

AGENDA

COBTREE MANOR ESTATE CHARITY COMMITTEE MEETING



Date: Wednesday 14 January 2015

Time: 5.30 pm

Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Mrs Blackmore, Greer, McLoughlin and
Perry (Chairman)

Page No.

1. Apologies for Absence
2. Notification of Visiting Members
3. Disclosures by Members and Officers
4. Disclosures of Lobbying
5. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
6. Minutes of the meeting held on 17 December 2014 adjourned to 22 December 2014 - to follow

Continued Over/:

Issued on 6 January 2015

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEBBIE SNOOK on 01622 602030**. To find out more about the work of the Committee, please visit www.maidstone.gov.uk

Alison Broom

**Alison Broom, Chief Executive, Maidstone Borough Council,
Maidstone House, King Street, Maidstone, Kent ME15 6JQ**

7. Report of the Head of Finance and Resources - Accounts
2013/14

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MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE COMMITTEE

14TH JANUARY 2015

REPORT OF THE HEAD OF FINANCE & RESOURCES

Report prepared by: Paul Holland (Senior Accountant)

1 ACCOUNTS 2013/14

1.1 Issue for Decision

1.1.1 To consider the audited Report and Financial Statements for the financial year 2013/14.

1.2 Recommendation of the Head of Finance & Resources

1.2.1 That the Committee approves the Report and Financial Statements, and the Letter of Representation for the financial year 2013/14.

1.3 Reasons for Recommendation

1.3.1 In July 2014 the Committee received the un-audited Report and Financial Statements for the financial year 2013/14.

1.3.2 Attached at **APPENDIX A** are the audited 2013/14 Report and Financial Statements from the external auditors, along with the Management Letter, details of unadjusted misstatements, the Letter of Comment and the Letter of Representation.

1.3.3 The accounts are required to be formally approved and signed before they are submitted to the Charity Commission, which must be done by 31st January 2015.

1.4 Accounts 2013/14

1.4.1 Following their examination of the Report and Financial Statements King & Taylor, the external auditors, recommended a small number of changes, which have now been incorporated into the audited version. The most significant change was in relation to the Will Trust income received from Cobtree Charity Trust Ltd, where the actual amount received was £5,610 less than the estimated figure in the draft accounts. In addition there were other adjustments to the accounts totalling £9,868.

1.4.2 The draft accounts showed a sum due from Maidstone Borough Council to the Trust of £10,146, this being the provisional operational surplus for 2013/14. The impact of these adjustments

means that for the 2013/14 there is now a small operational deficit of £5,332, which is owed by the Trust to the Council. This is a sum that will have no impact upon the operational activities of the Trust as there are resources set-aside which can be used to make this payment.

- 1.4.3 Also attached at **Appendix A** is the Letter of Representation, the Letter of Comment, details of unadjusted misstatements and the Management Letter.
- 1.4.4 The Letter of Representation 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.
- 1.4.5 The Letter of Comment draws the attention of Trustees to matters that arose during the course of the audit.
- 1.4.6 The Management Letter draws attention to points of interest that the auditors have identified. Only one point has been raised and the comment on this is as follows:
 - At present there is no obligation for the accounts to be formally audited by a registered auditor, but Trustees have chosen to have a formal audit. Based on the current thresholds Trustees could still elect to have an independent examination rather than a formal audit, but this point notes that this option may not be available in the future if the statutory thresholds are exceeded.

1.5 Alternative Actions and Why Not Recommended

- 1.5.1 There are no alternative actions. The accounts and the Letter of Representation are required to be approved by Trustees and signed by the Chairman prior to their submission to the Charity Commission.

1.6 Impact on the Charity's Objectives

- 1.6.1 Any net surpluses on the activities of the Golf Course and Manor Park are to be used to further the long term aims and objectives of the Trust, particularly the agreed Master Plan for the development of the Manor Park.

1.7 Risk Management

- 1.7.1 The timely submission of audited accounts to the Charity Commission demonstrates good financial management on the part of the Trust.

