBLIC**

In order to ask a question at this meeting in person or by remote means, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 21 January 2022). You will need to provide the full text in writing.

If your question is accepted, you will be provided with instructions as to how you can access the meeting.

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 21 January 2022). You will need to tell us which agenda item you wish to speak on.

If you require this information in an alternative format please contact us, call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk).

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## MAIDSTONE BOROUGH COUNCIL

### COBTREE MANOR ESTATE CHARITY COMMITTEE

#### MINUTES (PART I) OF THE MEETING HELD ON 4 NOVEMBER 2021

**Present:** Councillor Garten (Chairman) and  
Councillors Cox, Harper, Perry and Springett

**Also Present:** Mrs Sandra Knatchbull – Chairman, Cobtree Charity  
Trust Limited

31. APOLOGIES FOR ABSENCE

There were no apologies for absence.

32. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

33. URGENT ITEMS

There were no urgent items.

34. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

35. DISCLOSURES BY MEMBERS AND OFFICERS

Councillor Springett said that Mrs Sandra Knatchbull, the Chairman of the Cobtree Charity Trust Limited, who was present at the meeting as an observer, was a friend and neighbour. However, they had not discussed matters relating to the Cobtree Manor Estate Charity Committee.

The Chairman welcomed Mrs Knatchbull to the meeting.

36. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

37. EXEMPT ITEMS

**RESOLVED:** That the item on Part II of the agenda be taken in private as proposed.

38. MINUTES OF THE MEETING HELD ON 9 SEPTEMBER 2021

**RESOLVED:** That the Minutes of the meeting held on 9 September 2021 be approved as a correct record and signed.

39. PRESENTATION OF PETITIONS

There were no petitions.

40. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

41. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

42. COBTREE MANOR ESTATE FINANCIAL POSITION

The Senior Finance Manager (Client) introduced his report summarising the financial position of the Cobtree Manor Estate as at 30 September 2021. The report covered the Golf Course, Kent Life, the Manor Park and the residential properties.

The Senior Finance Manager (Client) advised the Committee that:

- The position as at 30 September 2021 was a surplus of £25,873 against the profiled budget for the year to date.
- There had been a question before the meeting about how the figures in the table at paragraph 3.1.1 of his report were presented. By way of explanation, in the middle three columns of that table, minus figures represented net income to the Estate and plus figures represented net expenditure. The final column was the variance against the current budget.
- There had been a higher than anticipated level of spend against the parks hard landscaping budget due to the need for a new door at the Visitor Centre and the creation of a new parking area. Funding of this overspend would be addressed when the draft budget proposals for 2022/23 and an updated budget for this year were submitted to the next meeting of the Committee. For example, car parking income continued to exceed the budgeted figure as visitor numbers to the Manor Park remained high and there were other budgets that remained unspent at present.
- Fencing repairs had been undertaken at the Golf Course and although this showed as an overspend against the profiled budget, the cost of the works was within the total budget for repairs and maintenance.
- Rental income from the residential properties was under budget due to Garden Cottage being vacant whilst the refurbishment works were

taking place. It was understood that these works were substantially complete and within budget.

- The value of the Charity's investment in Charifund currently stood at £860,945 compared to the value of £867,762 in July 2021. Further updates would be submitted to future meetings of the Committee.

In response to questions:

The Leisure Manager confirmed that the reference to the need for a new door at the Visitor Centre was incorrect as the work had involved a refurbishment.

The Senior Finance Manager (Client) advised the Committee that:

- He would undertake a review of Charifund and how it was performing compared to other funds;
- As part of this exercise, he would consider whether funds invested in Charifund might be used more appropriately to repay the money borrowed from the Borough Council in relation to the car park improvement works at Cobtree Manor Park; and
- He would review the way in which the figures in the table set out at paragraph 3.1.1 of the report were presented and report back with a format that might be more easily understood.

**RESOLVED:** That subject to the points raised in the discussion, the financial position of the Cobtree Manor Estate as at 30 September 2021 be noted.

#### 43. COBTREE ESTATE UPDATE

The Leisure Manager introduced his report providing an update on activities at the Cobtree Manor Estate since the last meeting of the Committee in September 2021. It was noted that:

##### Cobtree Manor Park

- Car park income for the first half of the year was £67,363, which was a positive variance of more than £26,000.
- The Hazlitt Theatre had staged two sell-out performances of Alice in Wonderland in the Park on 3 and 4 September 2021 and tickets for the winter lights trail from 15 December 2021 to 31 December 2021 were selling well.
- The Park Manager had secured a donation of time and resources from a local company to plant new hedgerows in and around the Park. The hedgerows would provide better biodiversity and wildlife habitat and, in time, replace ageing fencing.

- The Council's Biodiversity and Climate Change Manager had identified areas at the Cobtree Manor Estate as being suitable for additional tree planting and some natural flood prevention works as follows:

The perimeter of Forstal Field including the boundary with the M20;  
The Kent Life boundary with the M20; and  
The north west corner of the Estate beyond the Golf Course.

A meeting would be held with some of the tenant organisations to discuss the practicalities of taking this initiative forward.

#### Cobtree Golf Course

- Summer trading at the Golf Course had continued to recover with membership numbers, green fees and casual visitor numbers above pre-pandemic levels. The Golf Course was now moving into its winter operation with reduced hours of opening but with more events and social gatherings taking place inside where restrictions allowed.

#### Kent Life

- Kent Life was also continuing to recover post-pandemic with events planned for Bonfire Night and Christmas.
- Work to catalogue the Kent Life collection of artifacts had progressed. Meetings had been held with colleagues at Maidstone Museum and some external heritage organisations specialising in farming and rural life had been engaged. A report would be submitted to a future meeting when plans were sufficiently developed.

#### Cobtree Café

- Cobtree Café had continued to trade well throughout the summer and repairs to the flooring in the Visitor Centre toilets had been completed.

#### Cobtree Shed Group/Elephant House

- The Cobtree Shed Group had arranged more suitable alternative accommodation at Kent Life. Once vacant, the Elephant House building would be made good and options for its future use would be considered. In the short term, it would be used for storage purposes.

In response to questions, the Leisure Manager advised the Committee that:

- Although there was not an official Friends Group, a number of volunteer groups used the Park and there was potential to involve them in the tree planting project. In terms of engaging with the Woodland Trust or other groups, he would need to take advice from the Park Manager and the Biodiversity and Climate Change Manager about the scope and scale of the project and how many people could be involved.

- The Cobtree Café was planning to open on some of the days when the winter lights trail was taking place and the event organisers would also be providing refreshments along the route.

The Chairman took the opportunity to congratulate the Officers on Cobtree Manor Park again achieving Green Flag status.

**RESOLVED:** That the update on activities at the Cobtree Manor Estate since the last meeting of the Committee in September 2021 be noted.

44. EXCLUSION OF THE PUBLIC FROM THE MEETING

**RESOLVED:** That the public be excluded from the meeting for the following item of business because of the likely disclosure of exempt information for the reason specified, having applied the Public Interest Test:

**Head of Schedule 12A and Brief Description**

Estate Investment

3 – Financial/Business Affairs

45. ESTATE INVESTMENT

The Leisure Manager introduced his joint report with the Senior Finance Manager (Client) concerning potential future capital investment at the Cobtree Manor Estate. The report summarised the immediate capital concerns relating to assets at the Estate and included an updated cashflow projection to assist the Committee in its decision making. Reference was also made to discussions which had taken place with representatives of the Cobtree Charity Trust Limited regarding the possibility of relocating the carriages currently housed in the Carriage Museum to the Cobtree Manor Estate.

The Committee identified its capital investment priorities and gave instructions to the Officers as to the way to proceed, including the development of a capital funding plan for investment in the Estate.

46. DURATION OF MEETING

2.00 p.m. to 4.05 p.m.

# Agenda Item 12

**Cobtree Manor Estate  
Committee**

**25 January 2022**

## **Accounts 2020/21**

<b>Final Decision-Maker</b>	Cobtree Manor Estate Committee
<b>Lead Head of Service</b>	Director of Finance & Business Improvement – Mark Green
<b>Lead Officer and Report Author</b>	Paul Holland, Senior Finance Manager (Client)
<b>Classification</b>	Public
<b>Wards affected</b>	Boxley

### **Executive Summary**

The audit of the Trust accounts for 2020/21 has now been completed and an unmodified audit opinion will be issued. This report summarises the main points from the accounts and seeks approval of them so they may be submitted to the Charity Commission.

### **Purpose of Report**

To formally approve the Trust accounts for 2020/21.

### **This report makes the following recommendations to this Committee:**

1. That the Report and Financial Statement for 2020/21 are approved and submitted to the Charity Commission.
2. That the Letter of Representation be approved.
3. That the contents of the Audit Findings Report be noted.

### **Timetable**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Committee	25 January 2022

# Accounts 2020/21

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The operation of the Estate directly supports the objects of the Trust as set out when the Council became the Corporate Trustee	Head of Regeneration & Economic Development
<b>Cross Cutting Objectives</b>	The operation of the Estate supports the Council's strategic objective to ensure there are good leisure and cultural attractions in the Borough.	Head of Regeneration & Economic Development
<b>Risk Management</b>	There is a potential reputational risk if the annual accounts are not prepared correctly and in accordance with recommended best practice.	Leisure Manager
<b>Financial</b>	There is a financial risk to the Trust if the operations cost more than predicted or fail to generate sufficient income to cover the costs of running them estate.	Senior Finance Manager (Client)
<b>Staffing</b>	There are no additional implications arising from this report.	Leisure Manager
<b>Legal</b>	<p>Under the Council's Constitution the Committee as Corporate Trustee is responsible for all matters relating to the Charity with the exception of daily management.</p> <p>Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. There is then a requirement to have the statements audited externally and submitted to the Charity Commission.</p> <p>There are no further implications arising from this report.</p>	Team Leader (Corporate Governance), Mid Kent Legal Services
<b>Privacy and Data Protection</b>	There are no new privacy or data protection implications as a result of this report and recommendations.	Principal Solicitor (Corporate Governance), Mid Kent

		Legal Services
<b>Equalities</b>	There are no additional implications arising from this report.	Anna Collier Policy and Information Manager
<b>Public Health</b>	There are no additional implications arising from this report.	Public Health Officer
<b>Crime and Disorder</b>	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
<b>Procurement</b>	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
<b>Biodiversity &amp; Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

## 2. INTRODUCTION AND BACKGROUND

2.1 The audit of the Report and Financial Statements is now complete. The audit was undertaken by UHY Hacker Young, appointed external auditors to the Trust. Issues arising from the audit are dealt with in the next section of this report.

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## 3. ACCOUNTS 2020/2021

3.1 The Annual Report and Financial Statements are shown at **Appendix 1**. This includes the independent auditor's report, which includes their opinion on the Statement.

3.2 There are no major issues that have arisen regarding the accounts following the audit. A number of amendments were made to the draft accounts that were submitted for audit, and there are also a small number of unadjusted misstatements, both of which are shown as part of the Audit Findings Report, which is discussed later in this report. None of these have had any impact upon the financial resources available to the Trust.

3.3 There are a number of points that should be noted within the Financial Statements:

- The total funds of the Trust as shown on the Balance Sheet have decreased slightly from £4.40m to £4.38m, with the Statement of Financial Activities (SOFA) showing a net funds decrease of £58,688 for the year.
- On the Balance Sheet the main movements are a reduction in the value of tangible assets of £0.16m, which is mainly due to the annual depreciation charge, which was partially offset by an increase in the value of the Charifund investment. There was also an increase in the debtors and creditors balances which was monies owed by contractors and to the Council respectively at the balance sheet date.
- On the SOFA there was a small reduction in income received from investments, including the will trust income received from the Cobtree Charity Trust Ltd. There was also an increase in expenditure, mainly on repairs and maintenance, but these were partially offset by reductions in salaries and other fees and services. The additional repairs and maintenance spend included some significant one-off items such as the installation of the new automatic gates and new play equipment, as well as other play area repairs that were needed.

3.4 The Audit Findings Report (**Appendix 3**) sets out the accounting adjustments that were agreed with the auditors after the draft accounts were submitted to them. These were an adjustment to the will trust income as the amount received was less than had been accrued for initially in the accounts, and adjustment to the loan interest due on the car park works.

3.5 **Appendix 2** is the Letter of Representation for 2020/21. This asks Trustees to confirm a number of statements relating to the audit and the information supplied to the auditors during the course of their audit.

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#### 4. **AUDIT FINDINGS REPORT**

4.1 The Audit Findings Report is attached at **Appendix 3**. The purpose of this report is to bring to the attention of the Committee various matters that have arisen from the external audit.

4.2 The audit is substantially complete, and it is anticipated that an unmodified audit report will be issued.

4.3 The report also covers significant audit risks and other areas of focus and sets out some details regarding accounting practices and financial reporting issues.

4.4 The report summarises the accounting adjustments that were agreed following the audit of the accounts, which were outlined in more detail in the section on the accounts earlier in this report.

4.5 There are no new recommendations arising from the audit for 2020/21, and there are no outstanding issues from previous years.

4.6 The final section covers developments in the charity accounting sector.

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## **5. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

5.1 That the Committee approves the Report and Financial Statements in order that they can then be submitted to the Charity Commission by 31<sup>st</sup> January 2022.

5.2 There are no other available options as there is a legal requirement to produce and approve the Report and Financial Statements.

5.3 That the contents of the Audit Findings Report are noted.

5.4 There are no alternative actions. The Audit Findings Report is written for the benefit of those charged with governance to bring to their attention matters of interest that have arisen during the external audit process, therefore it needs to be considered by the Committee.

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## **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

6.1 The Report and Financial Statements will be submitted to the Charity Commission for publication on their website.

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## **7. REPORT APPENDICES**

- Appendix 1 – Report and Financial Statements 2020/21
  - Appendix 2 – Letter of Representation
  - Appendix 3 – Audit Findings Report
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## **8. BACKGROUND PAPERS**

None.

APPENDIX 1

**Cobtree Manor Estate**

**Trustee's Report and Financial Statements**

**For the Year Ended 31 March 2021**

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**Cobtree Manor Estate**

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**Cobtree Manor Estate**

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**Reference and Administrative Details of the Charity, its Trustees and Advisers  
For the Year Ended 31 March 2021**

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<b>Trustees</b>	Maidstone Borough Council  There are no individual trustees. All elected members of the Maidstone Borough Council perform duties of trustees but are not trustees in their own right. A full list of members is available on request.
<b>Charity registered number</b>	283617
<b>Principal office</b>	Maidstone Borough Council Maidstone House King Street Maidstone Kent ME15 6JQ
<b>Independent auditors</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House, Roman Square Sittingbourne Kent ME10 4BJ
<b>Bankers</b>	All funds are managed by Maidstone Borough Council at: Lloyds Bank plc, City Office Bailey Drive Gillingham Kent ME5 0LS
<b>Solicitors</b>	Head of Legal Partnership Mid-Kent Legal Services Maidstone Borough Council Maidstone House Maidstone Kent ME15 6JQ

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## Cobtree Manor Estate

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### Trustee's Report

#### For the Year Ended 31 March 2021

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The Maidstone Borough Council acting as Corporate Trustee to the registered Charity known as "Cobtree Manor Estate" presents its annual report in relation to the financial year ending 31 March 2021.

#### Trustees

The trustee who served during the year is shown on the information page.

### OBJECTIVES AND ACTIVITIES

#### Governing Object

The governing object of the Charity remains that defined in the lease of the Cobtree Estate dated 13 July 1971 between the Cobtree Charity Trust Limited (the lessor) and the Maidstone Borough Council (the lessee). The governing object is stated as:

"To hold Cobtree Manor and Cobtree Manor Estate for the benefit of the inhabitants of Maidstone and other members of the general public in one or other or all of the following ways:

- i) By maintaining the Cobtree Manor Estate as an open space as defined by the Open Spaces Act 1906 and if the lessees think fit providing thereat facilities for organised games and other sports".
- ii) With the consent of ... [the Cobtree Charity Trust Limited and the Kent County Council]... in such other way for the benefit of the inhabitants of Maidstone and other members of the general public as the Council shall from time to time think appropriate."

#### Object of the Charity

The late Sir Garrard Tyrwhitt-Drake bequeathed his former estate to the Cobtree Charity Trust Limited and set down in the codicils to his Will requirements for its future use. In seeking to interpret these, sometimes conflicting, codicils the Maidstone Borough Council and Cobtree Charity Trust Limited agreed that the Estate in its entirety, and the intended charitable objects, should be leased to and governed by, the Maidstone Borough Council.

The Maidstone Borough Council, as Corporate Trustee to the Charity, has determined and regularly reviews a series of policies to guide the actions of its Members and employees in fulfilling the governing object of the Charity.

