

Cobtree Manor Estate

Trustee's Report and Financial Statements

For the Year Ended 31 March 2020

Cobtree Manor Estate

Contents

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustee's Report	2 - 7
Independent Auditors' Report on the Financial Statements	8 - 9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 - 27

Cobtree Manor Estate

**Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2020**

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

Cobtree Manor Estate

Trustees' Report

For the Year Ended 31 March 2020

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 2020.

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.

Cobtree Manor Estate

Trustees' Report

For the Year Ended 31 March 2020

Activities

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

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

Cobtree Golf Course

Year	Rounds Played
2015/2016	39,927
2016/2017	40,593
2017/2018	35,972
2018/2019	36,808
2019/2020	26,006

The table above provides a five-year history of the number of rounds played per annum. Rounds played in 2019/20 were down by nearly 30% from the previous year and income from all activities saw a 28% reduction.

Whilst there may have been reductions in golf participation nationally, Cobtree Golf Course was impacted by wet weather and drainage issues during 2019, leading to reduced capacity and days of course closure. Other factors that impacted on participation at Cobtree during the year included membership reductions following the announcement by MyTime of course development / improvement that would reduce the course to 9 holes for a period. These works have been delayed and, notwithstanding the Covid pandemic impact, many of these memberships were being re-activated.

The golf course continues to diversify their offering and target audiences to increase visits for all activities.

The Cobtree Wellbeing Programme during the year included:

- Dementia Golf
- Mum and Baby Yoga
- Beside You – NHS programme to support breast feeding, and Cobtree Golf Course hosted the NHS publicity launch
- Weight Watchers weekly session – linked to MyTime's healthy lifestyle offering

Other events during the year included:

- Weekly carveries
- Fireworks night (over 300 attendees)
- Motown tribute night
- Cinema night
- Large big screen events showing live Sky Sports
- Summer BBQ's
- Christmas party night through December

Cobtree Manor Estate

Trustees' Report

For the Year Ended 31 March 2020

Cobtree Manor Park

The park was awarded a Green Flag Award for 2019/2020.

Landscape works carried out include completing the renovation pruning of shrubbery areas, shrub planting, extensive tree works as specified by the 2018, full tree survey.

The pond within Cobtree Manor Park was renovated and improved and made an ideal site for great crested newts. Fencing has been installed around the pond to prevent other animals from accessing it and this will now provide a perfect breeding site for the newts. A varied programme of events and activities delivered by the park team and partner organisations has been offered throughout the year. These included family-friendly, nature and wildlife themed events and the popular Easter and Halloween trails, which each attracted more than 150 participants.

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

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

Throughout 2019/20 we have seen the benefits of this work and so have customers. The new car park makes the site far more accessible for everyone in the community and makes the park a much more enjoyable and appealing place to journey to.

Car park income totalled £85,074 for 2019/20 Financial Year which is up 14.2% on 2018/19, which reflects the impact of the new car park. The average weekly income was £2,114.

Kent Life

In 2019 Kent Life brought a new beer festival to the site which attracted a new audience. It also launched a new ice cream festival, which was very popular with families.

The Christmas offer expanded in 2019 and included better accessibility for children with SEN to attend with their siblings or on their own. The grotto operated autistic-friendly sessions and altered the environment and procedures to be more accommodating to children's needs. This was extremely well received and plans to improve it further were in place for 2020. The Covid-19 pandemic meant these plans did not go ahead, but they will return next Christmas.

The improvements at Kent Life, coupled with the continued developments of the site landscape, animal welfare, cleanliness and customer service resulted in Visit England awarding Kent Life the VAQuAS award of Red Rosette for the quality of the visitor attraction.

Forstal Field

The agricultural contactor formerly farming the field has ceased to work on it. In spring 2020 the Cobtree Manor Estate Charity signed a lease with the Cobtree Young Farmers allowing them to graze sheep and cattle on the land. The security of tenure that this gave to the young farmers enabled them to attract funding from the Old Chalk New Down fund as part of a conservation grazing project. The funding has provided fencing and hard infrastructure on the field, created paddocks with animal shelters, and provided utilities supplies.

The project has brought grazing back to the field and provided a great resource and setting to the Cobtree Young Farmers so they can expand the education they offer to young farmers in Maidstone.

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, the Friends of Kent Life, the Cobtree Young Farmers and the Cobtree Men's Shed volunteers continued to play an important role providing voluntary assistance to support activities across the estate.

Trustees' Report

For the Year Ended 31 March 2020

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 two park rangers. 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. When required, additional labour for covering ranger holiday and some weekends in the summer season is also paid for by the Charity.

Other officers of the Council are engaged from time to time in duties specifically related to the operation and management of the Estate; their time and associated costs are apportioned accordingly to the Cobtree accounts.

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

FINANCIAL REVIEW

Financial Review

Income for the year amounted to £472k, a slight increase on total income of £463k in the previous year. All main income classes shown on the Statement of Financial Activities ("SoFA") remained consistent, although within the heading for income from charitable activities there were reductions in café income and a rise in car park income. With the café now fully outsourced the rent received from the company managing the company is included within note 5. The £17,934 café income included in note 4 represents a percentage of the café company's turnover, which the charity is entitled to in addition to the basic rent.

Charitable costs rose to £445k from £393k, with the increase largely arising due to depreciation charges in respect of long-term leasehold property.

Before losses reported on investments this meant the result for the year was an excess of income over expenditure of £30,079 (2019: £70,018). The £192,574 loss on investments (2019: gain of £6,515) brings net expenditure for the year per the SoFA to £165,495 (2019: net income of £76,633). The loss on investments represents the movement in the year on the charity's listed investment securities, as shown in note 15.

The final movement in funds for the year relates to fixed asset revaluations. The carrying value of the fixed assets has been decreased by £620k to reflect the latest valuations. The overall movement in funds was therefore a decrease of £785k (2019: increase of £907k).

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

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

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

The Balance sheet shows net assets at 31 March 2020 of £4.4m, down from £5.2m at the end of the prior year. Much of this value is related to the charity's tangible fixed assets and other investments held in endowment funds, which comprise £4.1m of the total. The remaining funds sit as unrestricted free reserves of £275k and restricted funds of £8k.

Cobtree Manor Estate

Trustees' Report

For the Year Ended 31 March 2020

Investment Policy and Performance

The charity's listed investments are held fully in the M&G Charifund. M&G's Charifund is designed to provide a high and growing income for charities, while at the same time protecting their capital from the erosive effects of inflation over a rolling ten year period. There is no guarantee that the fund will achieve a positive return over this, or any other, period and investors may not get back the original amount invested. The units are a suitable investment for the equity portion of charitable funds. Usually the investment manager's policy is to invest in a portfolio mainly of equities and convertible stocks to provide a yield significantly more than that of the FTSE All-Share Index.

The trustees were pleased with the performance of the fund in 2019/20, which was steady and consistent with recent years:

	Year to 31 March 2020	Year to 31 March 2019	Year to 31 March 2018	Year to 31 March 2018
Investment income	47,541	45,607	42,566	45,086

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

TRUSTEE'S RESPONSIBILITIES

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

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

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

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

Cobtree Manor Estate

Trustees' Report

For the Year Ended 31 March 2020

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

Councillor
Chairman of the Cobtree Manor Estate Charity Committee

Date:

Independent Auditors' Report to the Members of Cobtree Manor Estate

Opinion

We have audited the financial statements of Cobtree Manor Estate (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Use of our report

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

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

Date:

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

Cobtree Manor Estate

Statement of financial activities
For the Year Ended 31 March 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	3	-	43,483	-	43,483	41,526
Charitable activities	4	327,216	-	-	327,216	326,732
Other trading activities	5	54,438	-	-	54,438	48,752
Investments	6	47,575	-	-	47,575	45,607
Total income and endowments		429,229	43,483	-	472,712	462,617
Expenditure on:						
Charitable activities	7	325,603	43,483	76,547	445,633	392,599
Total expenditure		325,603	43,483	76,547	445,633	392,599
Net (losses)/gains on investments		-	-	(192,574)	(192,574)	6,615
Net income/(expenditure)		103,626	-	(269,121)	(165,495)	76,633
Transfers between funds	20	(8,393)	8,393	-	-	-
Net movement in funds before other recognised gains/(losses)		95,233	8,393	(269,121)	(165,495)	76,633
Other recognised gains/(losses):						
(Losses)/gains on revaluation of fixed assets		-	-	(620,000)	(620,000)	830,000
Net movement in funds		95,233	8,393	(889,121)	(785,495)	906,633
Reconciliation of funds:						
Total funds brought forward		179,483	-	4,985,970	5,165,453	4,258,820
Net movement in funds		95,233	8,393	(889,121)	(785,495)	906,633
Total funds carried forward		274,716	8,393	4,096,849	4,379,958	5,165,453

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

The notes on pages 12 to 27 form part of these financial statements.

Cobtree Manor Estate

Balance Sheet
As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	2,716,564	2,829,583
Investments	15	670,148	862,722
Investment property	14	1,010,000	1,630,000
		<u>4,396,712</u>	<u>5,322,305</u>
Current assets			
Debtors	16	130,333	39,136
Cash at bank and in hand		247,484	110,011
		<u>377,817</u>	<u>149,147</u>
Creditors: amounts falling due within one year	17	(194,996)	(74,421)
		<u>182,821</u>	<u>74,726</u>
Net current assets			
		<u>4,579,533</u>	<u>5,397,031</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	18	(199,575)	(231,578)
		<u>4,379,958</u>	<u>5,165,453</u>
Total net assets			
		<u><u>4,379,958</u></u>	<u><u>5,165,453</u></u>
Charity funds			
Endowment funds	20	4,096,849	4,985,970
Restricted funds	20	8,393	-
Unrestricted funds	20	274,716	179,483
		<u>4,379,958</u>	<u>5,165,453</u>
Total funds			
		<u><u>4,379,958</u></u>	<u><u>5,165,453</u></u>

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

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

Date:

The notes on pages 12 to 27 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective March 2018), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

2.2 Going concern

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

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

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

Changes to operations

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

Cobtree Manor Park Golf Course had been closed for 58 days but is now operating at full capacity although the clubhouse, bar and restaurant remained closed. The majority of the staff remained on furlough but a sufficient number returned to supervise the venue and the people on site.

Since closing on 23 March 2020, Planning Solutions, the operator of Kent Life, had furloughed all staff apart from two team members who had been on site every day checking the premises and caring for the animals. Kent Life re-opened on 4 July 2020.

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

Contractor rental amendments

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

Conclusion

Prudent revised forecasts have been prepared for the coming year, taking the above into account, and using the assumption that the charity will be able to continue providing services even in the event of a second lockdown period.

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

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.3 Income

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

2.4 Expenditure

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

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

2.5 Intangible assets and amortisation

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Website development	- 25 %
---------------------	--------

2.6 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

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

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

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

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.7 Investments

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

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

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

2.8 Financial instruments

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

2.9 Fund accounting

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

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

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

Notes to the Financial Statements
For the Year Ended 31 March 2020

3. Income from donations and legacies

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Will Trust income	43,483	43,483	41,526
<i>Analysis of 2019 total by fund</i>	<u>41,526</u>	<u>41,526</u>	

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Golf club revenue	127,857	127,857	120,167
Cafe income	17,934	17,934	42,437
Car park income	109,927	109,927	96,294
Kent Life income	71,166	71,166	64,000
Other income	332	332	3,834
	<u>327,216</u>	<u>327,216</u>	<u>326,732</u>
<i>Analysis of 2019 total by fund</i>	<u>326,732</u>	<u>326,732</u>	

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Rental income	54,438	54,438	48,752
<i>Analysis of 2019 total by fund</i>	<u>48,752</u>	<u>48,752</u>	

Notes to the Financial Statements
For the Year Ended 31 March 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	47,575	47,575	45,607
<i>Analysis of 2019 total by fund</i>	<i>45,607</i>	<i>45,607</i>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	325,603	43,483	76,547	445,633	392,599
<i>Analysis of 2019 total</i>	<i>362,349</i>	<i>30,250</i>	<i>-</i>	<i>392,599</i>	

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	101,156	121,058	223,419	445,633	392,599
<i>Analysis of 2019 total</i>	<i>108,309</i>	<i>18,353</i>	<i>265,937</i>	<i>392,599</i>	

Notes to the Financial Statements
For the Year Ended 31 March 2020

8. Analysis of expenditure by activities

	Direct costs 2020 £	Total funds 2020 £	<i>Total</i> <i>funds</i> <i>2019</i> £
Charitable activities	445,633	445,633	392,599
<i>Analysis of 2019 total</i>	<i>392,599</i>	<i>392,599</i>	

Analysis of direct costs

	Total funds 2020 £	<i>Total</i> <i>funds</i> <i>2019</i> £
Staff salaries	101,156	108,309
Staff training, welfare and other costs	3,881	1,013
Repairs and maintenance	58,999	28,823
Grounds maintenance	29,617	50,744
Rent and rates	1,088	644
Heat and light	10,404	7,531
Insurance	11,506	6,621
Cleaning	8,735	12,249
Catering supplies and provisions	2,066	12,740
Printing, postage and stationery	97	258
Legal and professional fees	24,837	30,043
Advertising and marketing	-	432
Telephone and internet	46	1,484
Other fees and services	54,226	88,797
Equipment hire and maintenance	9,058	15,292
Bad debt write off	-	9,266
Loan interest	8,859	-
Depreciation and amortisation	121,058	18,353
	445,633	<i>392,599</i>

Cobtree Manor Estate

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

9. Auditors' remuneration

	2020	<i>2019</i>
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	5,410	5,280

10. Staff costs

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

	2020	<i>2019</i>
	£	£
Wages and salaries (including agency staff)	86,596	82,404
Social security costs	5,727	5,495
Contribution to defined contribution pension schemes	8,833	20,410
	<u>101,156</u>	<u>108,309</u>

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

	2020	<i>2019</i>
	No.	No.
Park Ranger	2	1
Manager	1	1
	<u>3</u>	<u>2</u>

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

The corporate trustee, Maidstone Borough Council, is considered to be the key management personnel of the charity. No employee benefits were paid to the trustee during the year (2019 - £Nil).

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

11. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Intangible assets

	Website development £
Cost	
At 1 April 2019	50,000
At 31 March 2020	<u>50,000</u>
Amortisation	
At 1 April 2019	50,000
At 31 March 2020	<u>50,000</u>
Net book value	
At 31 March 2020	<u>-</u>
<i>At 31 March 2019</i>	<u>-</u>

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2019	2,794,472	58,523	2,852,995
Additions	8,039	-	8,039
At 31 March 2020	<u>2,802,511</u>	<u>58,523</u>	<u>2,861,034</u>
Depreciation			
At 1 April 2019	-	23,412	23,412
Charge for the year	115,205	5,853	121,058
At 31 March 2020	<u>115,205</u>	<u>29,265</u>	<u>144,470</u>
Net book value			
At 31 March 2020	<u>2,687,306</u>	<u>29,258</u>	<u>2,716,564</u>
<i>At 31 March 2019</i>	<u>2,794,472</u>	<u>35,111</u>	<u>2,829,583</u>

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

All properties are revalued annually by a professional firm of chartered surveyors periodically, using a 'market approach'. The last valuation took place in November 2019.

The carrying amount under the cost model of the assets which have been revalued would have been £1,673,127 (2019 - £1,673,127).

Notes to the Financial Statements
For the Year Ended 31 March 2020

14. Investment property

	Long term leasehold investment property £
Valuation	
At 1 April 2019	1,630,000
Surplus/(deficit) on revaluation	(620,000)
At 31 March 2020	<u>1,010,000</u>

The investment properties are held to generate a rental income stream for the Charity. All investment properties are revalued by a professional firm of chartered surveyors on an annual cycle (subject to existing tenancies where appropriate). A valuation took place in November 2019.

One exception to this is the Tyland Farm property which is carried at £Nil value on an EUV basis. This property is currently let, with a peppercorn rent, on a 125 year lease ending in 2117. No readily available market value was available for this property at 31 March 2020 and hence the EUV basis is deemed to be the most appropriate basis available without undue cost to the Charity.

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2019	862,722
Revaluations	(192,574)
At 31 March 2020	<u>670,148</u>
Net book value	
At 31 March 2020	670,148
At 31 March 2019	<u>862,722</u>

Material investments

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

Risk profile

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

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

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

16. Debtors

	2020	<i>2019</i>
	£	£
Trade debtors	79,667	-
Other debtors	17,023	39,136
Prepayments and accrued income	33,643	-
	<u>130,333</u>	<u>39,136</u>

17. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£	£
Amount owed to Maidstone Borough Council	189,716	69,646
Other creditors	5,280	4,775
	<u>194,996</u>	<u>74,421</u>

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

Repayments began from 1 April 2019 once the work was complete, and interest is payable at a rate of 3% (Public Works Loan Board rate 2% plus 1%). The total balance owing to the Council in respect of the car park loan at 31 March 2020 was £262,212.

In addition to the car park loan the total balance owed to the Council also includes other amounts of £127,079. The combined total of £389,291 has been split between amounts falling due within one year (as above) and after more than one year (see note 18).

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

	2020	<i>2019</i>
	£	£
Amount owed to Maidstone Borough Council	<u>199,575</u>	<u>231,578</u>

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

Notes to the Financial Statements
For the Year Ended 31 March 2020

19. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	670,148	862,722
Financial assets measured at amortised cost	377,817	149,147
	<u>1,047,965</u>	<u>1,011,869</u>
	2020 £	2019 £
Financial liabilities		
Financial liabilities measured at cost less impairment	389,291	301,224
	<u>389,291</u>	<u>301,224</u>

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

Financial assets measured at amortised cost comprise cash and cash equivalents, amounts owed by Maidstone Borough Council and other debtors.

Financial liabilities measured at cost less impairment comprise concessionary loans issued by Maidstone Borough Council to the charity.

Notes to the Financial Statements
For the Year Ended 31 March 2020

20. Statement of funds

Statement of funds - current year

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

Unrestricted Funds

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

Restricted Funds

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

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

Permanent Endowment Capital Fund

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

Notes to the Financial Statements
For the Year Ended 31 March 2020

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£	£
Unrestricted funds						
General funds	158,635	421,091	(351,073)	(49,170)	-	179,483
Endowment capital funds						
Endowment capital funds	4,100,185	-	-	49,170	836,615	4,985,970
Restricted funds						
Will Trust	-	41,526	(41,526)	-	-	-
Cobtree Manor Park car park	-	301,224	-	-	-	301,224
MBC car park loan	-	(301,224)	-	-	-	(301,224)
	-	41,526	(41,526)	-	-	-
Total of funds	4,258,820	462,617	(392,599)	-	836,615	5,165,453

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

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

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

21. Analysis of net assets between funds (continued)

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

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	35,111	301,224	2,493,248	2,829,583
Fixed asset investments	-	-	862,722	862,722
Investment property	-	-	1,630,000	1,630,000
Current assets	149,147	-	-	149,147
Creditors due within one year	(4,775)	(69,646)	-	(74,421)
Creditors due in more than one year	-	(231,578)	-	(231,578)
Total	<u>179,483</u>	<u>-</u>	<u>4,985,970</u>	<u>5,165,453</u>

22. Related party transactions

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

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

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

The Statement of Financial Activities includes income of £225,778 (2019 - £210,455) in relation to operating the estate in accordance with this arrangement, as broken down below.

	2020 £	2019 £
Golf club revenue	127,857	120,167
Will trust income	43,483	41,526
Rental income	54,438	48,752
	<u>225,778</u>	<u>210,445</u>

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 £101,156 (2019 - £108,310) of recharged employment costs.

During the year MBC provided various other services to the Charity, which have been included within 'other fees and services' in charitable expenses. During the year total recharges of £62,444 (2019 - £90,919) were made for these services.

At 31 March 2020 the Charity owed £389,291 (2019 - £264,716) to Maidstone Borough Council.

**Notes to the Financial Statements
For the Year Ended 31 March 2020**

23. Controlling party

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

24. Taxation

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