

**Cobtree Manor Estate**

**Trustees' Report and Financial Statements**

**For the Year Ended 31 March 2017**

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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 2017

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<b>Corporate trustee</b>	Maidstone Borough Council
<b>Trustees</b>	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>	2836174
<b>Principal office</b>	Maidstone Borough Council Maidstone House King Street Maidstone 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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### Trustees' report For the year ended 31 March 2017

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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 2017.

#### 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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### Trustees' report For the year ended 31 March 2017

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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 park also includes the recently completed café/visitor centre, 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

In 2016 a tendering exercise was carried out to find a new operator, this resulted in the existing operator, Mytime, winning the 20 plus 5 year contract. This contract started in April 2017.

The winning proposal includes:

- The construction of a new clubhouse which includes improved catering, Leisure and hospitality facilities;
- A new driving range; and
- Remodelling of some of the holes.

These will modernise the existing facilities which will secure the long term future of the Golf Course as a business, and ultimately secure financial income for the charity.

A full programme of events is held throughout the year including outdoor cinema, a fireworks spectacular and a growing programme of dementia-friendly activities.

<b>Year</b>	<b>Rounds Played</b>
<b>2009/2010</b>	<b>43,913</b>
<b>2010/2011</b>	<b>41,784</b>
<b>2011/2012</b>	<b>43,516</b>
<b>2012/2013</b>	<b>36,006</b>
<b>2013/2014</b>	<b>36,923</b>
<b>2014/2015</b>	<b>37,482</b>
<b>2015/2016</b>	<b>39,927</b>
<b>2016/2017</b>	<b>40,593</b>

The improvements planned for Cobtree Manor Golf Course in the next few years should enable this increase in visitors to continue.

#### Cobtree Manor Park

The park was awarded a Green Flag Award for 2016/17.

Ongoing park improvements include invasive species removal, renovation of shrubbery areas; assessment of the Arboretum trees, work to trees, the establishment of a community gardening space and installation of planters.

Two Conservation/ Horticulture students with additional needs undertook work placements, working with the Cobtree Ranger. SHED's Green Shoots therapeutic Garden Project, ran for 10 weeks between January and April 2017 to allow the more vulnerable or socially isolated to volunteer in a supported environment. Volunteers worked on clearing and establishing a community garden. The Men In Sheds project continues to increase membership and now meet on three days per week. The group have continued to improve the space and increase the range of tools and machinery available. The group have completed benches and planters for the park and have undertaken fencing work.

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## Cobtree Manor Estate

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### Trustees' report For the year ended 31 March 2017

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A varied programme of events and activities delivered by the park team and partner organisations has been offered throughout the year

The Café and Visitor Centre building and facilities have functioned well and have proved well equipped to cope with the increase in visitor numbers. Year 1 rectifications were completed satisfactorily by the construction company.

The café, serving locally sourced, home cooked food and hosting meetings and parties with catering, underwent changes to the menu offered with subsequent refinements to staffing patterns and catering processes in order to work towards profitability

A website to promote the park and the work of the Trust [www.cobtreemanorpark.co.uk](http://www.cobtreemanorpark.co.uk) was launched in early 2017 and is now the source of frequent enquiries about the park and events.

#### Cobtree Manor Park Visitor Numbers:

	2015	Quarterly	% on previous year	2016	Quarterly	% on previous year	2017	Quarterly	% on previous year
Jan	13163			15923			21652		
Feb	17474			15798			19574		
Mar	19891	50528	-16.15	18227	49948	-1.15	25676	66902	33.94
Apr	27093			22144					
May	23254			29076					
Jun	20472	70819	-10.03	22031	73251	3.43			
Jul	27109			21043					
Aug	28517			33192					
Sep	22427	78053		19468	73703	-5.57			
Oct	10581			15124					
Nov	12518			17460					
Dec	14041	37140		18138	50722	36.57			
	236540	236540		247624	247624				

April 2016 – March 2017 saw a 12.13% increase in visitors compared to the same period in the previous year

Car park revenue generated an average of £1,621 per week.

#### Kent Life Farm Attraction

Planning Solutions Ltd re-opened the attraction in February 2016.

Year	Visitor numbers
2011/2012	136,000
2012/2013	116,940
2013/2014	123,715
2014/2015	129,717
2015/2016	150,448
2016/2017	129,679

There was a slight decrease in visitor numbers this year due to the attraction being closed following the takeover by the new operator. 2016/2017 Key areas of investment included:

- Major groundworks and landscaping (£51,000) including works to roadways, pathways, paved farmyard and car park improvements.

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## Cobtree Manor Estate

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### Trustees' report For the year ended 31 March 2017

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- Technical & IT Equipment (£30,000) – upgrades to telephone system, admission system, security & alarms
- Playbarn improvements & upgrade (£12,000) - new electrics, heating, furniture, café service, electric doors.
- Oast House and Entrance Improvements (£20,000) - shop fitting, new gas supply, new boiler
- Kent Owl Academy (£45,000) – construction and fit-out of aviaries and landscaping
- Big Top – Performance Venue (£16,000) - relocation and rebuild, new hard flooring & covering, stage, new seating for 500 visitors
- Kent Life Land Train, Zorbs & Pool and inflatables (£75,000)
- Improvements to Heritage Buildings (£10,000) – floors, windows, doors, displays
- Sandling toilets facilities upgraded (£7,500)
- New catering and retail equipment (£10,000)

New events and activities offered have included:

- Owl Academy Birds of Prey Exhibitions
- Road Train trips with Kent Life Heritage narrative
- Hops 'n' Harvest Boutique Festival
- New Halloween Programme
- Winter Wonderland

#### 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.

#### Forstal Field

Fringingham Manor Enterprises currently lease the Forstal Field adopting zero tillage agricultural practices and wildlife habitat buffers to field margins.

#### 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 at the Manor Park and a number of permanent and temporary staff in the new café/visitor centre. 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 weekends and evenings during school holidays between Easter and the end of September has also been introduced due to the increase in visitor numbers.

Full details of the financial impact of these related party transactions is provided in note 20 to the financial statements.

**Trustees' report  
For the year ended 31 March 2017**

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**FINANCIAL REVIEW**

**Financial Review and Investment Policy**

Income for the year amounted to £591k, a significant increase on the £415k in 2015/16. This rise in income is largely because 2016/17 was the first full year of operation of the new café/visitor centre, that opened mid-way through the previous year – income from the café rose from £99k in 2015./16 to £236k this year. There has also been a large increase in car park income this year.

Golf income once again struggled, and fell further this year to £81k. As noted in the achievements and performance section of this report a new contract was awarded, with effect from 1 April 2017, and it is hoped that this will return income from the golf club to the levels seen in the past and beyond.

Charitable costs rose during the year from £464k to £647k, mainly as a result of costs associated with operating the café/visitor centre for a full year. This left an overall deficit for the year, before investment losses and other gains/losses, of £65k compared to £49k in 2015/16.

This year, however, a strong return on investments (the movement in the year on the charity' listed investment securities) means the investment gains of £75k bring the overall result for the year before movements on the revaluation of fixed assets to a net increase in funds of £10k.

The final movement in funds for the year relates to fixed asset revaluations in respect of the golf course. The carrying value of the gold course has been reduced by £194k to reflect the latest valuation performed in the year by a chartered surveyor.

The Balance sheet shows net assets at 31 March 2016 of £4.3m, reduced from £4.5m at the end of the prior year. Much of this value is related to the charity's tangible fixed assets and other investments.

Most of the charity's funds are held in endowment funds, which comprise £4.1m of the total. The remaining funds sit as unrestricted free reserves.

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 Trust 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.

**Trustees' report  
For the year ended 31 March 2017**

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**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 on ..... and signed on its behalf by

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

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## **Cobtree Manor Estate**

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

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We have audited the financial statements of Cobtree Manor Estate for the year ended 31 March 2017 set out on pages 10 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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: Statements 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.

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 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 opinion 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 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 to you 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 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 2017 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects the requirements of the Charities Act 2011.

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## **Cobtree Manor Estate**

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

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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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' 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.

#### **UHY Kent LLP**

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date:

UHY Kent LLP 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 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income and endowments from:</b>						
Donations and legacies	2	1,196	42,907	-	44,103	52,541
Charitable activities	3	464,811	-	-	464,811	273,926
Other trading activities	4	27,872	-	-	27,872	31,531
Investments	5	45,086	-	-	45,086	56,559
<b>Total income and endowments</b>		<b>538,965</b>	<b>42,907</b>	<b>-</b>	<b>581,872</b>	<b>414,557</b>
<b>Expenditure on:</b>						
Charitable activities		604,276	42,907	-	647,183	463,639
<b>Total expenditure</b>	6	<b>604,276</b>	<b>42,907</b>	<b>-</b>	<b>647,183</b>	<b>463,639</b>
<b>Net expenditure before investment gains/(losses)</b>		<b>(65,311)</b>	<b>-</b>	<b>-</b>	<b>(65,311)</b>	<b>(49,082)</b>
Net gains/(losses) on investments	13	-	-	75,145	75,145	(78,989)
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(65,311)</b>	<b>-</b>	<b>75,145</b>	<b>9,834</b>	<b>(128,071)</b>
Losses on revaluations of fixed assets	11	-	-	(194,453)	(194,453)	(361,163)
<b>Net movement in funds</b>		<b>(65,311)</b>	<b>-</b>	<b>(119,308)</b>	<b>(184,619)</b>	<b>(489,234)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	16	278,771	-	4,202,221	4,480,992	4,970,226
<b>Total funds carried forward</b>		<b>213,460</b>	<b>-</b>	<b>4,082,913</b>	<b>4,296,373</b>	<b>4,480,992</b>

All activities relate to continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

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## Cobtree Manor Estate

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### Balance Sheet As at 31 March 2017

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	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	10		25,000		37,500
Tangible assets	11	2,669,871		2,870,177	
Investment property	12	635,000		635,000	
Total tangible assets			3,304,871		3,505,177
Investments	13		874,029		1,133,884
			4,203,900		4,676,561
<b>Current assets</b>					
Debtors	14	9,266		9,266	
Cash at bank and in hand		180,373		377,638	
		189,639		386,904	
<b>Creditors:</b> amounts falling due within one year	15	(97,166)		(582,473)	
<b>Net current assets/(liabilities)</b>			92,473		(195,569)
<b>Net assets</b>			4,296,373		4,480,992
<b>Charity Funds</b>					
Endowment funds	16		4,082,913		4,202,221
Unrestricted funds	16		213,460		278,771
<b>Total funds</b>			4,296,373		4,480,992

The financial statements were approved by the Trustee on

and signed by:

Councillor

Chairman of the Cobtree Manor Estate Charity Committee

The notes on pages 13 to 22 form part of these financial statements.

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**Cobtree Manor Estate**

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**Statement of Cash Flows  
For the Year Ended 31 March 2017**

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	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	(577,351)	(4,681)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		45,086	56,559
Purchase of intangible assets		-	(50,000)
Purchase of tangible fixed assets		-	(348,208)
Disposal of investments		335,000	-
<b>Net cash provided by/(used in) investing activities</b>		<b>380,086</b>	<b>(341,649)</b>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		377,638	723,968
<b>Cash and cash equivalents carried forward</b>	19	<b>180,373</b>	<b>377,638</b>

The notes on pages 13 to 22 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 March 2017**

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**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Cobtree Manor Estate constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The financial statements are prepared on the basis that the charity will continue in operational existence for the foreseeable future.

**1.3 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.

**1.4 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.

**1.5 Intangible fixed 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.

Amortisation is provided at a rate to write off the cost over the expected life of the asset as follows:

Website development costs	-	25% on cost
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**1.6 Tangible fixed assets and depreciation**

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.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	Nil
Fixtures and fittings	-	10-25% on cost

**Notes to the Financial Statements  
For the Year Ended 31 March 2017**

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**1. Accounting Policies (continued)**

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. 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.

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 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.

**1.13 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees 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.

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**Cobtree Manor Estate**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2017**

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**2. Income from donations and legacies**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Endowment funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
Will Trust income	-	42,907	-	42,907	43,275
Other donations	1,196	-	-	1,196	9,266
<b>Total 2017</b>	<b>1,196</b>	<b>42,907</b>	<b>-</b>	<b>44,103</b>	<b>52,541</b>
<b>Total 2016</b>	<b>9,266</b>	<b>43,275</b>	<b>-</b>	<b>52,541</b>	

**3. Income from charitable activities**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Endowment funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
Golf club revenue	80,694	-	-	80,694	128,333
Café income	235,932	-	-	235,932	98,642
Car park income	90,474	-	-	90,474	25,951
Kent Life income	55,451	-	-	55,451	21,000
Other income	2,260	-	-	2,260	-
<b>Total 2017</b>	<b>464,811</b>	<b>-</b>	<b>-</b>	<b>464,811</b>	<b>273,926</b>
<b>Total 2016</b>	<b>273,926</b>	<b>-</b>	<b>-</b>	<b>273,926</b>	

**4. Trading activities**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Endowment funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
Rental income	27,872	-	-	27,872	31,531
<b>Net income from trading activities</b>	<b>27,872</b>	<b>-</b>	<b>-</b>	<b>27,872</b>	<b>31,531</b>

In 2016, the income from trading activities was to unrestricted funds.

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**Cobtree Manor Estate**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2017**

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**5. Investment income**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Endowment funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
Investment income	45,086	-	-	45,086	56,559
<b>Total 2016</b>	<b>56,559</b>	<b>-</b>	<b>-</b>	<b>56,559</b>	

**6. Analysis of Expenditure by expenditure type**

	<b>Staff costs 2017 £</b>	<b>Depreciation and amortisation 2017 £</b>	<b>Other costs 2017 £</b>	<b>Total 2017 £</b>	<i>Total 2016 £</i>
Charitable activities	219,433	18,353	409,397	647,183	463,639
<b>Total 2016</b>	<b>157,465</b>	<b>18,353</b>	<b>287,821</b>	<b>463,639</b>	

**7. Direct costs**

	<b>Total 2017 £</b>	<i>Total 2016 £</i>
Staff training, welfare and other costs	3,475	2,121
Repairs and maintenance	23,474	15,521
Grounds maintenance	69,533	81,400
Rent and rates	2,781	919
Heat and light	6,590	4,187
Insurance	4,094	4,363
Cleaning and other property services	22,863	19,971
Security	8,445	10,020
Catering supplies and provisions	109,409	40,804
Printing, postage and stationery	393	618
Governance costs in relation to legal and professional fees	30,346	21,417
Advertising and marketing	3,525	7,562
Telephone and internet	492	277
Other fees and services	71,382	60,176
Equipment hire and maintenance	13,706	18,465
Contract charges	38,889	-
Wages and salaries	188,242	141,753
National insurance	8,886	2,972
Pension cost	22,305	12,740
Depreciation and amortisation	18,353	18,353
	<b>647,183</b>	<b>463,639</b>
<b>At 31 March 2016</b>	<b>463,639</b>	

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## Cobtree Manor Estate

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### Notes to the Financial Statements For the Year Ended 31 March 2017

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#### 8. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	5,853	5,853
Amortisation of intangible fixed assets	12,500	12,500
Auditors' remuneration - audit	4,995	4,775
	<u>23,348</u>	<u>23,128</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

#### 9. 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 these accounts as staff costs.

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries (including agency staff)	188,242	141,753
Social security costs	8,886	2,972
Other pension costs	22,305	12,740
	<u>219,433</u>	<u>157,465</u>

The average number of MBC and temporary agency employees engaged on Cobtree Manor Estate business during the year was as follows:

	2017 No.	2016 No.
Manor Park Grounds Maintenance	4	2
Park Ranger	1	1
Catering staff (including agency staff)	20	25
Manager	1	1
	<u>26</u>	<u>29</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Manor Park grounds maintenance	1	1
Park Ranger	1	1
Catering staff	4	4
Manager	1	1
	<u>7</u>	<u>7</u>

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

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**Cobtree Manor Estate**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2017**

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**10. Intangible fixed assets**

	<b>Website development £</b>
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	50,000
<b>Amortisation</b>	
At 1 April 2016	12,500
Charge for the year	12,500
At 31 March 2017	25,000
<b>Carrying amount</b>	
At 31 March 2017	25,000
<i>At 31 March 2016</i>	<i>37,500</i>

**11. Tangible fixed assets**

	<b>Long-term leasehold property £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2016	2,817,507	58,523	2,876,030
Revaluation surplus/(deficit)	(194,453)	-	(194,453)
At 31 March 2017	2,623,054	58,523	2,681,577
<b>Depreciation</b>			
At 1 April 2016	-	5,853	5,853
Charge for the year	-	5,853	5,853
At 31 March 2017	-	11,706	11,706
<b>Net book value</b>			
At 31 March 2017	2,623,054	46,817	2,669,871
<i>At 31 March 2016</i>	<i>2,817,507</i>	<i>52,670</i>	<i>2,870,177</i>

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 by a professional firm of chartered surveyors periodically, using a 'market approach'. The visitor centre was valued last year when new, and the golf course is valued annually. The Kent Life Attraction is generally revalued every five years.

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

Cobtree Manor Golf Course (including clubhouse, messroom/garage and visitor centre)  
Kent Life Attraction

April 2017 (to 31.3.17)  
April 2014

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## Cobtree Manor Estate

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### Notes to the Financial Statements For the Year Ended 31 March 2017

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#### 12. Investment property

	<b>Long term leasehold investment property £</b>
<b>Valuation</b>	
At 1 April 2016 and 31 March 2017	635,000
	<u>635,000</u>
<b>Comprising</b>	
Cost	635,000
At 31 March 2017	635,000
	<u>635,000</u>

The investment properties are held to generate a rental income stream for the Charity.

All properties are revalued by a professional firm of chartered surveyors on a five yearly cycle (subject to existing tenancies where appropriate). The next valuation is due April 2018.

#### 13. Fixed asset investments

	<b>Listed securities £</b>	
<b>Market value</b>		
At 1 April 2016		1,133,884
Disposals		(335,000)
Revaluations		75,145
At 31 March 2017		874,029
		<u>874,029</u>
<b>Historical cost</b>		784,000
		<u>784,000</u>

#### Investments at market value comprise:

	<b>2017 £</b>	<b>2016 £</b>
Listed investments	874,029	1,133,884
	<u>874,029</u>	<u>1,133,884</u>

All the fixed asset investments are held in the UK

#### 14. Debtors

	<b>2017 £</b>	<b>2016 £</b>
Other debtors	9,266	9,266
	<u>9,266</u>	<u>9,266</u>

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## Cobtree Manor Estate

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### Notes to the Financial Statements For the Year Ended 31 March 2017

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#### 15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to Maidstone Borough Council	92,044	577,698
Other creditors	5,122	4,775
	<u>97,166</u>	<u>582,473</u>

#### 16. Summary of funds

##### Summary of funds - current year

	Balance at 1 April 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2017 £
General funds	278,771	538,965	(604,276)	-	213,460
Endowment capital funds	4,202,221	-	-	(119,308)	4,082,913
Restricted funds	-	42,907	(42,907)	-	-
	<u>4,480,992</u>	<u>581,872</u>	<u>(647,183)</u>	<u>(119,308)</u>	<u>4,296,373</u>

##### Summary of funds - prior year

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2016 £
General funds	327,853	371,282	(420,364)	-	-	278,771
Endowment capital funds	4,229,873	-	-	412,500	(440,152)	4,202,221
Restricted funds	412,500	43,275	(43,275)	(412,500)	-	-
	<u>4,970,226</u>	<u>414,557</u>	<u>(463,639)</u>	<u>-</u>	<u>(440,152)</u>	<u>4,480,992</u>

#### Unrestricted Funds

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

#### Restricted Income 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 Cobtree Charity Trust Limited, a separate entity.

#### Permanent Endowment Capital Fund

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

## Cobtree Manor Estate

### Notes to the Financial Statements For the Year Ended 31 March 2017

#### 17. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Intangible fixed assets	25,000	-	-	25,000
Tangible fixed assets	46,817	-	2,623,054	2,669,871
Fixed asset investments	-	-	874,029	874,029
Investment property	-	-	635,000	635,000
Current assets	189,639	-	-	189,639
Creditors due within one year	(47,996)	-	(49,170)	(97,166)
	<u>213,460</u>	<u>-</u>	<u>4,082,913</u>	<u>4,296,373</u>

##### Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Endowment funds 2016 £</i>	<i>Total funds 2016 £</i>
Intangible fixed assets	37,500	-	-	37,500
Tangible fixed assets	52,670	-	2,817,507	2,870,177
Fixed asset investments	-	-	1,133,884	1,133,884
Investment property	-	-	635,000	635,000
Current assets	386,904	-	-	386,904
Creditors due within one year	(198,303)	-	(384,170)	(582,473)
	<u>278,771</u>	<u>-</u>	<u>4,202,221</u>	<u>4,480,992</u>

#### 18. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	9,834	(128,071)
<b>Adjustment for:</b>		
Depreciation and amortisation charges	18,353	18,353
Gains/(losses) on investments	(75,145)	78,989
Dividends, interest and rents from investments	(45,086)	(56,559)
Increase in debtors	-	(9,266)
(Decrease)/increase in creditors	(485,307)	91,873
<b>Net cash used in operating activities</b>	<u>(577,351)</u>	<u>(4,681)</u>

#### 19. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	180,373	377,638
	<u>180,373</u>	<u>377,638</u>

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## Cobtree Manor Estate

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### Notes to the Financial Statements For the Year Ended 31 March 2017

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#### 20. 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 £151,473 (2016: £203,139) in relation to operating the estate in accordance with this arrangement, as broken down below.

	2017	2016
	£	£
Golf club revenue	80,694	128,333
Will trust income	42,907	43,275
Rental income	27,872	31,531
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	151,473	203,139

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

As disclosed in note 8 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 £178,419 (2016: £96,229) of recharged employment costs.

During the year MBC provided various other services to the Charity, which have been included within 'other services and fees' in charitable expenses. During the year total recharges of £77,811 (2016: £60,176) were made for these services.

At 31 March 2017 the Charity owed £92,044 (2016: £577,698) to Maidstone Borough Council.

#### 21. Controlling party

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