Members of the Cobtree Manor Estate Charity Committee manage all aspects of the Charity on behalf of the Council. Informal liaison continues with the Trustees to the Cobtree Charity Trust Limited, particularly with regard to considering potential developments. Members of the Cobtree Charity Trust Limited are invited to attend the meetings of the Cobtree Manor Estate Charity Committee.

### ACHIEVEMENTS AND PERFORMANCE

#### Organisation of the Charity

The Trustee to the Registered Charity known as the Cobtree Manor Estate remains the Corporate Body of the Maidstone Borough Council. How the functions of the Corporate Trustee are implemented is reiterated in the section above.

All individual elected Members to the Maidstone Borough Council are instructed to perform any duties and responsibilities they have in relation to the charity as though they were acting as individual trustees; albeit that they are not individual trustees in Charity Law. All elected Members and Officers of the Council are reminded of the Council's obligations to the Charity and how these need to be considered quite separately from the normal duties of the Council acting as the Local Authority. An A to Z "aid memoir" is made available to all Members and Officers via the Council's internal intranet site.

Under the terms of the lease upon which the Charity holds the Cobtree Manor Estate, and in the specified circumstances, the Council continues to liaise with both the freehold owner of the Estate, the Cobtree Charity Trust Limited, and the Kent County Council.

#### Advice to Trustees

The advice for trustees published by the Charity Commission is given to new members of the charity committee and new guidance is notified and made available to them as it is received from the Commission. Committee members have free access to all members of staff to ensure that they can be fully aware of the special considerations, activities and implications of, and for, the charity.

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## Cobtree Manor Estate

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### Trustee's Report

#### For the Year Ended 31 March 2021

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#### Activities

The following paragraphs are included to demonstrate how the Charity is meeting its obligation to provide a public benefit. The primary activities of the Charity are to manage and maintain three facilities to which the general public have access:

- the Cobtree Manor Park – which is a parkland environment with woodland and meadows containing a wide variety of trees and shrubs and which is freely accessible to the general public;
- the Cobtree Manor Park Golf Course - which is a pay and play facility accessible to all; and
- Kent Life – a farm heritage attraction, including a collection of historic artefacts, which is open to the public either on a pay on entry or through an annual membership fee.

#### Cobtree Golf Course

Year	Rounds Played
2009/2010	43,913
2010/2011	41,784
2011/2012	43,516
2012/2013	36,006
2013/2014	36,923
2014/2015	37,482
2015/2016	39,927
2016/2017	40,593
2017/2018	35,972
2018/2019	36,808
2019/2020	26,006
2020/2021	27,281

Rounds played in 2020/2021 was 27,281, which is a slight increase on the number from 2019/2020. This is especially significant considering the course was not open for the full 12 months as a result of the Covid-19 pandemic.

The course was closed for approximately 26 weeks of 2020/2021 because of multiple lockdown periods. Golf was one of the first leisure activities that could be done as each lockdown period was eased, so in its open periods Cobtree was a very popular attraction, hence achieving 27,281 rounds in six months of allowable trade.

When the course could re-open it had to do so with limited food and beverage options, limited events and no large functions. This hampered secondary trade but fortunately it did not reduce the amount of golf that was played.

The golf course attracted lots of players who had not played before or who had not played for a while. The operator hopes to capitalise on this in the recovery period and retain these new visitors as regular customers.

#### Cobtree Manor Park

The park was awarded a Green Flag Award for 2020/2021.

The park had record visitor numbers in 2020 as a result of the Covid-19 pandemic. With restrictions limiting where people could go and what they could do, the park became a very busy destination every day. The management team changed some of the park operations to ensure social distancing and compliance with changes to government restrictions.

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## Cobtree Manor Estate

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### Trustee's Report

#### For the Year Ended 31 March 2021

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With financial uncertainty across the rest of the estate, larger projects had to be put on hold, but investment was made into additional overflow car parking space, bollards to prevent unauthorised parking and automatic gates which have removed the need for ongoing security costs.

The staff at the park have been amalgamated with the parks and open spaces staff at the council who manage and oversee the other parks in the borough. This reduces the cost to CMEC and provides a more resilient and diverse team that CMEC can rely upon and be a part of.

A varied programme of events and activities delivered by the park team and partner organisations has been offered throughout the year. These included family-friendly, nature and wildlife themed events and the popular Easter and Halloween trails, which each attracted more than 150 participants.

New for 2019 was a zoo memories day which commemorated the history of the park and reminded new generations that it was once Maidstone Zoo. The day and the publicity period leading up to it enabled people to share memories and photographs from yesteryear. It attracted many elderly residents and visitors and led to some emotional reunions and an enjoyable trip down memory lane.

The increasing appeal of Cobtree Manor Park has led to a steady increase of vehicle traffic on the site since 2015. In spring 2019 the car park development works were completed. Tarmac roadways and compacted spaces for parking replaced the dusty gravel car park that was there previously.

Throughout 2019 we have seen the benefits of this work and so have customers. The new car park makes the site far more accessible for everyone in the community and makes the park a much more enjoyable and appealing place to journey to.

Car park income totalled £85,074 for 2019/20 Financial Year which is 2.2% down on 2018/19, although for the last two weeks of March 2020 the Park was closed due to the COVID national lockdown.

#### **Kent Life**

As a popular leisure, hospitality and tourism attraction in the south east, Kent Life inevitably suffered as a result of the pandemic. It was forced to close in March 2020 and re-opened in July 2020 with restrictions in place.

Some events were delivered to reduced audiences in the summer of 2020, but in December 2020 a subsequent lockdown forced another closure which disrupted the Christmas and winter events programme. The venue had to remain closed for the remainder of the 2020/2021 financial year.

#### *Additional Volunteer Help and Intangible Income*

The usual volunteer help given on the estate is referred to above. In 2020 the majority of this help was prevented because of restrictions explicitly preventing it, or because the individuals involved did not feel safe and confident enough for their groups to meet.

#### **Review of Public Benefit**

The Trustee continues to consider and ensure that the Charity meets its requirement to comply with the test of public benefit. The Cobtree Manor Park remains freely accessible to the general public and the pay and play golf course is accessible to all those who wish to take advantage of its facilities at reasonable cost, whilst Kent Life provides a varied family day out for a reasonable fee.

#### **Related Party Disclosure**

The Maidstone Borough Council is the Corporate Trustee of the Charity. In addition the Council itself owns part of the land upon which the Cobtree Manor Park Golf Course is built. The accounting arrangements between the Council and the Charity are that the Council is responsible for all receipts and payments for both the golf course and the Cobtree Manor Park. At the end of each financial year the total net operating surplus or deficit of the Manor Park is transferred to the Charity accounts. For the golf course 7/9ths of the total net operating surplus or deficit is transferred to the Charity accounts, reflecting the split of land ownership. The remaining 2/9ths are shown in the accounts of the Council.

The Council also employs a Manager who jointly manages Mote Park and the Manor Park. A park ranger employed by the council is assigned to the Manor Park also. These posts exist as part of a service level agreement for parks and open spaces management of

**Trustee's Report****For the Year Ended 31 March 2021**

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Cobtree Manor Park, the total cost of which is shown in the Charity accounts under the arrangements specified above. When required, additional labour for covering ranger holiday and some weekends in the summer season is also paid for by the Charity.

Other officers of the Council are engaged from time to time in duties specifically related to the operation and management of the Estate. They are not part of the aforementioned service level agreement and their time and associated costs are apportioned accordingly to the Cobtree accounts.

Full details of the financial impact of these related party transaction is provided in note 22 to the financial statements.

**FINANCIAL REVIEW****Financial Review**

Income for the year amounted to £463k, a slight decrease on total income of £472k in the previous year. All main income classes shown on the Statement of Financial Activities ("SoFA") remained consistent, although within the heading for income from charitable activities there were reductions in Kent Life income and a rise in car park and golf course income.

Charitable costs rose to £500k from £445k, with the increase largely attributable to increased spend on repairs and maintenance. The additional spend included some significant one-off items such as the installation of the new automatic gates and new play equipment, as well as other play area repairs that were needed.

Before gains reported on investments this meant the result for the year was a deficit of £36k (2020: surplus of £27k). The £155k gain on investments (2020: loss of £193k) brings net income for the year per the SoFA to £119k (2020: net expenditure of £165k). The gain on investments represents the movement in the year on the charity's listed investment securities, as shown in note 15.

The final movement in funds for the year relates to fixed asset revaluations. The carrying value of the fixed assets has been decreased by £60k to reflect the latest valuations. The overall movement in funds was therefore an increase of £59k (2020: decrease of £785k).

The basic net surplus of income over expenditure, before the investment and revaluation movements, continued to be used to complete the repayment of debt due to the Maidstone Borough Council.

Interest due to the Charity in respect of the permanent endowment held on the Charity's behalf by the Borough Council is included as part of the unrestricted income.

The Trustee has now determined its preferred future development option for the Cobtree Manor Park; it is now seeking to identify sources of funding to implement this option.

The Balance sheet shows net assets at 31 March 2021 of £4.44m, up from £4.38m at the end of the prior year. Much of this value is related to the charity's tangible fixed assets and other investments held in endowment funds, which comprise £4.12m of the total. The remaining funds sit as unrestricted free reserves of £291k and restricted funds of £32k.

**Reserves Policy**

Restricted reserves are maintained in respect of the permanent endowment funds.

**Risk Management**

The Trustee continues to review the business and operational risks which the Charity faces, and identifies where appropriate steps to minimise the impact of any identified risks. All contractors working on the Estate are also required to undertake risk assessments appropriate to their activities.

**Trustee's Report**

**For the Year Ended 31 March 2021**

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**PLANS FOR FUTURE PERIODS**

The Trustee has now implemented the master plan for the Cobtree Manor Park and has used reserve funds for its implementation, with the permission of the Charity Commission, which will gradually be re-paid. In future a master plan for the estate as a whole will need to be devised.

**TRUSTEE'S RESPONSIBILITIES**

The Trustee is responsible for preparing the financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing these statements the Trustee is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern unless it is inappropriate to presume that the Charity will continue in business.

The Trustee has overall responsibility for ensuring that the Charity has appropriate systems of controls, financial and otherwise. It is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustee and signed on its behalf by

**Councillor Patrik Garten**  
**Chairman of the Cobtree Manor Estate Charity Committee**

Date:

**Independent Auditors' Report to the Members of Cobtree Manor Estate**

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**Opinion**

We have audited the financial statements of Cobtree Manor Estate (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources 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 Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustee are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent Auditors' Report to the Members of Cobtree Manor Estate (continued)**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee's Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustee's Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**How the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the charity and not-for-profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charities Act 2011;
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

**Independent Auditors' Report to the Members of Cobtree Manor Estate (continued)**

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In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. As a result there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

**UHY Kent LLP**  
Chartered Accountants  
Statutory Auditors  
Thames House, Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date:

UHY Kent LLP t/a UHY Hacker Young are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Cobtree Manor Estate

Statement of financial activities  
For the Year Ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income and endowments from:</b>						
Donations and legacies	3	576	26,465	-	27,041	43,483
Charitable activities	4	352,040	-	-	352,040	327,216
Other trading activities	5	47,771	-	-	47,771	54,438
Investments	6	36,155	-	-	36,155	47,575
<b>Total income and endowments</b>		<b>436,542</b>	<b>26,465</b>	<b>-</b>	<b>463,007</b>	<b>472,712</b>
<b>Expenditure on:</b>						
Charitable activities	7	396,552	26,465	76,547	499,564	445,633
<b>Total expenditure</b>		<b>396,552</b>	<b>26,465</b>	<b>76,547</b>	<b>499,564</b>	<b>445,633</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>		<b>39,990</b>	<b>-</b>	<b>(76,547)</b>	<b>(36,557)</b>	<b>27,079</b>
Net gains/(losses) on investments		-	-	155,245	155,245	(192,574)
<b>Net income/(expenditure)</b>		<b>39,990</b>	<b>-</b>	<b>78,698</b>	<b>118,688</b>	<b>(165,495)</b>
Transfers between funds	20	(23,979)	23,979	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>16,011</b>	<b>23,979</b>	<b>78,698</b>	<b>118,688</b>	<b>(165,495)</b>
<b>Other recognised gains/(losses):</b>						
Losses on revaluation of fixed assets		-	-	(60,000)	(60,000)	(620,000)
<b>Net movement in funds</b>		<b>16,011</b>	<b>23,979</b>	<b>18,698</b>	<b>58,688</b>	<b>(785,495)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		274,716	8,393	4,096,849	4,379,958	5,165,453
Net movement in funds		16,011	23,979	18,698	58,688	(785,495)
<b>Total funds carried forward</b>	20	<b>290,727</b>	<b>32,372</b>	<b>4,115,547</b>	<b>4,438,646</b>	<b>4,379,958</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 26 form part of these financial statements.

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**Cobtree Manor Estate**

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**Balance Sheet**  
**As at 31 March 2021**

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	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	2,552,165	2,716,564
Investments	15	825,393	670,148
Investment property	14	1,000,000	1,010,000
		<u>4,377,558</u>	<u>4,396,712</u>
<b>Current assets</b>			
Debtors	16	257,914	130,333
Cash at bank and in hand		242,668	247,484
		<u>500,582</u>	<u>377,817</u>
Creditors: amounts falling due within one year	17	(304,461)	(194,996)
<b>Net current assets</b>		<u>196,121</u>	<u>182,821</u>
<b>Total assets less current liabilities</b>		<u>4,573,679</u>	<u>4,579,533</u>
Creditors: amounts falling due after more than one year	18	(135,033)	(199,575)
<b>Total net assets</b>		<u>4,438,646</u>	<u>4,379,958</u>
<b>Charity funds</b>			
Endowment funds	20	4,115,547	4,096,849
Restricted funds	20	32,372	8,393
Unrestricted funds	20	290,727	274,716
<b>Total funds</b>		<u>4,438,646</u>	<u>4,379,958</u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:

**Councillor Patrik Garten**

**Chairman of the Cobtree Manor Estate Charity Committee**

Date:

The notes on pages 12 to 26 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

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**1. General information**

Cobtree Manor Estate is an unincorporated charity with the charity number 283617.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition) - 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 March 2018), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Cobtree Manor Estate meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern.

The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

Shortly before the 31 March 2020 year end, the COVID-19 pandemic struck and so the trustees have carefully considered the impact of COVID-19 on their assessment.

**Changes to operations**

Cobtree operators began to alter their operating arrangements from 16 March 2020 onwards until, under instruction from the Government, they closed and ceased operations on 23 March 2020.

Cobtree Manor Park Golf Course had been closed for 58 days but is now operating at full capacity although the clubhouse, bar and restaurant remained closed. The majority of the staff remained on furlough but a sufficient number returned to supervise the venue and the people on site. The course and clubhouse were again required to close by law in November 2020. They remained closed until March 2021, when the course was able to re-open. The clubhouse re-opened, with restrictions in May 2021, and re-opened fully in July 2021.

Since closing on 23 March 2020, Planning Solutions, the operator of Kent Life, had furloughed all staff apart from two team members who had been on site every day checking the premises and caring for the animals. Kent Life re-opened on 4 July 2020 and remained open until December 2020 when it was required by law to close again. It re-opened in stages between March 2021 and July 2021 until all aspects were open again as usual.

Cobtree Café had altered the Café service on 20 March 2020 to provide take-away food and drinks only. They provided the service on this basis until they were required to close on 23 March 2020. The Café was re-opened on a take-away basis from 8 July 2020 and remained open for the rest of the year on a take-away basis.

**Contractor rental amendments**

Rent paid by MyTime Active at Cobtree Manor Park Golf Course was suspended for a period of 58 days. The contract fee paid by Planning Solutions at Kent Life was suspended for the whole of the Q1 period. The rent fee paid by Cobtree Café Ltd at the Cobtree Café is suspended for the duration of the Café's closure period.

Café: Rent relief given April 2020 to June 2020. Contract then returned to regular terms and payments.

Kent Life: Rent relief given April 2020 to June 2020. Contract then returned to regular terms and payments.

Golf course: Rent relief given for April to May 2020. Contract then returned to regular terms and payments.

**Conclusion**

Prudent revised forecasts have been prepared for the 2021 financial year, taking the above into account, and using the assumption that the charity will be able to continue providing services even in the event of any future lockdown periods.

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

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**2. Accounting policies (continued)**

**2.2 Going concern (continued)**

Taking the above into account the trustees have concluded there are no material uncertainties about the charity's ability to continue as a going concern and that it remains appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

**2.3 Income**

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

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

**2.5 Intangible assets and amortisation**

Material intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Website development - 25 % straight line

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

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**2. Accounting policies (continued)**

**2.6 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- 0 - 12.5% on cost
Motor vehicles	-
Fixtures and fittings	- 10-25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Long-term leasehold property includes Cobtree Manor Park Golf Course, Kent Life Museum and Cobtree Manor Park Visitor centre. As disclosed in note 13 these are held under a 999 year lease. No depreciation is charged on these assets on the basis that they are revalued annually.

