

COBTREE MANOR ESTATE CHARITY COMMITTEE MEETING

Date: Thursday 25 January 2018
Time: 2.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Cox (Vice-Chairman), Mrs Gooch, McLoughlin (Chairman), Perry
and Mrs Wilson

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2. Notification of Substitute Members	
3. Urgent Items	
4. Notification of Visiting Members	
5. Disclosures by Members and Officers	
6. Disclosures of Lobbying	
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
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9. Presentation of Petitions (if any)	
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Issued on Wednesday 17 January 2018

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

- | | |
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| 16. Cobtree Cafe Visitor Centre Update January 2018 | 75 - 78 |
| 17. Cobtree Manor Park Car Parking Improvements and Charging | 79 - 89 |

PART II

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

Head of Schedule 12 A and Brief Description

- | | | |
|---|--|---------|
| 18. Cobtree Manor Park - Car Park Improvements and Charging - Exempt Appendix | Paragraph 3 – Info re business/financial affairs | 90 - 91 |
| 19. Cobtree Manor Park Visitor Centre Security Review | Paragraph 7 – Info re Crime | 92 - 99 |

PUBLIC SPEAKING

In order to book a slot to speak at this meeting of the Cobtree Manor Estate Charity Trust Committee, please contact on 01622 602743 or by email to committeeservices@maidstone.gov.uk by 5 p.m. one clear working day before the meeting. If asking a question, you will need to provide the full text in writing. If making a statement, you will need to tell us which agenda item you wish to speak on. Please note that slots will be allocated on a first come, first served basis.

ALTERNATIVE FORMATS

The reports included in Part I of this agenda can be available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact committeeservices@maidstone.gov.uk or 01622 602743**. To find out more about the work of the Committee, please visit www.maidstone.gov.uk

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE CHARITY COMMITTEE

MINUTES OF THE MEETING HELD ON THURSDAY 19 OCTOBER 2017

Present: Councillors Cox, Mrs Gooch, McLoughlin (Chairman)
and Mrs Wilson

24. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Perry.

25. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

26. URGENT ITEMS

The Chairman agreed to take an urgent update to Item 13. Cobtree Visitor Centre Update Oct 2017. The update gave information on the performance of Kent Life, which was part of the Cobtree Estate. The reason for urgency was that the information was not available at the time of the publication of the agenda.

27. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

28. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members and Officers.

29. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

30. TO CONSIDER WHETHER ANY ITEMS SHOULD BE TAKEN IN PRIVATE
BECAUSE OF THE POSSIBLE DISCLOSURE OF EXEMPT INFORMATION.

RESOLVED: That the items in Part II of the agenda be taken in private due to the possible disclosure of exempt information.

31. MINUTES (PART I) OF THE MEETING HELD ON 20 JULY 2017

RESOLVED: That the minutes (Part I) of the meeting held on 20 July 2017 be approved as a correct record and signed.

32. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

33. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC (IF ANY)

There were no questions from members of the public.

34. FINANCIAL POSITION UPDATE

The Senior Finance Manager updated the Committee on the financial position of the trust. It was noted that:

- The Llama house required urgent repairs to a hole in the wall which costed around £5,000, but this cost had been offset by additional car parking revenue.
- Planning Solutions – the operator for Kent Life – were due to pay their fee to the trust at the end of the year as the contract stipulated that fees must be paid yearly in arrears.
- Overall, the trust was progressing well against pessimistic financial projections due to the café performing well. The trust was projected to break even or return a small surplus at the end of the financial year.

The Senior Finance Manager explained that following an audit, a recommendation had been made that the trust implemented its own financial management system, separate from the Council's. Two systems had been evaluated – Sage and Aggresso.

In response to a question from a member of the Committee, the Senior Finance Manager confirmed that Aggresso was the system that was used by the council and was widely used across local government.

The Committee raised concerns about making the decision on the choice of financial management system before further information about recharges, firmer quotes from the software providers and the impact of outsourcing the operation of the café was available. The Committee noted that even with this information available, it may be beneficial to take this decision in 2018 once the outcome of the planned governance review was available.

RESOLVED:

- 1) That the current financial position is noted.
- 2) That final approval to progress with a stand alone financial management system is delayed pending reports on re-charges and Service Level Agreements are received at the next meeting.

Voting: Unanimous

35. COBTREE ESTATE UPDATE OCTOBER 2017

The Leisure Manager provided an update to the Committee on the Cobtree Estate. The Committee noted:

- That turnover and footfall at Kent Life had both increased compared to last year.
- There had been two break ins at the Café, one in May and one in August, with £7,000 and £5,200 taken respectively. Both of these break ins happened after busy weekends. This issue would be resolved once DAGT had taken over the contract to run the café as they planned to introduce daily cash collections.
- As a result of the break ins, additional security measures had been introduced including changes to the shutters and safe in the cafe, and additional barriers placed at access points to the park.

In response to a question from the Committee, the Leisure Manager explained that quotes had been received to install a CCTV system in the café. However no results had been received for installing CCTV externally as the requirements depended on the storage that DAGT intended to install on site.

The Committee requested that a further report be brought back for consideration on security at the estate, including the park, car park and café. The report should consider:

- An assessment of current security arrangements in the park.
- An assessment of recommended security upgrades and details of their costs.
- Details of recommended CCTV upgrades, broken down to separate quotes for the different elements of the system (internal, external & car park).

In response to a question from the Committee, the Leisure Manager confirmed that he would request that the Council's Communications Team run a feature on Cobtree in a future edition of Borough Insight.

The Committee noted the improvements made to the Elephant House, which was where the Men in Sheds project was based. The Committee asked the Leisure Manager to circulate a costed list of improvements to the Elephant House that the Men in Sheds project had requested.

The Committee asked to place on record their appreciation to the staff that worked at Cobtree for their hard work in contributing to the positive reviews received for the Park on Tripadvisor.

RESOLVED:

That the contents of the Cobtree Estate update are noted.

36. COBTREE VISITOR CENTRE UPDATE OCT 2017

The Leisure Manager presented an update to the Committee on the performance of the visitor centre. It was noted that the financial performance had been positive since April, and that the Café had retained its five star food hygiene rating.

The Committee expressed its thanks to Lizzie Buckingham and Helen Adolphus for their hard work at the Café.

The Committee requested that they meet with DAGT on site once they had taken over operation of the café. The purpose of this meeting would be for DAGT to inform the Committee of their future plans for the Café.

RESOLVED:

That the contents of the visitor centre update are noted.

37. MINUTES (PART II) OF THE MEETING HELD ON 20 JULY 2017

RESOLVED: That the minutes (Part II) of the meeting held on 20 July 2017 be approved as a correct record and signed.

38. DURATION OF MEETING

2.04 p.m. to 3.14 p.m.

**COBTREE MANOR ESTATE
TRUST COMMITTEE**

25th January 2018

Accounts 2016/17

Final Decision-Maker	Cobtree Manor Estate Trust Committee
Lead Head of Service	Director of Finance & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager – Client Accountancy
Classification	Public
Wards affected	Boxley

Executive Summary

The audit of the Trust accounts for 2016/17 has now been completed and an unmodified audit opinion will be issued. This report summarises the main points from the accounts and seeks approval of them so they may be submitted to the Charity Commission.

This report makes the following recommendations to this Committee:

1. That the Report and Financial Statement for 2016/17 are approved and submitted to the Charity Commission.

Timetable

Meeting	Date
Cobtree Manor Estate Trust Committee	25 th January 2018

1. INTRODUCTION AND BACKGROUND

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

2. ACCOUNTS 2016/17

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

2.2 There are no major issues that have arisen regarding the accounts following the audit. A number of minor amendments were made to the draft accounts that were submitted for audit, and there are also a small number of unadjusted misstatements, both of which are shown on the final two pages of the Audit Management Letter, which is reported elsewhere on this agenda. None of these have had any impact upon the financial resources available to the Trust.

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

- The total funds of the Trust as shown on the Statement of Financial Activities (SOFA) and Balance Sheet have reduced from £4.48m to £4.30m. This reflects a number of movements, the most significant of which were a downward revaluation of the value of the golf course of £0.194m.
- At the time the valuation of the golf course was undertaken no decision had been made about the new contract for the operation of the course, so in the view of the valuers there was some uncertainty around the future of the course and therefore they felt the valuation should be reduced. In their report they did state that should a long-term contract be put in place then this could result in an increase in the valuation, and this would be shown in the 2017/18 accounts.
- The SOFA also shows a deficit of £65,311 on the activities of the Trust for the year. This reflects factors that have been previously reported the Committee, the most significant ones of which are the deficit on the operation of the café and the reduction in income from the golf course contract following the short-term extension to the contract.
- On the Balance Sheet the reduction in the level of investments includes a withdrawal of £335,000 from Charifund to fund the recent capital works in the Manor Park. This funding was paid to the Council during the

year which also explains the reduction in the year-end Creditors balance.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 That the Committee approves the Report and Financial Statements in order that they can then be submitted to the Charity Commission by 31st January 2018.
- 3.2 There are no other available options as there is a legal requirement to produce and approve the Report and Financial Statements.
-

4. RISK

- 4.1 The two main risks associated with this report are financial and reputational.
- 4.2 The year-end accounts reflect information reported to the Trust during the course of the year on the financial performance of the estate activities. This enables the committee to make informed decisions on various issues presented to them.
- 4.3 The reputational risk is that the accounts are not filed with the Charity Commission by the deadline of 31st January 2018. This report will enable that to happen.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Not applicable.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

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

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	None	
Risk Management	A number of risks have been identified which are outlined in	Paul Holland – Senior

	the report.	Finance Manager (Client)
Financial	The financial implications are outlined in the report.	Paul Holland – Senior Finance Manager (Client)
Staffing	None	
Legal	<ul style="list-style-type: none"> Accepting the recommendations will fulfil the Council’s duties under [act]. Failure to accept the recommendations without agreeing suitable alternatives may place the Council in breach of [act]. Acting on the recommendations is within the Council’s powers as set out at [x]. 	[Legal Team]
Privacy and Data Protection	None	
Equalities	None	
Crime and Disorder	None	
Procurement	None	

8. REPORT APPENDICES

- Appendix 1: Report and Financial Statements 2016/17
-

9. BACKGROUND PAPERS

None.

