

Cobtree Manor Estate

Trustees' Report and Financial Statements

For the Year Ended 31 March 2018

awaiting approval

Cobtree Manor Estate

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Cobtree Manor Estate

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 March 2018

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

Cobtree Manor Estate

Trustees' report For the year ended 31 March 2018

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 2018.

Trustees

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

OBJECTIVES AND ACTIVITIES

Governing Object

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

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

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

Object of the Charity

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

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

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

ACHIEVEMENTS AND PERFORMANCE

Organisation of the Charity

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

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

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

Advice to Trustees

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

Cobtree Manor Estate

Trustees' report For the year ended 31 March 2018

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

Year	Rounds Played
2009/2010	43,913
2010/2011	41,784
2011/2012	43,516
2012/2013	36,006
2013/2014	36,923
2014/2015	37,482
2015/2016	39,927
2016/2017	40,593
2017/2018	35,972

Although rounds played are down from previous year, the golf course has continued to diversify their offering and target the audience to increase visits for all activities.

Some of the activities undertaken are as follows:

2017/18 events and activities

- 2017 fireworks night at Cobtree was an exceptionally good. Tickets sold out at 500 people.
- Carvery nights with Sunday carveries introduced.
- Meetings – Dementia, Committees, Firm Friends, ongoing conferences etc.
- Dementia/Vulnerable adults -footgolf day
- Cinema evening
- Big screen sports evenings/afternoons
- Society days
- Charity golf days
- Christmas party nights / lunches

Plans for the new clubhouse, driving range and improvements to the course have been completed and will go through the planning pre-application process before full planning permission is sought before the end of 2018.

Cobtree Manor Estate

Trustees' report For the year ended 31 March 2018

Cobtree Manor Park

The park was awarded a Green Flag Award for 2017/18.

Ongoing park improvements include further renovation of shrubbery areas; a full tree survey, assessment of the Arboretum trees, work to trees and the further development of a community gardening space.

Four Conservation students undertook work placements, working with the Cobtree Ranger.

The Men In Sheds project continues to increase membership and now meet on four days per week. The group have continued to improve the space and increase the range of tools and machinery available. The group have delivered two carpentry badge workshops for local cubs groups.

A varied programme of events and activities delivered by the park team and partner organisations has been offered throughout the year. A Santa Run saw 350 participants in December.

The Visitor Centre/ café was broken into three times during 2017/8 in May, August and November with a safe containing cash stolen on two occasions. Damage to the building occurred each time and repairs have been undertaken. The Elephant House suffered a break-in in December with tools stolen. Insurance claims for all incidents are being pursued to recover losses. A comprehensive security review has been undertaken and measures to prevent further ram-raiding of the building have been implemented along with an upgrade of the CCTV system.

An unknown heavy vehicle reversed into the main gates in March causing damage to the posts, gates and height barrier.

Car park income totalled £83,895 net for 2017/18 financial year to 31 March 2018; this was £17,595 above target with an average weekly income of £1,583. Income was marginally lower than the previous financial year by £2,041.

There was a vehicle counter equipment failure from 17/01/2017- 27/04/2018 thus there are no available figures for the first quarter of the year 2018. The equipment is now functioning so visitor numbers can continue to be recorded.

Cobtree Manor Park Visitor Numbers (per calendar year):

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

Trustees' report
For the year ended 31 March 2018

Kent Life Farm Attraction

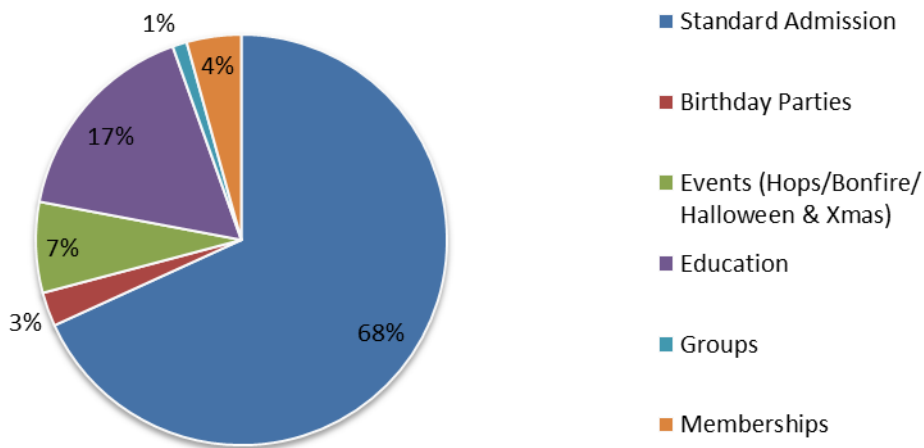
The site was awarded with a VAQUAS Rose earlier in the year.

2017 Performance

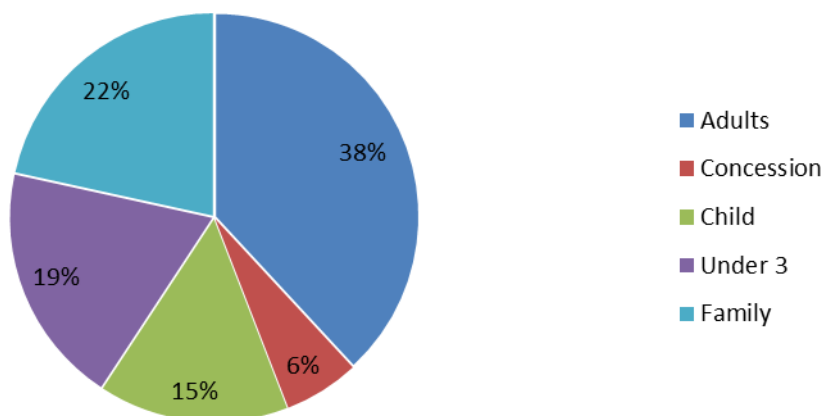
The site welcomed 169,151 guests in total with overall revenue of £931,628

Kent Life's 2017 performance is outlined below firstly in breakdown of visitor groups, by age range and by membership sales.

Admission Groups 2017

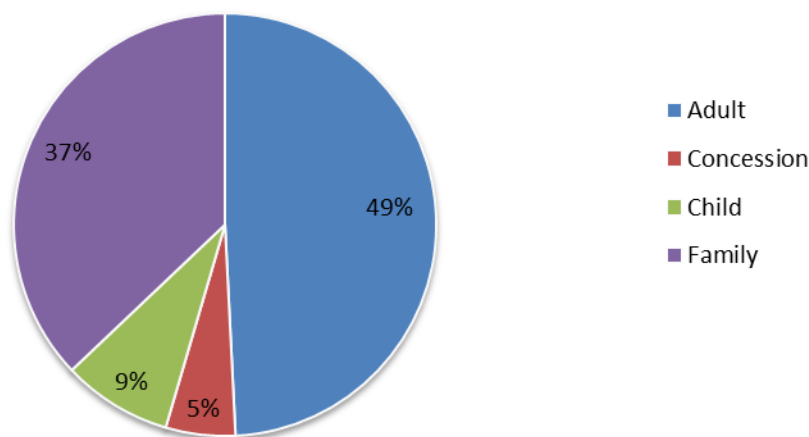


Individual Breakdown 2017



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Membership sales 2017



This graph above shows 49% of members are adults with under 4's (8701 under 4's visited YTD). The overall membership visits in 2017 add up to 28,087 which equates to approximately 5.6 visits per member. The sale of child memberships is up on 2016 making that and under 4s almost even. This could be as a result of increased offer for over 4s that drives visits during the holidays.

Education

Welcomed 25,450 education numbers with a revenue of £145,399

Improvements undertaken in 2017/18

- Introduction of the Animal Arena by the Hoppers huts with barriers and seating
- Creating a pathway from the hill to the Owl academy
- Laying a new floor in the big top
- Improvements to the stage, lighting rig and sound quality
- Repair and maintenance of the Indoor play area
- Improved water zorbing area with ramp for ease and cleanliness
- Re-turfing the wedding seating area and adding a patio for guests to use
- Sanding down and re-varnishing of all function flooring
- Replacing new pumps for the sewage system, this continues to be an issue and something Planning Solutions will aim to fix in 2018
- Introduction of sound into the heritage buildings following a story of the characters that may have lived there
- New pathway laid around the vintage village to facilitate not only access for the guests but also for the land train

Focus for 2018/19

The main focus will be on improving the offering and maximising incremental spend of visitors whilst on site. The site is aware of their customers' needs and this knowledge will be used to provide events and activities that appeal directly to that market.

Target Audience:

Primary Markets

- Maidstone & Medway residents with families
- Schools and Education
- Parents with young children, and grandparents with grandchildren (possibly child care providers)
- Visiting friends and relatives (VFR)
- Day visitors to Kent, areas around 1 – 1.5 hour drive time of Maidstone
- Active Greys, recently retired
- Staying visitors (both nearby Kent Life, or staying elsewhere in Kent)

Cobtree Manor Estate

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Secondary Markets

- Children's Birthday Parties
- Group Tour Organisers
- Youth Groups (Scouts, Brownies etc.)
- Coach Tour Companies
- Weddings
- Corporate Groups

Additional Volunteer Help and Intangible Income

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

Forstal Field

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

Review of Public Benefit

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

Related Party Disclosure

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

The Council also employs a Manager at the Manor Park, 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 transactions is provided in note 20 to the financial statements.

**Trustees' report
For the year ended 31 March 2018**

FINANCIAL REVIEW

Financial Review and Investment Policy

Income for the year amounted to £588k, a small increase on income of £582k in 2016/17.

Charitable costs fell during the year from £647k to £643k, roughly in line with the reduced income. This left an overall deficit for the year, before investment losses and other gains/losses, of £55k compared to £65k in 2016/17.

This year, a loss on investments (the movement in the year on the charity' listed investment securities) means the investment losses of £18k bring the overall result for the year before movements on the revaluation of fixed assets to a net decrease in funds of £73k.

The final movement in funds for the year relates to fixed asset revaluations. The carrying value of the fixed assets has been increased by £35k to reflect the latest valuation performed in the year by a chartered surveyor.

The Balance sheet shows net assets at 31 March 2018 of £4.26m, reduced from £4.30m at the end of the prior year. Much of this value is related to the charity's tangible fixed assets and other investments.

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

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

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

Reserves Policy

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

Risk Management

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

PLANS FOR FUTURE PERIODS

The 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.

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;

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Trustees' report
For the year ended 31 March 2018

- 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 1993. 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

awaiting approval

Cobtree Manor Estate

Independent Auditors' Report to the Trustees of Cobtree Manor Estate

Opinion

We have audited the financial statements of Cobtree Manor Estate (the 'charity') for the year ended 31 March 2018 set out on pages 12 to 24. 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 2018 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 Trustees' 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 Trustees are 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.

Cobtree Manor Estate

Independent Auditors' Report to the Trustees of Cobtree Manor Estate

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

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

Use of our report

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

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date:

UHY Kent LLP 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 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:						
Donations and legacies	2	-	35,663	-	35,663	44,103
Charitable activities	3	480,713	-	-	480,713	464,811
Other trading activities	4	28,891	-	-	28,891	27,872
Investments	5	42,566	-	-	42,566	45,086
Total income and endowments		552,170	35,663	-	587,833	581,872
Expenditure on:						
Charitable activities		606,995	35,663	-	642,658	647,183
Total expenditure	6	606,995	35,663	-	642,658	647,183
Net expended resources before investment gains/(losses)		(54,825)	-	-	(54,825)	(65,311)
Net gains/(losses) on investments	12,13	-	-	(17,922)	(17,922)	75,145
Net income / (expenditure) before other recognised gains and losses		(54,825)	-	(17,922)	(72,747)	9,834
Gains/(losses) on revaluations of fixed assets	11	-	-	35,194	35,194	(194,453)
Net movement in funds		(54,825)	-	17,272	(37,553)	(184,619)
Reconciliation of funds:						
Total funds brought forward		213,460	-	4,082,913	4,296,373	4,480,992
Total funds carried forward		158,635	-	4,100,185	4,258,820	4,296,373

The notes on pages 15 to 24 form part of these financial statements.

Cobtree Manor Estate

**Balance Sheet
As at 31 March 2018**

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	10		12,500		25,000
Tangible assets	11	2,509,212		2,669,871	
Investment property	12	825,000		635,000	
Total tangible assets			3,334,212		3,304,871
Investments	13		856,107		874,029
			4,202,819		4,203,900
Current assets					
Debtors	14	26,477		9,266	
Cash at bank and in hand		222,939		180,373	
		249,416		189,639	
Creditors: amounts falling due within one year	15	(193,415)		(97,166)	
Net current assets			56,001		92,473
Net assets			4,258,820		4,296,373
Charity Funds					
Endowment funds	16		4,100,185		4,082,913
Unrestricted funds	16		158,635		213,460
Total funds			4,258,820		4,296,373

The financial statements were approved by the Trustee on

and signed by:

Councillor

Chairman of the Cobtree Manor Estate Charity Committee

The notes on pages 15 to 24 form part of these financial statements.

Cobtree Manor Estate

**Statement of Cash Flows
For the Year Ended 31 March 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	18	-	(577,351)
Cash flows from investing activities:			
Dividends, interest and rents from investments		42,566	45,086
Disposal of investments		-	335,000
Net cash provided by investing activities		42,566	380,086
Change in cash and cash equivalents in the year		42,566	(197,265)
Cash and cash equivalents brought forward		180,373	377,638
Cash and cash equivalents carried forward	19	222,939	180,373

The notes on pages 15 to 24 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

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

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

1.2 Going concern

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

1.3 Income

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

1.4 Expenditure

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

1.5 Intangible fixed assets and amortisation

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

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

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

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

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

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

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

1. Accounting Policies (continued)

1.7 Investments

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

1.8 Interest receivable

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

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

1.13 Fund accounting

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

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

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

Cobtree Manor Estate

Notes to the Financial Statements
For the Year Ended 31 March 2018

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Will Trust income	-	35,663	-	35,663	42,907
Other donations	-	-	-	-	1,196
	<u>-</u>	<u>35,663</u>	<u>-</u>	<u>35,663</u>	<u>44,103</u>
Total donations and legacies	-	35,663	-	35,663	44,103
	<u>-</u>	<u>35,663</u>	<u>-</u>	<u>35,663</u>	<u>44,103</u>
<i>Analysis of 2017 total by fund</i>	<u>1,196</u>	<u>42,907</u>	<u>-</u>	<u>44,103</u>	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Golf club revenue	92,605	-	-	92,605	80,694
Café income	236,792	-	-	236,792	235,932
Car park income	88,662	-	-	88,662	90,474
Kent Life income	61,419	-	-	61,419	55,451
Other income	1,235	-	-	1,235	2,260
	<u>480,713</u>	<u>-</u>	<u>-</u>	<u>480,713</u>	<u>464,811</u>
	<u>480,713</u>	<u>-</u>	<u>-</u>	<u>480,713</u>	<u>464,811</u>
<i>Analysis of 2017 total by fund</i>	<u>464,811</u>	<u>-</u>	<u>-</u>	<u>464,811</u>	

4. Trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	28,891	-	-	28,891	27,872
	<u>28,891</u>	<u>-</u>	<u>-</u>	<u>28,891</u>	<u>27,872</u>
Net income from trading activities	28,891	-	-	28,891	27,872
	<u>28,891</u>	<u>-</u>	<u>-</u>	<u>28,891</u>	<u>27,872</u>

In 2017, the income from trading activities was to unrestricted funds.

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2018

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	42,566	-	-	42,566	45,086
<i>Analysis of 2017 total by fund</i>	45,086	-	-	45,086	

6. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation and amortisation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Charitable activities	210,391	18,353	413,914	642,658	647,183
<i>Analysis of 2017 total</i>	219,433	18,353	409,397	647,183	

7. Direct costs

	Total 2018 £	Total 2017 £
Staff training, welfare and other costs	3,220	3,475
Repairs and maintenance	36,068	23,474
Grounds maintenance	59,873	69,533
Rent and rates	16,819	2,781
Heat and light	11,293	6,590
Insurance	4,203	4,094
Cleaning and other property services	25,895	22,863
Security	11,440	8,445
Catering supplies and provisions	87,909	109,409
Printing, postage and stationery	1,058	393
Governance costs in relation to legal and professional fees	13,350	30,346
Advertising and marketing	428	3,525
Telephone and internet	323	492
Other fees and services	126,504	71,382
Equipment hire and maintenance	15,531	13,706
Contract charges	-	38,889
Wages and salaries	165,905	188,242
National insurance	9,799	8,886
Pension cost	34,687	22,305
Depreciation and amortisation	18,353	18,353
	642,658	647,183
<i>Total 2017</i>	647,183	

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2018

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	5,853	5,853
Amortisation of intangible fixed assets	12,500	12,500
Auditors' remuneration - audit	5,130	4,995
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

9. Staff costs

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

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries (including agency staff)	165,905	188,242
Social security costs	9,799	8,886
Other pension costs	34,687	22,305
	<u> </u>	<u> </u>
	<u>210,391</u>	<u>219,433</u>

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

	2018 No.	2017 No.
Manor Park Grounds Maintenance	-	4
Park Ranger	1	1
Catering staff (including agency staff)	15	20
Manager	1	1
	<u> </u>	<u> </u>
	<u>17</u>	<u>26</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Manor Park grounds maintenance	0	1
Park Ranger	1	1
Catering staff	2	4
Manager	1	1
	<u> </u>	<u> </u>
	<u>4</u>	<u>7</u>

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

Cobtree Manor Estate

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

10. Intangible fixed assets

	Website development £
Cost	
At 1 April 2017 and 31 March 2018	50,000
Amortisation	
At 1 April 2017	25,000
Charge for the year	12,500
At 31 March 2018	37,500
Carrying amount	
At 31 March 2018	12,500
<i>At 31 March 2017</i>	<i>25,000</i>

11. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2017	2,623,054	58,523	2,681,577
Revaluation surplus/(deficit)	(154,806)	-	(154,806)
At 31 March 2018	2,468,248	58,523	2,526,771
Depreciation			
At 1 April 2017	-	11,706	11,706
Charge for the year	-	5,853	5,853
At 31 March 2018	-	17,559	17,559
Net book value			
At 31 March 2018	2,468,248	40,964	2,509,212
<i>At 31 March 2017</i>	<i>2,623,054</i>	<i>46,817</i>	<i>2,669,871</i>

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

All properties are revalued by a professional firm of chartered surveyors periodically, using a 'market approach'. The golf course and the visitor centre are 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)	January 2018
Kent Life Attraction	January 2018

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2018

12. Investment property

	Long term leasehold investment property £
Valuation	
At 1 April 2017	635,000
Surplus/(deficit) on revaluation	190,000
At 31 March 2018	<u>825,000</u>
Comprising	
Cost	391,305
Revaluation surplus/(deficit):	
2014	243,695
2018	190,000
At 31 March 2018	<u>825,000</u>

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

All properties are revalued by a professional firm of chartered surveyors on a five yearly cycle (subject to existing tenancies where appropriate). A valuation took place in January 2018. The next valuation is due April 2023.

13. Fixed asset investments

	Listed securities £	
Market value		
At 1 April 2017		874,029
Revaluations		(17,922)
At 31 March 2018		<u>856,107</u>
Historical cost		<u>784,000</u>

Investments at market value comprise:

	2018 £	2017 £
Listed investments	<u>856,107</u>	<u>874,029</u>

All the fixed asset investments are held in the UK

14. Debtors

	2018 £	2017 £
Other debtors	<u>26,477</u>	<u>9,266</u>

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2018

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to Maidstone Borough Council	212,356	92,044
Other creditors	(18,941)	5,122
	<u>193,415</u>	<u>97,166</u>

16. Summary of funds

Summary of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2018 £
General funds	213,460	552,170	(606,995)	-	158,635
Endowment capital funds	4,082,913	-	-	17,272	4,100,185
Restricted funds	-	35,663	(35,663)	-	-
	<u>4,296,373</u>	<u>587,833</u>	<u>(642,658)</u>	<u>17,272</u>	<u>4,258,820</u>

Summary of funds - prior year

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

Unrestricted Funds

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

Restricted Income Funds

These are funds that have been given for particular purposes and projects. The restricted fund relates to The Will Trust Fund, the income from which is used to maintain the rural park. The assets of this fund are held by Cobtree Charity Trust Limited, a separate entity.

Permanent Endowment Capital Fund

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

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2018

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Intangible fixed assets	12,500	-	-	12,500
Tangible fixed assets	40,964	-	2,468,248	2,509,212
Fixed asset investments	-	-	856,107	856,107
Investment property	-	-	825,000	825,000
Current assets	249,416	-	-	249,416
Creditors due within one year	(144,245)	-	(49,170)	(193,415)
	<u>158,635</u>	<u>-</u>	<u>4,100,185</u>	<u>4,258,820</u>

Analysis of net assets between funds - prior year

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

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(72,747)	9,834
Adjustment for:		
Depreciation and amortisation charges	18,353	18,353
Gains/(losses) on investments	17,922	(75,145)
Dividends, interest and rents from investments	(42,566)	(45,086)
Increase/(decrease) in creditors	30,913	(485,307)
Increase in provisions	48,125	-
Net cash used in operating activities	<u>-</u>	<u>(577,351)</u>

19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	222,939	180,373
	<u>222,939</u>	<u>180,373</u>

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2018

20. Related party transactions

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

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

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

The Statement of Financial Activities includes income of £157,159 (2017: £151,473) in relation to operating the estate in accordance with this arrangement, as broken down below.

	2018	2017
	£	£
Golf club revenue	92,605	80,694
Will trust income	35,663	42,907
Rental income	28,891	27,872
	-----	-----
	157,159	151,473

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 £174,186 (2017: £178,419) 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 £131,675 (2017: £77,811) were made for these services.

At 31 March 2018 the Charity owed £188,293 (2017: £92,044) to Maidstone Borough Council.

21. Post balance sheet events

Since April 2018, the Cobtree Manor Park Café has been taken over by a privately run company.

22. Controlling party

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