Leasehold property also includes, at cost, improvements at the Cobtree Play Area and to the car park at Cobtree Manor Park. These assets are depreciated over their deemed useful lives.

**2.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at their fair value at the Balance sheet date for investment properties and closing quoted market price for other listed investments.

All gains and losses are taken to the Statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'gains on revaluation of fixed assets' and added to the endowment fund to which they relate.

**2.8 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.9 Fund accounting**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Notes to the Financial Statements  
For the Year Ended 31 March 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Will Trust income	-	26,465	26,465	43,483
Donations	576	-	576	-
	<u>576</u>	<u>26,465</u>	<u>27,041</u>	<u>43,483</u>
<i>Analysis of 2020 total by fund</i>	<u>-</u>	<u>43,483</u>	<u>43,483</u>	

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Golf club revenue	133,745	133,745	127,857
Cafe income	17,924	17,924	17,934
Car park income	146,641	146,641	109,927
Kent Life income	53,730	53,730	71,166
Other income	-	-	332
	<u>352,040</u>	<u>352,040</u>	<u>327,216</u>
<i>Analysis of 2020 total by fund</i>	<u>327,216</u>	<u>327,216</u>	

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	47,771	47,771	54,438
	<u>47,771</u>	<u>47,771</u>	<u>54,438</u>
<i>Analysis of 2020 total by fund</i>	<u>54,438</u>	<u>54,438</u>	

Notes to the Financial Statements  
For the Year Ended 31 March 2021

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	36,155	36,155	47,575
<i>Analysis of 2020 total by fund</i>	<i>47,575</i>	<i>47,575</i>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	396,552	26,465	76,547	499,564	445,633
<i>Analysis of 2020 total</i>	<i>325,603</i>	<i>43,483</i>	<i>76,547</i>	<i>445,633</i>	

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	87,458	122,722	289,384	499,564	445,633
<i>Analysis of 2020 total</i>	<i>101,156</i>	<i>121,058</i>	<i>223,419</i>	<i>445,633</i>	

Notes to the Financial Statements  
For the Year Ended 31 March 2021

8. Analysis of expenditure by activities

	<b>Direct costs 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Charitable activities	499,564	499,564	445,633
<i>Analysis of 2020 total</i>	<i>445,633</i>	<i>445,633</i>	

Analysis of direct costs

	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Staff salaries	87,458	101,156
Staff training, welfare and other costs	10,111	3,881
Repairs and maintenance	72,955	58,999
Grounds maintenance	30,327	29,617
Rent and rates	-	1,088
Heat and light	8,778	10,404
Insurance	11,370	11,506
Cleaning	8,502	8,735
Catering supplies and provisions	-	2,066
Printing, postage and stationery	193	97
Legal and professional fees	40,444	24,837
Telephone and internet	-	46
Other fees and services	54,928	54,226
Equipment hire and maintenance	44,767	9,058
Loan interest	7,009	8,859
Depreciation	122,722	121,058
	<b>499,564</b>	<i>445,633</i>

9. Auditors' remuneration

	<b>2021 £</b>	<i>2020 £</i>
Fees payable to the charity's auditor for the audit of the charity's annual accounts	5,545	5,410

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

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**10. Staff costs**

Maidstone Borough Council employs various staff whose roles exist solely for the benefit of the Charity. These costs are recharged to the Charity and, to reflect the substance of the arrangement, the costs are reflected in the accounts as staff costs.

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Wages and salaries (including agency staff)	69,350	86,596
Social security costs	5,924	5,727
Contribution to defined contribution pension schemes	12,184	8,833
	<u>87,458</u>	<u>101,156</u>

The average number of persons employed by the charity during the year was as follows:

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<b>No.</b>
Park Ranger	1	2
Manager	1	1
	<u>2</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

The corporate trustee, Maidstone Borough Council, is considered to be the key management personnel of the charity. No employee benefits were paid to the trustee during the year (*2020 - £Nil*).

**11. Trustee's remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (*2020 - £NIL*).

During the year ended 31 March 2021, no Trustee expenses have been incurred (*2020 - £NIL*).

Cobtree Manor Estate

Notes to the Financial Statements  
For the Year Ended 31 March 2021

12. Intangible assets

	Website development £
<b>Cost</b>	
At 1 April 2020	50,000
At 31 March 2021	<u>50,000</u>
<b>Amortisation</b>	
At 1 April 2020	50,000
At 31 March 2021	<u>50,000</u>
<b>Net book value</b>	
At 31 March 2021	<u>-</u>
<i>At 31 March 2020</i>	<u>-</u>

13. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	2,802,511	-	58,523	2,861,034
Additions	-	8,323	-	8,323
Revaluations	(50,000)	-	-	(50,000)
At 31 March 2021	<u>2,752,511</u>	<u>8,323</u>	<u>58,523</u>	<u>2,819,357</u>
<b>Depreciation</b>				
At 1 April 2020	115,205	-	29,265	144,470
Charge for the year	115,205	1,664	5,853	122,722
At 31 March 2021	<u>230,410</u>	<u>1,664</u>	<u>35,118</u>	<u>267,192</u>
<b>Net book value</b>				
At 31 March 2021	<u>2,522,101</u>	<u>6,659</u>	<u>23,405</u>	<u>2,552,165</u>
<i>At 31 March 2020</i>	<u>2,687,306</u>	<u>-</u>	<u>29,258</u>	<u>2,716,564</u>

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

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**13. Tangible fixed assets (continued)**

The estate is held under a 999 year lease which is due to expire in 2970. The long leasehold land and buildings are used solely for direct charitable purposes and form part of the permanent endowment of the Charity.

All properties are revalued annually by a professional firm of chartered surveyors periodically, using a 'market approach'. The last valuation took place in March 2021.

The carrying amount under the cost model of the assets which have been revalued would have been £1,673,127 (2020 - £1,673,127).

**14. Investment property**

	<b>Long term leasehold investment property £</b>
<b>Valuation</b>	
At 1 April 2020	1,010,000
Surplus/(deficit) on revaluation	(10,000)
At 31 March 2021	<u>1,000,000</u>

The investment properties are held to generate a rental income stream for the Charity. All investment properties are revalued by a professional firm of chartered surveyors on an annual cycle (subject to existing tenancies where appropriate). A valuation took place in March 2021.

One exception to this is the Tyland Farm property which is carried at £Nil value on an EUV basis. This property is currently let, with a peppercorn rent, on a 125 year lease ending in 2117. No readily available market value was available for this property at 31 March 2021 and hence the EUV basis is deemed to be the most appropriate basis available without undue cost to the Charity.

**15. Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 April 2020	670,148
Revaluations	155,245
At 31 March 2021	<u>825,393</u>
<b>Net book value</b>	
At 31 March 2021	<u>825,393</u>
At 31 March 2020	<u>670,148</u>

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

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**15. Fixed asset investments (continued)**

**Material investments**

The above listed investments are fully invested in the M&G Charifund, which qualifies as an alternative investment fund.

**Risk profile**

The fund invests mainly in the shares of UK listed dividend paying companies, and a portion of the fund is also invested in the shares of dividend paying companies listed overseas. It is, therefore, subject to the price volatility of the UK and overseas stockmarkets and the performance of individual companies. The fund may also be subject to fluctuations in currency exchange rates.

The fund's focus is on good quality companies with attractive dividend growth prospects. Dividend distributions from the fund's holdings however are not guaranteed and may vary. Diversification across industries and market capitalisation is key in managing liquidity risk and reducing market risk. The fund's risks are measured and managed by M&G as an integral part of the investment process.

**16. Debtors**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Trade debtors	220,279	79,667
Other debtors	-	17,023
Prepayments and accrued income	37,635	33,643
	<u>257,914</u>	<u>130,333</u>

**17. Creditors: Amounts falling due within one year**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Other taxation and social security	251	-
Amount owed to Maidstone Borough Council	298,665	189,716
Other creditors	5,545	5,280
	<u>304,461</u>	<u>194,996</u>

A formal repayment agreement was established with Maidstone Borough Council for the charity to repay the money loaned by the the Council in respect of capital expenditure in respect of the improvement to Cobtree Manor Park car park.

Repayments began from 1 April 2019 once the work was complete, and interest is payable at a rate of 3% (Public Works Loan Board rate 2% plus 1%). The total balance owing to the Council in respect of the car park loan at 31 March 2021 was £199,575.

In addition to the car park loan the total balance owed to the Council also includes other amounts of £234,123. The combined total of £433,698 has been split between amounts falling due within one year (as above) and after more than one year (see note 18).

Notes to the Financial Statements  
For the Year Ended 31 March 2021

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18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Amount owed to Maidstone Borough Council	135,033	199,575

See narrative at the end of note 17 explaining the balance owed to the Council.

19. Financial instruments

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	825,393	670,148

Financial assets measured at fair value through income and expenditure comprise listed investments.

Notes to the Financial Statements  
For the Year Ended 31 March 2021

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>						
General funds	274,716	436,542	(396,552)	(23,979)	-	290,727
<b>Endowment funds</b>						
Endowment capital funds	4,096,849	-	(76,547)	-	95,245	4,115,547
<b>Restricted funds</b>						
Will Trust	-	26,465	(26,465)	-	-	-
Cobtree Manor Park car park	270,605	-	-	(38,658)	-	231,947
MBC car park loan	(262,212)	-	-	62,637	-	(199,575)
	8,393	26,465	(26,465)	23,979	-	32,372
<b>Total of funds</b>	<b>4,379,958</b>	<b>463,007</b>	<b>(499,564)</b>	<b>-</b>	<b>95,245</b>	<b>4,438,646</b>

**Unrestricted Funds**

These comprise funds that the trustees are free to use in accordance with the charitable objects.

**Restricted Funds**

The Will Trust Fund, the income from which is used to maintain the rural park. The assets of this fund are held by Cobtree Charity Trust Limited, a separate entity.

Cobtree Manor Park car park and associated loan from MBC - this represents the net book value of the car park and the amount of the outstanding associated loan.

**Permanent Endowment Capital Fund**

The permanent endowment capital fund comprises the long-term fixed assets of the charity, being the long-leasehold land and buildings, investment properties and the portfolio of listed investments as detailed in notes 11, 12 and 13.

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**
**20. Statement of funds (continued)****Statement of funds - prior year**

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General funds	179,483	429,229	(325,603)	(8,393)	-	274,716
<b>Endowment capital funds</b>						
Endowment capital funds	4,985,970	-	(76,547)	-	(812,574)	4,096,849
<b>Restricted funds</b>						
Will Trust	-	43,483	(43,483)	-	-	-
Cobtree Manor Park car park	301,224	-	-	(30,619)	-	270,605
MBC car park loan	(301,224)	-	-	39,012	-	(262,212)
	-	43,483	(43,483)	8,393	-	8,393
<b>Total of funds</b>	<b>5,165,453</b>	<b>472,712</b>	<b>(445,633)</b>	<b>-</b>	<b>(812,574)</b>	<b>4,379,958</b>

**21. Analysis of net assets between funds****Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021</b>	<b>Restricted funds 2021</b>	<b>Endowment funds 2021</b>	<b>Total funds 2021</b>
	£	£	£	£
Tangible fixed assets	29,704	232,307	2,290,154	2,552,165
Fixed asset investments	-	-	825,393	825,393
Investment property	-	-	1,000,000	1,000,000
Current assets	500,582	-	-	500,582
Creditors due within one year	(304,461)	-	-	(304,461)
Creditors due in more than one year	64,902	(199,935)	-	(135,033)
<b>Total</b>	<b>290,727</b>	<b>32,372</b>	<b>4,115,547</b>	<b>4,438,646</b>

Notes to the Financial Statements  
For the Year Ended 31 March 2021

21. Analysis of net assets between funds (continued)

The restricted creditor balances relate to balances owed to the corporate trustee, Maidstone Borough Council, in respect of funds provided during 2018-19 to fund new car park works that have been capitalised as tangible fixed asset additions. It is a requirement of the repayment agreement for these amounts to be treated as and disclosed as a restricted balance in the annual accounts.

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	29,258	270,605	2,416,701	2,716,564
Fixed asset investments	-	-	670,148	670,148
Investment property	-	-	1,010,000	1,010,000
Current assets	377,817	-	-	377,817
Creditors due within one year	(132,359)	(62,637)	-	(194,996)
Creditors due in more than one year	-	(199,575)	-	(199,575)
<b>Total</b>	<u>274,716</u>	<u>8,393</u>	<u>4,096,849</u>	<u>4,379,958</u>

22. Related party transactions

Maidstone Borough Council (MBC) is the Corporate Trustee of the Charity.

MBC owns part of the land upon which the golf course is built. The accounting arrangements between MBC and the charity are that MBC is responsible for all receipts and payments for both the golf course and the Manor Park. At the end of each financial year the the income and expenditure relating to Cobtree Manor Estate is shown in the Charity's accounts.

For the golf course 7/9ths of the total revenue is transferred to the trust accounts, reflecting the split of land ownership. The remaining 2/9ths are shown in the accounts of the Council.

The Statement of Financial Activities includes income of £207,981 (2020 - £225,778) in relation to operating the estate in accordance with this arrangement, as broken down below.

	2021 £	2020 £
Golf club revenue	133,745	127,857
Will trust income	26,465	43,483
Rental income	47,771	54,438
	<u>207,981</u>	<u>225,778</u>

Expenditure reflected through the Statement of Financial Activities includes operating costs in relation to income streams above.

As disclosed in note 10, MBC employs staff whose roles exist solely for the benefit of the Charity, and hence the cost of their employment is shown within staff costs. In total, staff costs include £87,458 (2020 - £101,156) of recharged employment costs.

During the year MBC provided various other services to the Charity, which have been included within 'other fees and services' in charitable expenses. During the year total recharges of £18,193 (2020 - £62,444) were made for these services.

At 31 March 2021, the Charity owed £433,698 (2020 - £389,291) to Maidstone Borough Council.

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

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**23. Controlling party**

The Charity is under the control of the Corporate Trustee, Maidstone Borough Council.

**24. Taxation**

Cobtree Manor Estate is a registered charity and is therefore potentially exempt from taxation on its income and gains as the charity falls within the definition of a charitable trust as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen during the year.

**COBTREE MANOR ESTATE CHARITY  
COMMITTEE**

UHY Hacker Young,  
Thames House,  
Roman Square,  
Sittingbourne,  
Kent. ME10 4BJ

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Cobtree Manor Estate for the year ended 31 March 2021. We note that your audit was performed for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the result and financial position of Cobtree Manor Estate in accordance with the UK Generally Accepted Accounting Practice financial reporting framework.

We confirm to the best of our knowledge and belief, the following representations made to you in connection with your audit of this entity's financial statements:-

**1. General**

We acknowledge as trustees our responsibility under the Charities Act 2011 for preparing financial statements, which give a true and fair view of the financial position of Cobtree Manor Estate as of 31 March 2021, and of the result of its operations for the year then ended, and for making accurate representations to you. The financial statements are free of material misstatements, including omissions. We confirm that we have held prior discussion with you to ensure that there is complete agreement on the meaning of all confirmations that we are making to you.

We have made available to you all the accounting records necessary for your audit, including books of account, supporting documentation and all minutes of meetings of shareholders and the board of trustees. All the entity's transactions have been reflected in the accounting records produced to you. We have not withheld any information, the knowledge of which could cause you to take a materially different view in your report.

All relevant access to persons within the charity has been made available to you for the purpose of your audit.

We acknowledge our responsibility for the design and implementation of internal control procedures to prevent and detect fraud and error, and have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We are not aware of any irregularities involving either management, employees with a significant role in internal control, former employees, analysts, regulators or anyone else where those irregularities could have a material effect on the financial statements.

## 2. **Non-audit services**

We understand that, under the Financial Reporting Council Ethical Standards, the provision of audit and non-audit services to us by yourselves gives rise to a potential threat to independence. This includes the preparation of the statutory financial statements and corporation tax computations. We confirm that you have explained to us the threats and the safeguards that you have put in place to address the potential self-review threat.

We confirm that we have discussed the draft accounts and final journals and agree to inclusion of the (attached) journals in the final accounts (see Appendix I).

We have also reviewed the unadjusted audit differences listed in Appendix II and confirm that we have not made adjustments for these since we believe that the effects of the uncorrected misstatements, both individually and in aggregate, are immaterial to the financial statements taken as a whole.