Cobtree Manor Estate

Trustees' Report and Financial Statements

For the Year Ended 31 March 2017

Cobtree Manor Estate

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Cobtree Manor Estate

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 March 2017

Corporate trustee	Maidstone Borough Council
Trustees	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	2836174
Principal office	Maidstone Borough Council Maidstone House King Street Maidstone 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 2017

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.

Cobtree Manor Estate

Trustees' report For the year ended 31 March 2017

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.

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

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.

Cobtree Manor Estate

Trustees' report For the year ended 31 March 2017

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 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.

Cobtree Manor Estate

Trustees' report For the year ended 31 March 2017

- 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**

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**

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**

Cobtree Manor Estate

Independent Auditors' Report to the Trustees of Cobtree Manor Estate

We have audited the financial statements of Cobtree Manor Estate for the year ended 31 March 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.

Cobtree Manor Estate

Independent Auditors' Report to the Trustees of Cobtree Manor Estate

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 £
Income and endowments from:						
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
Total income and endowments		538,965	42,907	-	581,872	414,557
Expenditure on:						
Charitable activities		604,276	42,907	-	647,183	463,639
Total expenditure	6	604,276	42,907	-	647,183	463,639
Net expenditure before investment gains/(losses)						
Net gains/(losses) on investments	13	(65,311)	-	-	(65,311)	(49,082)
		-	-	75,145	75,145	(78,989)
Net income / (expenditure) before other recognised gains and losses		(65,311)	-	75,145	9,834	(128,071)
Losses on revaluations of fixed assets	11	-	-	(194,453)	(194,453)	(361,163)
Net movement in funds		(65,311)	-	(119,308)	(184,619)	(489,234)
Reconciliation of funds:						
Total funds brought forward	16	278,771	-	4,202,221	4,480,992	4,970,226
Total funds carried forward		213,460	-	4,082,913	4,296,373	4,480,992

All activities relate to continuing operations.

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

Cobtree Manor Estate

**Balance Sheet
As at 31 March 2017**

	Note	£	2017 £	£	2016 £
Fixed assets					
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
Current assets					
Debtors	14	9,266		9,266	
Cash at bank and in hand		180,373		377,638	
		189,639		386,904	
Creditors: amounts falling due within one year	15	(97,166)		(582,473)	
Net current assets/(liabilities)			92,473		(195,569)
Net assets			4,296,373		4,480,992
Charity Funds					
Endowment funds	16		4,082,913		4,202,221
Unrestricted funds	16		213,460		278,771
Total funds			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.

Cobtree Manor Estate

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

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	18	(577,351)	(4,681)
Cash flows from investing activities:			
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	-
Net cash provided by/(used in) investing activities		380,086	(341,649)
Change in cash and cash equivalents in the year		(197,265)	(346,330)
Cash and cash equivalents brought forward		377,638	723,968
Cash and cash equivalents carried forward	19	180,373	377,638

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**

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**

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.

Cobtree Manor Estate

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

2. Income from donations and legacies

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

3. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
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	-
Total 2017	464,811	-	-	464,811	273,926
<i>Total 2016</i>	<i>273,926</i>	<i>-</i>	<i>-</i>	<i>273,926</i>	

4. Trading activities

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

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

Cobtree Manor Estate

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

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	45,086	-	-	45,086	56,559
Total 2016	56,559	-	-	56,559	

6. Analysis of Expenditure by expenditure type

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

7. Direct costs

	Total 2017 £	Total 2016 £
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
	647,183	463,639

At 31 March 2016

463,639

Cobtree Manor Estate

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

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.

Cobtree Manor Estate

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

10. Intangible fixed assets

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

11. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
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
Depreciation			
At 1 April 2016	-	5,853	5,853
Charge for the year	-	5,853	5,853
At 31 March 2017	-	11,706	11,706
Net book value			
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

Cobtree Manor Estate

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

12. Investment property

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

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

Investments at market value comprise:

	2017 £	2016 £
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

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

Cobtree Manor Estate

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

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)
Adjustment for:		
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
Net cash used in operating activities	<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>

Cobtree Manor Estate

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

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
	-----	-----
	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.

**COBTREE MANOR ESTATE
TRUST COMMITTEE**

25th January 2018

External Audit Management Letter 2016/17

Final Decision-Maker	Cobtree Manor Estate Trust Committee
Lead Head of Service	Director of Finance & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager – Client Accountancy
Classification	Public
Wards affected	Boxley

Executive Summary

As part of the audit process the external auditors produce a Management Letter, the purpose of which is to bring matters of interest they have identified to the attention of Trustees.

This report makes the following recommendations to this Committee:

1. It is recommended that the Committee notes the contents of the Management Letter and the proposed courses of action from officers.

Timetable

Meeting	Date
Cobtree Manor Estate Trust Committee	25 th January 2018

Accounts 2016/17

1. INTRODUCTION AND BACKGROUND

- 1.1 The audit of the Report and Financial Statements is now complete, as detailed elsewhere on this agenda.
- 1.2 As part of the process the external auditors are required to produce a Management Letter.

2. MANAGEMENT LETTER 2016/17

- 2.1 The Management Letter is attached at **Appendix 1**. The purpose of this letter is to bring to the attention of the Committee various matters that have arisen from the external audit.
- 2.2 Sections 1 to 4 provide a background and overview to the audit and to the letter itself. Sections 5 to 7 deal with specific issues that arose from the audit. The most significant issues are dealt with below in this section of the report.
- 2.3 Section 6 deals with status of audit issues that were raised in previous years. The most significant of these are as follows:

Issue	Summary	Management Response
1 - General charity records	MBC set up a separate accounting system for the Cobtree accounts.	This is still under consideration, as has been reported to the Committee previously.
3 - Unincorporated legal status of the charity	Consideration be given to changing the legal structure of the charity.	Nothing further to add at this stage, the issue was discussed when this matter was first raised and it was agreed that no changes would be made.
4 – Fixed Assets	A formal impairment review should be carried out as part of the annual valuation process.	The external valuer will be asked to carry this out as part of the 2017/18 valuation process.
8 – Potential tax on commercial trading	The café and car parking operations could be considered to be commercial activities for the purpose of taxation, and it is possible that the tax threshold limit	The situation will continue to be monitored closely during the year to see if there is a possibility of reaching the limit. It could be argued that rather than being commercial activities the café and car parking operations exist to

	could be reached in the coming years.	provide funds to reinvest into the Estate, but this point will be investigated further by officers, and if necessary a report will be brought back to the committee to consider the potential implications.
9 – Financial performance at the café	The café has made trading losses since it opened, which are not sustainable.	The Committee has continued to receive regular updates on the position, which has now improved. The café is now in the process of being transferred to an external contractor.

- 2.4 There have been no new recommendations made as a result of the 2016/17 audit.
- 2.5 Appendix I to the Management Letter summarised the accounting adjustments that were agreed following the audit of the accounts, and Appendix II summarises the minor differences that were identified but not adjusted for.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 That the Committee notes the contents of the Management Letter and the proposed courses of action from officers.
- 3.2 There are no alternative actions. The Management Letter is written for the benefit of those charged with governance to bring to their attention matters of interest that have arisen during the external audit process, therefore it needs to be considered by the Committee.

4. RISK

- 4.1 A number of risks have been identified as detailed in the table at paragraph 2.3 of this report.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Not applicable.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 A response to the Management Letter will be returned to the external auditors.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	None	
Risk Management	A number of risks have been identified which are outlined in the report.	Paul Holland – Senior Finance Manager (Client)
Financial	The financial implications are outlined in the report.	Paul Holland – Senior Finance Manager (Client)
Staffing	None	
Legal	<ul style="list-style-type: none"> There is no statutory requirement for an external audit, but the Charity has previously decided that external auditing should be undertaken. 	Keith Trowell, Interim Team Leader (Corporate Governance)
Privacy and Data Protection	None	
Equalities	None	
Crime and Disorder	None	
Procurement	None	

8. REPORT APPENDICES

- Appendix 1: Management Letter 2016/17

9. BACKGROUND PAPERS

None.

Appendix '1'

Audit management letter

for the year ended 31 March 2017 for

Cobtree Manor Estate

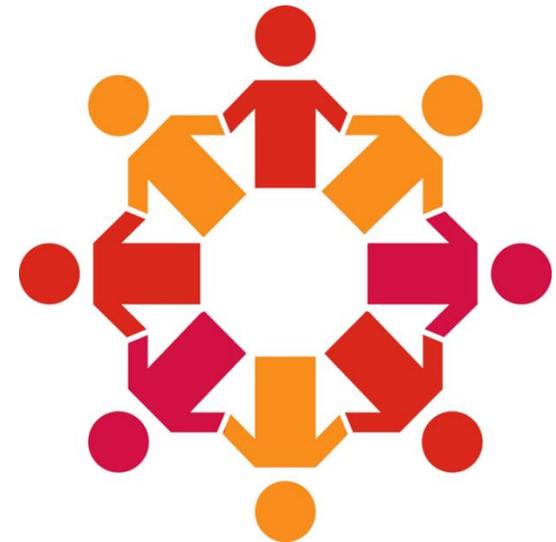
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Prepared by:

Allan Hickie, Audit Partner

Date of issue:

DRAFT



1. Introduction

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1. Introduction

This report has been prepared for Maidstone Borough Council, which acts as the corporate trustee of Cobtree Manor Estate (“Cobtree”), to bring attention to those charged with governance various matters arising from the audit of the charity for the year ended 31 March 2017.

