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**Cobtree Manor Estate**

**Trustee's Report and Financial Statements**

**For the Year Ended 31 March 2016**

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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 Trustee and Advisers  
For the Year Ended 31 March 2016**

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<b>Corporate trustee</b>	Maidstone Borough Council
<b>Trustees</b>	There are no individual trustees. All elected members of the Maidstone Borough Council perform duties of trustees, but are not trustees in their own right. A full list of members is available on request.
<b>Charity registered number</b>	2836174
<b>Principal office</b>	Maidstone Borough Council Maidstone House King Street Maidstone ME15 6JQ
<b>Independent auditors</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
<b>Bankers</b>	All funds are managed by Maidstone Borough Council at:  Lloyds Bank plc City Office Bailey Drive Gillingham Kent ME5 0LS
<b>Solicitors</b>	Head of Legal Partnership Mid-Kent Legal Services Maidstone Borough Council Maidstone House Maidstone Kent ME15 6JQ

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## **Cobtree Manor Estate**

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Trustees' report  
For the year ended 31 March 2016

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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 2016.

### **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 2016

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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, and
- the Cobtree Manor Park Golf Course - which is a pay and play facility accessible to all, and
- Kent Life – a farm heritage attraction, including a collection of historic artefacts, which is open to the public either on a pay on entry or through an annual membership fee.

### Cobtree Golf Course

With a view to improving the facilities offered at the golf course in 2016 a tendering exercise carried out to find a new operator. This has now been completed and resulted in the existing operator Mytime winning the 20 plus 5 year contract. This contract will start in April 2017, and to allow for this a six month extension was agreed with the current contractor.

The winning proposal includes:

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

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

Year	Rounds Played	No. of Registrations
2009/2010	43,913	952
2010/2011	41,784	597
2011/2012	43,516	498
2012/2013	36,006	422
2013/2014	36,923	574
2014/2015	37,482	405
2015/2016	39,927	<b>OUTSTANDING</b>

The golf course has had an increase in roundage which is encouraging when golf overall is in decline. The improvement planned for Cobtree Manor Golf Course in the next few years should enable this increase in visitors to continue.

### Cobtree Manor Park

The new Visitor Centre and Café opened in August 2015. This has proved incredibly popular and has increased the number of visitors coming to the Park. The centre is acting as a hub for events in the park and now regular family events are being held.

The Men In Sheds is a charitable organisation, that supports the socially isolated by providing workshops from which they can carry out practical tasks such as making bird boxes, or undertaking basic repair works or conservation tasks. The group which is based in the former Elephant House in Cobtree Manor Park continues to increase its membership. Improved lighting has been installed in the Elephant House and the group have continued to develop the space and increase the range of tools and machinery available. The group have constructed 10 benches and 5 planters for the park and have undertaken fencing repair work in the park.

Within the next year a cycle path will be completed which will run along the River Medway from Barming Bridge and will finish at Cobtree Manor Park. This will help encourage further visitors to the park to use the facilities.

## Cobtree Manor Estate

Trustees' report  
For the year ended 31 March 2016

### Cobtree footfall totals

Footfall increased by 11,084 in 2016 compared to the previous year, this is despite the introduction of a £1.50 car parking charge.

	2012	Quarterly	2013	Quarterly	% on previous year	2014	Quarterly	% on previous year	2015	Quarterly	% on previous year	2016	Quarterly	% on previous year
Jan			14675			18133			13163			15923		
Feb			12092			17626			17474			15798		
Mar			12144	38911		24503	60262	54.87	19891	50528	-16.15	18227	49948	-1.15
Apr			19012			28012			27093			22144		
May			26325			24733			23254			29076		
Jun	10347		27906	73243		25971	78716	7.47	20472	70819	-10.03	22031	73251	3.43
Jul	18509		32277						27109			21043		
Aug	25461		38100						28517			33192		
Sep	20268	64238	23070	93447	45.47				22427	78053		19468	73703	-5.57
Oct	20745		18605						10581			15124		
Nov	19296		15869						12518			17460		
Dec	13255	53296	13767	48241	-9.48				14041	37140	0.00	18138	50722	36.57
<b>Total</b>	<b>127881</b>	<b>117534</b>	<b>253842</b>	<b>253842</b>		<b>138978</b>	<b>138978</b>		<b>236540</b>	<b>236540</b>		<b>247624</b>	<b>247624</b>	

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## Cobtree Manor Estate

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Trustees' report  
For the year ended 31 March 2016

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### Kent Life

The interim management agreement with Continuum Kent Life Ltd expired in November 2015 and following a tendering exercise a new agreement was reached with Planning Solutions Ltd to run the heritage farm park attraction. They re-opened the attraction in February 2016

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

Visitor numbers has increase by around 20,000 this year which is especially good when the change of contractor is considered.

The new operators have continued to install new elements to the site including Birds of Prey and Meerkat displays, a land train, an improved wedding offer and fitting out the marque to allow for a greater variety of undercover events. As well as this they have resurfaced paths and roadways to allow for better access, cleared further areas of the car park and installed heating into the oats house all of which help the site to operate more efficiently.

### Property

The following figures were spent on maintenance:

- Planned maintenance £6,993
- Reactive maintenance £1,524

The largest costs were for the following:

- Gutter cleaning and fabric maintenance.

### Additional Volunteer Help and Intangible Income

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

### Review of Public Benefit

The Trustee continues to consider and ensure that the Charity meets its requirement to comply with the test of public benefit. The Cobtree Manor Park remains freely accessible to the general public and the pay and play golf course is accessible to all those who wish to take advantage of it 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, a Cobtree Officer and a number of permanent and temporary staff in the new café/visitor centre. These posts exist solely for the benefit of the Charity and the cost for each is shown in the Charity accounts under the arrangements specified above. Other officers of the Council are engaged from time to time in duties specifically related to the operation and management of the Estate; their time and associated costs are apportioned accordingly to the Cobtree accounts. Additional labour for litter picking and managing the park out of hours at weekends and evenings during school holidays between Easter and the end of September has also been introduced due to the increase in visitor numbers.

Full details of the financial impact of these related party transaction is provided in note 16 to the financial statements.

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## Cobtree Manor Estate

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Trustees' report  
For the year ended 31 March 2016

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### FINANCIAL REVIEW

#### Financial Review and Investment Policy

Incoming for the year amounted to £415k, down from £707k in the previous year, which had included a significant, one off donation of £400,000. Underlying income has therefore increased, and income from charitable activities has risen from £160k to £273k, mainly as a result of the new café/visitor centre that opened mid way through the year, together with car parking income. As noted within the achievements and performance section there has been a general decline in golf, resulting in a fall of £20k in income from the golf course.

Charitable costs rose during the year from £271k to £464k, mainly as a result of costs associated with the new café/visitor centre, and this left an overall deficit for the year, before investment losses, of £49k.

Investment losses of £79k (relating to the movement in the year on the charity's listed investment securities) and downwards fixed asset revaluations of £361k resulted in an overall net reduction in funds for the year of £489k. The fixed asset revaluations relate to the golf course and new café/visitor centre. The charity took the decision to build the café/visitor centre because of the overall benefit this would bring to the Cobtree Manor Estate, but the trustee recognises that the build cost was always likely to be in excess of the market value, which has been borne out by the chartered surveyor's valuation (based on an appropriate rent that an occupier would pay to run a café in the location).

The Balance sheet shows net assets at 31 March 2016 of £4.5m, relating to the charity's tangible fixed assets and other investments. There is a net current liability position, however this arises due to the amounts owed to the corporate trustee who will not recall this money in the short term.

Most of the charity's funds are held in endowment funds, which comprise £4.2m of the total. The remaining funds sit as unrestricted free reserves.

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

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

#### Reserves Policy

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

#### Risk Management

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

### PLANS FOR FUTURE PERIODS

The 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. Over the next year both the Kent Life contract and the Golf Course contract will be re-procured to ensure the charity continues to receive best value for its investments. In future a master plan for the estate as a whole will need to be devised.



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**Cobtree Manor Estate**

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Trustees' report  
For the year ended 31 March 2016

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**TRUSTEE'S RESPONSIBILITIES**

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

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

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

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

This report was approved by the Trustee on ..... And signed on its behalf by

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

**Cobtree Manor Estate**

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

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We have audited the financial statements of Cobtree Manor Estate for the year ended 31 March 2016 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustee and auditors**

As explained more fully in the Trustee's responsibilities statement, the Trustee are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 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.

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

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

- the information given in the 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.

**UHY Kent LLP**

Chartered Accountants  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ  
Date:

UHY Kent LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## Cobtree Manor Estate

**Statement of Financial Activities  
For the Year Ended 31 March 2016**

		Unrestricted funds	Restricted funds	Endowment funds	Total funds	<i>Total funds 2015 As restated</i>
	Note	2016 £	2016 £	2016 £	2016 £	£
<b>Income and endowments from:</b>						
Donations and legacies	2	9,266	43,275	-	52,541	461,890
Charitable activities	3	273,926	-	-	273,926	160,425
Other trading activities	4	31,531	-	-	31,531	30,238
Investments	5	56,559	-	-	56,559	54,434
<b>Total income and endowments</b>		<u>371,282</u>	<u>43,275</u>	<u>-</u>	<u>414,557</u>	<u>706,987</u>
<b>Expenditure on:</b>						
Charitable activities	6	420,364	43,275	-	463,639	270,643
<b>Total expenditure</b>		<u>420,364</u>	<u>43,275</u>	<u>-</u>	<u>463,639</u>	<u>270,643</u>
<b>Net income / (expenditure) before investment gains/(losses)</b>						
Net gains/(losses) on investments	12	(49,082)	-	-	(49,082)	436,344
		<u>-</u>	<u>-</u>	<u>(78,989)</u>	<u>(78,989)</u>	<u>49,006</u>
<b>Net income / (expenditure) before transfers</b>						
		(49,082)	-	(78,989)	(128,071)	485,350
Transfers between Funds	15	-	(412,500)	412,500	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>						
		(49,082)	(412,500)	333,511	(128,071)	485,350
Losses on revaluations of fixed assets	10	-	-	(361,163)	(361,163)	-
<b>Net movement in funds</b>		<u>(49,082)</u>	<u>(412,500)</u>	<u>(27,652)</u>	<u>(489,234)</u>	<u>485,350</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		327,853	412,500	4,229,873	4,970,226	4,484,876
<b>Total funds carried forward</b>		<u><u>278,771</u></u>	<u><u>-</u></u>	<u><u>4,202,221</u></u>	<u><u>4,480,992</u></u>	<u><u>4,970,226</u></u>

All activities relate to continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

## Cobtree Manor Estate

**Balance Sheet**  
**As at 31 March 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	9		37,500		-
Tangible assets	10	2,870,177		2,888,985	
Investment property	11	635,000		635,000	
Total tangible assets			3,505,177		3,523,985
Investments	12		1,133,884		1,212,873
			4,676,561		4,736,858
<b>Current assets</b>					
Debtors	13	9,266		-	
Cash at bank and in hand		377,638		723,968	
		386,904		723,968	
<b>Creditors: amounts falling due within one year</b>	14	(582,473)		(490,600)	
<b>Net current (liabilities)/assets</b>			(195,569)		233,368
<b>Net assets</b>			4,480,992		4,970,226
<b>Charity Funds</b>					
Endowment funds	15		4,202,221		4,229,873
Restricted funds	15		-		412,500
Unrestricted funds	15		278,771		327,853
<b>Total funds</b>			4,480,992		4,970,226

The financial statements were approved by the Trustee on

and signed on their behalf, by:

Councillor

Chairman of the Cobtree Manor Estate Charity Committee

The notes on pages 11 to 21 form part of these financial statements.

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**Cobtree Manor Estate**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2016**

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**1. Accounting Policies****1.1 Basis of preparation of financial statements**

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

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

**First time adoption of FRS 102**

These financial statements are the first financial statements of Cobtree Manor Estate prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Cobtree Manor Estate for the year ended 31 March 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustee have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustee have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 18.

**1.2 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.

**1.3 Income**

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

**1.4 Expenditure**

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

## Cobtree Manor Estate

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2016**


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**1. Accounting Policies (continued)****1.5 Going concern**

The financial statements are prepared on the basis that the charity will continue in operational existence for the foreseeable future. The Balance Sheet reveals a net current liability position due to money owed to the corporate trustee, Maidstone Borough Council, who have provided an undertaking not to recall this loan. The Balance sheet otherwise appears strong, and the charity would be able to crystallise investments if necessary to pay its liabilities. Nevertheless the financial statements are prepared on the basis that continuing financial support will be provided by the corporate trustee.

**1.6 Intangible fixed assets and amortisation**

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

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

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

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

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

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

**1.9 Interest receivable**

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

**1.10 Debtors**

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

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

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

## Cobtree Manor Estate

Notes to the Financial Statements  
For the Year Ended 31 March 2016

## 1. Accounting Policies (continued)

## 1.13 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. Income from donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds 2015
	2016	2016	2016	2016	As restated
	£	£	£	£	£
Will Trust income	-	43,275	-	43,275	49,390
Other donations	9,266	-	-	9,266	412,500
	<u>9,266</u>	<u>43,275</u>	<u>-</u>	<u>52,541</u>	<u>461,890</u>

In 2015, of the total income from donations and legacies, the entire £461,890 related to restricted funds.

## 3. Income from charitable activities

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds 2015
	2016	2016	2016	2016	As restated
	£	£	£	£	£
Golf club revenue	128,333	-	-	128,333	148,425
Café income	98,642	-	-	98,642	-
Car park income	25,951	-	-	25,951	-
Other income	21,000	-	-	21,000	12,000
	<u>273,926</u>	<u>-</u>	<u>-</u>	<u>273,926</u>	<u>160,425</u>

In 2015, of the total income from charitable activities, the entire £160,425 related to unrestricted funds.

## 4. Trading activities

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds 2015
	2016	2016	2016	2016	As restated
	£	£	£	£	£
Rental income	31,531	-	-	31,531	30,238
	<u>31,531</u>	<u>-</u>	<u>-</u>	<u>31,531</u>	<u>30,238</u>

In 2015, of the total income from trading activities, the entire £30,238 related to unrestricted funds.

## Cobtree Manor Estate

Notes to the Financial Statements  
For the Year Ended 31 March 2016

## 5. Investment income

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds 2015 <i>As restated</i>
	2016 £	2016 £	2016 £	2016 £	£
Investment income	56,559	-	-	56,559	54,434

In 2015, of the total investment income, the entire £54,434 was to unrestricted funds.

## 6. Expenditure on charitable activities

	Total 2016 £	Total 2015 £
Staff training, welfare and other costs	2,121	1,220
Repairs and maintenance	15,521	19,177
Grounds maintenance	81,400	74,783
Rent and rates	919	19,199
Heat and light	4,187	4,844
Insurance	4,363	4,256
Cleaning and other property services	19,971	20,592
Security	10,020	11,557
Catering supplies and provisions	40,804	-
Printing, postage and stationery	618	-
Governance costs in relation to legal and professional fees	21,417	17,606
Advertising and marketing	7,562	1,102
Telephone and internet	277	55
Other fees and services	60,176	60,670
Equipment hire and maintenance	18,465	5,701
Wages and salaries	141,753	23,614
National insurance	2,972	1,345
Pension cost	12,740	4,922
Depreciation and amortisation	18,353	-
	<u>463,639</u>	<u>270,643</u>

£NIL in respect of Cafe income

£NIL in respect of Car park income

£NIL in respect of Other income

Expenditure on charitable activities in 2016 can be broken down between £420,364 (2015: £221,253) relating to unrestricted funds and £43,275 relating to restricted funds (2015: £49,390).



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**Cobtree Manor Estate**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2016**

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**7. Net incoming resources/(resources expended)**

This is stated after charging:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	18,353	-
Auditors' remuneration - audit	4,775	4,475
	<u>          </u>	<u>          </u>

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

## Cobtree Manor Estate

**Notes to the Financial Statements  
For the Year Ended 31 March 2016**
**8. Staff costs**

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

To gain a better understanding of the staffing requirements for the new café before employing permanent members of staff, the trust has used agency supply staff during the year. These costs totalling £61,236 are included in wages and salaries as shown below.

The aggregate staff costs during the year were as follows:

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Wages and salaries (including agency staff)	141,753	23,614
Social security costs	2,972	1,345
Other pension costs	12,740	4,922
	<u>157,465</u>	<u>29,881</u>

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

	<b>2016</b>	<i>2015</i>
	<b>No.</b>	<b>No.</b>
Manor Park Grounds Maintenance	2	2
Park Ranger	1	1
Catering staff (including agency staff)	25	0
Manager	1	0
	<u>29</u>	<u>3</u>

Average headcount expressed as a full time equivalent:

	<b>2016</b>	<i>2015</i>
	<b>No.</b>	<b>No.</b>
Manor Park Grounds Maintenance	1	2
Park Ranger	1	1
Catering staff	4	0
Manager	1	0
	<u>7</u>	<u>3</u>

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

## Cobtree Manor Estate

Notes to the Financial Statements  
For the Year Ended 31 March 2016

## 9. Intangible fixed assets

	Website development £
<b>Cost</b>	
At 1 April 2015	-
Additions	50,000
At 31 March 2016	50,000
<b>Amortisation</b>	
At 1 April 2015	-
Charge for the year	12,500
At 31 March 2016	12,500
<b>Carrying amount</b>	
At 31 March 2016	37,500
<i>At 31 March 2015</i>	-

## 10. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2015	2,888,985	-	2,888,985
Additions	289,685	58,523	348,208
Revaluation surplus/(deficit)	(361,163)	-	(361,163)
At 31 March 2016	2,817,507	58,523	2,876,030
<b>Depreciation</b>			
Charge for the year	-	5,853	5,853
At 31 March 2016	-	5,853	5,853
<b>Net book value</b>			
At 31 March 2016	2,817,507	52,670	2,870,177
<i>At 31 March 2015</i>	2,888,985	-	2,888,985

## Cobtree Manor Estate

Notes to the Financial Statements  
For the Year Ended 31 March 2016**10. Tangible fixed assets (continued)**

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

All properties are revalued by a profession firm of chartered surveyors periodically, using a 'market approach'. The visitor centre was valued this year as it was new, and the golf course is valued annually. The Kent Life Attraction is generally revalued every five years.

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

- Cobtree Manor Golf Course (including clubhouse, messroom/garage and visitor centre) April 2016 (to 31.3.16)
- Kent Life Attraction April 2014

**11. Investment property**

**Long term  
leasehold  
investment  
property  
£**

**Valuation**

At 1 April 2015 and 31 March 2016	635,000
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The investment properties are held to generate a rental income stream for the Charity.

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

**12. Fixed asset investments**

**Listed securities  
£**

**Market value**

At 1 April 2015	1,212,873
Revaluations	(78,989)

At 31 March 2016	1,133,884
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**Historical cost**

784,000

**Investments at market value comprise:**

	2016 £	2015 £
Listed investments	1,133,884	1,212,873

All the fixed asset investments are held in the UK

## Cobtree Manor Estate

Notes to the Financial Statements  
For the Year Ended 31 March 2016

## 13. Debtors

	2016 £	2015 £
Other debtors	9,266	-

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

	2016 £	2015 £
Amounts owed to Maidstone Borough Council	577,698	485,875
Accruals and deferred income	4,775	4,725
	<u>582,473</u>	<u>490,600</u>

## 15. Summary of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds	327,853	371,282	(420,364)	-	-	278,771
Endowment capital funds	4,229,873	-	-	412,500	(440,152)	4,202,221
Restricted funds	412,500	43,275	(43,275)	(412,500)	-	-
	<u>4,970,226</u>	<u>414,557</u>	<u>(463,639)</u>	<u>-</u>	<u>(440,152)</u>	<u>4,480,992</u>

**Unrestricted Funds**

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

**Restricted Income Funds**

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

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

**Permanent Endowment capital fund**

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

The transfer to the endowment fund during the year represents the income (donation) reflected in the prior year account which must be spent on Cobtree Manor Park and so ought to have been reflected through the endowment fund in 2014/15,

## Cobtree Manor Estate

Notes to the Financial Statements  
For the Year Ended 31 March 2016

## 16. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds 2015 <i>As restated</i>
	2016 £	2016 £	2016 £	2016 £	£
Intangible fixed assets	37,500	-	-	37,500	-
Tangible fixed assets	52,670	-	2,817,507	2,870,177	2,888,985
Fixed asset investments	-	-	1,133,884	1,133,884	1,212,873
Investment property	-	-	635,000	635,000	635,000
Current assets	386,904	-	-	386,904	723,968
Creditors due within one year	(198,303)	-	(384,170)	(582,473)	(490,600)
	<u>278,771</u>	<u>-</u>	<u>4,202,221</u>	<u>4,480,992</u>	<u>4,970,226</u>

## 17. 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 £203,139 (2015: £228,053) in relation to operating the estate in accordance with this arrangement, as broken down below.

	2016 £	2015
Golf club revenue	128,333	148,425
Will trust income	43,275	49,390
Rental income	31,531	30,238
	<u>203,139</u>	<u>228,053</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 £96,229 of recharged employment costs.

During the year MBC provided various other services to the Charity, which have been included within 'other services and fees' in charitable expenses. During the year total recharges of £60,176 (2015: £60,308) were made for these services.

In addition MBC paid for a substantial amount of costs on behalf of the Charity, and at 31 March 2016 the charity owed £577,698 (2015: £485,875) to Maidstone Borough Council.

**Cobtree Manor Estate**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2016**

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**18. First time adoption of FRS 102**

It is the first year that the charity has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charity's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

**19. Controlling party**

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