## 3. **Commitments, contingencies and liabilities**

We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties. We do not know of any substantial liabilities, contingent liabilities of capital commitments, of a material amount, other than those disclosed in the financial statements.

## 4. **Litigation**

There is no litigation in progress or pending (other than to recover debts).

## 5. **Transactions and arrangements with officers and related parties**

We confirm that we are aware that a related party of the charity is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charity or vice versa and as a result will include: trustees/directors, other key management, close family and other business interests of the previous.

We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the applicable financial reporting framework.

## 6. **Post Balance Sheet Events**

No other events or transactions have occurred, or are pending, which could either have a material effect on the financial statements or which are of such significance in relation to the entity's affairs that they should either require adjustment or be disclosed in the financial statements, or notes thereto, in order to avoid giving a misleading view of the entity's financial position.

## 7. **Laws and Regulations**

We are not aware of any events which involve possible or actual instances of non-compliance with those laws and regulations which provide a legal framework within which the entity conducts its business. The entity has complied with all aspects of contractual agreements and the requirements of regulatory authorities that, in either case, could, in the event of non-compliance, have a material effect on the financial statements.

## 8. **Future Plans**

We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

## 9. **Accounting estimates**

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

## 10. **Fixed assets**

We confirm that the following land and buildings shown in the accounts are owned by the charity and that we believe the carrying valuations are appropriate:

<b>Long-term leasehold properties:</b>	<b>£</b>	<b>Comments</b>
Cobtree Manor Golf Course	777,777	(being 7/9 <sup>th</sup> of the £1m valuation by Harrisons in Nov 19)
Cobtree Play Area	612,377	Depreciation over UEL 10 years
Cobtree Café/Visitor Centre	200,000	(based on Harrisons valuation in Nov 19)
Kent Life Attraction	700,000	(based on Harrisons valuation in Nov 19)
Cobtree Manor Park Car Park	231,947	Depreciation over UEL 8 years
	<b>2,522,101</b>	

<b>Investment properties:</b>	<b>£</b>	<b>Comments</b>
Garden Cottage	400,000	(based on Harrisons valuation in Nov 19)
2 Stream Cottages	190,000	
3 Stream Cottages	205,000	
4 Stream Cottages	205,000	
Gate Lodge	-	Based on an Existing Use Value basis and the 125 year lease with a peppercorn rent
Tyland Farm	-	
	<b>1,000,000</b>	

11. **Going Concern**

We confirm that having considered our expectations, intentions and projections for the twelve months following the date of this letter, and the availability of unrestricted reserves, we are not aware of any matters that would suggest that the charity will not continue as a going concern.

In particular we confirm that the total balance of £433,698 owing to Maidstone Borough Council at 31 March 2021.

Of this total £199,575 relates to the car park loan and £135,033 of this portion is repayable after more than one year.

The total balance also includes £234,123 and we confirm that it is our understanding that there will be no call on this loan within the twelve months from the date of this letter unless the charity can afford to make the repayments.

12. **Mytime debtor recoverability**

We confirm the balance in the accounts as at 31 March 2021 has been fully recovered post year end and therefore, no provisions are required.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully,

.....  
Cllr.Patrik Garten, Chairman

On behalf of the Cobtree Manor Estate Committee

Date:

## **APPENDIX I – AGREED ADJUSTMENTS INCLUDED IN THE FINANCIAL STATEMENTS**

The following adjustments were discussed and agreed with you, and the impact on net income is shown below:

	<b>Effect on net income £</b>
Surplus	78,590
Adjustment to Will Trust income	(12,893)
Loan interest as per agreement	(7,009)
<b>Revised surplus</b>	<u><u>58,688</u></u>

## **APPENDIX II – UNADJUSTED AUDIT DIFFERENCES**

Accruing for quarter 4 investment income	976
Difference in Golf club income proof in total test	(6,260)
Difference in Café income proof in total test	2,886
Difference in Kent life income	2,028
<b>Impact of unadjusted audit differences</b>	<u><u>(370)</u></u>

# Cobtree Manor Estate

## Audit Findings Report

Year ended 31 March 2021





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# Introduction

## Cobtree Manor Estate

### Purpose of this audit findings report

The purpose of this report is to provide constructive observations which have arisen from our audit of the financial statements of Cobtree Manor Estate (“the Charity”) for the year ended 31 March 2021.

This report provides an update to the matters raised in our Audit Service Plan, which was provided to the Trustees on 2 July 2021, focussing on observations that are significant to the responsibility of those charged with governance to oversee the financial reporting process as required by International Standard on Auditing (UK) 260, *Communication with those charged with governance*, (ISA (UK) 260).

Included within this Report are details of any unadjusted misstatements in the financial statements (with the exception of those deemed to be “clearly trivial”), any material weaknesses in systems we have identified during the course of our audit work and our views about the quality of accounting practices and financial reporting procedures, together with any further relevant matters.

### Audit independence

We are required to reaffirm our independence at the conclusion of the audit.

We confirm that no matters have arisen that impact on our previous statement made in our Audit Service Plan that there are no relationships between our firm and connected entities and your Charity and related entities that need to be brought to your attention.

Should you have any questions relating to the issue of our independence and objectivity, please do not hesitate to contact Allan Hickie on 01795 475363 or at [a.hickie@uhy-uk.com](mailto:a.hickie@uhy-uk.com).

## Confidentiality and limitations

Please note the following important limitations with regards to the contents of this Report:

- This Report has been prepared for the sole use of Cobtree Manor Estate;
- The contents of this Report must not be disclosed or quoted to third parties, in whole or in part, without our prior written consent;
- We assume no responsibility to any other person;
- Our procedures are carried out solely for the purpose of our audit of the financial statements. Our audit is not designed to identify all matters that may be relevant to those charged with governance; accordingly the matters referred to within this Report may not be the only shortcomings that exist.

## Recommendations

All issues raised within this Audit Findings Report have been discussed with management.

### **Acknowledgement**

We would like to thank all staff who were involved in the audit for their help and co-operation during our audit, particularly Paul Holland and his team. It has been a pleasure to work with Paul and we are grateful for the time he has taken to assist with our queries.



# Audit status

## Status of the audit

Our work was carried out in accordance with our audit plan communicated to you in our Audit Service Plan dated 2 July 2021.

Throughout our work we considered the key audit risks noted in our Audit Service Plan, and no matters were identified which required us to change our approach. Further to this, no additional risks were identified. We comment on the original risks communicated in our Audit Service Plan, and our conclusion on these risks later in this Report.

Our audit is substantially complete, although we are finalising our procedures in the following areas:

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Outstanding matters:      Final signed Trustees' Report;

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   Signed Letter of representation.

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We do not anticipate that the completion of our work in these areas will give rise to any material adjustment.

## Letter of representation

We have forwarded the Letter of Representation, which we request that the Trustees approve and sign at the same time as the financial statements, under separate cover. This letter contains only standard matters with no specific representations in respect of the Charity, with the exception of the following:

- Going concern
- Valuation of assets
- MyTime debtor recoverability

## Anticipated audit report

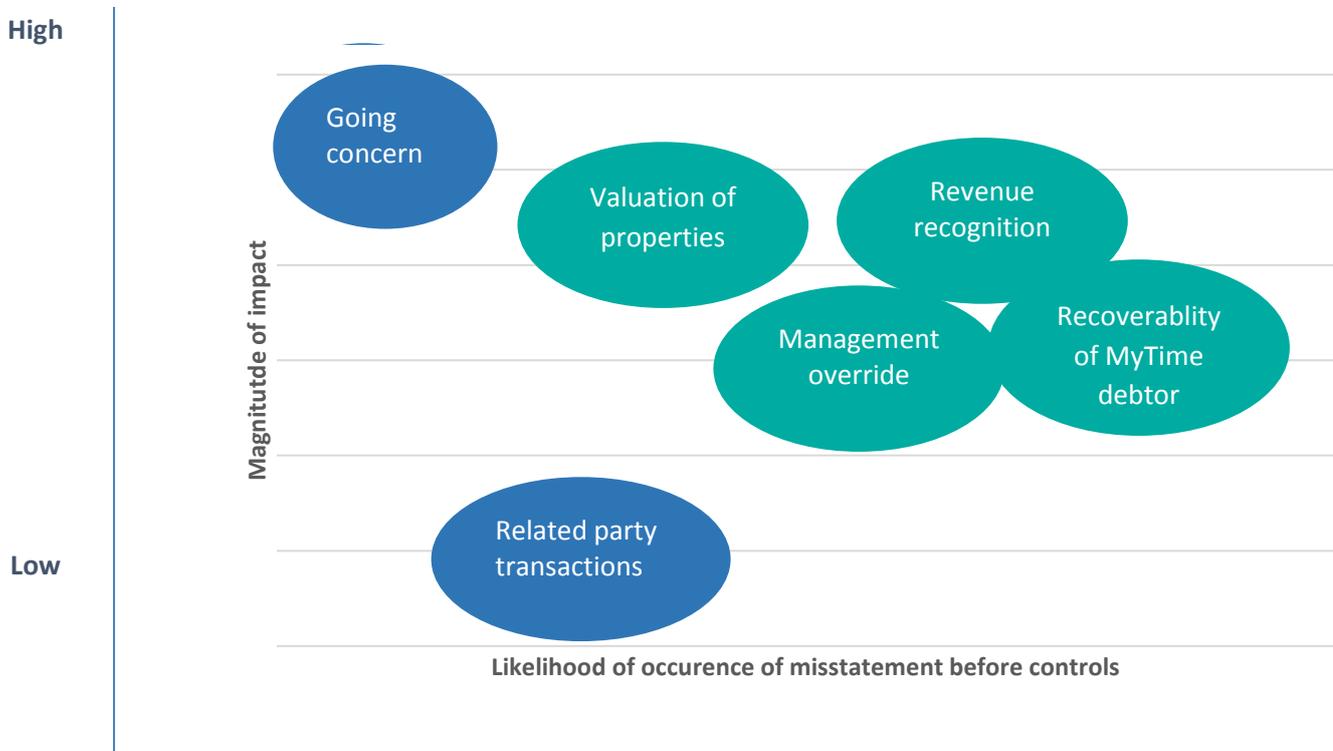
Subject to the conclusion of the above items, we do not expect any modifications to our audit report on the financial statements for the year ended 31 March 2021. However, our responsibilities with regards to the audit report extend up to the date on which it is signed and we will advise you of any changes to this position if necessary.

# Significant audit risks and other areas of audit focus



The table below set out our initial assessment of the Charity’s key audit risks relating to the year ended 31 March 2021 as originally communicated in our Audit Service Plan.

Within this section we comment on the results of our work undertaken in connection with these risks previously identified at planning, together with communicating any additional risks in relation to the financial statements of Cobtree Manor Estate that came to our attention during the course of our audit fieldwork.



**Low** **High**

**Key:**

- Significant risks
- Others areas of audit focus
- Updated risk

## Update on risk profile

The work undertaken during the course of our audit fieldwork did not indicate that the risk profile of the above matters has significantly changed from our initial assessment.

## Significant risks

### (1) Revenue recognition

#### Assessment of risk at planning

The International Standards on Auditing (UK) consider revenue recognition to be an inherent fraud risk and on consideration of the Charity's sources of income, this cannot be rebutted.

The Charity's accounting policies for income should follow the criteria set out in FRS 102 and the Charities SORP.

#### Our response and conclusion

We have:

- Updated our documentation of the revenue process and controls in place, this included assessing the design and implementation of those controls.
- Assessed whether revenue was accounted in accordance with the accounting policy on revenue recognition.
- Analytically reviewed revenues and verified significant movements against expectations/performed proof in total
- Tested a sample of transactions to agreements to supporting evidence
- Reviewed the assessment made by management in relation to the application of the correct cut off processes

Based on the work performed, no significant or reportable adjustments were noted.

### (2) Management override

#### Assessment of risk at planning

The International Standards on Auditing (UK) consider management override of controls to be an inherent fraud risk due to the possibility of financial statement bias or fraud. Whilst there were no indicators of any significant factors that would give rise for management to carry out such actions, as the Charity's finance team consists of few people and the Chief Executive has primary oversight of all key operational decisions we were unable to rebut this risk.

#### Our response and conclusion

We have:

- Updated our documentation around the posting of journals and formulation of key estimates and assessed the design and implementation of those controls.
- Assessed and challenged accounting estimates, judgements and decisions made by management.
- Tested a sample of journal entries, adjustments and accounting estimates for bias that could result in material misstatements.
- Review significant transactions to ensure they were in the normal course of business.

Based upon the work undertaken, we found no indication of management bias or significant transactions outside the normal course of business.

### (3) Valuation of properties

#### Assessment of risk at planning

Given the movement in the property market there is the risk that there has been a material change in value in the land and buildings that has not been reflected in the accounts. Buildings are valued by chartered surveyors. Due to the nature of the assets and the valuation of the buildings is very high in value.

#### Our response and conclusion

We have:

- Agreed valuations to third party reports.

Based upon the work undertaken, we found properties were not materially misstated in the accounts.

### (4) Recoverability of the MyTime debtor re: golf club contract

#### Assessment of risk at planning

The charity was owed approaching £100k by MyTime at 31 March and, it was brought to our attention that MyTime had faced financial difficulty during the year. Therefore, suggesting there may be a doubt over the recoverability of at least some of this debt.

#### Our response and conclusion

We have:

- Reviewed after date cash received.
- Discuss the recoverability with the client.
- Reviewed MyTime latest published financial statements.

Based on the audit work carried out, we can confirm the year end debtor balance was fully paid by July 2021. MyTime continued to make payments in August for post year end invoices.

## Other areas of audit focus

### Related parties

Transactions with related parties outside of the normal course of the Charity's activities are considered to be a significant risk under the International Standards on Auditing (UK). At the planning stage, no such transactions were anticipated from our discussions with management and accordingly, related parties were not included as a significant audit risk.

We undertook work to ensure that related party disclosures have been correctly made in accordance with both the Financial Reporting Standard 102 ("FRS 102") and the Charities SORP. This included providing management with our standard related parties questionnaire template to be completed by Trustees and members of key management personnel, together with review of the Charity's own procedures for identifying potential conflicts of interests to ensure that they are adequate. In addition we verified the information supplied to external sources such as the registers maintained by Companies House and the Charity Commission.

Related party disclosures included within the financial statements appear to be complete from our work performed.



# Accounting practices and financial reporting issues

## Qualitative aspects of accounting practices and financial reporting

During the course of our audit, we consider the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements.

### Accounting policies

We have reviewed the accounting policies adopted by the Charity and have found them to be appropriate and applied consistently.

There have been no changes to the accounting policies, nor changes to the activities of the Charity necessitating changes to accounting policies, since the previous period.

### Unusual transactions

The extent to which the financial statements are affected by any unusual transactions during the period and the extent to which such transactions are separately disclosed in the financial statements. There were no matters arising.

Throughout the course of our audit fieldwork, we considered the timing of transactions and the period in which they are recorded. We did not identify any significant transactions where we had concerns over the timing or the period in which they were recognised. Specifically, we confirm that based upon our testing, income appears to have been appropriately accrued or deferred as required and appropriate accruals for expenditure have been included.

### Accounting estimates and judgements

We reviewed the appropriateness of accounting estimates and judgements, including the consistency of assumptions and degree of prudence reflected in the accounting records. There were no matters arising.

### Going concern

We considered material uncertainties related to events and conditions that may cast significant doubt on the Charity's ability to continue as a going concern. There were no matters arising.

## Trustees' Annual Report and Strategic Report

We reviewed the Trustees' Annual Report and Strategic Report to ensure consistency with the financial statements, and to ensure that all necessary disclosures have been made. There were no matters arising.

## Disagreements

There were no disagreements about matters that, individually or in aggregate, could be significant to the Charity's financial statements or our auditor's report. We are required to report to the Trustees any such matters, whether they have or have not been resolved and the significance of these matters.

## Significant difficulties

We encountered no significant difficulties during the course of the audit that we feel necessary to bring to your attention.

## Significant matters

There were no significant matters arising from the audit that we have discussed, or were subject to correspondence with management which have required us to obtain written representations from management.

## Other matters

As part of our audit work we consider the potential effect on the financial statements of any uncertainties, including significant risks and disclosures, such as pending litigation that are required to be disclosed in the financial statements.

# Adjusted and unadjusted misstatements



Under the requirement of ISA (UK) 260, we are required to report to you all adjusted and unadjusted misstatements, with the exception of those deemed to be 'clearly trivial'.

Below sets out the misstatements identified as part of this year's audit.

## Audit adjustments agreed with management

	£	£
<b>Surplus per draft financial statements presented for audit</b>		<b>78,590</b>
Adjustment to Will Trust Income	(12,893)	
Loan interest per agreement	(7,009)	
<b>Total impact of adjustments</b>		<b>(19,902)</b>
<b>Surplus per audited financial statements</b>		<b>58,688</b>

All journals noted above have been processed through the financial statements.