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included an examination of the transactions and controls thereon of the charity.

The work we have done was not primarily directed towards identifying weaknesses in the charity’s accounting systems, other than those that would affect our audit opinion, nor to the detection of fraud. We have, however, designed our audit procedures in such a way that we felt would increase our chance of detecting any fraud.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures and, consequently, our comments should not be regarded as a comprehensive record of all weaknesses that may exist or improvements that could be made.

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This report is to be regarded as confidential to the corporate trustee and is intended only for use by them, and their finance staff. No responsibility is accepted to any other person in respect of the whole or part of its contents. Before this report, or any part of it, is disclosed to a third party our written consent must be obtained.

The report is designed to include useful recommendations that may help improve performance and avoid weaknesses that could result in material loss to the charity or misstatement of the financial statements and other financial data.

Roles and Responsibilities

The corporate trustee is responsible for the preparation of the financial statements and for making available to us all of the information and explanations we consider necessary. Therefore, it is essential that the corporate trustee confirms that our understanding of all of the matters referred to in this report are appropriate, having regard to their knowledge of the particular circumstances.

2. Overview

Audit Status and overall opinion

We set out below the current status of the audit and our timetable to completion.

We have substantially completed our work, and intend to issue an unmodified audit opinion, subject to the corporate trustee approving the financial statements and any other minor outstanding items listed below being received and/or completed.

The follow matters are outstanding at the date of this report:

- Final review and approval by you of the final financial statements;
- Agreement of the final financial statements, including the Trustees' Annual Report, to the latest draft;
- Post balance sheet events review to the date of signing the financial statements, including review of latest minutes and management accounts;
- Receipt of signed letter of audit representations.



2. Overview

Independence and ethical standards

We have not identified any potential threats to our independence as auditors. Please see Section 3 for further details.

Audit scope and objectives

We set out the scope and objectives of our audit. See Section 4.

Overall audit strategy

We set out our overall audit approach. See Section 5.

Key audit and accounting issues

We have obtained sufficient, appropriate audit evidence for the significant issues and risks identified during our audit.

During our audit we found no instances of fraud.

Recommendations

We are required to report to you on the significant deficiencies we found in internal controls during the course of our audit, along with any other deficiencies identified.

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2. Overview

Misstatements and adjustments to the accounts

It is considered good practice to inform you of any material misstatements within the financial statements presented for audit that have been discovered during the audit. A material misstatement is one where the auditors believe that the misstatement is such as to affect the reader's understanding of the accounts. Materiality is considered in relation to the value of the misstatement and also its context and nature.

The adjustments agreed with you during the course of our audit are shown in Appendix I.

It is generally not practicable to make accounts completely accurate because judgements need to be made and it is difficult to obtain 100% of information about all transactions. Our role is to ensure that deviations from complete accuracy are not material to the reader of the accounts. During the course of our audit we did not identify any unadjusted audit differences.

Going concern

The corporate trustee needs to give consideration to the level of reserves maintained, and consider going concern for the period up to at least 31 January 2018, being an estimate of 12 months from the anticipated date of approval of the accounts, and ensure they agree with the assessment. The corporate trustee has confirmed that the financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. Our review supports the going concern status of the charity.

Thanks

We would like to take this opportunity to thank Maidstone Borough Council for the assistance afforded to us during the course of the audit.



3. Independence

Under current UK Ethical Standards we are required as auditors to confirm our independence to “those charged with governance” i.e. the corporate trustee.

Our internal procedures are designed to ensure that all partners and professional staff are aware of relationships that may be considered to bear on our objectivity and independence as auditors.

The procedures require that audit engagement partners are made aware of any matters which may reasonably be thought to bear on the firm’s independence and the objectivity of the audit engagement partner and the audit staff. This document considers such matters in the context of our audit for the year ended 31 March 2017.

In addition to performing the statutory audit, we also provide the following non-audit services:

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Service	Possible threat	Safeguards
Preparation of the statutory financial statements from your underlying records and trial balance	Self-review	<p>The process is largely a mechanical one, taking your financial results and putting them into statutory accounts which comply with the relevant legislation and financial reporting standards.</p> <p>All adjustments identified will be discussed with finance staff at Maidstone Borough Council (the corporate trustee), who are qualified accountants, and will be agree with them.</p> <p>We can rely on the</p>



4. Audit scope and objectives

Our statutory audit of the financial statements is carried out in accordance with International Standards on Auditing (UK and Ireland) of the statutory financial statements, with the aim of forming an opinion whether:

The financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of the result for the year then ended.

The financial statements have been properly prepared in accordance with UK GAAP.

The financial statements have been prepared in accordance with the requirements of the Charity SORP.

The information given in the Trustees' Report for the financial year is consistent with the financial statements.

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We also report on whether:

The charity company has kept adequate accounting records.

The financial statements are in agreement with the accounting records and returns.

Other information contained in the annual report is not consistent with the audited financial statements.

Certain disclosures of trustees' remuneration specified by law are not made.

We have not received all the information and explanations we require for our audit.



5. Overall audit strategy

Risk-based audit

We performed a risk-based audit, focussing our work on key audit areas. We began by developing an understanding of the charity's activities and the specific risks it faces. We held an initial planning meeting with key management and finance staff to ascertain management's own view of potential audit risk, and to gain an understanding of the activities. We have also developed an in depth understanding of the accounting systems and controls so that we may ensure their adequacy as a basis for the preparation of the financial statements, and that proper accounting records have been maintained.

Our audit procedures were carried out, and then we ensured the presentation and disclosure in the accounts meet all the necessary requirements.

Significant risks

As part of our audit procedures we are required to consider the significant risks that require special audit attention.

Auditing Standards require us to consider:

- Whether there is a risk of fraud;
- Whether the risk is related to recent significant economic, accounting or other developments and, therefore, requires specific attention;
- The complexity of transactions;
- Whether the risk involves significant transactions with related parties;
- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty; and
- Whether the risk involves significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.



5. Overall audit strategy

The identified significant audit risks were communicated to you in our audit planning report issued before our main fieldwork began. We now note the work performed and conclusions drawn on the following pages:

Significant risk	Explanation of the risk	Audit work performed	Conclusion
Revenue recognition (mandatory risk) 46	<p>The auditor's responsibility is to conduct the audit on the basis that there is an assumption that revenue recognition is a fraud risk.</p> <p>Work is therefore required to ensure that all income is recognised appropriately and in line with the charity's accounting policies and the charity SORP.</p> <p>We are also required to confirm that income has been correctly classified between restricted and unrestricted funds.</p>	<p>Obtain an understanding of all sources of income, and any contracts or terms & conditions attached.</p> <p>Sample testing income, verifying to supporting documentation to ensure income has been recognised in the correct period.</p> <p>Cut off testing around the period-end to ensure all income is included in the relevant period.</p> <p>Review to ensure that income has been correctly classified between restricted and unrestricted funds, reviewing any terms and conditions etc.</p> <p>Analytical review.</p>	<p>Nothing has come to our attention to suggest there is any fraud risk associated with revenue recognition, however we have made some general comments and recommendations relating to income from the café and car park meters in section 7 of this report.</p>



5. Overall audit strategy

Significant risk	Explanation of the risk	Audit work performed	Conclusion
<p>Management override (mandatory risk)</p> <p>47</p>	<p>The corporate trustee and other management have the primary responsibility for the detection of fraud, as an extension of their role in preventing fraudulent activity. The Corporate trustee should ensure a sound system of internal controls is in operation to support these, and other, objectives.</p> <p>Auditing Standards presume a significant risk of management override of the system of internal controls, because management can often find themselves in a unique position where they could potentially override routine day to day financial controls.</p> <p>Our audit is designed to provide reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error.</p> <p>We are not responsible for preventing fraud or corruption, although our audit may serve to act as a deterrent.</p>	<p>Management often find themselves in a unique position where potentially could override routine day to day financial controls.</p> <p>Our audit considers this risk and we adapt our procedures accordingly.</p> <p>During our audit we considered the possibility of manipulation of financial results, for example through the use of journals or management estimates, such as provisions and accruals.</p>	<p>Our audit procedures have not identified any instances of management override.</p>



5. Overall audit strategy

Significant risk	Explanation of the risk	Audit work performed	Conclusion
<p>Non-depreciation of freehold buildings</p>	<p>Where the accounting policy is not to depreciate it is necessary to complete an annual impairment review to consider the carrying value of the buildings.</p> <p>Due to the absence of depreciation there is a risk that the carrying value of the property is overstated.</p> <p>If this were to be the case funds will also be overstated.</p>	<p>Review and analysis of any impairment review undertaken.</p>	<p>No impairment review was carried out by the charity.</p> <p>However from our own impairment review carried out, the non-depreciation of freehold buildings appears appropriate.</p>

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6. Status of audit issues raised in prior years

This section updates you on the status of the issues your previous auditors brought to your attention last year, and confirms whether any further action is required.

	Issue / Observation arising in 2016	Risk rating prior year	Solution suggested in prior year	Follow up comments, including whether further action required	New risk / priority rating
1.	<p>General charity records. During the audit we had significant difficulty in trying to agree the amounts included in the accounts and as a result had to spend a considerable amount of time in reworking the 2015 accounts to a position where we were comfortable with the figures.</p> <p>49 There is a distinct lack of an audit trail and this is mainly down to the fact that the charity's records are so intrinsically linked to MBC records that the accounts are effectively created from the council ledger and spreadsheets. This therefore appeared to result in some amounts being included in the charity's accounts as a balancing figure in order to get MBC's books to agree.</p>	 Med	<p>We would strongly recommend that MBC set up the charity's own accounting records. This could be done by way of a spreadsheet or alternatively it may be easier to use a simple piece of accounting software.</p> <p>This would enable MBC to record the double entry of all transactions which relate to the charity, even if the transaction goes through the MBC bank account.</p> <p>To do this a MBC loan/intercompany account would need to be set up in the charity's records and every time a CME transaction goes through the MBC bank account then an entry can be made to the loan account, with a corresponding debit to expenditure or credit to income.</p> <p>If something similar is set up in MBC then, as a double check, the two loan accounts should always agree.</p>	<p>The records have still not been set up separately for the charity.</p> <p>We understand that MBC are working towards separate accounting records and assessing appropriate accounting software. Cost considerations are also part of this process.</p> <p>The accounts preparation process was improved this year and the accounting records supported the figures. We do, however, continue to recommend that completely separate records are established for the charity.</p>	 Med



6. Status of audit issues raised in prior years

	Issue / Observation arising in 2016	Risk rating prior year	Solution suggested in prior year	Follow up comments, including whether further action required	New risk / priority rating
2.	<p>Capital expenditure. As part of our audit testing it was identified that capital costs of £963k for the visitor centre, Kent Life and playground had not been capitalised, instead incorrectly being treated as an income and expenditure item.</p> <p>A significant part of the £963k related to previous years, resulting in a prior period adjustment being required.</p> <p>Furthermore an additional capital accrual was identified as part of our after date invoice review.</p>	 Low	<p>In future we recommend that you carefully review any potential capital costs to ensure that they are treated correctly in the accounts.</p> <p>Any capital items that are deemed to be a work in progress should be treated as 'assets under construction'.</p> <p>It is recommended that material after date invoices received are reviewed to ensure that all amounts relating to 31 March are included in the accounts.</p>	<p>There were no further capital additions during 2016/17. This is therefore just something to watch in the future.</p>	<p>Resolved apart from on-going monitoring</p>
3.	<p>Unincorporated legal status of the charity. The charity is structured as an unincorporated trust, with no limited liability for the corporate trustee, Maidstone Borough Council.</p> <p>Our management letter in 2015 set out various risks associated with this current set up, which we will not repeat again here.</p>	 Med	<p>We recommend you give consideration to changing the legal structure of the charity, and consider both the limited by guarantee company and new CIO structure.</p>	<p>We understand that this issue has been considered and, for now, the corporate trustee is comfortable with the position, however our previous advice in respect of this observation remains.</p>	 Med



6. Status of audit issues raised in prior years

	Issue / Observation arising in 2016	Risk rating prior year	Solution suggested in prior year	Follow up comments, including whether further action required	New risk / priority rating
4.	<p>Fixed assets. It was noted during our fixed assets testing that an impairment review had not been carried out. Where the accounting policy is not to depreciate it is necessary to complete an annual impairment review to consider the carrying value of the buildings.</p>	 Low	<p>In order to ensure that the carrying value of the property is not overstated, it is important that the charity carries out an annual impairment review.</p> <p>This should be done in advance of the audit fieldwork.</p>	<p>There was still no formal impairment review exercise.</p> <p>The carrying value of the golf course has been reduced this year by £194,453 as a result of a downwards revaluation.</p>	 Low
5.	<p>Amortisation of website costs. No amortisation (depreciation) had been included in respect of the new website costs, and so an adjustment has been agreed with you for £12,500.</p>	 Low	<p>The charge included will write off the cost of the £50k investment over a 4 year period. In future years you should ensure this amortisation charge is reflected in the accounts before the audit.</p>	<p>The amortisation costs were correctly charged in 2016/17</p>	Resolved
6.	<p>Café records. A number of observations were made in respect of the records over café income and expenditure:</p> <ul style="list-style-type: none"> • The café records were not immediately available; • There was no clear record linking the daily takings to bankings; • For a period of time, takings were allowed to accumulate into larger sums before being banked. Holding large sums of cash like this is not ideal to the risk of theft etc. 	 Med	<p>It is important that all accounting records, for all income streams, are passed through to the people responsible for maintaining the financial records.</p> <p>We understand that since April 2017, the amount recorded from the till daily has been the amount banked on each paying in slip, to ensure a clear audit trail.</p>	<p>The accounting records for café income and expenditure were clearer and a clear audit trail was observed, with till receipts matching amounts banked.</p>	Resolved



6. Status of audit issues raised in prior years

	Issue / Observation arising in 2016	Risk rating prior year	Solution suggested in prior year	Follow up comments, including whether further action required	New risk / priority rating
7.	<p>Car park income. The records relating to income from car parks could be improved.</p> <p>There was no clear record on the accounting system to breakdown income by car park, nor is there a clear record of season ticket parking sales.</p>	 Low	<p>It would be helpful if income from each car park is recorded separately, which would enable comparisons between periods to be made easily.</p> <p>Season ticket sales should be recorded separately since if these straddle accounting periods it may be necessary, if sufficiently material, to consider deferring some income into the next period.</p>	<p>We note that the car park accounting records are for the three pay and display machines at the Manor Park site.</p> <p>Daily takings sheets and weekly summaries are maintained for each machine. Season ticket sales for 2016/17 were less than £5k.</p>	Resolved
8.	<p>Potential tax on commercial trading The charity has generated significant income in 2015/16 from two income streams (the café and car parking) which could be seen to be commercial trading. We commented that information made available suggested that the café function has operated at a loss for the period from opening in August 2015 to 31 March 2016. With few costs associated with the car park the profit from the car park is likely to be close to the income figure of £26k. With income from both the café and the car park expected to be substantially higher for the first full year of operation through to 31 March 2017, we highlighted the risk that the charity could find itself with a tax liability for 2016/17 (although any losses for 2015/16 should be available to offset against some of these profits).</p>	 Med	<p>We had previously pointed out this potential tax issue (in an email from Brian Carey on 12 February 2017).</p> <p>We commented that whilst HMRC had never asked for a tax return to be completed, probably on the basis that the income from the golf course – historically the main source of income – was being applied for charitable purposes, the changes in the type and scale of income received by the trust going forward means this may need to be raised with HMRC.</p> <p>At the time of completing the 2015/16 audit we had not been asked to look into this further, and we were not aware that you had had any discussions with HMRC.</p> <p>We recommended that the tax position of the charity is given some immediate thought.</p>	<p>Café income has increased significantly to £235k from £99k last year (part year with c. 8 months income) but the accounting records indicate it has generated a deficit of £76k.</p> <p>As expected, car park income has increased, from £25k to £90k, but the Manor Park activities have also run at an overall deficit for the year.</p> <p>Based on this, there do not appear to be any tax implications for 16/17 but the position should be monitored in the future.</p>	 Low



6. Status of audit issues raised in prior years

	Issue / Observation arising in 2016	Risk rating prior year	Solution suggested in prior year	Follow up comments, including whether further action required	New risk / priority rating
9.	<p>Financial performance of the café. The café made a significant loss (c. £90k) during 2015/16. We have drawn attention to this due to the need to put measures in place as soon as possible to improve the financial performance of the café.</p>	 Med	<p>The loss in 15/16 largely arose due to high staff costs, and the use of expensive agency staff in particular. Last year you predicted a further loss of around £100k for 2016/17.</p> <p>We commented that the corporate trustee has a responsibility to ensure charitable funds are not put at risk, and that by 31.3.17 the café will have suffered a deficit of nearly £200k across the first year and a half of operation.</p>	<p>The café/visitor centre has generated a net deficit of £76k in 2016/17.</p> <p>We understand that The Trust Committee have received regular reports on this issue and have raised their concerns and asked for management to address the underlying issues in order to improve the financial performance.</p> <p>At the March 2017 meeting, it was noted that consideration is now being given to letting the management of the café/visitor centre out to an external contractor, and that this will continue to be a standing item on committee meeting agendas for the time being.</p>	

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7. Recommendations for the current year

Significant deficiencies in internal control

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you. As the purpose of the audit is for us to express an opinion on the charitable company's financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We confirm that we have not identified any significant deficiencies in internal control during the 2017 audit.

We are also required to communicate other significant audit findings such:

- where we consider a significant accounting practice, that is acceptable under the applicable financial reporting framework, not to be most appropriate in the particular circumstances of the entity;
- significant difficulties, if any, encountered during the audit; or
- other matters, if any, arising from the audit that, in our professional judgement, are significant to the oversight of the financial reporting process are communicated to those charged with governance.

We have nothing to bring to your attention in respect of the three bullet points above.



7. Recommendations for the current year

Other deficiencies in internal control

No other deficiencies came to our attention during our work.

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Appendix I - Agreed accounting adjustments

There no audit differences posted to the statutory accounts, other than reallocation of certain income and expenditure balances for disclosure purposes..

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Appendix II – Unadjusted audit differences

We are required to bring to your attention audit adjustments that the corporate trustee is required to consider. We confirm that no such adjustments were identified.

Name	Debit	Credit	Proposed	
			Net Income (Loss)	Amount Chg
Net Income (Loss)				-184,619
Other creditors		2,244		
Will trust - Restricted funds	2,244			
Decrease in expected Will Trust income	2,244	2,244	-186,863	-2,244
Contract Cleaning	894			
Catering Provisions		894		
Being the adjustment found in purchase testing where an invoice was posted to catering not cleaning	894	894	-186,863	0
	3,138	3,138	-186,863	-2,244

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Agenda Item 13

COBTREE MANOR ESTATE TRUST COMMITTEE

25th January 2018

Appointment of External Auditors

Final Decision-Maker	Cobtree Manor Estate Trust Committee
Lead Head of Service	Director of Finance & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager – Client Accountancy
Classification	Public
Wards affected	Boxley

Executive Summary

The appointment of the current auditors to the Trust (UHY Hacker Young) has now expired, and this report seeks approval for their reappointment for a further 2 year term.

This report makes the following recommendations to this Committee:

1. That UHY Hacker Young are appointed external auditors to the Charity for the financial years 2017/18 and 2018/19.

Timetable

Meeting	Date
Cobtree Manor Estate Trust Committee	25 th January 2018

Appointment of External Auditors

1. INTRODUCTION AND BACKGROUND

- 1.1 External audit services are currently provided by a local company, UHY Hacker Young, who were previously appointed for a 2 year term covering the financial years 2015/16 and 2016/17.
 - 1.2 The Charity follows Maidstone Borough Council's contracts procedures rules, and these specify that for contracts of a value of £10,000 or less at least one written quote must be obtained. For 2016/17 the cost of the audit will be £4,995 plus VAT. UHY Hacker Young were asked to provide a quote, and they have responded with a figure of £5,130 plus VAT for 2017/18, and £5,280 plus VAT for 2018/19 which represents inflationary increases of around 2.7%.
-

2. AVAILABLE OPTIONS

- 2.1 Under the current statutory audit thresholds for charities there is no requirement for an external audit, an independent examination would suffice. This is a simpler form of scrutiny than an audit but it would still provide an assurance that the accounts have been the subject of an independent review. However the Charity has previously taken the decision that it would like an external audit to be undertaken.
 - 2.2 The Charity could choose to ask for more than one quote for the external audit service and possibly appoint a different auditor.
 - 2.3 The Charity could appoint UHY Hacker Young as external auditor for 2017/18 and 2018/19.
-

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 It is recommended that UHY Hacker Young are appointed as external auditors to the Charity for 2017/18 and 2018/19. The nature of the Charity and its relationship with the Council means that the financial transactions and arrangements are somewhat complex, and as UHY Hacker Young have now developed an understanding of this it would seem appropriate to continue to use them. They have also developed a good working relationship with Council officers. Any new auditors would have to develop their own understanding of the Charity and develop new working relationships with officers.
-

4. RISK

4.1 It is considered good financial practice for an external audit to be undertaken.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 Not applicable.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 If the recommendation is agreed UHY Hacker Young will be formally requested to provide external audit services for 2017/18 and 2018/19.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	None	
Risk Management	It is considered good financial practice for an external audit to be undertaken.	Paul Holland – Senior Finance Manager (Client)
Financial	The costs of the audit are detailed in the report.	Paul Holland – Senior Finance Manager (Client)
Staffing	None	
Legal	There is no statutory requirement for an external audit, but the Charity has previously decided that it would like one to be undertaken.	Keith Trowell, Interim Team Leader (Corporate Governance)
Privacy and Data Protection	None	
Equalities	None	
Crime and Disorder	None	
Procurement	None	

8. REPORT APPENDICES

- None
-

9. BACKGROUND PAPERS

None.

Agenda Item 14

Cobtree Manor Estate Committee

25 January 2018

Cobtree Manor Estate Financial Position

Final Decision-Maker	Cobtree Manor Estate Committee
Lead Head of Service	Head of Regeneration & Economic Development
Lead Officer and Report Author	Paul Holland, Senior Finance Manager (Client)
Classification	Public
Wards affected	Boxley

Executive Summary

The report summarises the current financial position of the Estate as at 30th November 2017 covering the activities at the golf course, Kent Life, the Manor Park and the Café/Visitor Centre.

This report makes the following recommendations to this Committee:

1. That the current financial position is noted.

Timetable

Meeting	Date
Cobtree Manor Estate Committee	25 January 2018

Cobtree Manor Estate Financial Position

1. INTRODUCTION AND BACKGROUND

- 1.1 This is a regular update report on the financial position of the Estate, which enables the Committee to see how the various areas of activity are performing. The last few years have seen a number of significant financial pressures and issues, and it is important for the future of the Estate that these are addressed and monitored.
-

2. CURRENT FINANCIAL POSITION

- 2.1 **Appendix A** shows a summary of the current financial position as at 30th November 2017, along with the full year budgets, and this section outlines the position for each of the areas of activity:
- 2.1.1 **Cobtree Golf Course** –The new contract with Mytime commenced on 1st April 2017. Responsibility for utility payments now rests with Mytime, as reflected in the reduction in running costs. Mytime have been invoiced for the contract sum due for 2017/18.
- 2.1.2 **Cobtree Manor Park** – Car parking income is continuing to generate a healthy level of income, although there have been some additional maintenance costs incurred within the park itself. There are no other issues to report at this stage.
- 2.1.3 **Kent Life** - There are no issues to report with regards to the Kent Life attraction. The invoice for 2017/18 will be sent shortly. The contract states that the annual sum due is paid a year in arrears.
- 2.1.4 **Café/Visitor Centre** –The current operational position is discussed in more detail in the Cobtree Visitor Centre Report elsewhere on this agenda. However the café continues to perform significantly better than the initial projections for the year. As Members will be aware management of the café will shortly be passed to an external contractor so the budgets will need to be adjusted to reflect this.
- 2.2 **Overall position** - The original budget forecast for the end of the year forecast that the estate activities would show an overall deficit position of £27,250 for the year. However taking into account the forecast estimated investment income of £50,000 it would project resources increasing by £22,750 for 2017/18. It should be noted that with the café currently performing better than was initially projected then the forecast deficit position for the estate activities should be reduced and could possibly show a small surplus in addition to the investment income.
-

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the contents of this report as this is good financial management practice.

4. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

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

5. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The operation of the Estate directly supports the objects of the Trust and the Council's strategic objective to ensure there are good leisure and cultural attractions in the Borough.	Head of Regeneration & Economic Development
Risk Management	There is a potential reputational risk if the facilities are operated poorly. This is addressed in the annual risk management report.	Leisure Manager
Financial	There is a financial risk to the Trust if the new operations cost more than predicted or fail to generate sufficient income to cover the costs of running them estate.	Senior Finance Manager (Client)
Staffing	There are no additional implications arising from this report.	
Legal	There are no additional implications arising from this report.	Keith Trowell, Interim Team Leader (Corporate Governance)
Privacy and Data Protection	There are no additional implications arising from this report.	
Equalities	There are no additional implications arising from this	

	report.	
Crime and Disorder	There are no additional implications arising from this report.	
Procurement	There are no additional implications arising from this report.	

6. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Financial Position Summary 2017/18

7. BACKGROUND PAPERS

None.

APPENDIX 1

COBTREE MANOR ESTATE - FINANCIAL POSITION AS AT 30TH NOVEMBER 2017

Cobtree Golf Course	Budget for Year	Budget Year to Date	Actual Year to Date	Variance	2016/17 Outturn
	£	£	£	£	£
Running Costs	8,190	5,459	9,255	(3,796)	61,232
Additional Contract Charge	0	0	0	0	50,000
MBC Staff Recharges	25,950	17,298	17,300	(2)	27,579
Expenditure	34,140	22,758	26,555	(3,798)	138,811
Contract Income	100,000	100,000	100,000	0	103,750
Other Income	5,250	5,250	5,250	0	28,494
Income	105,250	105,250	105,250	0	132,244
Net Income/(Expenditure)	71,110	82,492	78,695	(3,798)	(6,567)
Payment to MBC (2/9ths of net figure)	15,800	18,330	17,490	(840)	(1,459)
Adjusted Net Income/(Expenditure)	55,310	64,162	61,205	(2,958)	(5,108)

Cobtree Manor Park	Budget for Year	Budget Year to Date	Actual Year to Date	Variance	2016/17 Outturn
	£	£	£	£	£
Employee costs	69,620	46,409	46,141	268	64,998
Running Costs	93,740	33,099	62,178	(29,079)	66,525
MBC Staff Recharges	37,980	25,317	25,320	(3)	67,056
Expenditure	201,340	104,825	133,639	(28,814)	198,579
Income - Car Parking	73,450	52,858	67,628	14,770	90,474
Income - Other	77,620	18,162	18,375	213	67,761
Income	151,070	71,019	86,002	14,983	158,235
Net Income/(Expenditure)	(50,270)	(33,806)	(47,636)	(13,831)	(40,344)

Kent Life	Budget for Year	Budget Year to Date	Actual Year to Date	Variance	2016/17 Outturn
	£	£	£	£	£
Running Costs	12,740	9,326	11,841	(2,515)	7,854
MBC Staff Recharges	7,120	4,746	4,747	(0)	3,533
Expenditure	19,860	14,073	16,588	(2,515)	11,387
Contract Income	50,000	0	0	0	55,451
Net Income/(Expenditure)	30,140	(14,073)	(16,588)	(2,515)	44,064

Cobtree Visitor Centre / Café	Budget for Year	Budget Year to Date	Actual Year to Date	Variance	2016/17 Outturn
	£	£	£	£	£
Employee costs	81,390	79,380	77,912	1,467	144,446
Running Costs	164,490	112,572	111,010	1,561	154,256
MBC Staff Recharges	16,920	11,279	11,280	(1)	14,291
Expenditure	262,800	203,230	200,203	3,027	312,993
Income from sales	200,370	156,649	198,609	41,959	237,127
Net Income/(Expenditure)	(62,430)	(46,581)	(1,594)	44,987	(75,866)

Surplus/(Deficit) on Estate activities	(27,250)	(30,297)	(4,614)	25,683	(77,254)
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**Cobtree Manor Estate Charity
Committee**

January 25th 2018

Cobtree Manor Estate Update Report

Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service/Lead Director	Dawn Hudd - Head of Regeneration and Economic Development
Lead Officer and Report Author	Jason Taylor – Leisure Manager
Classification	Public
Wards affected	Boxley

Executive Summary

The information in the report is intended to give the Committee an understanding of the day to day work on the Estate and the issues that affect its management. It also provides a record of all that is achieved across the different parts of the estate.

The estate update covers the period from when the Committee last met in October 2017.

This report makes the following recommendations to this Committee:

To note the contents of the Cobtree Estate Update.

Timetable

Meeting	Date
Cobtree Manor Estate Charity Committee	25 th January 2018

Cobtree Manor Estate Update Report

1. INTRODUCTION AND BACKGROUND

1.1 This report covers the period from October 2017 to January 2018.

1.2 Cobtree Manor Park

Maintenance of the park over this period covers autumn and winter works.

Works to the park include:

- Shrubbery maintenance – a winter shrubbery renovation plan is being undertaken by MBS.
- The Forstal Road border to the east of the park – removal of dead shrubs, self-sown saplings and historic accumulations of green waste and fencing to allow planting of shrubs.
- Border between the upper meadow and Golf Course, reduction of shrubs to allow space for the growth of Arboretum species
- A large swathe of Laurel to the north of the woodland is to be reduced to improve sightlines and views of Arboretum trees.
- Weed management
- Tree works to dangerous and diseased trees - three native specimens lost to high winds.
- A Green Flag application for 2018/19 is to be submitted by 31st January

1.3 Events

- During half term three Autumn and Halloween themed drop in craft sessions attracted 56 participants.
- 25 children enjoyed a taster Bush Craft morning led by MVCP.
- 20 children participated in making rustic and natural Christmas decorations
- 350 runners dressed as Santa ran a 5km course around the park in early December accompanied by enthusiastic supporters and festively dressed dogs. Organised by Beginners to Runners, the event which also featured craft and Christmas stalls received two pages of coverage in the Kent Messenger.

1.4 Community

The Men in Sheds project continues to thrive with increased membership now standing at over twenty men and women.

On 12th December a delegation of more than a dozen staff members (social workers & volunteers) of Kent County Council, other authorities and a French organisation ACSW - Wattrelos Association of Community Centres, visited the Cobtree Shed to observe the set-up and good practice.

The Men in Sheds group is hoping to improve the building and facilities and are currently seeking funding for:

- a) Roof insulation installation c.£3500
This is required in order to remedy the current roof condensation problem during the winter months.
- b) Septic tank installation c.£7000
This is required to complete the installation of the flushing toilet facilities which the Shed members have been working on over the summer as part of the new rest room area.
Wood Store c. £1,000
To stand alongside the Elephant House to contain donations of wood for future projects.

1.5 Marketing and Publicity

- MBC Communications and Marketing have produced a new interpretation panel for the corridor in the visitor centre featuring a timeline of the landscape.
- The Cobtree website is generating regular enquiries about the park facilities and events.
Cobtree Manor Park is now a member of the Association of Tourist Attractions in Kent.
- The Park will feature in the 'Visit Maidstone' pocket guide for 2018.
- Social media continues to generate positive comments about the park and café.

1.6 Visitor Numbers

There was an increase in visitor numbers of 18.87% in 2017 compared to 2016. Quarterly comparison figures can be seen below and show significant increases in visitor numbers of 34% in the first quarter and 25% in the third quarter.

	% on			% on			% on		
	2015	Quarterly	previous	2016	Quarterly	previous	2017	Quarterly	previous
			year			year			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			30554		
May	23254			29076			24952		
Jun	20472	70819	-10.03	22031	73251	3.43	25694	81200	10.85
Jul	27109			21043			31187		
Aug	28517			33192			37491		
Sep	22427	78053		19468	73703	-5.57	23675	92353	25.3
Oct	10581			15124			24995		
Nov	12518			17460			12290		
Dec	14041	37140		18138	50722	36.57	16623	53908	6.28
	236540	236540		247624	247624		294363	294363	

1.7 Car Park

Car park income is £16,325 above target to 31/12/17.
Average weekly income stands at £1,816 to date.

1.8 Café and Visitor Centre Update

This update is contained in a separate report.

1.9 Cobtree Manor Golf Course

There were 7,580 rounds played in the last 3 months of the year 2017 at the golf course. This is a drop of 682 rounds compared to the same period in 2016. The course is currently very wet following the recent wet weather. This not only affects the roundage but also has a knock on effect on buggy hire and catering. The team at the golf course have worked hard to organise a number of successful events which have increased community participation as well as generating revenue for the site. Some of the events that took place during the quarter are:

- Dementia/Vulnerable adults footgolf day with lunch
- Tribute nights
- Dementia/Vulnerable adults footgolf day with lunch
- Fireworks Night
- Carvery Night
- 1st Dec shotgun start golf day for charity
- Christmas lunches and party nights
- Dementia/Vulnerable adults footgolf day with lunch
- Cinema evening
- Big screen sports evenings/afternoons
- Society and Charity Golf Daysays

The plans for the new club house and alterations to the golf course are still progressing, with Mytimes project group meeting fortnightly. Pre-application advice with planners will happen in March, and is currently being arranged

1.10 Kent Life Farm Attraction

Kent Life had a total of 38,257 visitors between October and December 2017. For the full year the visitor numbers were ahead of last year, with School visits up 10% on the previous year.

Kent Life was re-awarded with Visit England's Visitor Attraction Quality Scheme rose.

1.11 Incidents

1.11.1 Cobtree Manor Park Visitor Centre Break in November 7th 2017.

The Visitor Centre was broken into at approximately 11:20pm on 7th November. The alarms were activated and Police attended. Calls were made by the alarm company to key holders and Jason Taylor, Leisure Manager attended.

Extensive damage was caused to the building:

- All external lights removed or smashed,
- Alarm ringer box smashed
- Office door lock levered off and damaged and the door opened.
- Office window shutter lock was cut off but the shutter did not sustain further damage
- Plant Room and external Storeroom doors had been rammed by, probably, a 4x4 vehicle in reverse, destroying the doors and causing extensive damage to blockwork, piers, frames lintels and thresholds.
- Power supply was partially disrupted causing stock loss from one freezer
- The immersion tank was rammed, causing damage to the heating system.

The alarm company were able to track the access of the perpetrators to the rest of the building following the alarm being triggered. It is likely that the location of the safe was therefore discovered but its new location prevented it from being either opened or removed. The external hard drive was stolen from the CCTV system located in the plant room. Visible tracks showed that the vehicle had driven through the park and across the golf course.

The main gate to the park was open when the police arrived after 11.30pm. Sight and Sound Security' who lock the gates at night confirmed that the gate had not been locked as their security guard had been called out. The gate should have been locked at dusk around 5pm. A security guard was sent to protect the building overnight until it could be made secure the following morning.

The morning after the incident the Police CSI team visited the site but as it had rained it was not possible for them to collect any evidence. The building was made secure and the café opened for business on 8th November.

Photos of the damage are shown in Appendix 1 and will be provided at the committee meeting.

1.11.2 Repairs

The exterior block work and cladding to the building have now been repaired. All electrics have been made good but problems in sourcing a component for the heating system left the building with only temporary portable heaters throughout November and December. Single leaf steel doors with anti-jemmy bolts are to be fitted to the store room and power room.

A new CCTV recording device has been ordered and is being installed with a secure box to stop access. A further quote has been obtained to update the existing cameras to HD and to add further cameras to include the car park. A new external alarm box is to be fitted.

Upgraded lighting has been installed around the building. An insurance claim for loss and damage has been submitted and is in process.

1.11.3 Elephant House Break in – 24th December 2017

The Elephant House/Cobtree Mens' Shed suffered a break in over the Christmas period. The side door and the locks were forced and entry gained.

A number of power tools including drills, saws and grinders, batteries and hand tools were loaded into a wheelie bin and stolen. It is not thought that a vehicle was involved.

The Police were on-site on Christmas Day morning after being alerted by a dog-walker. They contacted the Shed Chairman and a member attended to secure the building.

The Police Forensics Team visited the site on 28th December to dust for prints, check for tool marks on the damaged locks, etc. but their investigation did not produce any useful evidence.

The Shed group have now battened the wooden side door internally and fitted industrial locks to the main metal doors.

2. AVAILABLE OPTIONS

This report is to note only.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

It is recommended that the information in this report regarding the performance of the Café/ Visitor Centre is noted.

4. RISK

This report is presented for information only and has no risk management implications.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

Other than through social media no consultation has taken place since the last report.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

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

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The work of the charity links directly to its charitable objects and the corporate priorities of the Council.	Head of Regeneration and Economic Development
Risk Management	Risks to running the estate are dealt with in the annual Estate Risk Management Report.	Head of Regeneration and Economic Development
Financial	Financial risks are considered in the ongoing finance updates.	Paul Holland, Senior Finance Manager – Client
Equalities	No Implications	

8. REPORT APPENDICES

- Appendix 1 – Shows damage sustained to the visitor centre in the break in of November 7th 2017.

9. BACKGROUND PAPERS

None

Appendix 1

Photos of damage to Cobtree Manor Park Visitor Centre during the break in on November 7th 2017.



**Cobtree Manor Estate Charity
Committee**

25th January 2018

**Cobtree Manor Park Visitor Centre/Café Update. January
2018**

Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service/Lead Director	Head of Regeneration and Economic Development
Lead Officer and Report Author	Jason Taylor – Leisure Manager
Classification	Public
Wards affected	Boxley

Executive Summary

The information in the report is to update the committee on the performance of the Cobtree Manor Park Visitor Centre/Cafe as agreed at the Committee on 3rd August 2016 meeting.

This report makes the following recommendations to this Committee:

1. That it notes the contents of this Visitor Centre/Café Update

Timetable

Meeting	Date
Cobtree Manor Estate Charity Committee	25 th January 2018

Cobtree Manor Park Visitor Centre/Café Update. January 2018

1. INTRODUCTION AND BACKGROUND

1.1 The Cobtree Manor Visitor Centre/ Café first opened in August 2015.

1.2 This will be the last update on the café operations as the café will be operated by an external operator.

1.3 Below is a breakdown of the month on month café/ visitor centre costs and income from when the facility opened to the current time.

	Salaries	Agency	Staff Total	Cater Prov	Staff+Prov	Av. Servs	Total Costs	Sales	Outcome
Aug-15	2392	5719	8111	4709	12820	2844	15664	-13591	2073
Sep-15	3822	6485	10307	6562	16869	2844	19713	-16349	3364
Oct-15	3179	9883	13062	8766	21828	2844	24672	-18972	5700
Nov-15	2768	7725	10493	8471	18964	2844	21808	-8729	13079
Dec-15	3159	7779	10938	3949	14887	2844	17731	-9730	8001
Jan-16	2205	6344	8549	1314	9863	2844	12707	-8367	4340
Feb-16	3584	7727	11311	5029	16340	2844	19184	-12392	6792
Mar-16	6064	5191	11255	2625	13880	2844	16724	-14082	2642
	27173	56853	84026	41425	125451	22752	148203	-102212	45991
Apr-16	6185	5314	11499	8393	19892	3286	23178	-21027	2151
May-16	6403	4118	10521	6464	16985	3286	20271	-19805	466
Jun-16	8024	2403	10427	11493	21920	3286	25206	-19818	5388
Jul-16	9632	854	10486	11704	22190	3286	25476	-36492	-11016
Aug-16	10674	3526	14200	7535	21735	3286	25021	-32848	-7827
Sep-16	12667	2133	14800	17293	32093	3286	35379	-21179	14200
Oct-16	10672	453	11126	15058	26184	3286	29470	-21605	7864
Nov-16	9726	47	9773	10162	19935	3286	23221	-10942	12279
Dec-16	7287	0	7287	3081	10368	3286	13654	-11888	1766
Jan-17	10828	0	10828	1151	11979	3286	15265	-10100	5165
Feb-17	6303	0	6303	5894	12197	3286	15483	-13935	1548
Mar-17	8424	0	8424	5171	13395	3286	16881	-14485	2396
	106826	18849	125674	103399	229073	39432	268505	-234124	34381
Apr-17	11498	0	11498	14595	26093	2389	28482	34384	-5902
May-17	7837	389	8226	8950	17176	2389	19565	22599	-3034
Jun-17	7881	118	7999	8237	16236	2389	18625	21724	-3099
Jul-17	9763	0	9763	8591	18354	2389	20743	27467	-6724
Aug-17	12952	210	13162	17595	30757	2389	33146	42536	-9390
Sep-17	7009	0	7009	7171	14180	2389	16569	18454	-4574
Oct-17	9246	0	9246	7884	17130	2389	19519	20747	-1228
Nov-17	4751	0	4751	3488	8239	2389	10628	11023	-395
Dec-17	4780	0	4780	3010	7790	2389	10179	8429	1750*
	75717	717	76434	79521	155955	21501	177456	207363	-34346

*December 2017 figures still to be reconciled with Agresso

1.4 For clarity, in the right hand outcome column of the table, positive figures are shown in black and negative figures in red.

1.5 Business has slowed down considerably, as expected, during November and December. This is purely due to reduced visitors to the park, poor weather

and shorter opening hours. December was the first month that the business has operated at a loss in this financial year.

1.6 Staffing levels continue to be kept to a minimum.

Café Contractor

1.7 As the Committee is aware, the catering operation at Cobtree Manor Park is being externalised to DA GT, along with Mote Park and Maidstone Museum Cafes.

1.8 Unfortunately the proposed handover date of October 31st 2017 was delayed due to legal documents not being exchanged in time.

1.9 It is hoped that the handover of all three of the cafes will take place by the end of this month (January)

1.10 Regular meetings with the staff at all of the cafes have continued to take place to ensure they are kept updated of progress.

1.11 DA GT the incoming contractor have indicated that a larger 3 phase electricity supply would be needed for then to carry out the improvements that they wish to do to the kitchen and servery. The cost of these works would be £23,600. Currently discussions are taking place on this matter with DA GT, but if CMET were to pay for these works, it is proposed to recoup any costs over the 5 years of the contract through an increase in rent.

2. AVAILABLE OPTIONS

2.1 The committee could choose not to note the information contained in this reports, however the committee has requested regular updates on the Café Visitor Centre performance

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

3.1 It is recommended that the information in this report regarding the performance of the Café/ Visitor Centre is noted.

4. RISK

4.1 This report is presented for information only and has no risk management implications.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The committee has previously resolved to receive regular updates on performance of the Café/ Visitor Centre.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

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

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The work of the charity links directly to its charitable objects and the corporate priorities of the Council.	Head of Regeneration and Economic Development
Risk Management	Risks to running the estate are dealt with in the annual Estate Risk Management Report.	Head of Regeneration and Economic Development
Financial	Financial risks are considered in the ongoing finance updates.	Head of Regeneration and Economic Development

8. REPORT APPENDICES

- None
-

9. BACKGROUND PAPERS

None

Cobtree Manor Estate Charity Committee

25th January 2018

Cobtree Manor Park Car Park Improvements and Charging

Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service/Lead Director	Dawn Hudd - Head of Regeneration and Economic Development
Lead Officer and Report Author	Jason Taylor – Leisure Manager
Classification	Public with exempt Appendix
Wards affected	Boxley

Executive Summary

This reports details proposed improvements to the car park at Cobtree Manor Park. Currently the car park is very wet during the winter and dusty in the summer, and result in an increasing number of complaints from visitors.

The report also compares the current parking charges with other comparable parks and recommends increases following the car park improvement works.

This report makes the following recommendations to this Committee:

1. To agree for the Car Park Improvement works to proceed at a cost of £214,500, including £10,000 to carry out the extra works to the bottom car park, and £10,000 to appoint a project manager to oversee the works.
2. To delegate authority to the Director of Finance and Business Improvement to award the contract to the successful contractor shown in Exempt Appendix 3, the winner of the tender process.
3. To delegate authority to the Head of Mid Kent Legal Services to enter in the necessary contracts with the contractor.
4. To increase the daily Car Parking charge from £1.50 to £2, and the annual residents season ticket price from £40 to £45 upon the completion of the car park improvement works.

Timetable

Meeting	Date
Cobtree Manor Estate Charity Committee	25th January 2018

Cobtree Manor Park Car Park Improvements and Charging

1. INTRODUCTION AND BACKGROUND

Car Park Refurbishment

- 1.1 As part of the Cobtree Manor Park Master Plan Improvement works the car park was increased in size to accommodate the extra visitors expected to the park. The increased capacity of the car park has worked well on the whole, but there has always been a problem with the car park being very wet in the winter months and very dusty in the summer. The capacity of the car park is also reduced because it is not possible to mark bays properly on the current surface, which means that visitors leave large gaps between vehicles. Photos of the current car park can be seen in Appendix 1. The cost to hard surface the car park in 2013 was prohibitive, particularly as it was unclear how many visitors would come to the park.
- 1.2 At the July 2017 Committee meeting designs showing the proposed improvements to the car park and surfacing were presented. The committee requested that the plans for the car park resurfacing were progressed. These plans have been moved on and the latest design including surfacing can be seen in Appendix 2. These are the same designs that the committee had previously seen but with further detail added.
- 1.3 The main roadway around the car park will be tarmacked in the same way as current entrance road, the parking bays will then be constructed from compacted clean stone.
- 1.4 It should be noted that the lower car park has not been included in these designs at this stage, as it will need to incorporate access to the storage for the new café operator and as yet these requirements have not been finalised. A small provisional sum has been included for these works but it is recommended that an additional £10,000 is allowed for these works.
- 1.5 When more detailed designs had been updated to include drainage, kerb lines, car parking spaces and surface materials, all information was ready to go out to tender to get prices for the work.
- 1.6 The MBC Procurement Team led the tender exercise and an invitation to tender was posted on the Kent Business Portal website on the 5th October 2017. This included all details of the work required including plans, specifications for material to be used and onsite requirements.
- 1.7 12 tenders were returned by the 9th November 2017 deadline. The qualitative assessment included a plan marked up by tenderers, identifying how they would phase the work while keeping the park operational, as well as a program outlining timescales.
- 1.8 An evaluation panel was formed consisting of Lewis Small, Jason Taylor and Elizabeth Buckingham to assess the tender quality responses and score

them against pre-defined criteria. All submissions were scored for price and quality and weighted 75% and 25% respectively.

1.9 The scores from all of the contractors can be seen below:

Company name	Price Submission	Price score	Quality score	Total score
Successful Contractor	£194,500.68	71.48	21.00	92.48
Contractor a	£192,001.00	72.41	16.67	89.08
Contractor b	£217,508.68	63.92	17.33	81.26
Contractor c	£215,283.45	56.69	11.33	68.02
Contractor d	£245,257.48	56.69	12.33	69.02
Contractor e	£185,382.00	75.00	16.67	91.67
Contractor f	£218,279.94	63.70	8.67	72.36
Contractor g	£189,476.48	73.38	13.33	86.71
Contractor h	£207,389.64	67.04	6.67	73.71
Contractor j	£188,378.00	73.81	16.00	89.81
Contractor k	£230,199.71	60.40	15.67	76.06

1.10 The highest scorer based on Price and Quality is shown is Exempt Appendix 3. References are currently being sought for the company.

1.11 It is recommended that if these works go ahead, that works are started after the February half term and are completed in time for Easter. This will avoid the times when the park is busiest.

1.12 Paul Holland, Senior Finance Manager confirmed that CMET currently have around £200k in the bank account. Given that the café has been performing better, the estate activities should show a surplus of around £50k by year end, so the Trust should be able to afford to do the car parks works this year.

1.13 It would however leave cash reserves a little low, so the committee do need to consider if there are likely to be any other urgent works needed during 2018/19. These urgent works could include items such as security improvements to the Cobtree Visitor Centre, upgrading the electricity supply to Cobtree Manor Park or investing in the narrow gauge railway. The estate should start to generate a healthy surplus from next year, which will increase available resources, and officers will re-evaluate the financial projection and programme of capital works previously reported to the Committee.

1.14 A sum of £10,000 has been allowed to appoint a project manager to oversee the car park works. It is important that someone with experience of this type of work is appointed.

Car Park Charging

1.15 The committee has suggested that it would consider increasing the car park charges for visitors following the completion of the car park improvement works. The table below shows how the current Cobtree Manor Park Car Parking charges compare to other similar parks in the surrounding area:

Park	Owner	Weekday Charge	Weekend Charge	Season Ticket (12 Months)
Cobtree Manor Park	CMET	£1.50	£1.50	£40
Teston Country Park	Kent County Council	£1.30	£2	£50*
Shorne Country Park	Kent County Council	£2	£3	£50*
Trosley Country Park	Kent County Council	£1.50	£2.50	£50*
Manor Park West Malling	Kent County Council	£1.30	£2	£50*
White Horse Country Park	Kent County Council	£1	£1.50	£50*
Lullingstone Country park	Kent County Council	£1.50	£2.50	£50*
Pegwell Bay Country Park	Kent County Council	£1.30	£2	£50*
Brockhill Country Park	Kent County Council	£1.50	£2.50	£50*
Grove Ferry Picnic Site	Kent County Council	£1.30	£2	£50*
Dunorlan	Tunbridge Wells BC	FREE	FREE	
Mote Park	Maidstone Borough Council	£2 for up to 6 hours £12 for over 6 hours	£2 for up to 6 hours £12 for over 6 hours	£40
Leybourne Lakes	Tonbridge and Malling BC	Up to 4 hours £1 over 4 hours £4	Up to 4 hours £1 over 4 hours £4	£30
Bowl Water	Independent	£2	£2	
Bedgebury Pinetum	Forestry Commission	£10	£12	£72
National Trust Ightham Mote	National Trust	£2	Free for members	
Swanley Park	Swanley Town Council	£3		FOC to Swanley residents.

January 2018 *KCC Season Ticket includes 9 KCC parks

1.16 As can be seen from the above table the prices at Cobtree Manor Park are lower than most parks in the surrounding area.

1.17 We know from our visitors that Cobtree Manor Park is a day out for visiting families. The table below shows the current cost of daily and yearly car parking at Cobtree Manor Park, which gives free access to the park and all of its facilities, compared to the entry charges to other local family attractions.

Attraction	Family Charge (2+2)	Family Season Ticket (12 Months)
Cobtree Manor Park	£1.50	£40.00

Leeds Castle	£80	Ticket valued all year
Kent Life Farm Attraction	£19.95#	£95.00
Historic Dockyard, Chatham	£63.00	Ticket valued all year

January 2018 #off Peak

1.18 Based on the current income from car parking if the daily car parking charge was increased from £1.50 to £2.00 and the annual parking permit increased from £40 to £45 then this should generate an increase in the region of £25,000 per year which would contribute to the costs of car park improvements.

2. AVAILABLE OPTIONS

2.1 The options available to the committee with regard to the Car Park Refurbishments are as follows:

2.1.1 To agree to go ahead with the car park improvement works and award the contract to the successful contractor shown in Exemp Appendix 3, and to appoint a project manager to oversee the works.

2.1.2 To delay the works to the car park until a later time when the committee is content that CMET's finances are in a stronger position.

2.2 The options available to the committee with regard to increasing Car Park Charges at Cobtree Manor Park are as follows:

2.2.1 To not increase the car parking charges.

2.2.2 To increase the car parking charges prior to the improvements being made to the car park. This could be an option if the committee decides to delay the implementation of the improvement works.

2.2.3 To increase the car parking charges more than the recommended level.

2.2.4 To increase the daily car parking charge from £1.50 to £2.00 and the car parking season ticket from £40 to £45, following the implementation of the car park improvement works.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

3.1 To accept the winning tender price of £194,500 from the procurement process carried out and appoint the successful contractor shown in Exempt Appendix 3 to carry out the work as agreed. This will improve the quality of parking for visitors and allow for the car park to be used more efficiently.

3.2 Allow an additional £10,000 to allow for the bottom car park to be designed and included in the works. The bottom car park could not be included in the tender process as it was not clear what the requirement for

the area would be until the new café tender had been let. If this area was not completed at the same time as the rest of the car park it would look untidy compared to the rest of the car parking. It would also be more expensive to bring back the car parking equipment to carry out this work in the future.

- 3.3 Allow £10,000 to appoint a project manager to oversee the car park improvement works. This is important to ensure that the work is carried out as per the specification, and avoid any problems in the future.
- 3.4 Increase the daily car parking charge from £1.50 to £2.00 and the car parking season ticket from £40 to £45, following the implementation of the car park improvement works.
The car parking charge is currently lower than surrounding parks including Mote Park which is £2 per day. Increasing the charge would allow for the costs of park improvements and maintenance including the car park improvements.

4. RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No formal consultation has taken place regarding the refurbishment of the car park, however direct feedback from customers coupled with comments on social media confirm that it is the most regular complaint received about the park.
- 5.2 No consultation has taken place with visitors about increasing the charging for car parking. Research has been done to compare the current charges with other parks and attractions in the area.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 If the car park improvement works are agreed by committee, the successful contractor will be contacted, contracts awarded and arrangements made for the work to start. A Project Manager will be appointed to oversee the works, which would be carried out between February half term and Easter which is at the end of March.
- 6.2 It is not recommended that the increase in parking charges is introduced until after the car park works have been completed. This would probably mean that the charges would go up just before Easter 2018. Before any

increase notices will be put on to the car park machines and in the visitor centre to let people know to bring the correct change.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>This decision will have an impact on the following Corporate Priorities</p> <ul style="list-style-type: none"> • Keeping Maidstone Borough an attractive place for all - • Ensuring that there are good leisure and culture facilities 	Head of Regeneration and Economic Development.
Risk Management	The risk as detailed elsewhere in this report is low.	Head of Regeneration and Economic Development.
Financial	Resources are available for this project, although it will leave cash reserves low for a short period. However the increase in the car parking charge will have a positive impact on available resources going forward.	Paul Holland, Senior Finance Manager (Client)
Staffing	This will have no impact on staffing.	Head of Regeneration and Economic Development.
Legal	<p>A contract will need to be prepared and exchanged with the successful contractor. Any contract entered into must be in accordance with the Council's Contract Procedure Rules and should be in a form approved by the Head of Legal Partnership.</p> <p>Any implications regarding</p>	Keith Trowell, Interim Team Leader (Corporate Governance)

	increasing the car parking charges were dealt with, when charges were originally introduced.	
Privacy and Data Protection	No additional data will be held.	Keith Trowell, Interim Team Leader (Corporate Governance)
Equalities	This will have no equality implications.	Head of Regeneration and Economic Development.
Crime and Disorder	This will have no impact on Crime and Disorder	Head of Regeneration and Economic Development.
Procurement	The necessary procurement exercise has already been carried out to secure a contractor to for this work.	Head of Regeneration and Economic Development.

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Photos showing the current condition of Cobtree Manor Park Car Park.
- Appendix 2: Proposed car park layout showing surfacing.
- Exempt Appendix 3: The name and details of the successful contractor.

9. BACKGROUND PAPERS

None

Appendix 1

Photos showing the current condition of Cobtree Manor Park Car Park.

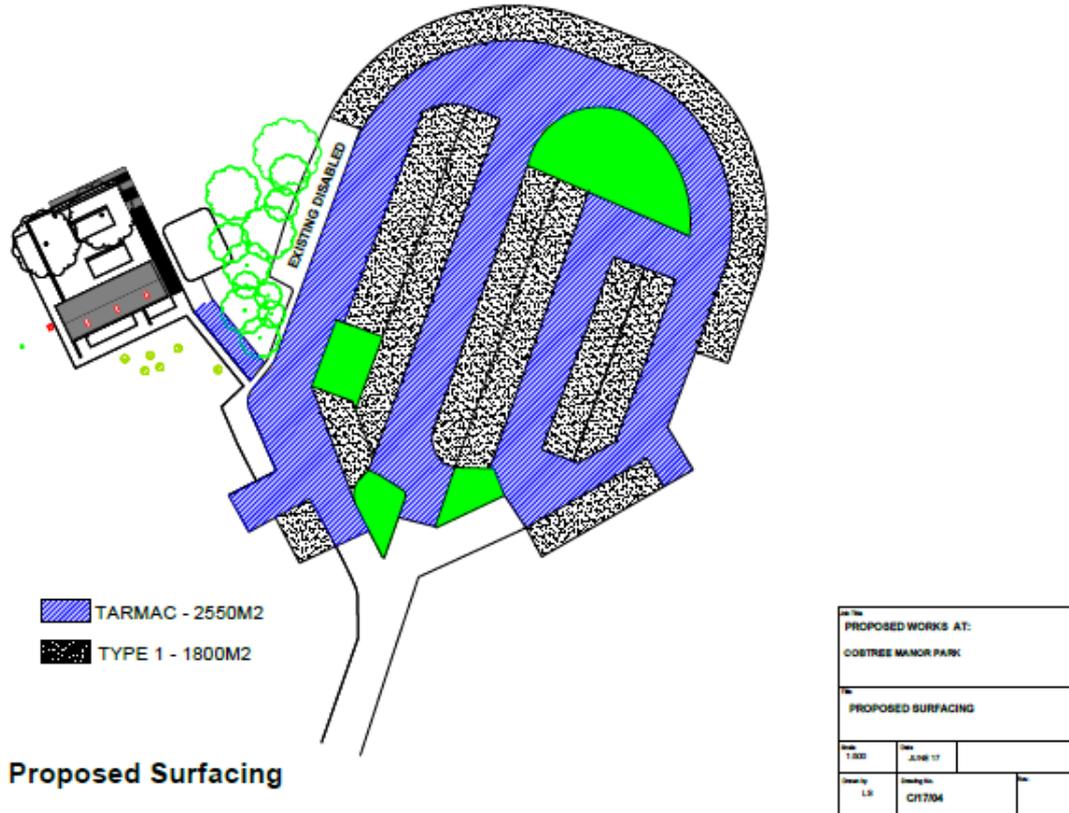




January 2018

Appendix 2

Proposed car park layout showing surfacing



Please note that the design for the area to the south of the visitor centre is still to be designed, following the new catering contractors starting on site.

Agenda Item 18

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

Document is Restricted

Agenda Item 19

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted