

# COBTREE MANOR ESTATE CHARITY COMMITTEE MEETING

Date: Tuesday 26 January 2021

Time: 2.00 p.m.

Venue: Remote Meeting - The public proceedings of the meeting will be broadcast live and recorded for playback on the Maidstone Borough Council website

Membership:

Councillors Cox (Chairman), Daley, Mrs Gooch (Vice-Chairman), Perry and Springett

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

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## **AGENDA**

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| 1. Apologies for Absence  |         |
| 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. |         |
| 8. Minutes (Part I) of the meeting held on 5 November 2020  | 1 - 6   |
| 9. Presentation of Petitions (if any)   |         |
| 10. Question and answer session for members of the public (if any)  |         |
| 11. Questions from Members to the Chairman (if any)   |         |
| 12. Accounts 2019/20  | 7 - 65  |
| 13. Cobtree Manor Estate Financial Position   | 66 - 76 |
| 14. Cobtree Estate Update   | 77 - 81 |

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**Issued on Monday 18 January 2021**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

## 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.**

	<b>Head of Schedule 12A and Brief Description</b>	
15. Minutes (Part II) of the meeting held on 5 November 2020	3 – Financial/Business Affairs	82 - 83
16. Cobtree Estate Contracts Update	3 – Financial/Business Affairs	84 - 90

### **INFORMATION FOR THE PUBLIC**

In order to ask a question at this meeting, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 22 January 2021). You will need to provide the full text in writing.

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

In order to make a statement at the invitation of the Chairman, please call 01622 602899 or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting. You will need to tell us which agenda item you wish to make representations on.

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

To find out more about the work of the Committee, please visit [www.maidstone.gov.uk](http://www.maidstone.gov.uk).

## **MAIDSTONE BOROUGH COUNCIL**

### **COBTREE MANOR ESTATE CHARITY COMMITTEE**

#### **MINUTES (PART I) OF THE REMOTE MEETING HELD ON 5 NOVEMBER 2020**

**Present:** Councillor Cox (Chairman) and Councillors Daley,  
Mrs Gooch, Perry and Springett

119. APOLOGIES FOR ABSENCE

There were no apologies for absence.

120. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

121. URGENT ITEMS

There were no urgent items.

122. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

123. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

124. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

125. EXEMPT ITEMS

**RESOLVED:**

1. That item 16 (Cobtree Estate Contracts Update Report) be taken in private as proposed.
2. That items 15 (Minutes (Part II) of the meeting held on 10 September 2020) and 17 (Exempt Appendix to item 14 (Future Cobtree Manor Park Management and Operation)) be considered in public but the information contained therein should remain private.

126. MINUTES (PARTS I AND II) OF THE MEETING HELD ON 10 SEPTEMBER 2020

**RESOLVED:** That the Minutes (Parts I and II) of the meeting held on 10 September 2020 be approved as a correct record and signed.

127. PRESENTATION OF PETITIONS

There were no petitions.

128. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

129. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

130. COBTREE MANOR ESTATE FINANCIAL POSITION

The Senior Finance Manager (Client) introduced his report summarising the financial position of the Cobtree Manor Estate as at 30 September 2020. The report covered the performance of the Golf Course, Kent Life, Cobtree Manor Park (including the Café) and residential properties and highlighted the need for robust management and monitoring of the budget in response to the significant risks to the finances and operations of the Estate presented by the on-going COVID-19 situation.

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

- The key message at present was that there were no significant issues regarding running costs within the budget. The Charity was underspent by approximately £48,000 although this did assume that it would receive all the expected contract income. If the Charity were to receive all of that income, it would be looking at a breakeven position at the end of the year.
- At present there was no outstanding income due from Kent Life; there were two outstanding invoices in respect of the Café (one relating to 2019/20); and, in terms of the Golf Course, an invoice had been sent to Mytime Active for the remainder of the Quarter 1 period and Quarter 2 would also be invoiced if an investigation by the Head of Finance into their annual finances concluded that no further contract relief was necessary.
- Given the situation with contract income there were some concerns around the cashflow position. This was being monitored closely and discussions were ongoing with the Director of Finance and Business Improvement to ensure that there were sufficient resources in place to meet ongoing commitments.

- Members had requested that an updated Capital Programme be reported to this meeting of the Committee for consideration. However, due to the uncertainty over income at present this had not been progressed. It was considered that it would be sensible to wait until there was more certainty over income before bringing forward any proposed schemes.
- The value of the Charity's investment in Charifund had stabilised at approximately £680,000 compared to a value of £930,938 in January 2020. It was hoped that the value of the investment would improve as the economy recovered.

In response to a question, the Senior Finance Manager (Client) advised the Committee that the introduction of negative interest rates could affect the return on the Charity's investment in Charifund. He hoped that the Investment Fund managers would provide guidance on the potential impact.

**RESOLVED:** That the financial position of the Cobtree Manor Estate as at 30 September 2020, as set out in the report of the Senior Finance Manager (Client) and as updated at the meeting, be noted.

#### 131. COBTREE ESTATE UPDATE REPORT

The Leisure Manager presented his report providing an update on activities at the Cobtree Manor Estate since the last meeting of the Committee in September 2020. It was noted that:

- Cobtree Manor Park continued to be busy. Car park income had recovered following the closure of the Park in March and April 2020 and was now £17,000 ahead of budget.
- The children's play equipment was being repaired and winter tree works had started that day and would be completed by the end of the following week.
- The automation of the Park gates meant that access to the Park was now in line with the advertised opening and closing times.
- The busy summer period at the Golf Course was now drawing to a close and the Golf Course development works to be carried out by the operator would begin in late November.
- Kent Life had continued to manage the recovery from the COVID-19 closure very well, managing costs and maximising opportunities where possible, but progress was now being hampered by the second national lockdown for England.
- Cobtree Café had re-opened with social distancing guidelines being followed.

- The Elephant House was out of use because of health and safety and building regulations concerns. The Charity was unable to pre-pay for any works on behalf of the tenant due to the current financial situation.

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

- The situation regarding the Elephant House would be reviewed in due course but it could not be used by anyone at present due to the COVID-19 restrictions.
- Cobtree Manor Park had received a Green Flag award along with Mote Park, Clare Park and Whatman Park.

**RESOLVED:**

1. That the update on the activities at the Cobtree Manor Estate since the last meeting of the Committee in September 2020 be noted.
2. That the staff at Cobtree Manor Park be thanked for their work in maintaining the Park.

Note: Councillor Perry joined the meeting during consideration of this item (2.17 p.m.). Councillor Perry said that he had no disclosures of interest or lobbying.

132. FUTURE COBTREE MANOR PARK MANAGEMENT AND OPERATION PROPOSAL

The Leisure Manager introduced his report setting out options for the future management and operation of Cobtree Manor Park. It was noted that:

- Until 2017, the Council's Parks and Leisure team managed all Council owned parks and open spaces as well as Cobtree Manor Park on behalf of the Cobtree Manor Estate Charity and the grounds maintenance service was provided by the Council's in-house Grounds Maintenance team. However, when the Parks and Leisure team was split into two, the operation of the Cobtree Manor Park and the Charity's other assets remained with the Leisure team and the Parks team joined Environmental Services.
- The Leisure Manager had identified limitations regarding the current operational arrangements for Cobtree Manor Park. Three staff were currently employed at the Park, the Cobtree Manager and two Rangers, and their work was restricted by the equipment available to them. A significant proportion of the mechanical work required was, therefore, carried out by the Council's in-house Grounds Maintenance team at an additional cost, or was not undertaken at all. This had an impact on the productivity of the Cobtree team and the value for money offered to the Charity.

- All amenity and bridleway grass cutting works were currently undertaken by the Council's in-house Grounds Maintenance team at an annual cost of £21,600. The team also carried out one-off work including play area repairs and regularly provided additional staff to cover peak times. Therefore, the actual cost to the Charity ranged from £30k to over £50k in addition to the salary costs of the Cobtree Manager and Rangers. It was also important to note that this currently excluded shrub-bed maintenance costs as this work had not been undertaken in recent years. The work would need to be carried out, but it was unlikely that it could be carried out by the Park's staff. This work was estimated to cost £17,000 per year.
- The Head of Environment and Public Realm who was responsible for the Council's parks and open spaces had also identified opportunities within the Parks and Grounds Maintenance teams to reduce duplication, increase resilience and create an improved future-focused team with greater responsibility for enhancing biodiversity and improving customer experience.
- In this context, four options had been identified for the onward management and operation of Cobtree Manor Park as follows:
  1. Continue as is
  2. Fully in-house with Cobtree dedicated staff
  3. Fully contracted out
  4. New combined management structure within Parks
- Cost comparisons had been prepared and the current model included a "to be confirmed" cost for the storage and disposal of green waste as the Park did not have a green waste solution at present.
- The option to create a new combined management structure within Parks was considered to offer the Charity the most resilient and flexible service which also provided better value for money than the current arrangements. However, the changes would be more complex than the other options and there would be a full staff consultation and more detailed financial modelling before a final proposal was brought back to the Committee. Informal discussions had already taken place with the staff involved.

In response to questions, the Leisure Manager explained that:

- There was insufficient space to compost green waste on site.
- If option 4 was adopted, it would be possible to assimilate all members of staff in the new structure.

**RESOLVED:** That agreement be given to the principle of a combined Parks management structure to enable a full staff consultation to be undertaken.

133. EXCLUSION OF THE PUBLIC FROM THE MEETING

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

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

Cobtree Estate Contracts Update Report      3 – Financial/Business Affairs

134. COBTREE ESTATE CONTRACTS UPDATE REPORT

The Leisure Manager presented his report providing an update on the implementation of the Committee’s decisions regarding the contractual relief to be provided to the operators of the Cobtree Golf Course, Kent Life and the Cobtree Café to ensure service continuity during and after the COVID-19 pandemic. It was noted that the report was now out of date due to the announcement of a second lockdown for England which would remain in place until 2 December 2020. Further discussions were taking place with operators. A meeting of the Committee would be arranged to take place in December 2020 to enable Members to review the position regarding the Cobtree Estate contracts and to consider the action to be taken.

135. DURATION OF MEETING

2.00 p.m. to 3.10 p.m.

<b>Cobtree Manor Estate Committee</b>	<b>26 January 2021</b>
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## Accounts 2019/20

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

### Executive Summary

The audit of the Trust accounts for 2019/20 has now been completed and an unmodified audit opinion will be issued. This report summarises the main points from the accounts and seeks approval of them so they may be submitted to the Charity Commission.

### Purpose of Report

To formally approve the Trust accounts for 2019/20.

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

1. That the Report and Financial Statement for 2019/20 are approved and submitted to the Charity Commission.
2. That the Letter of Representation be approved.
3. That the contents of the Audit Findings Report be noted.

### Timetable

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Committee	26 January 2021

# Accounts 2019/20

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

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

		Legal Services
<b>Equalities</b>	There are no additional implications arising from this report.	Anna Collier Policy and Information Manager
<b>Public Health</b>	There are no additional implications arising from this report.	Public Health Officer
<b>Crime and Disorder</b>	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
<b>Procurement</b>	There are no additional implications arising from this report.	Head of Regeneration & Economic Development

## 2. INTRODUCTION AND BACKGROUND

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

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## 3. ACCOUNTS 2019/20

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

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

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

- The total funds of the Trust as shown on the Balance Sheet have reduced from £5.17m to £4.38m, with the Statement of Financial Activities (SOFA) showing a net funds decrease of £785,495 for the year.
- There are two significant elements that explain the decrease. Firstly, the reduction in the value of the Charifund investment, that Members will already be aware of from previous Financial Position reports. This reduced

by £192,574 over the course of the year.

- The second element is a reduction of £620,000 in the value of investment properties. There are two parts to this reduction. Firstly, there was a £270,000 downward revaluation of the four residential properties on the estate. Following the revaluations for the 2018/19 accounts where the auditors had suggested a different valuation methodology there were further discussions and the auditors accepted that the method used by the Council's valuer was appropriate, so this movement resets the values to the 2019/20 valuation figure. This is outlined in more detail in the Audit Findings Report, which is **Appendix 3** to this report. The second element is a reduction in the value of Tyland Barn from £350,000 to zero, again following discussions with the auditors. This reflects the fact that the property is let on a 125 year lease at a peppercorn rent.
- Neither of these decreases has a direct impact on the cash resources available to the Estate for funding its ongoing operations and commitments.
- The increase in debtors reflects outstanding sums due from contractors as at 31<sup>st</sup> March 2020 due to Covid-19 related issues that the Committee have previously been briefed on.
- The increase in creditors due within one year relates to the sums owed by the Estate to the Council for the construction of the new car park at the Manor Park.
- The accounting policy for going concern has been amended this year to reflect the impact of Covid-19. This was put together following discussions between officers and the auditors and concludes that it is appropriate to continue to account on a going concern basis.

3.4 Appendix I to the Audit Findings Report sets out the accounting adjustments that were agreed with the auditors after the draft accounts were submitted to them. The three most significant are as follows:

- £25,907 – Move electricity works to repairs and maintenance: These were works undertaken as part of the car park construction. They had been shown as capital spend but have been reclassified as repairs and maintenance.
- £350,000 – Investment property revaluation: This has been explained earlier in this report.
- £115,205 – Depreciation as per client: Members had raised the issue of depreciating the play area, which had not been depreciated previously. This is now included within the accounts.

3.5 **Appendix 2** is the Letter of Representation for 2019/20. This asks Trustees to confirm a number of statements relating to the audit and the information supplied to the auditors during the course of their audit.

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

- 4.1 The Audit Findings Report is attached at **Appendix 3**. The purpose of this report is to bring to the attention of the Committee various matters that have arisen from the external audit.
- 4.2 Sections 1 to 5 provide a background and overview to the audit and to the report itself. Sections 6 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.
- 4.3 Section 6 deals with status of audit issues that were raised in previous years. Two of the three have been resolved, and the remaining one relating the potential for a tax liability in relation to the car park. Officers will continue to monitor this and if necessary, seek professional advice on the matter.
- 4.4 There are no new recommendations arising from the 2019/20 audit.
- 4.5 Appendix I to the Audit Findings Report summarises the accounting adjustments that were agreed following the audit of the accounts, which were outlined in more detail in the section on the accounts earlier in this report.

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

- 5.1 That the Committee approves the Report and Financial Statements in order that they can then be submitted to the Charity Commission by 31<sup>st</sup> January 2021.
- 5.2 There are no other available options as there is a legal requirement to produce and approve the Report and Financial Statements.
- 5.3 That the contents of the Audit Findings Report are noted.
- 5.4 There are no alternative actions. The Audit Findings Report is written for the benefit of those charged with governance to bring to their attention matters of interest that have arisen during the external audit process, therefore it needs to be considered by the Committee.

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

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

## 7. **REPORT APPENDICES**

- Appendix 1 – Report and Financial Statements 2019/20
  - Appendix 2 – Letter of Representation
  - Appendix 3 – Audit Findings Report
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## 8. **BACKGROUND PAPERS**

None.

**Cobtree Manor Estate**

**Trustee's Report and Financial Statements**

**For the Year Ended 31 March 2020**

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**Cobtree Manor Estate**

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**Cobtree Manor Estate**

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

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

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## Cobtree Manor Estate

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### Trustees' Report

#### For the Year Ended 31 March 2020

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The Maidstone Borough Council acting as Corporate Trustee to the registered Charity known as "Cobtree Manor Estate" presents its annual report in relation to the financial year ending 31 March 2020.

#### Trustees

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

### OBJECTIVES AND ACTIVITIES

#### Governing Object

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

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

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

#### Object of the Charity

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

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

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

### ACHIEVEMENTS AND PERFORMANCE

#### Organisation of the Charity

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

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

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

#### Advice to Trustees

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

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## Cobtree Manor Estate

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### Trustees' Report

#### For the Year Ended 31 March 2020

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#### Activities

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

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

#### Cobtree Golf Course

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

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

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

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

The Cobtree Wellbeing Programme during the year included:

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

Other events during the year included:

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

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## Cobtree Manor Estate

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### Trustees' Report

#### For the Year Ended 31 March 2020

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#### Cobtree Manor Park

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

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

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

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

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

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

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

#### Kent Life

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

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

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

#### *Forstal Field*

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

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

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

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

**Trustees' Report****For the Year Ended 31 March 2020**

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**Review of Public Benefit**

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

**Related Party Disclosure**

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

The Council also employs a Manager at the Manor Park, and two park rangers. These posts exist solely for the benefit of the Charity and the cost for each is shown in the Charity accounts under the arrangements specified above. When required, additional labour for covering ranger holiday and some weekends in the summer season is also paid for by the Charity.

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

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

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

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

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

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

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

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

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

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

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

**Trustees' Report**

**For the Year Ended 31 March 2020**

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**Investment Policy and Performance**

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

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

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

**Reserves Policy**

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

**Risk Management**

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

**PLANS FOR FUTURE PERIODS**

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

**TRUSTEE'S RESPONSIBILITIES**

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

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

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

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

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**Cobtree Manor Estate**

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**Trustees' Report**

**For the Year Ended 31 March 2020**

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

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

Date:

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

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**Opinion**

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

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

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

**Responsibilities of trustees**

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

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

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

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

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

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

**Use of our report**

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

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

Date:

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

Cobtree Manor Estate

Statement of financial activities  
For the Year Ended 31 March 2020

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

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

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

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**Cobtree Manor Estate**

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**Balance Sheet**  
**As at 31 March 2020**

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

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

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

Date:

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

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

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**1. General information**

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

**2.2 Going concern**

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

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

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

**Changes to operations**

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

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

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

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

**Contractor rental amendments**

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

**Conclusion**

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

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

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

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**2. Accounting policies (continued)**

**2.3 Income**

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

**2.4 Expenditure**

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

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

**2.5 Intangible assets and amortisation**

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Website development	- 25 %
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**2.6 Tangible fixed assets and depreciation**

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

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

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

Depreciation is provided on the following bases:

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

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

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

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

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

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**2. Accounting policies (continued)**

**2.7 Investments**

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

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

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

**2.8 Financial instruments**

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

**2.9 Fund accounting**

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

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

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

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

3. Income from donations and legacies

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

4. Income from charitable activities

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

5. Income from other trading activities

Income from non charitable trading activities

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

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

6. Investment income

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

7. Analysis of expenditure on charitable activities

Summary by fund type

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

Summary by expenditure type

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

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

8. Analysis of expenditure by activities

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

Analysis of direct costs

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

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

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9. Auditors' remuneration

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

10. Staff costs

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

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

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

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

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

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

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

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

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

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

**12. Intangible assets**

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

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

13. Tangible fixed assets

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

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

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

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

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

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**14. Investment property**

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

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

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

**15. Fixed asset investments**

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

**Material investments**

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

**Risk profile**

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

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

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

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16. Debtors

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

17. Creditors: Amounts falling due within one year

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

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

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

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

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

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

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

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

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19. Financial instruments

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

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

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

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

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

20. Statement of funds

Statement of funds - current year

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

**Unrestricted Funds**

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

**Restricted Funds**

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

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

**Permanent Endowment Capital Fund**

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

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**
**20. Statement of funds (continued)****Statement of funds - prior year**

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

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

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

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

**21. Analysis of net assets between funds (continued)**

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

**Analysis of net assets between funds - prior period**

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

**22. Related party transactions**

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

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

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

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

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

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

As disclosed in note 8, MBC employs staff whose roles exist solely for the benefit of the Charity, and hence the cost of their employment is shown within staff costs. In total, staff costs include £101,156 (2019 - £108,310) of recharged employment costs.

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

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

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

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**23. Controlling party**

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

**24. Taxation**

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

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

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Cobtree Manor Estate for the year ended 31 March 2020. We note that your audit was performed for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the result and financial position of Cobtree Manor Estate in accordance with the UK Generally Accepted Accounting Practice financial reporting framework.

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

1. **General**

We acknowledge as trustees our responsibility under the Charities Act 2011 for preparing financial statements, which give a true and fair view of the financial position of Cobtree Manor Estate as of 31 March 2020, and of the result of its operations for the year then ended, and for making accurate representations to you. The financial statements are free of material misstatements, including omissions. We confirm that we have held prior discussion with you to ensure that there is complete agreement on the meaning of all confirmations that we are making to you.

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

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

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

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

2. **Non-audit services**

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

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

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

**3. Commitments, contingencies and liabilities**

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

**4. Litigation**

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

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

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

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

**6. Post Balance Sheet Events**

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

## 7. Laws and Regulations

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

## 8. Future Plans

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

## 9. Accounting estimates

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

## 10. Fixed assets

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

<b>Long-term leasehold properties:</b>	<b>£</b>	<b>Comments</b>
Cobtree Manor Golf Course	777,777	(being 7/9 <sup>th</sup> of the £1m valuation by Harrisons in Nov 19)
Cobtree Play Area	688,924	Depreciation over UEL 10 years
Cobtree Café/Visitor Centre	250,000	(based on Harrisons valuation in Nov 19)
Kent Life Attraction	700,000	(based on Harrisons valuation in Nov 19)
Cobtree Manor Park Car Park	270,605	Depreciation over UEL 8 years
	<b>2,687,306</b>	

<b>Investment properties:</b>	<b>£</b>	<b>Comments</b>
Garden Cottage	420,000	(based on Harrisons valuation in Nov 19)
2 Stream Cottages	195,000	
3 Stream Cottages	195,000	
4 Stream Cottages	200,000	
Gate Lodge	-	
Tyland Farm	-	Based on an Existing Use Value basis and the 125 year lease with a peppercorn rent
	<b>1,010,000</b>	

11. **Going Concern**

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

In particular we confirm that the total balance of £389,291 owing to Maidstone Borough Council at 31 March 2020.

Of this total £262,212 relates to the car park loan and £199,575 of this portion is repayable after more than one year.

The total balance also includes £127,079 and we confirm that it is our understanding that there will be no call on this loan within the twelve months from the date of this letter unless the charity can afford to make the repayments.

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

Yours faithfully,

.....  
Name and Signature

On behalf of the Cobtree Manor Estate Committee

Date:

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

	<b>Effect on net income £</b>
Move electricity works to repairs and maintenance	(25,907)
Investment property revaluation	(350,000)
Depreciation as per client	(115,205)
Adjustment to Will Trust income	7,280
Loan interest as per agreement	(8,859)
Audit adjustment 2018/19 recorded incorrectly	(7,057)
Electricity upgrade due from Cobtree Café Ltd	10,903
	<u>(488,845)</u>
<b>Reconciliation between draft accounts presented for audit and final accounts</b>	
Net deficit/reduction in funds per original accounts	(296,650)
UHY adjustments above	(488,845)
	<u>(785,495)</u>
<b>Net movement in funds per Statement of Financial Activities</b>	

## APPENDIX II – UNADJUSTED AUDIT DIFFERENCES

Accrual identified during purchase cut off testing	(1,500)
Prepayment identified during purchase testing	929
Profit/(loss) on part disposal of café set up costs	(2,036)
	<u>(2,607)</u>
<b>Impact of unadjusted audit differences</b>	<u>(2,607)</u>

# Audit findings report

for the year ended 31 March 2020 for

## Cobtree Manor Estate

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Prepared by: Allan Hickie, Audit Partner

Date of issue: 18 January 2021



# 1. Introduction

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# 1. Introduction

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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 2020.

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

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### 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

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### 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.



## 2. Overview

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### 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. Any unadjusted audit differences are included in Appendix II.

### 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 2021, 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 2020.

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

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<b>Service</b>	<b>Possible threat</b>	<b>Safeguards</b>
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>



## 4. Audit scope and objectives

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Our statutory audit of the financial statements is carried out in accordance with International Standards on Auditing (UK) 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 2020 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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The charity 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

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### 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
<p><b>Revenue recognition</b> (mandatory risk)</p> <p>56</p>	<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 &amp; 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><b>Management override</b></p> <p>(mandatory risk)</p> <p>57</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
<b>Non-depreciation of freehold buildings</b>	<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>	Review and analysis of any impairment review undertaken.	<p>An impairment review was carried out by the valuers on behalf of the charity.</p> <p>From our own impairment review carried out, the non-depreciation of freehold buildings under the valuation model appears appropriate.</p>
<b>Post year end impact of Covid-19</b>	A risk due to the pandemic having the potential to impact on the ability of the charity to operate normally.	<p>Review and analyse forecasts provided.</p> <p>Ensure disclosures in the accounts are appropriate.</p>	<p>Review of cashflow forecast undertaken. Income is projected to decrease by £64k in 2020/21. Expenditure is projected to increase by £25k, however Paul Holland has indicated that actual costs have fallen lower than forecast.</p> <p>A going concern accounting policy has been included in the accounts in Note 2.2.</p>



## 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.

	Brought forward issue / observation	Risk rating prior year	Previous solution suggested	Follow up comments, including whether further action required	New risk / priority rating
1.	<p><b>General charity records.</b>  <b>This issue was first raised in the 2014/15 audit as a Red/High Priority Point</b></p> <p>In 2014/15 we commented on the significant difficulty we had during the audit trying to agree the amounts included in the accounts and as a result had to spend a considerable amount of time reworking the 2015 accounts to a position where we were comfortable with the figures.</p> <p>We advised that the lack of a clear audit trail was mainly down to the fact that the charity's records are so intrinsically linked to MBC records, and because the accounts are effectively created from the council ledger and spreadsheets.</p> <p>This issue was downgraded to Medium in 2015/16 and has remained at this level since then because although the records have not yet been separated out, the records supporting the balance owing to MBC have been much clearer.</p>	 Low	<p>Since 2014/15 we have recommended that MBC set up the charity's own accounting records, either using spreadsheets or, perhaps more ideally, using 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>Sage has now been implemented and has been used from July 2020.</p>	<p><b>Resolved</b></p>



## 6. Status of audit issues raised in prior years

	Brought forward issue / observation	Risk rating prior year	Previous solution suggested	Follow up comments, including whether further action required	New risk / priority rating
2.	<p><b>Potential tax on commercial trading</b>  <b>Issue first raised in the 2015/16 audit</b></p> <p>We commented on the significant income first generated during the 2015/16 year from two new income streams (the café and car parking) which could be seen to be commercial trading.</p> <p>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.</p> <p>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.</p> <p>Income from both sources was expected to be substantially higher for the first full year of operation through to 31 March 2017, and so we highlighted the risk that the charity could find itself with a tax liability for 2016/17 (noting that any losses for 2015/16 should be available to offset against some of these profits).</p>	 Low	<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>We recommended that the tax position of the charity is given some immediate thought.</p>	<p><b>Follow up comment for 2019 audit:</b>            The café was transferred to an external provider in 2020 and therefore this is no longer an issue.</p> <p>Car park income has increased to £96k from £89k last year due to increased visitor numbers.</p> <p>The relevant expenditure needs to be monitored to ensure a large surplus is not being made on the activity, in case of any tax implications.</p> <p><b>Follow up comment from 2020 audit:</b>            Car park income has increased from £96k to £110k with only £13k of expenditure being able to be attributed to this.</p>	



## 6. Status of audit issues raised in prior years

	Brought forward issue / observation	Risk rating prior year	Previous solution suggested	Follow up comments, including whether further action required	New risk / priority rating
3.	<p><b>Basis of investment property valuations</b></p> <p>It has come to our attention this year that the valuations of the investment properties conducted by Harrison's are valued on the Existing Use Value (EUV) basis used by Maidstone Borough Council.</p> <p>The EUV is acceptable under the IFRS accounting standard to which MBC prepares its financial statements, however the charity prepared accounts under FRS 102 and this standard requires investment properties to be valued at fair value. Fair value does not reflect or allow the assumption within the EUV approach that the properties can be used for the foreseeable future only for their existing use. The EUV valuations, based on the market rent yield, are therefore considerably below the market value sales prices that would be a good basis for fair value.</p> <p>The investment properties have therefore been uplifted in value at 31 March 2020 and an explanation of the approach has been included in the accounts.</p> <p>The Tyland Barn (Farm) property continues to be carried at £nil based on an EUV approach since no other information is available, and this is disclosed in note 12 of the financial statements.</p>	 <p>Med</p>	<p>Harrison's should be asked to value the investment properties at a fair value basis ahead of the 31 March 2020 year end.</p>	<p>Following last year's audit discussions were held between Paul Holland and Harrison's.</p> <p>It was noted that the value reported has regard to the tenancies in place. Therefore, you would not be able to sell the houses subject to vacant possession without first terminating the tenancies.</p> <p>Harrison's have therefore valued the properties on the basis of their investment value until the end of the lease and then vacant possession thereafter.</p> <p>Therefore the valuations done by Harrison's were at fair value and the adjustments made in the prior year accounts have been reversed.</p>	<p><b>Resolved</b></p>



## 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 charity'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 2020 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

We also bring to your attention other deficiencies that came to our attention during our work, again along with our recommendations, and your own response:



High

**High risk/priority.** Potential for significant impact on operational performance, a major failure of your internal control processes and/ or imminent risk to charitable funds. Action needs to be taken to ensure this risk is managed.



Med

**Medium risk/priority.** Less significant failure of internal control processes or the other bullet points listed under High Risk, but where the finding would have only a moderate impact.



Low

**Low risk/priority.** Low level concern. Minor issues relating to immaterial items or more isolated failures where little on-going risk arises.



**Advisory only.** This point has been raised merely to bring something to your attention, for example to highlight areas of inefficiencies or good practice, or forthcoming changes in legislation.

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We did not find any points to bring to your attention during the audit in 2019/20.



## Appendix I - Agreed accounting adjustments

The following adjustments have been made to the financial statements, with your management's agreement:

	<b>Effect on net income</b>
	<b>£</b>
Move electricity works to repairs and maintenance	(25,907)
Investment property revaluation	(350,000)
Depreciation as per client	(115,205)
Adjustment to Will Trust income	7,280
Loan interest as per agreement	(8,859)
Audit adjustment 2018/19 recorded incorrectly	(7,057)
Electricity upgrade due from Cobtree Café Ltd	10,903
	<hr/>
	(488,845)
	<hr/>
<b>Reconciliation between draft accounts presented for audit and final accounts</b>	
Net deficit/reduction in funds per original accounts	(296,650)
UHY adjustments above	(488,845)
	<hr/>
<b>Net movement in funds per Statement of Financial Activities</b>	<b>(785,495)</b>



## Appendix II – Unadjusted audit differences

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We are required to bring to your attention any unadjusted audit differences:

<b>Unadjusted audit differences</b>			
Accrual identified during purchase cut off testing			(1,500)
Prepayment identified during purchase testing			929
Profit/(loss) on part disposal of café set up costs			(2,036)
<b>Impact of unadjusted audit differences</b>			<b>(2,607)</b>



# Agenda Item 13

## Cobtree Manor Estate Committee

26 January 2021

### Cobtree Manor Estate Financial Position

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

#### Executive Summary

The report summarises the current financial position of the Estate as at 31 December 2020 covering the activities at the golf course, Kent Life, the Manor Park and the residential properties. Details of the proposed budgets for 2021/22 are also included.

#### Purpose of Report

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

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

1. That the current financial position be noted.
2. That the proposed budgets for 2021/22 are agreed.

#### Timetable

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Committee	26 January 2021

# Cobtree Manor Estate Financial Position

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The operation of the Estate directly supports the objects of the Trust as set out when the Council became the Corporate Trustee	Head of Regeneration & Economic Development
<b>Cross Cutting Objectives</b>	The operation of the Estate supports the Council's strategic objective to ensure there are good leisure and cultural attractions in the Borough.	Head of Regeneration & Economic Development
<b>Risk Management</b>	There is a potential reputational risk if the facilities are operated poorly. This is addressed in the annual risk management report.	Leisure Manager
<b>Financial</b>	There is a financial risk to the Trust if the operations cost more than predicted or fail to generate sufficient income to cover the costs of running the estate. This risk is currently heightened by the impact of the ongoing Covid-19 situation on the operations of the estate, particularly in relations to the various contractors.	Senior Finance Manager (Client)
<b>Staffing</b>	There are no additional implications arising from this report.	Leisure Manager
<b>Legal</b>	Under the Council's Constitution the Committee as Corporate Trustee is responsible for all matters relating to the Charity with the exception of daily management. Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. This update report assists in meeting those requirements  There are no further implications arising from this report.	Principal Solicitor (Corporate Governance), Mid Kent Legal Services
<b>Privacy and Data Protection</b>	There are no specific privacy or data protection issues to address.	Anna Collier Policy and Information Manager

<b>Equalities</b>	There are no additional implications arising from this report.	Anna Collier Policy and Information Manager
<b>Public Health</b>	There are no additional implications arising from this report.	Public Health Officer
<b>Crime and Disorder</b>	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
<b>Procurement</b>	There are no additional implications arising from this report.	Head of Regeneration & Economic Development

## 2. INTRODUCTION AND BACKGROUND

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

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## 3. CURRENT FINANCIAL POSITION

3.1 The table below summarises the position as at 31<sup>st</sup> December 2020. **Appendix 1** provides a more detailed breakdown of the figures.

### 3.1.1 Overall Summary Position:

#### SUMMARY TOTALS

	<b>Approved Budget for Year 2020/21</b>	<b>Revised Budget for Year 2020/21</b>	<b>Budget to end of December</b>	<b>Actuals to end of December 2020</b>	<b>Forecast Outturn 2020/21</b>
Golf Course	-£107,610	-£89,120	-£56,938	-£64,878	-£80,000
Manor Park	£103,830	£109,830	£102,117	£57,944	£85,000
Kent Life	-£42,920	-£24,390	£4,873	£5,848	-£24,000
Residential Properties	-£10,230	-£10,230	-£7,673	-£9,844	-£10,000
<b>Operational Total</b>	<b>-£56,930</b>	<b>-£13,910</b>	<b>£42,379</b>	<b>-£10,930</b>	<b>-£29,000</b>
Investment Income	-£45,000	-£45,000	-£33,750	-£29,708	-£40,000
Car Park Repayment	£69,650	£69,650	£0	£0	£69,950
<b>Total for the Year</b>	<b>-£32,280</b>	<b>£10,740</b>	<b>£8,629</b>	<b>-£40,638</b>	<b>£950</b>

- 3.2 The figures above include the value of invoices sent to the contractors who provide services on the estate (less the agreed reliefs). This assumes they will be paid but of course as Members should be aware there are some ongoing issues related to the closures due to Covid-19 earlier this year, which means a number of invoices still remain unpaid.
- 3.3 Discussions with contractors to resolve these issues are ongoing, and an update on the current position is set out in the Estate Update Report elsewhere on this agenda. In the meantime, officers continue to monitor the financial position and are restricting expenditure where possible to essential items only. Car park income has continued to recover very strongly and is now exceeding the original target despite the closure of the park in the spring.
- 3.4 Other than the contract situation there are no other significant issues with the budget. The profiled budget at the end of December shows a surplus of £11,000 on the operational activities, primarily relating to the Manor Park. The year-end forecast shows an operational surplus of £29,000. However, after taking into account investment income and the car park repayment there is a break-even position compared to the projected deficit of £11,000 but of course this is assuming all the outstanding invoices are paid.
- 3.5 Given the situation with contract income there have been some concerns around the cashflow position, and the position continues to be closely monitored to ensure that there are sufficient resources in place to meet ongoing commitments. The Director of Finance & Business Improvement has been made aware of the situation.
- 3.6 Members have also requested an ongoing update on the Charifund investment. The value of the investment has recovered strongly and currently stands at £769,426, compared to the value of £679,274 in September. However, this is still significantly lower than the value of £930,938 in January 2020. Updates will continue to be provided to future meetings as part of this report.
- 

#### 4. **BUDGETS 2021/22**

- 4.1 The proposed budgets for 2021/22 are shown at **Appendix 2**. To ensure some consistency the general approach to setting the budgets was as follows:
- Running costs have been increased by inflation where applicable. (2% for general running costs and 5% for gas and electricity)
  - Contract income has been increased in line with the agreed schedules, although as noted earlier in this report this could be subject to change depending on the outcome of discussions with the contractors.
  - Insurance costs have been updated in line with estimated premium increases.
  - The recharges from Maidstone Borough Council have been updated following a review of the services provided and a revised schedule is shown at **Appendix 3**.

- 4.2 The budgets reflect the new management arrangement for the park as previously agreed by the Committee, and this will come into effect from 1<sup>st</sup> April 2021. The staff will be managed by the Maidstone Borough Council Depot Operations section and the staffing budgets have been replaced by a management fee of £130,000 payable to the Council. A small overtime budget has been retained to provide some flexibility for any additional work that may be required.
- 4.3 The electronic gates have now been fitted at the park which means the security budget is no longer required. A small portion has been retained to cover maintenance costs, and the remainder has been transferred along with some other savings to a new budget to establish a Covid Recovery Fund of £20,000. The purpose of this fund is to provide for any Covid-related costs that may be incurred that had not otherwise been budgeted for.
- 4.4 The repairs and maintenance budgets in the park have been reviewed and adjusted and re-named as hard landscaping. This also now includes the equipment purchase and maintenance budgets.
- 4.5 In overall terms the projected surplus from operational activities for 2021/22 is £79,000 compared to the budgeted surplus of £14,000 for 2020/21. After allowing for investment income and the repayment of the car park construction costs the overall net surplus reduced to £50,000. However, as referenced earlier in the report this is subject to possible changes in contract income which could reduce the surplus.
- 

## **5. AVAILABLE OPTIONS**

- 5.1 Sections 3 is for noting only.
- 5.2 For section 4 the Committee could ask for adjustments to be made to the draft budgets.
- 

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

- 6.1 For section 4 the recommendation is for the budgets to be approved and formally adopted to ensure they are in place for 1<sup>st</sup> April 2021.
- 

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

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

## 8. **REPORT APPENDICES**

- Appendix 1: Financial Position as at 31<sup>st</sup> December 2020
  - Appendix 2: Draft Budgets 2021/22
  - Appendix 3: Updated recharges from Maidstone Borough Council
- 

## 9. **BACKGROUND PAPERS**

None.

Outturn 2019/20	Cobtree Manor Estate	Approved Budget 2020/21	Profiled Budget to end of December 2020	Actual as at 31st December 2020	Variance at end of December
	<b>GOLF COURSE</b>				
£1,616	Repairs & Maintenance	£5,010	£3,758	£3,602	£156
-£1,522	Water Metered/Sewage & Env Svs			£0	£0
-£4,263	Electricity			£0	£0
£1,190	Premises Insurance	£1,330	£998	£998	-£1
	Equipment Maintenance	£1,040	£780	£0	£780
	Professional Services	£0	£0	£2,400	-£2,400
£1,714	General Expenses - VAT	£3,160	£2,370	£2,370	£0
	Licence Fees	£200	£150	£0	£150
	Direct Telephones	£840	£630	£0	£630
-£1,265	<b>Controlled Running Costs</b>	<b>£11,580</b>	<b>£8,685</b>	<b>£9,370</b>	<b>-£685</b>
-£159,137	Contract Income - Agreed Budget	-£163,900	-£122,925	-£122,925	£0
	Contract Income - Relief Granted	£23,770	£23,770	£23,770	£0
-£8,482	Other Income			-£5,250	£5,250
-£5,250	Rent Income	-£240	-£180	£0	-£180
-£172,869	<b>Controlled Income</b>	<b>-£140,370</b>	<b>-£99,335</b>	<b>-£104,405</b>	<b>£5,070</b>
£11,266	MBC Staff Recharges	£14,210	£10,658	£10,658	-£1
£11,266	<b>Rechargeable Costs</b>	<b>£14,210</b>	<b>£10,658</b>	<b>£10,658</b>	<b>-£1</b>
-£162,868	<b>Cobtree Golf Course</b>	<b>-£114,580</b>	<b>-£79,993</b>	<b>-£84,377</b>	<b>£4,385</b>
£36,192	MBC 2/9ths share	£30,740	£23,055	£19,499	£3,556
	Contract relief adjustment	-£5,280	£0	£0	£0
-£126,676	<b>CMET Total</b>	<b>-£89,120</b>	<b>-£56,938</b>	<b>-£64,878</b>	<b>£7,941</b>

	MANOR PARK				
£65,678	Salaries	£85,630	£64,223	£51,428	£12,795
£226	Overtime	£4,000	£3,000	£392	£2,608
£5,727	Employers NI	£6,520	£4,890	£4,415	£475
£8,833	Employers Superannuation	£12,870	£9,653	£9,100	£553
£1,310	Employee Insurances	£1,170	£878	£878	-£1
£81,774	<b>Employee Costs</b>	<b>£110,190</b>	<b>£82,643</b>	<b>£66,213</b>	<b>£16,430</b>
£45,248	Repairs & Maintenance	£28,750	£21,563	£30,190	-£8,628
	Repairs & Maintenance - Trees	£12,000	£9,000	£0	£9,000
£1,905	Gas	£4,040	£3,030	£764	£2,266
£11,815	Electricity	£9,100	£6,825	£5,652	£1,173
£750	Water Metered	£1,200	£900	£0	£900
£1,522	Sewerage & Env Services	£1,100	£825	£0	£825
£7,729	Trade Refuse Collection (Internal)	£13,530	£10,148	£7,775	£2,373
£1,610	Premises Insurance	£1,680	£1,260	£1,260	£0
£8,769	Equipment Purchase	£1,120	£840	£12,233	-£11,393
£2,792	Equipment Maintenance	£2,080	£1,560	£0	£1,560
	Equipment Hire	£520	£390	£0	£390
£757	Vehicle Leasing & Running Costs	£5,000	£3,750	£669	£3,081
	Materials & Supplies	£1,040	£780	£0	£780
	Cash Collection	£2,420	£1,815	£1,815	£0
	Computers and Software	£0	£0	£154	-£154
£297	Protective Clothes	£520	£390	£0	£390
£97	Photocopying	£520	£390	£0	£390
£3,609	General Expenses	£1,410	£1,058	£233	£825
£4,682	General Expenses - VAT	£10,400	£7,800	£5,048	£2,752
£5,430	Audit Fee	£5,230	£0	£0	£0
£17,994	Professional Services Security	£11,000	£8,250	£14,335	-£6,085
£1,950	Professional Services Consultancy	£3,000	£2,250	£2,464	-£214
£46	Direct Telephones	£210	£158	£0	£158
£82	Mobile Telephones	£110	£83	£14	£69
	General Insurances	£180	£135	£135	£0
	External Print & Graphics	£170	£128	£0	£128
£117,084	<b>Controlled Running Costs</b>	<b>£116,330</b>	<b>£83,325</b>	<b>£82,741</b>	<b>£584</b>
-£101,475	Fees & Charges - Car Parking	-£91,830	-£72,771	-£97,816	£25,045
-£36,203	Other Income - Cobtree Charity Trust Ltd	-£40,000	-£8,000	-£9,358	£1,358
-£5,633	Other Income	-£5,000	£0	-£576	£576
-£80	Licences	-£420	£0	£0	£0
-£41,703	Rent Income (Café)	-£34,000	-£25,500	-£25,500	£0
	Contract Income - Relief Granted	£6,000	£6,000	£6,000	£0
-£185,094	<b>Controlled Income</b>	<b>-£165,250</b>	<b>-£100,271</b>	<b>-£127,250</b>	<b>£26,979</b>
£47,131	MBC Staff Recharges	£48,560	£36,420	£36,240	£180
£47,131	<b>Rechargeable Costs</b>	<b>£48,560</b>	<b>£36,420</b>	<b>£36,240</b>	<b>£180</b>
£60,895	<b>Cobtree Manor Park</b>	<b>£109,830</b>	<b>£102,117</b>	<b>£57,944</b>	<b>£44,173</b>

Outturn 2019/20	Cobtree Manor Estate	Approved Budget 2020/21	Profiled Budget to end of December 2020	Actual as at 31st December 2020	Variance at end of December
	<b>KENT LIFE</b>				
£13,863	Repairs & Maintenance of Premises	£10,510	£7,883	£4,718	£3,165
£7,110	Premises Insurance	£7,390	£5,543	£5,543	-£1
	General Expenses	£1,630	£1,223	£0	£1,223
£1,265	General Expenses - VAT	£2,040	£1,530	£1,530	£0
<b>£22,238</b>	<b>Controlled Running Costs</b>	<b>£21,570</b>	<b>£16,178</b>	<b>£11,791</b>	<b>£4,387</b>
<b>-£71,166</b>	Contract Income	<b>-£74,130</b>	<b>-£37,065</b>	<b>-£31,703</b>	<b>-£5,362</b>
	Contract Income - Relief Granted	£18,530	£18,530	£18,530	£0
<b>-£71,166</b>	<b>Controlled Income</b>	<b>-£55,600</b>	<b>-£18,535</b>	<b>-£13,173</b>	<b>-£5,362</b>
£8,777	MBC Staff Recharges	£9,640	£7,230	£7,230	£0
<b>£8,777</b>	<b>Rechargeable Costs</b>	<b>£9,640</b>	<b>£7,230</b>	<b>£7,230</b>	<b>£0</b>
<b>-£40,151</b>	<b>Kent Life</b>	<b>-£24,390</b>	<b>£4,873</b>	<b>£5,848</b>	<b>-£976</b>
	<b>RESIDENTIAL PROPERTIES</b>				
£8,237	Repairs & Maintenance	£12,750	£9,563	£988	£8,575
	Non-Domestic Rates	£0		£1,354	-£1,354
	Professional Services	£0		£0	£0
£550	Premises Insurance	£610	£458	£458	-£1
<b>£8,787</b>	<b>Controlled Running Costs</b>	<b>£13,360</b>	<b>£10,020</b>	<b>£2,800</b>	<b>£7,220</b>
<b>-£26,374</b>	Rent Income	<b>-£26,000</b>	<b>-£19,500</b>	<b>-£14,452</b>	<b>-£5,048</b>
<b>-£26,374</b>	<b>Controlled Income</b>	<b>-£26,000</b>	<b>-£19,500</b>	<b>-£14,452</b>	<b>-£5,048</b>
£2,746	MBC Staff Recharges	£2,410	£1,808	£1,808	-£1
<b>£2,746</b>	<b>Rechargeable Costs</b>	<b>£2,410</b>	<b>£1,808</b>	<b>£1,808</b>	<b>-£1</b>
<b>-£14,841</b>	<b>Residential Properties</b>	<b>-£10,230</b>	<b>-£7,673</b>	<b>-£9,844</b>	<b>£2,172</b>
<b>-£120,773</b>	<b>OVERALL TOTALS</b>	<b>-£13,910</b>	<b>£42,379</b>	<b>-£10,930</b>	<b>£53,309</b>
<b>-£35,000</b>	Investment Income	<b>-£45,000</b>	<b>-£33,750</b>	<b>-£29,708</b>	<b>-£4,042</b>
<b>-£155,773</b>	<b>Net (surplus)/deficit for operational &amp; investment activities</b>	<b>-£58,910</b>	<b>£8,629</b>	<b>-£40,638</b>	<b>£49,267</b>
£69,650	Repayment of car park construction costs	£69,650	£0	£0	£0
<b>-£86,123</b>	<b>Net (surplus)/deficit after repayment</b>	<b>£10,740</b>	<b>£8,629</b>	<b>-£40,638</b>	<b>£49,267</b>

<b>Cobtree Manor Estate</b>	<b>Approved Budget 2020/21</b>	<b>Draft Budget 2021/22</b>
<b>GOLF COURSE</b>		
Repairs & Maintenance	£5,010	£5,110
Premises Insurance	£1,330	£3,820
Equipment Maintenance	£1,040	£0
General Expenses - VAT	£3,160	£2,500
Licence Fees	£200	£0
Direct Telephones	£840	£0
<b>Controlled Running Costs</b>	<b>£11,580</b>	<b>£11,430</b>
Contract Income - Agreed Budget	-£163,900	-£173,890
Contract Income - Relief Granted	£23,770	£0
Rent Income	-£240	-£240
<b>Controlled Income</b>	<b>-£140,370</b>	<b>-£174,130</b>
MBC Staff Recharges	£14,210	£12,620
<b>Rechargeable Costs</b>	<b>£14,210</b>	<b>£12,620</b>
<b>Cobtree Golf Course</b>	<b>-£114,580</b>	<b>-£150,080</b>
MBC 2/9ths share	£30,740	£33,350
Contract relief adjustment	-£5,280	
<b>CMET Total</b>	<b>-£89,120</b>	<b>-£116,730</b>

<b>MANOR PARK</b>		
Salaries	£85,630	£0
Overtime	£4,000	£4,000
Employers NI	£6,520	£0
Employers Superannuation	£12,870	£0
Employee Insurances	£1,170	£0
<b>Employee Costs</b>	<b>£110,190</b>	<b>£4,000</b>
Hard Landscaping	£28,750	£10,000
Hard Landscaping - Trees	£12,000	£5,000
Covid Recovery Fund	£0	£20,000
Gas	£4,040	£2,000
Electricity	£9,100	£11,800
Water Metered	£1,200	£1,200
Sewerage & Env Services	£1,100	£1,100
Trade Refuse Collection (Internal)	£13,530	£8,000
Premises Insurance	£1,680	£1,930
Equipment Purchase	£1,120	£0
Equipment Maintenance	£2,080	£0
Equipment Hire	£520	£530
Vehicle Leasing & Running Costs	£5,000	£2,550
Vehicle Insurance	£0	£810
Materials & Supplies	£1,040	£0
Cash Collection	£2,420	£2,420
Protective Clothes	£520	£530
Photocopying	£520	£530
General Expenses	£1,410	£4,000
General Expenses - VAT	£10,400	£6,000
Audit Fee	£5,230	£5,330
Professional Services Security	£11,000	£1,000
Professional Services Consultancy	£3,000	£3,060
Direct Telephones	£210	£210
Mobile Telephones	£110	£110
General Insurances	£180	£140
External Print & Graphics	£170	£170
<b>Controlled Running Costs</b>	<b>£116,330</b>	<b>£88,420</b>
Fees & Charges - Car Parking	-£91,830	-£100,000
Other Income - Cobtree Charity Trust Ltd	-£40,000	-£40,000
Other Income	-£5,000	-£5,000

	Approved Budget 2020/21	Draft Budget 2021/22
<b>Cobtree Manor Estate</b>		
Licences	-£420	-£80
Rent Income (Café)	-£34,000	-£34,000
Contract Income - Relief Granted	£6,000	£0
<b>Controlled Income</b>	<b>-£165,250</b>	<b>-£179,080</b>
MBC Staff Recharges	£48,560	£51,400
MBC Parks Management	£0	£130,000
<b>Rechargeable Costs</b>	<b>£48,560</b>	<b>£181,400</b>
<b>Cobtree Manor Park</b>	<b>£109,830</b>	<b>£94,740</b>
<b>KENT LIFE</b>		
Repairs & Maintenance of Premises	£10,510	£10,720
Premises Insurance	£7,390	£4,850
General Expenses	£1,630	£0
General Expenses - VAT	£2,040	£1,500
<b>Controlled Running Costs</b>	<b>£21,570</b>	<b>£17,070</b>
Contract Income	-£74,130	-£73,600
Contract Income - Relief Granted	£18,530	£0
<b>Controlled Income</b>	<b>-£55,600</b>	<b>-£73,600</b>
MBC Staff Recharges	£9,640	£9,120
<b>Rechargeable Costs</b>	<b>£9,640</b>	<b>£9,120</b>
<b>Kent Life</b>	<b>-£24,390</b>	<b>-£47,410</b>
<b>RESIDENTIAL PROPERTIES</b>		
Repairs & Maintenance	£12,750	£13,010
Premises Insurance	£610	£540
<b>Controlled Running Costs</b>	<b>£13,360</b>	<b>£13,550</b>
Rent Income	-£26,000	-£26,000
<b>Controlled Income</b>	<b>-£26,000</b>	<b>-£26,000</b>
MBC Staff Recharges	£2,410	£2,540
<b>Rechargeable Costs</b>	<b>£2,410</b>	<b>£2,540</b>
<b>Residential Properties</b>	<b>-£10,230</b>	<b>-£9,910</b>
<b>OVERALL TOTALS</b>	<b>-£13,910</b>	<b>-£79,310</b>
Investment Income	-£45,000	-£40,000
<b>Net (surplus)/deficit for operational &amp; investment activities</b>	<b>-£58,910</b>	<b>-£119,310</b>
Repayment of car park construction costs	£69,650	£69,650
<b>Net (surplus)/deficit after repayment</b>	<b>£10,740</b>	<b>-£49,660</b>

APPENDIX 3

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Service	Description of Service Provided	Hourly Rate	Total Hours p.a.	Total Days p.a.	20/21 Charge p.a.	Draft Charge 21/22 D.a.	Allocation across service areas			
							Golf Course	Manor Park	Kent Life	Residential Properties
Communications	Provision of communications service as and when required	£34	11.5	1.6	£370	£390	£20	£316	£35	£20
Democratic Services	Agenda management and attendance at Committee meetings	£31	56.0	7.6	£1,800	£1,730	£87	£1,401	£156	£87
Director of Regeneration & Place	Management services - Cobtree included in the area of responsibility	£100	11.1	1.5	£1,090	£1,100	£56	£899	£100	£56
Finance	Cobtree Finance Officer - Monthly accounts, budgets and year-end accounts	£53	92.5	12.5	£3,770	£4,900	£416	£6,739	£749	£416
	Other financial services - accounts payable/receivable, VAT and banking	Activity based costing	N/A	N/A	£3,370	£3,420				
Head of Regeneration & Economic Development	Management services - Cobtree included in the area of responsibility	£74	22.0	3.0	£1,310	£1,630	£82	£1,320	£147	£82
Human Resources	Provision of HR services including payroll and learning & development	Per Capita charge	N/A	N/A	£1,530	£1,560	£78	£1,264	£140	£78
ICT	Provision of ICT services including Kent Public Sector Network Service charge	Notional charge	N/A	N/A	£820	£840	£0	£840	£0	£0
Legal Services	Provision of legal services	Estimate of expenditure based on previous activity	N/A	N/A	£4,000	£4,000	£200	£3,240	£360	£200
Parking Services	Enforcement services	Contract cost	N/A	N/A	£1,210	£1,220				
	Software maintenance - parking services system	Contract cost	N/A	N/A	£2,540	£2,520	£0	£7,150	£0	£0
	Operational administration and finance	£24	144.0	19.5	£2,460	£3,410				
Parks & Leisure	Management of Cobtree Manor Park and strategic direction. Management of contracts for the golf course and Kent Life attraction.	£40	660.0	89.2	£24,840	£26,400	£1,320	£21,384	£2,376	£1,320
Procurement	Monitoring and contractual/statutory compliance of the service providers at Kent Life, the golf course and the café.	£34	495.0	66.9	£19,680	£16,800	£10,080	£2,184	£4,536	£0
Property Services	Property management and maintenance services	£48	120.0	16.2	£6,030	£5,750	£288	£4,658	£518	£288

**Total Charge: £74,820 £75,670**

**£12,627 £51,395 £9,117 £2,547**

**Cobtree Manor Estate Charity  
Committee**

**26 January 2021**

**Cobtree Estate Update**

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

**Executive Summary**

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

**Purpose of Report**

Noting

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

1. That the contents of the report are noted

**Timetable**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Charity Committee	26 January 2021

# Cobtree Estate Update

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

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

	day in line with council procedures and policies.	Regeneration and Economic Development & Section 151 Officer
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**2. INTRODUCTION AND BACKGROUND**

2.1 The Cobtree Estate continues to suffer as a result of the Covid-19 lockdowns and tiered restrictions that have been in force since March 2020. At the time of writing Tier 4 has been replaced with another lockdown.

**Cobtree Manor Park**

2.2 The park continues to be really busy because of the closures of all other leisure and hospitality venues. Car park income as of the end of Q3 was £94,695 which is positive variance against the budget of £40,195.

2.3 The winter tree works to 50 trees in the park have all been completed and the play area repairs continue to progress. Some repairs are still awaited where items are still on order with the manufacturer.

2.4 The car park traffic regulations order previously recommended by this committee has been implemented and the new regulations are in force in the car park. These regulations are limiting a vehicle stay in the car park to six hours. The terms and conditions for permit holders have also been updated in line with the new regulations and a daily stay for a permit holder is also six hours.

**Staffing**

2.5 The work to integrate the Cobtree park staff into a new parks and open spaces staffing structure is progressing in line with the timetable. The 28-day consultation period began on 11 January 2021 and by the time of the 26 January meeting all the Cobtree staff will have had one to one consultation meetings. The consultation period will end on 9 February 2021. The changes will be fully implemented in time for 1 April 2021.

**Golf Course**

2.6 The golf course closed for two weeks following the introduction of Tier 4 restrictions. Following changes to the Tier 4 restrictions the course was able to open again for two-ball rounds only, or for larger groups where people are from the same household. The lockdown then forced the site to close once again. As during the first spring 2020 lockdown, the site is in hibernation.

2.7 The golf course improvement works required further planning approvals related to a new access road. The golf course operator has submitted the

required reports and documents for the access road and awaits the decision from Maidstone Borough Council planning and Tonbridge and Malling planning. Applications are needed for both because the course sits in both planning authority areas.

### **Kent Life**

- 2.8 Kent Life closed following the Tier 4 restrictions and the lockdown has made that situation more definite. It was possible to open in Tier 3 and a few days of Christmas grottos were delivered before the Tier 4 restrictions meant the site had to close. Kent Life has applied for an Additional Restrictions Grant, one of the business rates grants, and officers will be able to update on this verbally at the meeting.

### **Cobtree Café**

- 2.9 Cobtree Café has remained open in Tier 3 and Tier 4 operating on a take-away basis only. During the January lockdown it is still able to operate as a take-away service. The café operator has taken the unilateral decision to alter its business hours with no consultation with council officers. Officers will be able to give an up-to-date account of this situation at the meeting also.

### **Cobtree Men's Shed**

- 2.10 The Cobtree Men's Shed is not able to meet. The structural works at the elephant house have not progressed since the last meeting.

### **Residential Properties**

- 2.11 Garden Cottage is currently vacant after the resident left at the end of their 22-year lease. Officers are now exploring the options for the cottage to ensure it continues to meet the charitable aims of, and continues to contribute to the financial sustainability of, the Manor Estate Charity. Officers are working with colleagues in the Council's Housing Team and will bring a report on this to a future meeting.

### **Contracts**

- 2.12 Contractual discussions following the Covid-19 pandemic are still ongoing with operators. A separate report updating the Committee on these discussions is included in the meeting agenda.

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## **3. AVAILABLE OPTIONS**

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

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

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

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#### **5. RISK**

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

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

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

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

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

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#### **8. REPORT APPENDICES**

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

- None

# Agenda Item 15

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

Document is Restricted

# Agenda Item 16

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

Document is Restricted