## Unadjusted items

	£	£
<b>Surplus per audited financial statements</b>		<b>58,688</b>
Accruing for quarter 4 investment income	976	
Difference in Golf club income proof in total test (7/9 <sup>th</sup> of £163,909 per contract for Y4 = £127,485 vs £133,745 income per accounts)	(6,260)	
Difference in café income due to timing / year end cut off	2,886	
Difference in Kent life income due to timing / year end cut off	2,028	
<b>Total impact of adjustments</b>		<b>(370)</b>
<b>Revised surplus if all audit adjustments processed</b>		<b>58,318</b>

It has been agreed with management that the above unadjusted misstatements are immaterial, both individually and in aggregate, and therefore do not necessitate revision to the audited financial statements.

Trustees' representations regarding the non-adjustment of the above unadjusted misstatements will be included in the Letter of Representation.



# Recommendations to processes and internal controls

The Charity's management is responsible for the identification, assessment and monitoring of risk, and for developing, operating and monitoring the systems of internal control and for providing assurance to the Board of Trustees that it has done so. During the course of our audit of the financial statements for the year ended 31 March 2021, we examined the principal internal controls which management has established to enable it to ensure, as far as possible, the accuracy and reliability of the Charity's assets.

International Standard on Auditing (UK) 265, *Communicating deficiencies in internal control to those charged with governance and management*, (ISA (UK) 265) requires us to report separately where we identify missing or ineffective controls which, in our judgement, are of sufficient importance to bring to the attention of those charged with governance.

During our work we identified no such weaknesses in controls (described as "significant deficiencies" per the ISA). We have however identified some recommendations for improvement as set out below.

The matters dealt with in this Audit Findings Report came to our attention during the conduct of our normal audit procedures which are primarily designed for the purpose of expressing our opinion on the financial statements of the Charity. In consequence it cannot be relied upon necessarily to disclose possible frauds or other irregularities, or to disclose all possible weaknesses or improvements in internal control that a more extensive special examination may highlight.

Our observations from the audit are set out below together with our recommendations and suggested timescale.

## Key to risk ratings:



High

**Urgent, potential impact on accuracy of financial reporting**



Med

**Important and could impact within six months**



Low

**Less urgent, requires attention**



**Advisory**

1. PRIOR YEAR – Potential tax on commercial trading	
<b>Observation</b>	<p>The charity continues to generate significant income from the car park, with income of £146,641 in 2020/21.</p> <p>It was during our 2015/16 audit, when this income stream commenced, that we first brought potential tax issues to your attention in respect of income that could be seen to be commercial trading.</p> <p>At the time the charity also had income from the café, although management of the café has since been transferred to a third party, which pays Cobtree a set annual fee.</p> <p>With relatively few costs associated with the car park the profit from the car park is likely to be close to the income received.</p> <p>Whilst HMRC have never asked for a tax return to be completed, probably on the basis that the income from the golf course – historically the main source of income – was being applied for charitable purposes, there is a risk that HMRC could deem the car park income to be taxable.</p>
<b>Recommendation</b>	<p>Your arguments against the car park income being taxable would be:</p> <ul style="list-style-type: none"> <li>(a) the income from car park charges is income derived from the land and is therefore exempt from direct tax, on the basis that the proceeds are used for charitable purposes; and</li> <li>(b) if, for any reason, argument (a) was disputed by HMRC then you would argue that the income is closely aligned, or ancillary, to the charity’s main charitable objects of maintaining the Cobtree Manor Estate and making it available for the benefit of the inhabitants of Maidstone.</li> </ul> <p>On this basis there is no further action required and we have shown the observation as resolved.</p>
<b>Status</b>	<b>NOW RESOLVED</b>

No new points have been noted during the 2020/21 audit.



# Sector developments

## Periodic review of Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)

FRS 102 is subject to a periodic review at least every five years. The last periodic review, the Triennial Review 2017, was completed in December 2017 with an effective date of 1 January 2019.

The Financial Reporting Council has now commenced its next periodic review of FRS 102 and issued its request for views on 23 March 2021. A part of this process is seeking views from stakeholders on areas that might be considered as part of the review. This may include new issues or transactions that should be addressed, or other suggestions. The review will consider recent developments in financial reporting and relevant developments in the wider reporting framework. The request for review period will close on 31 October 2021 and responses can be sent to the following address [ukfrsperiodicreview@frc.org.uk](mailto:ukfrsperiodicreview@frc.org.uk)

## New Charities SORP (FRS 102)

The establishment of the new Charities SORP engagement process in the context of a global pandemic understandably led to a delayed start. The process is now fully underway with the Committee currently in the “reflection” phase of their timetable. It is during this phase that the Committee consider how well the Charities SORP, and accounting standards, meet their identified need and identify areas for change and potential solutions to effect beneficial change.

Following completion of this phase, the Committee will need to enter into a problem solving phase before drafting the new Charities SORP, based on the exposure draft of FRS 102 following its own periodic review as the new FRS 102 is a critical factor on the timing of the new Charities SORP process.

Public consultation of the new Charities SORP is expected between July 2022 and July 2023 with the SORP expecting to be finalised and published between October 2022 and January 2024. The intention is that the new Charities SORP would be effective for accounting periods beginning on or after 1 January 2024.

## The future of Charity financial reporting

In May 2021 the Charity Commission for England and Wales (CCEW), the Charity Commission for Northern Ireland (CCNI) and the Office of the Scottish Charity Regulator (OSCR) wrote to the Financial Reporting Council (FRC) in their capacity as the joint SORP making body for charities in the UK. The purpose of this letter was to encourage the FRC to make changes to FRS 102 as a precursor to making a wholesale change to the financial reporting and accounting arrangements for not-for-profit organisations.

FRS 102 is primarily focused at for-profit entities, although some concessions are made to Public Benefit Entities as noted within Section 34 of the Standard.

The intention of the SORP making body is for FRS 102, which underpins the Charities SORP, is to acknowledge the differences in financial reporting required by for-profits and non-profits – particularly in cases when FRS 102 Section 1A highlights financial reporting exemptions that not-for-profits are unable to take advantage of as it contradicts the financial reporting requirements of the Charities SORP.

Other proposed changes arise from the desire to “de-clutter” charity accounts. One such example was the triennial review of FRS 102 in 2017, which clarified that comparative information be presented in respect of the preceding period for all amounts presented in the current period’s financial statements. Evidence collected from users and preparers of charity accounts found that additional information included because of this clarification, such as comparative information in respect of a charity’s Statement of Funds, has not proved informative or useful to decision making by users of the accounts.

The letter to the FRC then went further and proposed that the FRC develop a dedicated financial reporting standard for not-for-profits for the UK and Ireland. This would dispense of the need for the users and preparers of non-profit financial statements to refer to two, sometimes conflicting, financial reporting frameworks. This need has been driven to better recognise the charity sector’s reporting realities and to remove the requirement to prepare disclosures which are driven by Companies Act and other legislative requirements. The SORP making body noted that the anticipation of further developments to FRS 102, with capital markets in mind, will undoubtedly increase the number of disclosures and reporting requirements burdensome to the sector, with little or no benefit to the users of charity financial statements.

## IFR4NFP Project

IFR4NFP is an initiative to develop internationally applicable financial reporting guidance for non-profit organisations to improve accountability, consistency, transparency and trust. Led by Humentum, a non-profit membership association, and CIPFA, the Chartered Institute of Public Finance and Accountancy in UK, the project includes engagement with national standard setters and practitioners from every continent

Currently there is no international accounting standard for non-for-profit organisations in the same way as there are International Accounting Standards for companies. Not all countries have in place separate Statements of Recommended Practice for charities in the same way as the UK.

A consultation has been launched by the project and they are inviting stakeholders in charity accounts, from around the world, to take part in an online survey. The survey has two parts. The deadline for participating in Part 1 is 30 July 2021 and the deadline for participating in Part 2 of the survey closes on 24 September 2021. [Using the online survey - IFR4NPO](#)

Evidence collected from a survey in 2014 noted that 72% of responders from 179 countries would be in favour of such a standard.

Once responses have been collated from the survey, IFR4NFP hopes to develop an exposure draft of a proposed Standard by mid-2023 with an intention to launch any final guidance in 2025.

### Updated Charity SORP example accounts

The Charity SORP website has updated its two example Trustee Reports and Accounts to illustrate the disclosures charities should be making in their Annual Reports and Accounts during the current climate.

The Charities SORP making committee issued advisory guidance in March 2020 on the financial reporting implications of the Covid-19 global pandemic. The pandemic has meant that many charities have had transactions outside of their normal activities, for example making use of the government's Coronavirus Job Retention Scheme, requiring additional disclosures in their financial statements. The aim of the example accounts is to provide guidance on common disclosures that would impact many in the sector.

The example accounts for the Rosanna Grants Trust illustrates the impact of the pandemic on a grant-maker and the effect on both its income and activities. The Arts Theatre Trust provides an example where the pandemic has affected the charity's ability to operate and the it faces a challenging financial position and has taken up government financial assistance. Visit [Charities SORP \(charitySORP.org\)](#) to view the examples in detail.

### Developments in Auditing

A number of key auditing standards have been revised, by the FRC, which are now in effect for periods beginning on or after 15 December 2019, i.e. December 2020 year ends. Early adoption is not permitted. These include:

- |                          |  |
|--------------------------|--|
| • ISA (UK) 220           | Quality control for an audit of financial statements   |
| • ISA (UK) 250 Section A | Consideration of laws and regulations in an audit of financial statements                                |
| • ISA (UK) 260           | Communication with those charged with governance   |
| • ISA (UK) 540           | Auditing accounting estimates and related disclosures  |
| • ISA (UK) 570           | Going concern  |
| • ISA (UK) 600           | Special considerations – Audits of group financial statements (including the work of component auditors) |
| • ISA (UK) 620           | Using the work of an auditor's expert  |
| • ISA (UK) 700           | Forming an opinion and reporting on financial statements   |
| • ISA (UK) 701           | Communicating key matters in the auditor's report  |
| • ISA (UK) 720           | The auditor's responsibilities relating to other information   |

Improving audit quality is the theme shared by the revision of all the above standards which fits hand-in-glove with the revision to the Ethical Standard in the UK highlighted above. The changes have been driven by the high profile collapse of corporate entities such as Carillion and pushes auditors to undertake more scrutiny and challenge over areas such as going concern and also to communicate key matters to those charged with governance.

Auditor's reports for inclusion in entities audited financial statements have been revised for the same period in which the ISAs (UK) should be applied. Some of the key changes to auditor's reports for all entities include:

- All audit reports will need to include an explanation as to the extent to which the audit was capable of detecting irregularities; including fraud;
- Amendments to the going concern wording.

Further changes to auditing standards for future periods include:

ISA (UK) 315 Identifying and Assessing the risk of material misstatement

This will become effective for audits of financial statements beginning on or after 15 December 2021. Early adoption is permitted.

### Updated Charity Governance Code

Good governance is widely renowned as being a lynchpin to the success of a charity. The Charity Governance Code provides guidance to the sector on what it considers to be the seven key principles:

- 1) Organisational purpose
- 2) Leadership
- 3) Integrity
- 4) Decision making, risk and control
- 5) Board effectiveness
- 6) Equality, diversity and inclusion
- 7) Openness and accountability

The code is reviewed approximately every 3 years as its steering group recognises that over time both the sector's understanding and stakeholders' expectations change. Following a consultation with over 800 charities, the latest Code was refreshed in December 2020 and instead of including changes per se it instead focuses on clearer recommendations on equality, diversity and inclusion and updates to the integrity principle to reflect changes in society and the broader way in which charities are working.

The changes recommend that Boards consider four stages to its charity's equality, diversity and inclusion journey:

- 1) Think about why equality, diversity and inclusion is important for the charity and assess the current level of understanding.
- 2) Set out plans and targets tailored to the charity and its starting point.
- 3) Think about why equality, diversity and inclusion is important for the charity and assess the current level of understanding.
- 4) Set out plans and targets tailored to the charity and its starting point.

It is not mandatory to comply with the requirements set out by The Charity Governance Code but it is a useful tool for Boards in complying with their statutory responsibilities as Trustees and has been

designed to be applicable for charities of all shapes and sizes, not just those that may be considered to be large or complex organisations. Given the Charity Commission's issue of an 'Alert' on governance issues to all large charities (those with income > £9million) in June 2020 following a number of governance failings in high profile charities, it is becoming increasingly more important for charities to ensure that their foundations are fit-for-purpose.

Where charities choose to adopt the Code they are encouraged to publish a brief statement in their trustees' report using the 'apply or explain' principle so that it is transparent to the users of the accounts the approach taken.

### '5 minute' guides

The Charity Commission launched a series of '5-minute' guides which it considers covers a core-syllabus of basics which it expects all trustees to be aware of. These have been launched to help trustees run their charities in line with the law. The guides cover:

- Charity purposes and rules
- Making decisions at a charity
- Managing charity finances
- Managing conflicts of interest in a charity
- What to send to the Charity Commission and how to get help

### Digital publications becoming zero rated

Since 1 May 2020 certain electronic publications have been zero rated for VAT instead of having the standard rate applied as previously. This change has been lobbied for a number of years and will have a beneficial impact on a number of charities, particularly membership organisations that publish the same content in both printed and electronic format for sale to their members. The following electronically supplied items are now eligible for the zero rate of VAT:

- Books
- Booklets
- Pamphlets
- Brochures
- Leaflets
- Newspapers
- Journals and periodicals – including magazines
- Children's picture and painting books

The definition of 'supplied electronically' is not written into law and is to be interpreted by its generally accepted meaning of supplied via the internet and by email. There are certain supplies that have been purposely excluded from the publications available for zero-rating, including:

- Audiobooks
- Advertising (if more than half of a publication is dedicated to advertising, video or audio content its supply will be standard rated)
- Intellectual property

Sometimes where electronically supplied publications are made available with other supplies, the area can be more complex and it will need to be considered whether a single or multiple supply is being made.

## UHY resources

### Charity insights

As part of our commitment to keep our clients informed and up-to-date with the latest developments and ideas in the sector, we have a long-established charities sector blog which covers the latest issues, including any announcements from the Charity Commission, and explains how these issues could affect you. Latest blogs include:

- Do you have controls for your charity?
- Would your charity benefit from a robust internal audit service?
- Making the most of your Trustees' Report
- Sourcing skilled Trustees

Visit our insights page to view our latest charity resources. [www.uhy-uk.com/insights](http://www.uhy-uk.com/insights).

### Charity and not-for-profit sector outlook

Our 2020/21 Outlook aims to bring you the salient issues relevant to the sector at this time. We cover a range of topics which take a look at the impact of COVID-19 and discuss what you can do to protect your charity. We also have a fantastic interview with Rita Akushie, Chief Financial Officer at Cancer Research UK, who shares some valuable insights. [2020-21-Charity-and-NFP-Sector-Outlook\\_0.pdf \(uhy-uk.com\)](http://www.uhy-uk.com/2020-21-Charity-and-NFP-Sector-Outlook_0.pdf)

### Covid-19 useful information

We are providing regular summaries of the Government announcements as they relate to you and your business, and also providing more in-depth business survival guides and personal wealth protection and tax planning advice. We are also producing regular daily blog updates, which you can find together with other useful information such as a link to the government's 'business support finder' via our website: <https://www.uhy-uk.com/covid-19/>

**Cobtree Manor Estate  
Committee**

**25 January 2022**

**Cobtree Manor Estate Financial Position**

<b>Final Decision-Maker</b>	Cobtree Manor Estate Committee
<b>Lead Head of Service</b>	Director of Finance & Business Improvement – Mark Green
<b>Lead Officer and Report Author</b>	Paul Holland, Senior Finance Manager (Client)
<b>Classification</b>	Public
<b>Wards affected</b>	Boxley

**Executive Summary**

The report summarises the current financial position of the Estate covering the activities at the golf course, Kent Life, the Manor Park and the residential properties. Details for the proposed draft budgets for 2022/23 are also included.

There is also an update on the Committee’s request to review the investments held, and to investigate the possibility of repaying the balance due on the costs of the car park works by using some of the Charifund permanent endowment investment.

**Purpose of Report**

To update the Committee on the current financial position and any other relevant matters that may impact the financial position of the Trust.