1.8 Other Implications

Financial	<input checked="" type="checkbox"/>
Staffing	<input type="checkbox"/>
Legal	<input type="checkbox"/>
Social Inclusion	<input type="checkbox"/>
Environmental/Sustainable Development	<input type="checkbox"/>
Community Safety	<input type="checkbox"/>
Human Rights Act	<input type="checkbox"/>
Procurement	<input type="checkbox"/>
Asset Management	<input type="checkbox"/>

1.9 Financial Implications

1.9.1 Financial Implications are detailed in the report above.

<u>NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED</u>			
Is this a Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, when did it appear in the Forward Plan? _____			
Is this an Urgent Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
<u>Reason for Urgency</u> Not applicable			

Cobtree Manor Estate

Annual Report and Financial Statements

for the Year Ended 31 March 2014

King & Taylor (Audit) Limited
4th Floor, Joynes House
New Road
Gravesend
Kent
DA11 0AT

Cobtree Manor Estate
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The following pages do not form part of the statutory financial statements:

Statement of financial activities per fund	22 to 24
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Cobtree Manor Estate
Reference and Administrative Details

Charity name	Cobtree Manor Estate
Charity registration number	283617
Principal office	Maidstone Borough Council Maidstone House King Street Maidstone Kent ME15 6JQ
Corporate Trustee	Maidstone Borough Council
Solicitor	Head of Corporate Law and Legal Services Maidstone Borough Council Maidstone House King Street Maidstone Kent ME15 6JQ
Bankers	All funds are managed by Maidstone Borough Council at: National Westminster Bank plc 3 High Street Maidstone Kent ME14
Auditor	King & Taylor (Audit) Limited 4th Floor, Joynes House New Road Gravesend Kent DA11 0AT

Cobtree Manor Estate

Trustees' Report

Trustees Report

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 31st March 2014.

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 meeting of the Cobtree Manor Estate Charity Committee.

ACHIEVEMENTS AND PERFORMANCE

Changes since the last Report

The Cobtree Charity Committee continues to comprise of four Members of the Cabinet. The Members of the Committee during the reporting year were Councillors John A Wilson (Chairman), Christopher Garland, Brian Moss, and Malcolm Greer. In common with the operation of all Cabinet decisions, those of the Charity Committee were subject to the scrutiny of other Council Members. No decisions of the Committee relating to the Cobtree Estate were called in for scrutiny.

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.

Cobtree Manor Estate

Trustees' Report

All individual elected Members of 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 the 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.

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, and
- 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

The following activities and works were completed on the Cobtree Manor Park Golf Course during the reporting year to enhance the attractiveness of the facility and to ensure its availability to the general public:

Year	Rounds Played	No. of Registrations
2008/2009	40,187	875
2009/2010	43,913	837
2010/2011	41,784	599
2011/2012	41,223	554
2012/2013	36,006	422
2013/2014	36,021	574

Number of Registrations is 574 (please note this is covered fully under the Privilege Card).

The Privilege Card costs £40 and allows holders to get reduced green fee rates and wider scope for bookings at any of Mytime Active run courses, as well as other special offers on food and in the pro shop throughout the year.

The golf course had a better year predominantly due to improved weather conditions with rounds played and numbers of registrations and improvement on 2012/13.

Cobtree Manor Estate

Trustees' Report

As in past years, improvements to the golf course continue to remain a priority for the Charity. Future investments will continue to be in partnership with the contract operator; the objective is to ensure that the quality of the course remains protected and thus ensure that the course remains successful and accessible to the people of Maidstone and the surrounding area.

The contract payment to the Council continued to fund the maintenance of the Estate and was used to contribute towards the proposed improvements programme of the Cobtree Manor Park.

Cobtree Manor Park

The following works and activities were carried out to enhance the appeal of Cobtree Manor Park to attract a greater number of visitors.

Volunteers continue to contribute man-days of effort to help with both practical and research tasks. Members of the general public contributed a total of 138 hours of voluntary effort; this was down slightly on the year before.

The events programme included 28 events (mostly themed guided walks) and these were attended by 486 people, up by about 40 on the previous year.

Two work placement students from Hadlow College worked one day a week during term time (voluntary work, hours included above).

Three thousand free information leaflets advertising the events programme for the coming year were designed, printed and distributed.

The following works relating to the park were carried out:

Completion of phase 2 of the Master plan Project including;

- Installation of new park furniture
- Completion of the new path network
- Installation of the sculpture trail
- Installation of the jogging circuit around the estate walk and horse ride
- Opening of the new "zoo" play area
- Renovation of park shrubberies
- Planting new Arboretum trees
- Painting of the Elephant House Mural

There were 3 crimes reported and 19 cases of vandalism noted. There were 11 accidents; a summary of these is set out below;

- Crimes (3) – one “exposure” and two incidents of stealing property of the Café
- Vandalism (19) – mostly branches broken off shrubs and small trees (mainly around the picnic/play area) and the posts of the new running circuit being pulled out of the ground.
- Accidents (11) – mostly trips and falls from play equipment before the additional safety measures were put in place (nets under the rope bridges etc); the others were bicycle falls and collisions, wasp stings and dog bites.

The incidents of crime and vandalism were up slightly on the previous year. Accidents went up from no recorded incident the previous year to 11 in the year of this report. This is due to the large increasing visitor number and the opening of the main “zoo” fort play area.

Cobtree Manor Estate
Trustees' Report

Footfall figures are shown in the table below. The total for the year was 275,193. The previous year has incomplete figures due to the gate counter being installed in June, leaving one quarter uncounted. A comparison of the quarters for which there are figures, September, December and March shows figures for 2013/14 of 201,950 compared to 156,445 for the same quarters in 2012/13.

Cobtree Monthly and Quarterly Footfall Figures

	2012 Quarterly		2013 Quarterly		% on previous year	2014 Quarterly		% on previous year
Jan			14675			18133		
Feb			12092			17626		
Mar			12144	38911		24503	60262	54.87
Apr			19012					
May			26325					
Jun	10347		27906	73243				
Jul	18509		32277					
Aug	25461		38100					
Sep	20268	64238	23070	93447	45.47			
Oct	20745		18605					
Nov	19296		15869					
Dec	13255	53296	13767	48241	-9.48			
Total	127881	117534	253842	253842		60262	60262	

Kent Life

Following the folding of the leases between Continuum, Kent Life, Kent County Council and the Museum of Kent Life Trust, the Kent Life attraction came back under the direct management of the Cobtree Manor Estate Trust in November 2013. An interim management agreement has been agreed with Continuum Kent Life Limited to continue with the running of the site as a heritage farm park attraction.

Visitor numbers for 2013-14 were: 123,715 (previous year was 116,940).

The numbers have fluctuated a bit over the last few seasons, due to weather, competition and their pricing strategy. A good example of this is that back in 2011-12 they had 136,000 visitors but ran at a loss.

Overall, the bottom line is the key, 2012-13 was the first year showing a small profit and this was much improved in 2013-14.

Property

The following figures were spent on maintenance:

- Planned maintenance = £6,526.78
- Reactive maintenance = £10,462.97

The largest costs were for the following:

- Replacement water heater for the Cobtree public conveniences
- Works to the hot water system at 4 Stream Cottages
- Rebuild brickwork and replace roofing felt at Garden Cottage
- Weather sealing and re-pointing at 3 Stream Cottages

Cobtree Manor Estate

Trustees' Report

Additional Volunteer Help and Intangible Income

The volunteer help given on the estate is referred to above; in addition to this the Kent Wildlife Trust volunteers and the Friends of Kent Life and Cobtree Young Farmers continued to play an important role providing voluntary assistance to support activities across the estate.

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 Park Ranger at the Manor Park and a Cobtree Officer. These posts exist solely for the benefit of the Charity and the cost for each is shown in the Charity accounts under the arrangements specified above. Other officers of the Council are engaged from time to time in duties specifically related to the operation and management of the Estate; their time and associated costs are apportioned accordingly to the Cobtree accounts. Additional labour for litter picking and managing the park out of hours at weekend and evenings during school holidays between Easter and the end of September has also been introduced due to the increase in visitor numbers.

FINANCIAL REVIEW

Financial Review and Investment Policy

The net surplus generated as per the Statement of Financial Accounts 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.

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.

PLANS FOR FUTURE PERIODS

The Trustee has now prepared a revised master plan for the Cobtree Manor Park and has obtained permission from the Charity Commission for the use of reserve funds for its implementation.

Cobtree Manor Estate

Trustees' Report

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;
- Observe the methods and principles in the Charities SORP;
- 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 statement;
- 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 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 1993. 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.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the corporate trustee's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustee on and signed on it behalf by:

Councillor John Perry
Chairman of the Cobtree Manor Estate Charity Committee

Independent Auditors' Report to the Trustees of Cobtree Manor Estate

We have audited the financial statements of Cobtree Manor Estate for the year ended 31 March 2014, set out on pages 10 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2014 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 applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

..... *continued*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual 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.

.....
King & Taylor (Audit) Limited

Date:.....

4th Floor, Joynes House
New Road
Gravesend
Kent
DA11 0AT

Cobtree Manor Estate
Statement of Financial Activities for the Year Ended 31 March 2014

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2014	Total Funds 2013
Note	£	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
	64,299	-	-	64,299	72,147
	26,575	-	-	26,575	18,901
	-	44,390	-	44,390	49,868
Incoming resources from charitable activities					
	197,010	-	-	197,010	203,825
Other incoming resources					
	463,145	-	-	463,145	-
Total incoming resources					
	751,029	44,390	-	795,419	344,741
Resources expended					
	580,305	38,638	-	618,943	486,068
	18,970	5,752	-	24,722	20,370
Total resources expended					
	599,275	44,390	-	643,665	506,438
Net incoming/(outgoing) resources before other recognised gains and losses					
	151,754	-	-	151,754	(161,697)
Other recognised gains/losses					
Gains on revaluation of fixed assets for charity's own use					
	-	-	1,074,397	1,074,397	198,770
(Losses)/gains on investment assets					
	-	-	(363,069)	(363,069)	-
Net movements in funds					
	151,754	-	711,328	863,082	37,073
Reconciliation of funds					
Total funds brought forward					
	(58,513)	-	2,959,773	2,901,260	2,864,187
Total funds carried forward					
	93,241	-	3,671,101	3,764,342	2,901,260

The notes on pages 12 to 21 form an integral part of these financial statements.

Cobtree Manor Estate
Balance Sheet as at 31 March 2014

		2014		2013	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8		2,511,000		1,436,141
Investments	9		<u>1,163,867</u>		<u>1,526,936</u>
			3,674,867		2,963,077
 Current assets					
Debtors	10	-		85,555	
Cash at bank and in hand		<u>309,532</u>		<u>153,874</u>	
		309,532		239,429	
 Creditors: Amounts falling due within one year					
	11	<u>(220,057)</u>		<u>(301,246)</u>	
Net current assets/(liabilities)			<u>89,475</u>		<u>(61,817)</u>
Net assets			<u><u>3,764,342</u></u>		<u><u>2,901,260</u></u>
 The funds of the charity:					
Endowment funds			3,671,101		2,959,773
Restricted funds			-		-
Unrestricted funds					
Unrestricted income funds			<u>93,241</u>		<u>(58,513)</u>
Total charity funds			<u><u>3,764,342</u></u>		<u><u>2,901,260</u></u>

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report was approved by the Trustee on and signed on it behalf by:

Councillor John Perry
Chairman of the Cobtree Manor Estate Charity Committee

The notes on pages 12 to 21 form an integral part of these financial statements.

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Charities Act 2011.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Restricted funds are those funds held for a specific purpose upon which restrictions have been imposed by the donor.

The endowment fund represent those assets that must be held permanently by the charity.

Incoming resources

All incoming resources are included within the SOFA when the charity is legally entitled to the income and the amount can be reasonably quantified.

All grants and voluntary income are accounted for gross when receivable as long as they are capable of financial measurement.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category . Where costs relate to more than one functional cost category, they have been split on an appropriate estimated basis.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to the trustee on governance or constitutional matters.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

Tangible Fixed Assets and Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Land	Nil
Leasehold properties	Nil

Land and buildings are re-valued on a five yearly cycle. No depreciation has been provided on the buildings as this is considered immaterial due to the estimated useful life and the level of residual value.

Impairment would be provided if necessary. Impairment reviews will be carried out when there are any indicators of impairment

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

2 Total resources expended

	Charitable activities	Governance	Total
	£	£	£
Direct costs			
Capital expenditure	370,136	-	370,136
Human resources	-	1,030	1,030
Property repairs	38,784	-	38,784
Financial advise	-	6,777	6,777
Auditors' remuneration	-	4,725	4,725
Legal costs	-	12,190	12,190
	<u>408,920</u>	<u>24,722</u>	<u>433,642</u>
Support costs			
Staff costs	24,874	-	24,874
Utilities	71,382	-	71,382
Gounds maintenance	113,767	-	113,767
	<u>210,023</u>	<u>-</u>	<u>210,023</u>
	<u>618,943</u>	<u>24,722</u>	<u>643,665</u>

3 Support costs

	Charitable activities	Total
	£	£
Staff costs	24,874	24,874
Utilities	71,382	71,382
Gounds maintenance	113,767	113,767
	<u>210,023</u>	<u>210,023</u>
	<u>210,023</u>	<u>210,023</u>

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

4 Governance costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2014 £	Total Funds 2013 £
Human resources	-	1,030	-	1,030	998
Financial advise	2,055	4,722	-	6,777	6,916
Auditors' remuneration	4,725	-	-	4,725	4,500
Legal costs	12,190	-	-	12,190	7,956
	18,970	5,752	-	24,722	20,370
	18,970	5,752	-	24,722	20,370

5 Trustees' remuneration and expenses

No trustees received any remuneration during the year.

There were no employees of the Charity.

6 Net incoming/(outgoing) resources

Net incoming/(outgoing) resources is stated after charging:

	£	2014	£	£	2013	£
Auditors' remuneration - audit services			4,725		4,500	
			4,725		4,500	

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

7 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year, analysed by category, was as follows:

	2014	2013
	No.	No.
Golf Course grounds maintenance	2	1
Park Ranger	1	1
	<u>3</u>	<u>2</u>

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£	£
Wages and salaries	<u>24,874</u>	<u>25,327</u>

The above staff are employed by Maidstone Borough Council, the corporate trustee of the Charity (see note 16).

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

8 Tangible fixed assets

	Long leasehold and other interests in land and buildings £
Cost or Valuation	
As at 1 April 2013	1,436,141
Revaluation	349,859
Additions	725,000
As at 31 March 2014	<u>2,511,000</u>
Net book value	
As at 31 March 2014	<u>2,511,000</u>
As at 31 March 2013	<u>1,436,141</u>

The closing net book value of assets were entirely used for direct charitable purposes.

The property is held under a 999 year lease which is due to expire in 2970.

The fixed assets are used solely for direct charitable purposes and form part of the permanent endowment of the charity.

The golf course is revalued by Harrison's Chartered Surveyors on a five yearly cycle based on market value with the remaining properties being revalued by Harrison's Chartered Surveyors on a five year cycle based on market value subject to existing tenancies. The next valuation is due in April 2018.

During 2013/14, the Trust acquired the assets of the Kent Life attraction, which were valued at £725,000 and have been included on the Balance Sheet.

The most recent valuations included in the accounts are as set out below:

- Cobtree Manor Golf Course (Including clubhouse, messroom/garage) - April 2013
- Garden Lodge/Garden Cottage - April 2013
- 2 Stream Cottages - April 2013
- 3 Stream Cottages - April 2013
- 4 Stream Cottages - April 2013

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

9 Investments held as fixed assets

	Listed investments £
Market value	
As at 1 April 2013	1,526,936
Revaluation	142,931
Withdrawal	<u>(506,000)</u>
As at 31 March 2014	<u>1,163,867</u>
Net book value	
As at 31 March 2014	<u>1,163,867</u>
As at 31 March 2013	<u>1,526,936</u>

All investment assets were held in the UK.

	2014	2013
	£	£
Fixed Asset Investments		
Market Valuation of Listed Investment	1,163,867	1,526,936

Breakdown of Historical Cost Information:

	2014	2013
	£	£
Endowment Funds	784,000	1,290,000
	<u>784,000</u>	<u>1,290,000</u>

10 Debtors

	2014	2013
	£	£
Other debtors	<u>-</u>	<u>85,555</u>

11 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Other creditors	215,332	296,746
Accruals and deferred income	4,725	4,500
	<u>220,057</u>	<u>301,246</u>

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

12 Capital commitments

Expenditure contracted for but not provided in the financial statements:

	2014	2013
	£	£
Authorised, but not contracted as at 31 March 2014	<u>397,500</u>	<u>768,254</u>

The Charity has approved a Master Plan for the enhancement of the Cobtree Manor Park. The works will be carried out in three phases, with the first two phases now complete. It is anticipated that the final phase will be completed by Spring 2015.

- Phase 1: Play Area
- Phase 2: Parks Works
- Phase 3: Visitor Centre/ Café works

The Capital Commitments will be financed by the release of £1,065,000 from the endowment fund, which was secured on 17th May 2012, by Order of the Charity Commission. The Trust also received a donation of £300,000 from the Cobtree Charity Trust Ltd towards the cost of the Visitor Centre. The Commission directs the Trustees to replace the sum withdrawn by setting aside for 30 years Thirtieth part of the sum spent.

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

13 Related parties

Controlling entity

The charity is controlled by the Corporate Trustee Maidstone Borough Council .

Related party transactions

During the year, transactions with related parties are as follows:-

RECEIPTS

The Cobtree Charity Trust Limited	£44,390
-----------------------------------	---------

PAYMENTS

Maidstone Borough Council - Governance & Support Costs	£78,033
---	---------

The Maidstone Borough Council is the Corporate Trustee of the Charity. In addition the Council itself owns part of the land upon which the golf course is built. The accounting arrangements between the Council and the Trust are that the Council is responsible for all receipts and payments for both the golf course and the Manor Park. At the end of the each financial year the total net operating surplus or deficit of the Manor Park is transferred to the Trust accounts. For the golf course 7/9ths of the total net operating surplus or deficit 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 Council employs the Park Ranger at the Manor Park and the Cobtree Officer (within the Governance & Support costs balance above – see note 5). The posts exist solely for the benefit of the Charity and the costs of their employment is shown in the Charity accounts under the arrangements specified above.

14 Analysis of funds

	At 1 April 2013	Incoming resources	Resources expended	Other recognised gains/losses	At 31 March 2014
	£	£	£	£	£
General Funds					
Unrestricted income fund	(58,513)	751,029	(599,275)	-	93,241
Restricted Funds					
Restricted income fund	-	44,390	(44,390)	-	-
Permanent Endowment					
Permanent Endowment	2,959,773	-	-	711,328	3,671,101
	2,901,260	795,419	(643,665)	711,328	3,764,342
	2,901,260	795,419	(643,665)	711,328	3,764,342

Cobtree Manor Estate

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

Unrestricted Funds

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

Restricted Funds

These are funds that have been given for particular purposes and projects. The restricted fund relates to:

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

Revaluation Reserve

The revaluation reserve represents the amounts set aside on revaluation of the land and buildings that are held on trust to be retained for the benefit of the Charity as a capital fund.

Permanent Endowment

The endowment fund represents those assets that must be held permanently by the charity. Income arising on the endowment fund can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capitals gains and losses arising on the investment form part of the fund. The assets of the fund are set out below.

	2014 (£)	2013 (£)
Long Leashold Land & Buildings	1,786,000	1,436,141
Investments at Market Value	1,163,867	1,536,936
	<u>2,949,867</u>	<u>2,764,307</u>

Cobtree Manor Estate
Statement of financial activities by fund Year Ended 31 March 2014

	Unrestricted income fund 2014	Unrestricted income fund 2013
	£	£
Incoming resources		
Incoming resources from generated funds		
Investment income	64,299	72,147
Rental income	26,575	18,901
Incoming resources from charitable activities	197,010	203,825
Other incoming resources	463,145	-
Total incoming resources	<u>751,029</u>	<u>294,873</u>
Resources expended		
Charitable activities	580,305	446,745
Governance costs	18,970	9,825
Total resources expended	<u>599,275</u>	<u>456,570</u>
Net incoming/(outgoing) resources before other recognised gains and losses	151,754	(161,697)
Other recognised gains/losses		
Net movements in funds	151,754	(161,697)
Reconciliation of funds		
Total funds brought forward	(58,513)	103,184
Total funds carried forward	<u>93,241</u>	<u>(58,513)</u>

This page does not form part of the statutory financial statements.

Cobtree Manor Estate
Statement of financial activities by fund Year Ended 31 March 2014

..... *continued*

	Restricted income fund 2014	Restricted income fund 2013
	£	£
Incoming resources		
Incoming resources from generated funds		
Will Trust	44,390	49,868
Total incoming resources	44,390	49,868
Resources expended		
Charitable activities	38,638	39,323
Governance costs	5,752	10,545
Total resources expended	44,390	49,868
Net movements in funds	-	-
Reconciliation of funds		
Total funds brought forward	-	-
Total funds carried forward	-	-

This page does not form part of the statutory financial statements.

Cobtree Manor Estate
Statement of financial activities by fund Year Ended 31 March 2014

..... *continued*

	Permanent Endowment 2014	Permanent Endowment 2013
	£	£
Net incoming/(outgoing) resources before other recognised gains and losses	-	-
Other recognised gains/losses		
Gains on revaluation of fixed assets for charity's own use	1,074,397	198,770
(Losses)/gains on investment assets	<u>(363,069)</u>	<u>-</u>
Net movements in funds	711,328	198,770
Reconciliation of funds		
Total funds brought forward	<u>2,959,773</u>	<u>2,761,003</u>
Total funds carried forward	<u><u>3,671,101</u></u>	<u><u>2,959,773</u></u>

This page does not form part of the statutory financial statements.

The Committee
Cobtree Manor Estate
Maidstone Borough Council
Maidstone Gateway,
King Street,
Maidstone, Kent ME15 6JQ

King & Taylor (Audit) Limited
Chartered Accountants
Statutory auditors
4th Floor Joynes House
New Road
Gravesend
Kent
DA11 0AT

6th January 2014

Dear Sirs,

We confirm that the following representations in connection with your audit of the financial statements for the year ended 31 March 2014 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 following representations to you.

1 General

We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter, under the Charities Act 2011, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

2. Internal Control

We acknowledge as trustees our responsibility for the design and implementation of internal control systems to prevent and detect fraud. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud. There have been no irregularities (or allegations of irregularities) involving management, employees who have a

significant role in internal control or others that could have a material effect on the financial statements.

3. Accounting Policies

The accounting policies used are detailed in the financial statements and are consistent with those adopted in the previous financial statements.

4. Statement of Financial Activities (Unrestricted funds)(-£58,513)

Except as disclosed in the financial statements, the results for the year were not materially affected by:

- (a) transactions of a sort not usually undertaken by the Charity,
- (b) circumstances of an exceptional or non-recurrent nature,
- (c) charges or credits relating to prior periods or
- (d) any change in the basis of accounting.

Any expenditure included in the financial statements (where receipts or vouchers were not available) was properly made in connection with the carrying on of the Charity's business, unless specifically notified to you as being of a private nature.

5. Fixed Assets (£3,674,867)

- (a) The Charity has a satisfactory title to all fixed assets included in the financial statements.
- (b) The fixed assets to which the Charity has satisfactory title are included in the financial statements.
- (c) All amounts of expenditure capitalised in respect of fixed assets as detailed in the financial statements represent expenditure incurred in acquiring additional assets or improving existing assets. No expenditure capitalised is of a revenue nature.

6. Debtors (£NIL)

There are no balances to be included in the financial statements relating to valid debtors or prepayments.

7. Other Current Assets (£153,874)

In our opinion, other current assets are expected to realise in the ordinary course of business at least the amounts at which they are stated in the company's Balance Sheet.

8. Liabilities (£220,057)

All known liabilities of material amount at 31 March 2014 are shown in the financial statements including the liability for all purchases to which title has passed prior to 31 March 2014.

9. Capital Commitments

All commitments for capital expenditure at 31 March 2014 are shown in Note 12 of the financial statements.

10. Contingent Liabilities

No contingent liabilities existed at 31 March 2014.

11. Post Balance Sheet Events

No events have occurred between 31 March 2014 and the date of this letter which could materially affect the financial statements.

12. Transactions with Trustees

The Charity has had at no time during the year any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit transactions) for the Trustees nor to guarantee or provide security for such matters.

13. Other Related Party Transactions

All other related party transactions for the year ended 31 March 2014 are shown in Note 13. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of the Charities Act 2011 or the SORP.

14. Going Concern

In our opinion, the Charity will have adequate resources available to finance its trading and other obligations during the course of the twelve months from the date of this letter.

15. Law and Regulations

We confirm that the company has complied with all law and regulations relevant to the activities of the Charity during the year under audit and that we have made available all such relevant information necessary for audit purposes.

16. Restricted Funds

All restricted income has been properly identified in the accounts. The expenditure relating to this income has been properly recorded and allocated to the relevant income.

17. Accounting estimates

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

Yours faithfully,

Maidstone Borough Council

Trustee

King & Taylor (Audit) Ltd

Chartered Accountants & Registered Auditors

4th Floor, Joynes House
New Road, Gravesend
Kent DA11 0AT

Tel: 01474 569777
Fax: +44 (203) 348 8767

www.kingandtaylor.co.uk

Our Ref: JH/5664

The Committee
Cobtree Manor Estate
Maidstone Borough Council
Maidstone Gateway,
King Street,
Maidstone, Kent ME15 6JQ

6th January 2014

Dear Sirs

The purpose of this letter is to report to you the principal findings of our audit work for the year ended 31 March 2014. This management letter is not meant to be an exhaustive list of improvements which are possible, it simply points out matters which actually came to our attention during the course of our audit work. Our audit tests, which are designed to assist us in forming our opinion on the financial statements, may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We would like to draw your attention to the following points:

Observations	Comments
<p>1. We draw your attention to current statutory audit thresholds:</p> <ul style="list-style-type: none">- Gross income exceeds £500,000; <i>or</i>- Gross income exceeds £250,000 and gross assets exceed £3,260,000. <p>In addition, an audit is also required, irrespective of income or gross asset limits, if it is specifically stipulated within the Charity's governing document.</p> <p>Historically, the Corporate Trustee has taken the decision to appoint auditors. This decision was made taking account of any independence issues raised by the Charity Commission, particularly the relationship and transactions undertaken between the Council and Charity.</p> <p>We understand that in future years the Charity is intending to continue this practice and appoint us as auditors. However we draw your attention to the current statutory audit limits.</p>	

We would welcome your comments to these recommendations in due course. One of our members of staff would be happy to assist in implementing any of these changes.

Yours faithfully,

A handwritten signature in cursive script that reads "King & Taylor audit".

King & Taylor (Audit) Limited

King & Taylor (Audit) Ltd

Chartered Accountants & Registered Auditors

4th Floor, Joynes House
New Road, Gravesend
Kent DA11 0AT

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RGH/JH/5664

The Committee
Cobtree Manor Estate
Maidstone Borough Council
Maidstone Gateway,
King Street,
Maidstone, Kent ME15 6JQ

6th January 2015

Dear Sirs,

COBTREE MANOR ESTATE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

Unadjusted misstatements noted during the course of the audit

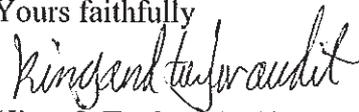
The purpose of this letter is to report to you unadjusted misstatements noted during the course of our audit work for the year ended 31 March 2014. This letter is not meant to be an exhaustive list of misstatements, it simply points out those which actually came to our attention during the course of our audit work. Our tests, which are designed to assist us in forming our opinion on the financial statements, may not necessarily disclose all errors or irregularities and should not be relied upon to do so.

The amount of the misstatement and the effect on the statement of financial activities for the year is set out below.

These items have not been adjusted in the accounts as they are not considered material.

	Description	Amount £
	(income overstated)	
1	Interest Received understated	(39)
2	Rental Income overstated	128
	TOTAL	89

Yours faithfully


King & Taylor (Audit) Limited

King & Taylor (Audit) Ltd

Chartered Accountants & Registered Auditors

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New Road, Gravesend
Kent DA11 0AT

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The Committee
Cobtree Manor Estate
Maidstone Borough Council
Maidstone Gateway,
King Street,
Maidstone, Kent ME15 6JQ

6th January 2015

Dear Sirs

1. In accordance with our normal practice we are writing to draw your attention to various matters which arose during the course of our audit of the charity's accounts for the year ended 31 March 2014.
2. We have no comments to make concerning the qualitative aspects of the entity's accounting practices and financial reporting.
3. We did not encounter any significant difficulties during the audit and there are no significant findings from the audit to draw to your attention.
4. A draft of our proposed letter of representation is attached. We draw your attention to the paragraphs concerning Related Party Transactions. All transactions with Maidstone Borough Council have been appropriately identified in the accounts.

In other respects the letter is routine.

5. A schedule is attached of all the unadjusted misstatements determined during the course of our audit, except for those considered to be clearly trivial. Please advise us of your reasons for not adjusting the financial statements in respect of these misstatements.
6. As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts. An appendix to this letter contains details of actual and potential weaknesses identified during the course of our audit and our recommendations for improvements. It is not meant to be a full and accurate reflection of all weaknesses that may be present in your system.
7. In making our recommendations, we have considered the size of your charity and the number of staff you employ. We shall be glad if you will let us know what steps have been taken in connection with the above.
8. We have discussed the uncertainties relating to the going concern nature of the charity. We have considered the disclosures included within the accounts and consider these to be adequate.

9. We have discussed with you the fact that we provide accounting services to the charity in addition to acting as auditors. We wish to confirm to you that in our opinion the provision of such services and the continued involvement of Robert Hiscock as responsible individual do not affect our independence as:
- (i) the additional services provided are of a routine compliance nature and the Trustees take any decisions where judgement is required; and
 - (ii) the firm's quality control procedures provide adequate safeguards in respect of the involvement of Robert Hiscock.

The firm and the audit engagement team have therefore complied with relevant ethical requirements concerning independence.

We would like to take this opportunity of expressing our thanks to your staff for their assistance during the course of our audit.

Please note that this report has been prepared for the sole use The Cobtree Manor Estate. It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person.

The purpose of the audit was to enable us to express an opinion on the financial statements. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported above are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.

If we can be of any further assistance, please contact Robert Hiscock.

Yours faithfully



King & Taylor (Audit) Limited