**This report makes the following recommendations to this Committee:**

1. That the current financial position be noted.
2. That the proposed budgets for 2022/23 are agreed.
3. That officers investigate alternative investment options with a view to bringing these back to the Committee to make a final decision.
4. That the bank account balance is utilised to pay off the balance due to the Council for the cost of the car park works.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Committee	25 January 2022

# Cobtree Manor Estate Financial Position

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The operation of the Estate directly supports the objects of the Trust as set out when the Council became the Corporate Trustee	Head of Regeneration & Economic Development
<b>Cross Cutting Objectives</b>	The operation of the Estate supports the Council's strategic objective to ensure there are good leisure and cultural attractions in the Borough.	Head of Regeneration & Economic Development
<b>Risk Management</b>	There is a potential reputational risk if the facilities are operated poorly. This is addressed in the annual risk management report.	Leisure Manager
<b>Financial</b>	There is a financial risk to the Trust if the operations cost more than predicted or fail to generate sufficient income to cover the costs of running the estate.	Senior Finance Manager (Client)
<b>Staffing</b>	There are no additional implications arising from this report.	Leisure Manager
<b>Legal</b>	<p>Under the Council's Constitution the Committee as Corporate Trustee is responsible for all matters relating to the Charity with the exception of daily management.</p> <p>Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. This update report assists in meeting those requirements</p> <p>There are no further implications arising from this report.</p>	Contracts and Commissioning Team Leader, Mid Kent Legal Services
<b>Privacy and Data Protection</b>	There are no specific privacy or data protection issues to address.	Policy and Information Manager

<b>Equalities</b>	There are no additional implications arising from this report.	Equalities and Communities Officer
<b>Public Health</b>	There are no additional implications arising from this report.	Public Health Officer
<b>Crime and Disorder</b>	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
<b>Procurement</b>	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
<b>Biodiversity &amp; Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

## 2. INTRODUCTION AND BACKGROUND

- 2.1 This is a regular update report on the financial position of the Estate, which enables the Committee to see how the various areas of activity are performing. Covid-19 has presented a significant risk to the finances and operations of the estate, emphasising the need for robust management and monitoring of the budget.

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## 3. CURRENT FINANCIAL POSITION

- 3.1 The table below summarises the financial position of the Estate as at 31<sup>st</sup> December 2021. **Appendix 1** provides a more detailed breakdown of the figures.

Following feedback from the Committee at the last meeting the summary table has been redesigned to highlight more clearly whether variances are positive or negative.

### 3.1.1 Overall Summary Position:

#### SUMMARY TOTALS

	Revised Budget for Year 2021/22	Profiled Budget as at 31st December 2021	Actuals as at 31st December 2021	Variance: Underspend (-) Overspend (+)
<b>Golf Course</b>				
Expenditure	£70,930	£40,830	£41,851	£1,021
Income	-£169,240	-£126,750	-£126,750	£0
Net Expenditure (+)/Income (-)	-£98,310	-£85,920	-£84,899	£1,021
<b>Manor Park</b>				
Expenditure	£262,590	£192,945	£178,458	-£14,487
Income	-£184,080	-£104,745	-£113,848	-£9,103
Net Expenditure (+)/Income (-)	£78,510	£88,200	£64,610	-£23,590
<b>Kent Life</b>				
Expenditure	£21,050	£15,788	£14,555	-£1,233
Income	-£73,600	-£36,800	-£36,800	£0
Net Expenditure (+)/Income (-)	-£52,550	-£21,013	-£22,245	-£1,233
<b>Residential Properties</b>				
Expenditure	£13,040	£9,780	£8,816	-£964
Income	-£20,000	-£15,000	-£13,265	£1,735
Net Expenditure (+)/Income (-)	-£6,960	-£5,220	-£4,449	£771
<b>Operational Total</b>	<b>-£79,310</b>	<b>-£23,953</b>	<b>-£46,983</b>	<b>-£23,030</b>
Investment Income	-£40,000	-£30,000	-£30,137	-£137
Car Park Repayment	£69,650	£0	£0	£0
<b>Total for the Year</b>	<b>-£49,660</b>	<b>-£53,953</b>	<b>-£77,120</b>	<b>-£23,167</b>
Net Expenditure (+)/Income (-)				

3.2 The current position shows a surplus of £23,167 for the year to date. There are no significant issues to report, but the following points should be noted:

- The budget has now been adjusted to reallocate funding to areas where there had previously been an overspend. The overall budget has not changed though, with a surplus of £49,660 still forecast.
- The £20,000 budget for Covid recovery has now been reallocated to the golf course to be used for a feasibility study as outlined at the last meeting.
- The reallocations means that at present there are no new significant budget variances to report.

#### 4. **BUDGETS 2022/23**

- 4.1 The proposed budgets for 2022/23 are shown at **Appendix 2**. To ensure some consistency the general approach to setting the budgets was as follows:
- Running costs have been increased by inflation (2%) where applicable.
  - Contract income has been increased in line with the agreed schedules.
  - Insurance costs have been updated in line with estimated premium increases.
  - The recharges from Maidstone Borough Council have been updated following a review of the services provided and a revised schedule is shown at **Appendix 4**.
- 4.2 In overall terms the projected surplus from operational activities for 2022/23 is budgeted to be £74,970 compared to the budgeted surplus of £79,310 for 2021/22. After allowing for investment income and the repayment of the car park construction costs the overall net surplus will be £45,320. It should be noted that should a decision be made to repay the car park costs using the permanent endowment then the overall net surplus would change.
- 

#### 5. **INVESTMENT OPTIONS**

- 5.1 Members requested at the last meeting that the investment of the permanent endowment with Charifund be reviewed and that options for investing all or some of the sum elsewhere be identified.
- 5.2 The current value of the investment with Charifund is £890,740, compared to the figure of £860,945 reported to the last Committee meeting. The value of the investment in December 2019 was £930,938.
- 5.3 Charifund is a specialist investment fund aimed specifically at the charity sector. The following fund description is taken from their website:
- The fund aims to provide: an annual yield above that available from the FTSE All-Share Index; an income stream that increases every year; and a level of capital growth, net of the Ongoing Charge Figure, that is higher than inflation over any ten-year period, as measured by the UK Retail Prices Index. At least 70% of the fund is invested in the shares of UK companies, with a focus on high-yielding stocks where the companies have the potential to grow their dividends over the long term. There is no guarantee that the fund will achieve its objective over this, or any other, period and investors may not get back the original amount they invested.
- 5.4 There are a number of alternative funds that are also aimed at the charity sector. These follow broadly the same principles as Charifund in terms of their aims and objectives. The Council's treasury management advisors have been asked to assist in identifying some suitable alternatives.

- 5.5 Members may also wish to consider whether they would prefer a fund with an ethical investment policy, this is something a number of the alternative funds do offer. A decision will also be needed as to whether the endowment is split into more than two different investment funds.
- 5.6 There is further detailed guidance available on investment matters on the Charity Commission website:
- [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/857987/CC14\\_new.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857987/CC14_new.pdf)
- 5.7 A list of suitable alternative funds with performance data will also be presented to the next meeting of the Committee to enable a final decision to be made.
- 

## **6. REPAYMENT OF CAR PARK LOAN**

- 6.1 At the last meeting Members requested that the option of repaying the balance due to the Council for the costs of constructing the car park by using some of the permanent endowment be investigated. As referenced in the last section of this report the permanent endowment is currently invested with Charifund.
- 6.2 The use of permanent endowment does require the permission of the Charity Commission. The following text is taken from their website:
- Only consider spending permanent endowment if the trustees agree it's necessary to help your charity carry out its purposes more effectively. For example, if your charity:
- needs money to set up a new project
  - has outgrown its existing premises and needs to sell them to buy new
- 6.3 A case would therefore need to be made that repaying the balance due would meet these criteria. It should also be noted that when the permanent endowment was last used to fund the new play area and park enhancement works there was a suggestion that the sum withdrawn should be repaid so the value of the endowment returned to its original level. At the time this was the intended course of action, however shortly thereafter there were financial pressures from the contracts at the golf course and Kent Life that mean no repayments have been made so far.
- 6.4 Withdrawal of the permanent endowment would reduce the level of investment income received, which currently helps support the day to day running costs of the estate. The average annual amount received over the last four years is £42,975.
- 6.5 The balance outstanding for the car park works at 31<sup>st</sup> March 2022 would be £190,211, and as referenced earlier the current value of the Charifund investment is £860,945. Withdrawal of £190,211 would represent 22% of the current value. A 22% reduction in the annual investment income would be around £9,454. There are currently 3 years left to repay the cost of the

works, and the interest element of that is £9,364. The loss in investment income over the same period could be £28,362. This is of course an indicative figure given that the value of the investment and the returns will fluctuate over the period.

- 6.6 Annual repayments are currently £69,646, and the impact of repaying the balance due to the Council are shown on the cashflow projection at **Appendix 3**.
- 6.7 The projection suggests that the net operational surplus will be on average around £70,000 annually over the next 10 years. As referenced earlier the loss of investment income from withdrawing funds from the permanent endowment is greater than the interest due to the Council. However, this does mean that going forward there is a greater level of funds available for some possible investment in the golf course which could then help protect that significant income stream in the future.
- 6.8 The projection also suggests that there would be insufficient resources to provide any significant funding towards the cost of a new or refurbished clubhouse at the golf course.
- 6.9 Should the Committee still be minded to use the permanent endowment to repay the cost of the car park works then the initial step should be that officers approach the Charity Commission with a suitable case for doing so.
- 6.10 There is a further option that the Committee may wish to consider. There is at present sufficient funds in the Cobtree bank balance to pay off the balance due. This would not have an adverse effect on cashflow going forward and would protect the future level of investment income. Alternatively, the bank account balance could be utilised to provide some funding for any works needed for the golf course, either directly or as match funding with a partner organisation. **Appendix 3** also shows the cashflow projection should this option be agreed.

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## 7. AVAILABLE OPTIONS

- 7.1 Section 3 - for noting only.
- 7.2 Section 4 - the Committee could ask for adjustments to be made to the draft budgets.
- 7.3 Section 5 – the Committee could choose to leave the permanent endowment invested in Charifund or investigate alternative funds.
- 7.4 Section 6 – the Committee could choose to use the permanent endowment to repay the cost of the car park works; could continue with the annual repayments over the remainder of the term ; or could use the bank balance to repay the loan.
-

## **8. PREFERRED OPTIONS AND REASONS FOR RECOMMENDATIONS**

- 8.1 Section 3 - for noting only.
- 8.2 Section 4 – that the budget is approved and formally adopted so that it is in place for 1<sup>st</sup> April 2022.
- 8.3 Section 5 – officers will look at the available alternative options so that the Committee can make an informed decision at the next meeting.
- 8.4 Section 6 – given the potential complications in withdrawing funds from the permanent endowment the recommendation is to use the bank balance to pay off the balance of the costs due to the Council.
- 

## **9. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 9.1 Officers will continue to monitor the financial position and take appropriate action where necessary.
- 

## **10. REPORT APPENDICES**

- Appendix 1: Financial Position
  - Appendix 2: Draft Budget 2022/23
  - Appendix 3: Projected Cashflow 2021/22 onwards
  - Appendix 4 – Draft Maidstone BC Staff Recharges 2022/23
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## **11. BACKGROUND PAPERS**

None.

Outturn 2020/21	Cobtree Manor Estate	Revised Budget 2021/22	Profiled Budget as at 31st December 2021	Actual as at 31st December 2021	Variance: Underspend (-) Overspend (+)
	<b>GOLF COURSE</b>				
£3,946	Repairs & Maintenance	£5,110	£3,833	£5,146	£1,314
£1,330	Premises Insurance	£2,200	£1,650	£1,650	£0
£2,400	Professional Services	£20,000	£0	£0	£0
£0	General Expenses - VAT	£2,000	£1,333	£1,333	£0
<b>£7,676</b>	<b>Controlled Running Costs</b>	<b>£29,310</b>	<b>£6,816</b>	<b>£8,129</b>	<b>£1,313</b>
<b>-£138,995</b>	Contract Income	<b>-£169,000</b>	<b>-£126,750</b>	<b>-£126,750</b>	£0
£0	Rent Income	£240	£0	£0	£0
<b>-£138,995</b>	<b>Controlled Income</b>	<b>-£169,240</b>	<b>-£126,750</b>	<b>-£126,750</b>	<b>£0</b>
£14,210	MBC Staff Recharges	£12,620	£9,465	£9,465	£0
<b>£14,210</b>	<b>Rechargeable Costs</b>	<b>£12,620</b>	<b>£9,465</b>	<b>£9,465</b>	<b>£0</b>
<b>-£117,109</b>	<b>Cobtree Golf Course</b>	<b>-£127,310</b>	<b>-£110,469</b>	<b>-£109,156</b>	<b>£1,313</b>
£26,024	MBC 2/9ths share	£29,000	£24,549	£24,257	£292
<b>-£91,085</b>	<b>CMET Total</b>	<b>-£98,310</b>	<b>-£85,920</b>	<b>-£84,899</b>	<b>£1,021</b>

	MANOR PARK				
£68,958	Salaries	£0		£10	£10
£392	Overtime	£1,000	£750	£0	£750
£5,924	Employers NI	£0		£1	£1
£12,184	Employers Superannuation	£0		£0	£0
£770	Employee Insurances	£0		£0	£0
<b>£88,228</b>	<b>Employee Costs</b>	<b>£1,000</b>	<b>£750</b>	<b>£9</b>	<b>£759</b>
£43,371	Hard Landscaping	£30,000	£22,500	£22,164	£336
£0	Covid Recovery Fund	£0	£0	£0	£0
£1,411	Gas	£2,000	£1,500	£1,022	£478
£7,367	Electricity	£13,200	£9,900	£9,962	£62
£0	Water Metered	£750	£563	£581	£19
£0	Sewerage & Env Services	£240	£180	£0	£180
£8,009	Trade Refuse Collection (Internal)	£8,000	£6,000	£6,000	£0
£1,830	Premises Insurance	£1,970	£1,478	£1,478	£1
£25,303	Equipment Purchase	£3,300	£2,475	£3,228	£753
£4,500	Equipment Maintenance	£0	£0	£0	£0
£0	Equipment Hire	£250	£188	£0	£188
£5,517	Vehicle Leasing & Running Costs	£1,000	£750	£0	£750
£0	Vehicle Insurance	£810	£608	£608	£1
£0	Cash Collection	£2,420	£1,815	£1,815	£0
£2,314	Computers and Software	£0	£0	£0	£0
£0	Protective Clothes	£1,530	£1,148	£763	£385
£193	Photocopying	£250	£188	£193	£6
£1,441	General Expenses	£1,000	£750	£58	£692
£5,048	General Expenses - VAT	£5,000	£3,750	£0	£3,750
£5,410	Audit Fee	£5,330	£0	£0	£0
£14,693	Professional Services Security	£500	£375	£19	£356
£4,126	Professional Services Consultancy	£2,000	£1,500	£1,227	£273
£0	Direct Telephones	£210	£158	£0	£158
£29	Mobile Telephones	£110	£83	£0	£83
£0	General Insurances	£150	£113	£113	£1
£0	External Print & Graphics	£170	£128	£0	£128
<b>£130,561</b>	<b>Controlled Running Costs</b>	<b>£80,190</b>	<b>£56,145</b>	<b>£49,231</b>	<b>£6,914</b>
<b>-£137,404</b>	Fees & Charges - Car Parking	<b>-£105,000</b>	<b>-£79,245</b>	<b>-£90,178</b>	<b>-£10,933</b>
<b>-£39,358</b>	Other Income - Cobtree Charity Trust Ltd	<b>-£40,000</b>	£0	£2,639	£2,639
<b>-£5,342</b>	Other Income	<b>-£5,000</b>	£0	£0	£0
£0	Licences	£80	£0	£0	£0
<b>-£34,556</b>	Rent Income (Café)	<b>-£34,000</b>	<b>-£25,500</b>	<b>-£26,309</b>	<b>£809</b>
<b>-£216,660</b>	<b>Controlled Income</b>	<b>-£184,080</b>	<b>-£104,745</b>	<b>-£113,848</b>	<b>£9,103</b>
£48,560	MBC Staff Recharges	£51,400	£38,550	£38,550	£0
£0	MBC Parks Management	£130,000	£97,500	£90,686	£6,814
<b>£48,560</b>	<b>Rechargeable Costs</b>	<b>£181,400</b>	<b>£136,050</b>	<b>£129,236</b>	<b>£6,814</b>
<b>£50,689</b>	<b>Cobtree Manor Park</b>	<b>£78,510</b>	<b>£88,200</b>	<b>£64,610</b>	<b>£23,590</b>

Outturn 2020/21	Cobtree Manor Estate	Revised Budget 2021/22	Profiled Budget as at 31st December 2021	Actual as at 31st December 2021	Variance: Underspend (-) Overspend (+)
	<b>KENT LIFE</b>				
£5,258	Repairs & Maintenance of Premises	£4,000	£3,000	£2,517	-£483
£6,980	Premises Insurance	£6,930	£5,198	£5,198	£1
£0	General Expenses - VAT	£1,000	£750	£0	-£750
<b>£12,238</b>	<b>Controlled Running Costs</b>	<b>£11,930</b>	<b>£8,948</b>	<b>£7,715</b>	<b>-£1,233</b>
-£53,660	Contract Income	-£73,600	-£36,800	-£36,800	£0
<b>-£53,660</b>	<b>Controlled Income</b>	<b>-£73,600</b>	<b>-£36,800</b>	<b>-£36,800</b>	<b>£0</b>
£9,640	MBC Staff Recharges	£9,120	£6,840	£6,840	£0
<b>£9,640</b>	<b>Rechargeable Costs</b>	<b>£9,120</b>	<b>£6,840</b>	<b>£6,840</b>	<b>£0</b>
<b>-£31,781</b>	<b>Kent Life</b>	<b>-£52,550</b>	<b>-£21,013</b>	<b>-£22,245</b>	<b>-£1,233</b>
	<b>RESIDENTIAL PROPERTIES</b>				
£854	Repairs & Maintenance	£5,000	£3,750	£3,095	-£655
£1,935	Professional Services	£0	£0	£0	£0
	Electricity	£0	£0	£50	£50
	Non-Domestic Rates	£5,000	£3,750	£3,391	-£359
£460	Premises Insurance	£500	£375	£375	£0
<b>£3,249</b>	<b>Controlled Running Costs</b>	<b>£10,500</b>	<b>£7,875</b>	<b>£6,911</b>	<b>-£964</b>
-£21,193	Rent Income	-£20,000	-£15,000	-£13,265	£1,735
<b>-£21,193</b>	<b>Controlled Income</b>	<b>-£20,000</b>	<b>-£15,000</b>	<b>-£13,265</b>	<b>£1,735</b>
£2,410	MBC Staff Recharges	£2,540	£1,905	£1,905	£0
<b>£2,410</b>	<b>Rechargeable Costs</b>	<b>£2,540</b>	<b>£1,905</b>	<b>£1,905</b>	<b>£0</b>
<b>-£15,534</b>	<b>Residential Properties</b>	<b>-£6,960</b>	<b>-£5,220</b>	<b>-£4,449</b>	<b>£771</b>
<b>-£87,712</b>	<b>OVERALL TOTALS</b>	<b>-£79,310</b>	<b>-£23,953</b>	<b>-£46,983</b>	<b>-£23,030</b>
-£36,157	Investment Income	-£40,000	-£30,000	-£30,137	-£137
<b>-£123,869</b>	<b>Net (surplus)/deficit for operational &amp; investment activities</b>	<b>-£119,310</b>	<b>-£53,953</b>	<b>-£77,120</b>	<b>-£23,167</b>
£34,823	Repayment of car park construction costs	£69,650	£0	£0	£0
<b>-£89,045</b>	<b>Net (surplus)/deficit after repayment</b>	<b>-£49,660</b>	<b>-£53,953</b>	<b>-£77,120</b>	<b>-£23,167</b>

<b>Cobtree Manor Estate</b>	<b>Approved Budget 2021/22</b>	<b>Draft Budget 2022/23</b>
<b>GOLF COURSE</b>		
Repairs & Maintenance	£5,110	£5,210
Premises Insurance	£3,820	£2,570
Professional Services	£0	£0
General Expenses - VAT	£2,500	£2,550
<b>Controlled Running Costs</b>	<b>£11,430</b>	<b>£10,330</b>
Contract Income	-£173,890	-£139,110
Rent Income	-£240	-£240
<b>Controlled Income</b>	<b>-£174,130</b>	<b>-£139,350</b>
MBC Staff Recharges	£12,620	£12,530
<b>Rechargeable Costs</b>	<b>£12,620</b>	<b>£12,530</b>
<b>Cobtree Golf Course</b>	<b>-£150,080</b>	<b>-£116,490</b>
MBC 2/9ths share	£33,350	£26,000
<b>CMET Total</b>	<b>-£116,730</b>	<b>-£90,490</b>

<b>MANOR PARK</b>		
Overtime	£4,000	£4,000
<b>Employee Costs</b>	<b>£4,000</b>	<b>£4,000</b>
Hard Landscaping	£15,000	£15,300
Covid Recovery Fund	£20,000	£0
Gas	£2,000	£2,040
Electricity	£11,800	£12,040
Water Metered	£1,200	£1,220
Sewerage & Env Services	£1,100	£1,120
Trade Refuse Collection (Internal)	£8,000	£8,160
Premises Insurance	£1,930	£2,320
Equipment Purchase	£0	£0
Equipment Hire	£530	£540
Vehicle Leasing & Running Costs	£2,550	£2,600
Vehicle Insurance	£810	£810
Cash Collection	£2,420	£2,470
Protective Clothes	£530	£540
Photocopying	£530	£540
General Expenses	£4,000	£4,080
General Expenses - VAT	£6,000	£6,120
Audit Fee	£5,330	£5,440
Professional Services Security	£1,000	£500
Professional Services Consultancy	£3,060	£3,120
Direct Telephones	£210	£210
Mobile Telephones	£110	£110
General Insurances	£140	£150
External Print & Graphics	£170	£170
<b>Controlled Running Costs</b>	<b>£88,420</b>	<b>£69,600</b>
Fees & Charges - Car Parking	-£100,000	-£110,000
Other Income - Cobtree Charity Trust Ltd	-£40,000	-£40,000
Other Income	-£5,000	-£5,000
Licences	-£80	-£80
Rent Income (Café)	-£34,000	-£34,000
<b>Controlled Income</b>	<b>-£179,080</b>	<b>-£189,080</b>
MBC Staff Recharges	£51,400	£53,060
MBC Parks Management	£130,000	£132,600
<b>Rechargeable Costs</b>	<b>£181,400</b>	<b>£185,660</b>
<b>Cobtree Manor Park</b>	<b>£94,740</b>	<b>£70,180</b>

<b>Cobtree Manor Estate</b>	<b>Approved Budget 2021/22</b>	<b>Draft Budget 2022/23</b>
<b>KENT LIFE</b>		
Repairs & Maintenance of Premises	£10,720	£10,930
Premises Insurance	£4,850	£8,250
General Expenses - VAT	£1,500	£1,530
<b>Controlled Running Costs</b>	<b>£17,070</b>	<b>£20,710</b>
Contract Income	-£73,600	-£70,730
<b>Controlled Income</b>	<b>-£73,600</b>	<b>-£70,730</b>
MBC Staff Recharges	£9,120	£9,180
<b>Rechargeable Costs</b>	<b>£9,120</b>	<b>£9,180</b>
<b>Kent Life</b>	<b>-£47,410</b>	<b>-£40,840</b>
<b>RESIDENTIAL PROPERTIES</b>		
Repairs & Maintenance	£13,010	£13,270
Non-Domestic Rates		£0
Premises Insurance	£540	£290
<b>Controlled Running Costs</b>	<b>£13,550</b>	<b>£13,560</b>
Rent Income	-£26,000	-£30,000
<b>Controlled Income</b>	<b>-£26,000</b>	<b>-£30,000</b>
MBC Staff Recharges	£2,540	£2,620
<b>Rechargeable Costs</b>	<b>£2,540</b>	<b>£2,620</b>
<b>Residential Properties</b>	<b>-£9,910</b>	<b>-£13,820</b>
<b>OVERALL TOTALS</b>	<b>-£79,310</b>	<b>-£74,970</b>
Investment Income	-£40,000	-£40,000
<b>Net (surplus)/deficit for operational &amp; investment activities</b>	<b>-£119,310</b>	<b>-£114,970</b>
Repayment of car park construction costs	£69,650	£69,650
<b>Net (surplus)/deficit after repayment</b>	<b>-£49,660</b>	<b>-£45,320</b>

## COBTREE MANOR ESTATE TRUST - CASHFLOW PROJECTION

## USE OF CHARIFUND INVESTMENT TO PAY OFF BALANCE OF CAR PARK WORKS

## APPENDIX 3

Activity	Year Ending 31st March	Current Year									
		2022	2023	2024	2025	2026	2027	2028	2029	2031	2032
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Golf Course - MBC staff recharges	13	13	13	13	14	14	14	14	15	15	
Golf Course - Running Costs	9	10	11	11	11	11	11	12	12	12	
Kent Life - Running costs	13	21	21	22	22	22	23	23	24	24	
Kent Life - MBC staff recharges	9	9	10	10	10	10	10	11	11	11	
Manor Park - Running costs	120	73	75	76	78	79	81	82	84	86	
Manor Park - MBC Management Fee	130	133	135	138	141	144	146	149	152	155	
Manor Park - MBC staff recharges	53	54	55	56	57	59	60	61	62	63	
Residential Properties - Running costs	6	14	14	14	14	15	15	15	16	16	
Residential Properties - MBC staff recharges	3	3	3	3	3	3	3	3	3	3	
<b>EXPENDITURE</b>	<b>354</b>	<b>329</b>	<b>336</b>	<b>343</b>	<b>349</b>	<b>356</b>	<b>364</b>	<b>371</b>	<b>378</b>	<b>386</b>	
Golf Course - Annual payment from operator	169	174	179	184	190	196	202	208	214	220	
Kent Life - Annual payment from operator	74	71	73	76	75	75	75	75	75	75	
Manor Park - Car parking income	120	110	110	110	110	110	110	110	110	110	
Residential Properties - Rental income	30	30	30	30	30	30	30	30	30	30	
Cobtree Charity Trust Ltd. Will Trust Income	40	40	40	40	40	40	40	40	40	40	
Café/Visitor Centre - Annual payments from operator	34	34	34	34	34	34	34	34	34	34	
<b>INCOME</b>	<b>466</b>	<b>459</b>	<b>466</b>	<b>475</b>	<b>479</b>	<b>485</b>	<b>491</b>	<b>497</b>	<b>503</b>	<b>509</b>	
Payment: MBC 2/9ths Golf Course Net Surplus	33	34	35	36	37	38	39	40	42	43	
Investment Income - Charifund	40	30	30	30	30	30	30	30	30	30	
<b>NET OPERATIONAL SURPLUS OR DEFICIT (-)</b>	<b>119</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>123</b>	<b>120</b>	<b>118</b>	<b>115</b>	<b>113</b>	<b>111</b>	
<b>Capital Expenditure:</b>											
Car park resurfacing works repayment - total costs £335,000	268										
Minor Capital Works	15										
Garden Cottage Repairs	40										
Charifund withdrawal to repay car park loan	-268										
	<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>ADJUSTED OVERALL SURPLUS/DEFICIT (-)</b>	<b>64</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>123</b>	<b>120</b>	<b>118</b>	<b>115</b>	<b>113</b>	<b>111</b>	
<b>Cashflow Forecast:</b>											
<b>Bank Account balance</b>	<b>460</b>	<b>432</b>	<b>558</b>	<b>683</b>	<b>810</b>	<b>933</b>	<b>1,053</b>	<b>1,171</b>	<b>1,286</b>	<b>1,399</b>	
Annual surplus/deficit (-)	64	126	126	126	123	120	118	115	113	111	
Timing differences	-93	0	0	0	0	0	0	0	0	0	
<b>Bank Account balance as at 31st March</b>	<b>432</b>	<b>558</b>	<b>683</b>	<b>810</b>	<b>933</b>	<b>1,053</b>	<b>1,171</b>	<b>1,286</b>	<b>1,399</b>	<b>1,510</b>	

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## COBTREE MANOR ESTATE TRUST - CASHFLOW PROJECTION

## USE OF BANK BALANCE TO PAY OFF BALANCE OF CAR PARK WORKS

## APPENDIX 3

## Current Year

Year Ending 31st March	2022	2023	2024	2025	2026	2027	2028	2029	2031	2032
Activity	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Golf Course - MBC staff recharges	13	13	13	13	14	14	14	14	15	15
Golf Course - Running Costs	9	10	11	11	11	11	11	12	12	12
Kent Life - Running costs	13	21	21	22	22	22	23	23	24	24
Kent Life - MBC staff recharges	9	9	10	10	10	10	10	11	11	11
Manor Park - Running costs	120	73	75	76	78	79	81	82	84	86
Manor Park - MBC Management Fee	130	133	135	138	141	144	146	149	152	155
Manor Park - MBC staff recharges	53	54	55	56	57	59	60	61	62	63
Residential Properties - Running costs	6	14	14	14	14	15	15	15	16	16
Residential Properties - MBC staff recharges	3	3	3	3	3	3	3	3	3	3
<b>EXPENDITURE</b>	<b>354</b>	<b>329</b>	<b>336</b>	<b>343</b>	<b>349</b>	<b>356</b>	<b>364</b>	<b>371</b>	<b>378</b>	<b>386</b>
Golf Course - Annual payment from operator	169	174	179	184	190	196	202	208	214	220
Kent Life - Annual payment from operator	74	71	73	76	75	75	75	75	75	75
Manor Park - Car parking income	120	110	110	110	110	110	110	110	110	110
Residential Properties - Rental income	30	30	30	30	30	30	30	30	30	30
Cobtree Charity Trust Ltd. Will Trust Income	40	40	40	40	40	40	40	40	40	40
Café/Visitor Centre - Annual payments from operator	34	34	34	34	34	34	34	34	34	34
<b>INCOME</b>	<b>466</b>	<b>459</b>	<b>466</b>	<b>475</b>	<b>479</b>	<b>485</b>	<b>491</b>	<b>497</b>	<b>503</b>	<b>509</b>
Payment: MBC 2/9ths Golf Course Net Surplus	33	34	35	36	37	38	39	40	42	43
Investment Income - Charifund	40	40	40	40	40	40	40	40	40	40
<b>NET OPERATIONAL SURPLUS OR DEFICIT (-)</b>	<b>119</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>133</b>	<b>130</b>	<b>128</b>	<b>125</b>	<b>123</b>	<b>121</b>
<b>Capital Expenditure:</b>										
Car park resurfacing works repayment - total costs £335,000	268									
Minor Capital Works	15									
Garden Cottage Repairs	40									
	<b>323</b>	<b>0</b>	<b>0</b>	<b>0</b>						
<b>ADJUSTED OVERALL SURPLUS/DEFICIT (-)</b>	<b>-204</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>133</b>	<b>130</b>	<b>128</b>	<b>125</b>	<b>123</b>	<b>121</b>
<b>Cashflow Forecast:</b>										
<b>Bank Account balance</b>	<b>460</b>	<b>164</b>	<b>300</b>	<b>435</b>	<b>572</b>	<b>705</b>	<b>835</b>	<b>963</b>	<b>1,088</b>	<b>1,211</b>
Annual surplus/deficit (-)	-204	136	136	136	133	130	128	125	123	121
Timing differences	-93	0	0	0	0	0	0	0	0	0
<b>Bank Account balance as at 31st March</b>	<b>164</b>	<b>300</b>	<b>435</b>	<b>572</b>	<b>705</b>	<b>835</b>	<b>963</b>	<b>1,088</b>	<b>1,211</b>	<b>1,332</b>

APPENDIX 4

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Service	Description of Service Provided	Hourly Rate	Total Hours p.a.	Total Days p.a.	21/22 Charge p.a.	Draft Charge 22/23 n.a.	Allocation across service areas			
							Golf Course	Manor Park	Kent Life	Residential Properties
Communications	Provision of communications service as and when required	£33	11.5	1.6	£390	£390	£20	£316	£35	£20
Democratic Services	Agenda management and attendance at Committee meetings	£32	56.0	7.6	£1,730	£1,790	£90	£1,450	£161	£90
Director of Regeneration & Place	Management services - Cobtree included in the area of responsibility	£104	11.1	1.5	£1,100	£1,150	£58	£932	£104	£58
Finance	Cobtree Finance Officer - Monthly accounts, budgets and year-end accounts	£54	92.5	12.5	£4,900	£4,950	£424	£6,861	£762	£424
	Other financial services - accounts payable/receivable, VAT and banking	Activity based costing	N/A	N/A	£3,420	£3,520				
Head of Regeneration & Economic Development	Management services - Cobtree included in the area of responsibility	£70	22.0	3.0	£1,630	£1,540	£77	£1,247	£139	£77
Human Resources	Provision of HR services including payroll and learning & development	Per Capita charge	N/A	N/A	£1,560	£1,600	£80	£1,296	£144	£80
ICT	Provision of ICT services including Kent Public Sector Network Service charge	Notional charge	N/A	N/A	£840	£860	£0	£860	£0	£0
Legal Services	Provision of legal services	Estimate of expenditure based on previous activity	N/A	N/A	£4,000	£4,080	£204	£3,305	£367	£204
Parking Services	Enforcement services	Contract cost	N/A	N/A	£1,220	£1,250	£0	£7,580	£0	£0
	Software maintenance - parking services system	Contract cost	N/A	N/A	£2,520	£2,520				
	Operational administration and finance	£26	144.0	19.5	£3,410	£3,810				
Parks & Leisure	Management of Cobtree Manor Park and strategic direction. Management of contracts for the golf course and Kent Life attraction	£42	660.0	89.2	£26,400	£27,720	£1,386	£22,453	£2,495	£1,386
Procurement	Monitoring and contractual/statutory compliance of the service providers at Kent Life, the golf course and the café	£33	495.0	66.9	£16,800	£16,520	£9,912	£2,148	£4,460	£0
Property Services	Property management and maintenance services	£47	120.0	16.2	£5,750	£5,700	£285	£4,617	£513	£285

**Total Charge: £75,670 £77,400**

**£12,534 £53,064 £9,180 £2,622**

# Agenda Item 14

## Cobtree Manor Estate Charity Committee

25 January 2022

### Cobtree Estate Update

<b>Final Decision-Maker</b>	Cobtree Manor Estate Charity Committee
<b>Lead Head of Service</b>	John Foster, Head of Regeneration and Economic Development
<b>Lead Officer and Report Author</b>	Mike Evans, Leisure Manager
<b>Classification</b>	Public
<b>Wards affected</b>	Boxley

#### Executive Summary

An update report on the Cobtree Estate and its constituent venues and facilities.

#### Purpose of Report

Noting

#### This report makes the following recommendation to this Committee:

1. That the contents of the report are noted.

#### Timetable

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Charity Committee	25 January 2022

# Cobtree Estate Update

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The work of the charity links directly to its charitable objectives and the corporate priorities for the council.	Leisure Manager
<b>Cross Cutting Objectives</b>	The work of the charity links directly to its charitable objectives and the cross-cutting objectives of the council.	Leisure Manager
<b>Risk Management</b>	There are no risk management implications in this report.	Leisure Manager
<b>Financial</b>	Financial implications from this update are managed day-to-day in line with council procedures and policies.	Senior Finance Manager (Client)
<b>Staffing</b>	Staffing implications are managed day-to-day in line with council procedures and policies.	Head of Regeneration and Economic Development
<b>Legal</b>	There are no specific legal implications at present as this report is presented for noting only.	Team Leader Contracts and Commissioning
<b>Privacy and Data Protection</b>	There are no new implications as a result of this update report and recommendation.	Policy and Information Team
<b>Equalities</b>	No impact identified as a result of this update report and recommendation. An EqIA will be required for the project phase.	Equalities & Communities Officer
<b>Public Health</b>	The Cobtree Estate works towards improving the health of our community and residents through its day-to-day operations.	Leisure Manager
<b>Crime and Disorder</b>	Crime and disorder implications are managed day-to-day in line with council procedures and policies	Leisure Manager
<b>Procurement</b>	Procurement implications are managed day-	Head of

	to-day in line with council procedures and policies.	Regeneration and Economic Development & Section 151 Officer
<b>Biodiversity and Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

**2. INTRODUCTION AND BACKGROUND**

**Cobtree Manor Park**

- 2.1 The park played host to the inaugural Glow event in December 2021 and the event proved to be a great success for the park and for the borough. 24,934 people visited the event across 17 days to look at the creative and exciting light installations. This generated £9,987 in additional car park income for CMEC. At the time of writing the events company is still removing equipment from the site and a debrief meeting is still to be held. Further updates and feedback form the debrief meeting can be brought to the committee.
- 2.2 Car park income for 2021/22 stands at £89,315 at the end of Q3, which gives a positive variance of around £11,000 against the revised budget.
- 2.3 The volunteer workforce planting hedgerows as part of their corporate social responsibility work will be in the park on 25 January. They are due to plant around 2,000 hedgerow saplings around some key borders and along sections of the bridleway. The hedgerows will be planted in areas where they have the highest chance of good growth and becoming established. They will provide good natural habitat in the park and will also preserve boundaries where they need to be preserved. In time the established hedgerows will be a natural replacement to the ageing fencing. The Mote Park and Cobtree Manager has identified other similar opportunities and these are currently being explored.
- 2.4 The Council’s Biodiversity and Climate Change Manager has visited the Cobtree estate to assess suitability for additional tree planting and some natural flood prevention work. Areas and opportunities are not as suitable as first expected for flood elevation efforts, however one option at Kent Life to establish a new orchard is being investigated further to coincide with the next planting season in October 2022.

**Golf Course**

- 2.5 November 2021 was a successful month at the golf course, more profitable than November 2019 which was pre-Covid. The golf course manager has moved on and taken up the manager’s position at another local golf course. The operator has a temporary manager in place while the role is advertised.

- 2.6 The drainage project to improve the playing conditions on the 1<sup>st</sup>, 2<sup>nd</sup>, 9<sup>th</sup>, 12<sup>th</sup> and 18<sup>th</sup> holes is completed. It has made a big difference to the look and appeal of these holes and it has also helped with the saturated conditions in these areas. As a result water is now able to run freely and two ponds on the course are collecting increased amounts of water. This is improving the ecology of the ponds and also making them look better.

### **Kent Life**

- 2.7 Covid Plan B restrictions introduced on 13 December 2021 required a new management plan but the Santa events were able to continue through the rest of December. The site is now in its winter maintenance period and will re-open for February half term.
- 2.8 The Cobtree Shed group has moved to its new base at Kent Life and has started reconvening sessions for its members. They are working with staff at Cobtree Manor Park to organise the removal of equipment from the Elephant House.

### **Cobtree Café**

- 2.9 Following repairs to the flooring inside the toilets further repairs are required to the paths outside the toilets. These are being organised in conjunction with the MBC Property department and will be undertaken soon.

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## **3. AVAILABLE OPTIONS**

- 3.1 Committee can note the information in this report.
- 3.2 Committee can choose not to note the information in this report, however the Committee has requested regular updates on the operations of the Estate.

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## **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 It is recommended that the information in this report is noted.

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## **5. RISK**

- 5.1 This report is presented for information only and has no risk management implications.
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

6.1 No consultation has taken place since the last update report.

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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 Any comments from the Committee will be passed on to the relevant party.

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## **8. REPORT APPENDICES**

- None
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## **9. BACKGROUND PAPERS**

- None

<b>Cobtree Manor Estate Charity Committee</b>	<b>25 January 2022</b>
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## Kent Life Artefacts

<b>Final Decision-Maker</b>	Cobtree Manor Estate Charity Committee
<b>Lead Head of Service</b>	John Foster, Head of Regeneration and Economic Development
<b>Lead Officer and Report Author</b>	Mike Evans, Leisure Manager
<b>Classification</b>	Public
<b>Wards affected</b>	Boxley

### Executive Summary

A report on the current arrangements of the Kent Life artefacts and options for possible new arrangements.

### Purpose of Report

Decision

### This report makes the following recommendations to this Committee:

1. That no full cataloguing project or inventory project is undertaken on the accessioned artefacts at Kent Life.
2. That the existing inventory list of items is shared with the identified rural heritage organisations to assess if it contains any items of potential significance.

### Timetable

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Charity Committee	25 January 2022

# Kent Life Artefacts

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The work of the charity links directly to its charitable objectives and the corporate priorities for the council.	Leisure Manager
<b>Cross-Cutting Objectives</b>	The work of the charity links directly to its charitable objectives and the cross-cutting objectives of the council.	Leisure Manager
<b>Risk Management</b>	Not following some of the options in this report could expose the charity to financial and reputational risks and could expose the charity's assets to greater costs also. The recommendation provides an appropriate level of risk management response.	Leisure Manager
<b>Financial</b>	Following the recommendations in this report will ensure the charity directs its resources to its biggest priorities.	Senior Finance Manager (Client)
<b>Staffing</b>	Staffing implications are managed day-to-day in line with council procedures and policies.	Head of Regeneration and Economic Development
<b>Legal</b>	There are no specific legal implications at present.	Team Leader, Contracts and Commissioning
<b>Privacy and Data Protection</b>	There are no new implications as a result of this report and recommendation.	Policy and Information Manager
<b>Equalities</b>	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Equalities & Communities Officer
<b>Public Health</b>	The Cobtree Estate works towards improving the health of our communities and residents through its day-to-day operations.	Leisure Manager

<b>Crime and Disorder</b>	Crime and disorder implications are managed day-to-day in line with council procedures and policies.	Leisure Manager
<b>Procurement</b>	Procurement implications are managed day-to-day in line with council procedures and policies.	Head of Regeneration and Economic Development
<b>Biodiversity and Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Kent Life, formerly the Museum of Kent Life, is leased to and managed by Planning Solutions. Part of that agreement is the stewardship of the accessioned artefacts. The accessioned artefacts are kept in the store building at Kent Life along with other items.
- 2.2 CMEC and Planning Solutions share a hard copy list of all the items, but that list does not include photographs of the items. It is a long list of descriptions totalling more than 150 pages comprising approximately 6,400 items. The list is coded and the items in the store are labelled to match the list. Beyond that, very little information on the artefacts is held. The significance, the age, the historic value, the source or the ownership of the items is all unknown.
- 2.3 Following a request from this committee, officers have been seeking to identify ways in which the list of artefacts can be converted into a digital format and ways in which more information can be learnt about the artefacts.
- 2.4 Officers have also been monitoring the storage conditions at Kent Life and are pleased to report that the leak in the store room is fixed and planned maintenance has also been undertaken on the building to prevent future water ingress also.
- 2.5 The store is an old farm store building. It comprises three adjacent open plan spaces and is not temperature or humidity controlled. A cataloguing project and more information on the artefacts would provide knowledge of how best to store them.

### **Cataloguing**

- 2.6 Officers have been working with colleagues at Maidstone Museum to design a cataloguing project. An ideal project would catalogue every item in a searchable database that includes a photograph of every item, some historic or significant information on each item and links in the database to similar items. The options available are presented in section 3.

2.7 Officers have also been seeking to work with historic organisations and educational organisations to assist with understanding the historic significance of the items. Officers have contacted The Collections Trust, The Museum of English Rural Life, Agricultural Museum at Brook, and the Social History Curators Group but have not had a positive response from any organisation wishing to work on this project either as part of a volunteer study project or as a contracted piece of work.

### 3. AVAILABLE OPTIONS

3.1 The table below shows the options that CMEC has to take forward the cataloguing project.

Option	Benefits	Considerations
<b>Full catalogue</b>	<ul style="list-style-type: none"> <li>• A huge, museum level database developed including assessment of historical/social value,</li> <li>• Full photographic record for each item including historical significance, provenance, ownership, links to other collections of historical importance, categorisation and sub-categorisation for cross referencing with other items and databases.</li> <li>• Significant database that could be made accessible to interested historical organisations and individuals</li> <li>• Leads to appropriate storage of artefacts</li> <li>• Identification of social value and historical interest</li> <li>• Digital catalogue would be easy to interrogate and update</li> <li>• Enable links to existing Maidstone Museum artefact catalogue</li> <li>• Positive promotion of Trust and MBC as custodians of artefacts</li> </ul>	<ul style="list-style-type: none"> <li>• Time consuming to develop (project could take several years to fully research and complete)</li> <li>• Cost of producing the catalogue</li> <li>• Cost of providing appropriate storage conditions for any key artefacts</li> <li>• High level of expertise and insight required to produce a catalogue with necessary detail</li> <li>• Accessing expertise to the required level for the duration of the project</li> <li>• Catalogue software licences would also need to be purchased.</li> </ul>
<b>Basic Inventory</b>	<ul style="list-style-type: none"> <li>• Inventory developed to log artefacts and note their condition and storage location</li> </ul>	<ul style="list-style-type: none"> <li>• A basic list developed</li> <li>• Provide indications of social value that would require deeper assessment</li> </ul>

	<ul style="list-style-type: none"> <li>• Provide an up-to-date list of artefacts and discuss/confirm ownership</li> <li>• Identify location of 'on loan' items</li> <li>• Opportunity to identify items with potentially high social value and historical interest</li> <li>• Provide initial records as a prelude to developing a full catalogue at a later date</li> <li>• Searchable inventory would be easy to interrogate and update</li> <li>• Cost of providing appropriate storage conditions for any key artefacts would be identified</li> <li>• Enable links to existing Maidstone Museum artefact catalogue</li> <li>• Positive promotion of Trust and MBC as custodians of artefacts</li> </ul>	<ul style="list-style-type: none"> <li>• Project may take a year to complete</li> <li>• Cost of producing the inventory</li> <li>• Requires some degree of insight and ability to research</li> </ul>
<b>Status quo inventory</b>	<ul style="list-style-type: none"> <li>• This is the do nothing option</li> <li>• No change to cataloguing requirements. The items continue to be recorded in written inventory format</li> <li>• No change to storage costs or techniques</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially out of date list with no check on condition or location of items</li> <li>• Inability to check on status of items 'on loan'</li> <li>• Risk of ruin or loss of socially/historically important artefacts</li> <li>• Risk of ruin of artefacts due to inappropriate storage processes</li> <li>• Risk of reputational damage to CMEC and MBC resulting from loss of important artefacts.</li> </ul>

Table 1. The benefits and considerations of different cataloguing approaches for the Kent Life artefacts

### 3.2 Full catalogue option

As shown in table 1 this is the most detailed option. It would require the involvement of a suitably knowledgeable historian working through the artefacts and adding information on each item as they were recorded. It would be stored in cataloguing software and linked to other historical databases. Based on what we know about the basic inventory option described in paragraph 3.3 this is likely to be beyond the cost capabilities of CMEC at this time. **Based on the costs in table 2 and paragraph 3.7 below, this option is not recommended.**

### 3.3 Basic inventory option

This option creates an up-to-date, stand-alone inventory of the artefacts and informs CMEC of the current condition and location of items in the store room. These up-to-date records can be shared with historical groups, if they are interested in working with Cobtree and Kent Life, and information of significance can be added to some of the records. The historical information can be used to inform decisions on future storage conditions.

3.4 Maidstone Museum does not have capacity or the right historical knowledge to take on this work but colleagues there have been helpful with providing insight into the cataloguing process. Each item needs to be logged using the Collections Trust's inventory standard method, which requires around 15 minutes per item. For the Kent Life artefacts this equates to four items per hour, or at least 1,600 hours. This will require at least a temporary appointment at the real living wage of £10 per hour, with oversight from a collections officer or equivalent.

3.5 Working full-time the cataloguing will take 10 months. Working fewer days per week to reduce the supervision commitments will draw out the cataloguing exercise and take it beyond a 10-month duration. A historian with suitable rural knowledge will also need to be engaged to comment on the inventory, providing more information on any artefacts of note.

3.6 The total cost of this as a comparison is shown in the following table:

Item	Calculation	Cost
Temporary staff for cataloguing, with on costs	£16,000 x 1.3	£20,800
Supervision costs, based on two hours per week at grade 9, plus on costs	$[(£16.75 \times 2) \times 43] + 30\%$	£1,873
Historical support	Estimated at 10%	£2,270
<b>Total</b>		<b>£24,943</b>

3.7 If CMEC seeks a third party organisation to quote for this work then quotes in excess of £25,000 can be expected. **This option is not recommended.**

### 3.8 Status quo option

This option is the most cost-effective as it is based on the existing inventory list document. The list document can be sent again to historical organisations mentioned in paragraph 2.7 to see if they can comment on the items via a desktop exercise. If any items of interest emerge from this, other options can then be considered. **This is the recommended option.**

#### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 Because of the costs of a cataloguing exercise, the full catalogue option and the basic inventory option cannot be recommended at this time. The basic inventory is expected to cost upwards of £25,000 and those funds are better applied to the estate's other priority projects at this time.
- 4.2 As part of the status quo option the inventory list of 6,400 items can be sent to the rural history organisations included in this report for their observation and comment as a list of items. If any items trigger any comments of historic or social value, or any comments of specific storage conditions then the full catalogue option and basic inventory option can be reassessed.
- 

#### **5. RISK**

- 5.1 The risk of not cataloguing the artefacts is that any items of specific historic value or significance are under appreciated or deteriorate. Sharing the list of items with historic organisations for them to possibly view and comment is one solution to this. However, there is a risk that these organisations choose again not to engage in this project.
- 

#### **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 Maidstone Museum colleagues have been consulted on the options available to CMEC.
- 

#### **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 With agreement from CMEC the inventory list of accessioned artefacts will be sent to the organisations previously contacted, to see if they want to comment on any items of note that may be contained within the list. The outcome of this will be given to this committee in a future report or update.
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#### **8. REPORT APPENDICES**

- None
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#### **9. BACKGROUND PAPERS**

- None

# Agenda Item 16

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted