

Cobtree Manor Estate

Trustees' Report and Financial Statements

For the Year Ended 31 March 2019

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 2019

Corporate trustee

Maidstone Borough Council

There are no individual trustees. All elected members of the Maidstone Borough Council perform duties of trustees, but are not trustees in their own right. A full list of members is available on request.

Charity registered number

283617

Principal office

Maidstone Borough Council
Maidstone House
King Street
Maidstone
ME15 6JQ

Independent auditor

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:
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 2019

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 2019.

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 "aide 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 2019

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 Golf Course - which is a pay and play facility accessible to all;
- 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
- 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
2018/2019	36,808

Rounds played saw a 2.3% increase from the previous year. The golf course continues to diversify their offering and target audiences to increase visits for all activities.

Income from all activities saw a 2.9% increase over 2017/18.

Footgolf ceased to be offered in December 2018.

Retail sales saw a fall from September 2018 due to the conversion of the pro-shop into a fitness and wellbeing studio which is now well used for exercise and wellbeing sessions and courses. This change of use has seen an increase in visits for non-golfing activities and with it an increase in food and beverage sales.

Some of the activities undertaken are as follows:

2018/19 events and activities

- 2018 fireworks night at Cobtree maintained its popularity with over 450 tickets sold.
- Carvery nights and Sunday carveries have established.
- Meetings – Dementia, Committees, Firm Friends, ongoing conferences etc.
- Dementia/Vulnerable adults -footgolf day
- Tribute acts
- Big screen sports evenings/afternoons including the football world cup
- Society days
- Charity golf days
- Christmas party nights / lunches

Cobtree Manor Estate

Trustees' Report

For the Year Ended 31 March 2019

Cobtree Wellbeing Programme

Dementia Golf, Primetime – exercise sessions for over 60s and 'Escape from Pain' programmes were promoted. There was good uptake for the golf and exercise sessions but difficulty in achieving referrals for the pain management programme. This led to the programme being extended into the next financial year in order to find alternative referral pathways and recruit enough participants to complete the programme.

A wellbeing showcase day in February 2019 was well attended with stalls and advice from health and wellbeing organisations, taster sessions and healthy food.

Cobtree Manor Park

The park was awarded a Green Flag Award for 2018/19.

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

Three Conservation Management students from Hadlow College undertook two week work placements, working with the Cobtree Ranger to create pollinator friendly wildlife areas.

A volunteers' gardening day resulted in a bank being prepared for sowing a wildflower meadow.

Mid-Kent Legal services team volunteered for a day and prepared and sowed an area of 'Pictorial Meadows'.

The Men In Sheds project continues to thrive and meets on four days per week. The group have produced a wide range of practical items such as bird boxes, planters and benches and decorative items for sale to park visitors. The group have continued to deliver carpentry badge workshops for local cub groups.

A varied programme of events and activities delivered by the park team and partner organisations has been offered throughout the year. Eight family friendly, nature and wildlife themed events attracted two hundred and sixty-three participants over the summer, with feedback forms received giving a rating of 4.8/5. Craft sessions in the October half-term saw eighty-seven participants. An Easter and a Halloween trail each had over one hundred and fifty participants. Games, activities and craft sessions were provided for visitors during Love Parks Week 2018.

Kent Wildlife Trust's Wonderful Wordicular Wildlife Walk, funded by the 2016 Cobtree prize was installed between the park and the Wildlife Trust's headquarters at Tyland Barn with nine poetry featured posts along the route and interpretation panels at each end. Trail leaflets are available for visitors.

The Visitor Centre/ café was broken into twice during 2018/9 in April and December. An empty safe was stolen in the December incident. Damage to the building occurred each time and repairs have been undertaken. Insurance claims for both incidents are being pursued to recover losses. Large boulders have been strategically placed around the park perimeter to prevent vehicular access from other parts of the estate. Upgrades to the CCTV system have been completed and a bund to protect the rear flank of the building from ram-raid attacks is in place.

Car park income totalled £86,980 net for 2018/19 financial year to 31 March 2019 a 3.68% increase on the previous year. Average weekly income was £1,673.

Kent Life

2018/19 Performance

The site welcomed 168,832 visitors in total, of these 32,341 were member visits and 36,799 educational visits.

Trustees' Report

For the Year Ended 31 March 2019

Improvements undertaken in 2018/19

- Investment in Big Top holiday shows and events
- Resizing of the Hops and Harvest festival, incorporating staffing changes to realise increased profitability
- Staffing levels have increased to facilitate higher animal welfare and cleanliness
- Landscaping improvements including re-turfing and paving
- Upgraded fencing and animal pens

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

The agricultural contractor formerly farming the field has ceased to work on it. A new proposal has been put forward for the Cobtree Young Farmers to graze sheep and cattle on the land.

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 21 to the financial statements.

FINANCIAL REVIEW

Financial Review

Income for the year amounted to £463k, a reduction on total income of £588k in 2017/18. The fall in income arose after a decision to outsource the management of the café at Cobtree Manor Park from mid-April 2018, and, as shown in note 3, café income therefore fell from £237k to £42k (and this will fall away completely next year).

Charitable costs fell too, from £643k to £393k, with the reduction largely arising due to reduced staff and catering costs after the decision to outsource the café. This left an overall surplus for the year, before investment losses and other gains/losses, of £70k which compared to a deficit of £55k in 2017/18. The improved financial result therefore vindicated the decision in respect of the café.

Trustees' Report

For the Year Ended 31 March 2019

Financial Review – continued

This year, a gain on investments (the movement in the year on the charity's listed investment securities) of £7k meant that the overall result for the year before movements on the revaluation of fixed assets to a net increase in funds of £77k (2018: net decrease 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 £830k (2018: £35k) to reflect the latest valuations. Long term leasehold property held for operational reasons has increased in value by £25k based on a formal valuation performed in the year by a chartered surveyor (see note 11). Most of the overall gain on revaluations relates to investment properties (explained in note 12). The overall movement in funds was therefore an increase of £907k (2018: reduction of £38k).

The Balance sheet shows net assets at 31 March 2019 of £5.2m, up from £4.3m at the end of the prior year. Much of this value is related to the charity's tangible fixed assets and other investments held in endowment funds, which comprise £4.99m 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.

Investment Policy

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

Investment Performance

Charifund's first-half performance placed it marginally behind the FTSE All-Share Index after taking account of a negative price swing. There was a strong contribution from stock selection, although this was offset by the fund's high-yield holdings, which underperformed as investors in the fund's risk appetite increased. This was reflected by a negative contribution from a combination of the fund's sector allocation and its overseas holdings.

The Charifund's overseas holdings represent 8% of the portfolio and the negative contribution from them reflected a slightly stronger pound over the period. In addition, the overseas exposure is mainly for diversification reasons and is well represented in the energy and pharmaceutical sectors which were weak over the first half of the fund's year.

Over the six months to 1 May 2019, Charifund produced a capital return of 3.2% compared with a capital return of 3.7% from the FTSE All-Share Index. With income reinvested, Charifund's total return over the period of 5.5% was slightly behind the 5.9% return from the Index. Quarterly distributions of 13.50p and 19.50p per Income unit were declared, making a total distribution of 33.00p per Income unit for the half year. This represented an increase of 5.6% compared with a total distribution of 31.25p paid in the corresponding period last year. The annual rate of inflation, as measured by the Retail Price Index (RPI) was 2.4% in March 2019, while the Consumer Price Index (CPI) was 1.9%, below the government's 2.0% target. M&G has around 9.51p per Income unit set aside in their reserve facility to assist with income smoothing in future years.

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.

Trustees' Report

For the Year Ended 31 March 2019

PLANS FOR FUTURE PERIODS

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

TRUSTEE'S RESPONSIBILITIES

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

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

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

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

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

Councillor
Chairman of the Cobtree Manor Estate Charity Committee

Date:

Cobtree Manor Estate

Independent Auditor's 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 2019 set out on pages 10 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 2019 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 Auditor's 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 Auditor's 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 Auditor's 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.

Auditor's 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 Auditor's 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 Auditor's 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 Auditor's 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 is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Cobtree Manor Estate

Statement of Financial Activities For the Year Ended 31 March 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:						
Donations and legacies	2	-	41,526	-	41,526	35,663
Charitable activities	3	326,732	-	-	326,732	480,713
Other trading activities	4	48,752	-	-	48,752	28,891
Investments	5	45,607	-	-	45,607	42,566
Total income and endowments		421,091	41,526	-	462,617	587,833
Expenditure on:						
Charitable activities		351,073	41,526	-	392,599	642,658
Total expenditure	7	351,073	41,526	-	392,599	642,658
Net income / (expenditure) before investment gains/(losses)		70,018	-	-	70,018	(54,825)
Net gains/(losses) on investments	12,13	-	-	6,615	6,615	(17,922)
Net income / (expenditure) before transfers		70,018	-	6,615	76,633	(72,747)
Transfers between Funds		(49,170)	-	49,170	-	-
Net income / (expenditure) before other recognised gains and losses		20,848	-	55,785	76,633	(72,747)
Gains on revaluations of fixed assets	11,12	-	-	830,000	830,000	35,194
Net movement in funds		20,848	-	885,785	906,633	(37,553)
Reconciliation of funds:						
Total funds brought forward		158,635	-	4,100,185	4,258,820	4,296,373
Total funds carried forward		179,483	-	4,985,970	5,165,453	4,258,820

The notes on pages 13 to 24 form part of these financial statements.

Cobtree Manor Estate

Balance Sheet As at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	10		-		12,500
Tangible assets	11	2,829,583		2,509,212	
Investment property	12	1,630,000		825,000	
Total tangible assets			4,459,583		3,334,212
Investments	13		862,722		856,107
			5,322,305		4,202,819
Current assets					
Debtors	14	39,136		26,477	
Cash at bank and in hand		110,011		222,939	
		149,147		249,416	
Creditors: amounts falling due within one year	15	(74,421)		(193,415)	
Net current assets			74,726		56,001
Total assets less current liabilities			5,397,031		4,258,820
Creditors: amounts falling due after more than one year	16		(231,578)		-
Net assets			5,165,453		4,258,820
Charity Funds					
Endowment funds			4,985,970		4,100,185
Unrestricted funds			179,483		158,635
Total funds	17		5,165,453		4,258,820

The financial statements were approved by the Trustees on

and signed on their behalf, by:

Councillor

Chairman of the Cobtree Manor Estate Charity Committee

The notes on pages 13 to 24 form part of these financial statements.

Cobtree Manor Estate

**Statement of Cash Flows
For the Year Ended 31 March 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	20	(158,535)	-
Cash flows from investing activities:			
Dividends, interest and rents from investments		45,607	42,566
Purchase of tangible fixed assets		(301,224)	-
Net cash (used in)/provided by investing activities		(255,617)	42,566
Cash flows from financing activities:			
Cash inflows from new borrowing		301,224	-
Net cash provided by financing activities		301,224	-
Change in cash and cash equivalents in the year		(112,928)	42,566
Cash and cash equivalents brought forward		222,939	180,373
Cash and cash equivalents carried forward	21	110,011	222,939

The notes on pages 13 to 24 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 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) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (September 2015) 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.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

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

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

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

1.7 Investments

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

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

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

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 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.

1.10 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.

Endowment funds represent 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 in the Statement of financial activities. Any capital gains and losses arising on the investments form part of the fund.

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 2019

1. Accounting Policies (continued)

1.11 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no significant judgements in relation to the above accounting policies that have a material impact on the financial statements.

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Will Trust income	-	41,526	-	41,526	35,663
<i>Analysis of 2018 total by fund</i>	-	35,663	-	35,663	

3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Golf club revenue	120,167	-	-	120,167	92,605
Cafe income	42,437	-	-	42,437	236,792
Car park income	96,294	-	-	96,294	88,662
Kent Life income	64,000	-	-	64,000	61,419
Other income	3,834	-	-	3,834	1,235
	326,732	-	-	326,732	480,713
<i>Analysis of 2018 total by fund</i>	480,713	-	-	480,713	

4. Trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Charity trading income					
Rental income	48,752	-	-	48,752	28,891
Net income from trading activities	48,752	-	-	48,752	28,891

In 2018, the income from trading activities was to unrestricted funds.

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2019

5. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	45,607	-	-	45,607	42,566
<i>Analysis of 2018 total by fund</i>	42,566	-	-	42,566	

In 2018 the investment income derived completely from unrestricted funds.

6. Direct costs

	Total 2019 £	Total 2018 £
Staff training, welfare and other costs	1,013	3,220
Repairs and maintenance	28,823	36,068
Grounds maintenance	50,744	59,873
Rent and rates	644	16,819
Heat and light	7,531	11,293
Insurances	6,621	4,203
Cleaning and other property services	12,249	25,895
Security	12,471	11,440
Catering supplies and provisions	12,740	87,909
Printing, postage and stationery	258	1,058
Governance costs in relation to legal and professional fees	17,572	13,350
Advertising and marketing	432	428
Telephone and internet	1,484	323
Other fees and services	88,797	126,504
Equipment hire and maintenance	15,292	15,531
Bad debt write off	9,266	-
Wages and salaries	82,404	165,905
National insurance	5,495	9,799
Pension cost	20,410	34,687
Depreciation and amortisation	18,353	18,353
	392,599	642,658
<i>Total 2018</i>		642,658

7. Analysis of Expenditure by expenditure type

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Charitable activities	108,309	18,353	265,937	392,599	642,658
<i>Analysis of 2018 total</i>	210,391	18,353	413,914	642,658	

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2019

8. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	5,853	5,853
Amortisation of intangible fixed assets	12,500	12,500
Auditor's remuneration - audit	5,280	5,130
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £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:

	2019 £	2018 £
Wages and salaries (including agency staff)	82,404	165,905
Social security costs	5,495	9,799
Other pension costs	20,410	34,687
	<u> </u>	<u> </u>
	<u>108,309</u>	<u>210,391</u>

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

	2019 No.	2018 No.
Park Ranger	1	1
Catering staff	-	15
Manager	1	1
	<u> </u>	<u> </u>
	<u>2</u>	<u>17</u>

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
Park Ranger	1	1
Catering staff	0	2
Manager	1	1
	<u> </u>	<u> </u>
	<u>2</u>	<u>4</u>

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

The corporate trustee, Maidstone Borough Council, is considered to be the key management personnel of the charity. No employee benefits were paid to the trustee during the year (2018: £Nil).

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2019

10. Intangible fixed assets

	Website development £
Cost	
At 1 April 2018 and 31 March 2019	50,000
Amortisation	
At 1 April 2018	37,500
Charge for the year	12,500
At 31 March 2019	50,000
Carrying amount	
At 31 March 2019	-
<i>At 31 March 2018</i>	<i>12,500</i>

11. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2018	2,468,248	58,523	2,526,771
Additions	301,224	-	301,224
Revaluation surplus/(deficit)	25,000	-	25,000
At 31 March 2019	2,794,472	58,523	2,852,995
Depreciation			
At 1 April 2018	-	17,559	17,559
Charge for the year	-	5,853	5,853
At 31 March 2019	-	23,412	23,412
Net book value			
At 31 March 2019	2,794,472	35,111	2,829,583
<i>At 31 March 2018</i>	<i>2,468,248</i>	<i>40,964</i>	<i>2,509,212</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 2019
Kent Life Attraction	January 2019

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2019

12. Investment property

	Long term leasehold investment property £
Valuation	
At 1 April 2018	825,000
Surplus/(deficit) on revaluation	805,000
At 31 March 2019	<u>1,630,000</u>
Comprising	
Cost	391,305
Annual revaluation surplus/(deficit):	
2014	243,695
2018	190,000
2019	805,000
At 31 March 2019	<u>1,630,000</u>

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

In previous years all investment properties have been based on formal valuations undertaken by a professional firm of chartered surveyors, using an Existing Use Value (EUV) basis. Similar valuations were undertaken in January 2019.

Under FRS 102 fair value should not make any allowance for the assumption that a property can only be used for the foreseeable future only for its existing use. Fair Value is defined as the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction. This year, where possible, the trustee has therefore valued the investment properties at an estimated market value using publicly available information.

One exception to this is the Tyland Farm property which is carried at £nil value on an EUV basis. This property is currently let, with a peppercorn rent, on a 125 year lease ending in 2117. No readily available market value was available for this property at 31 March 2019 and hence the EUV basis is deemed to be the most appropriate basis available without undue cost to the Charity.

13. Fixed asset investments

	Listed securities £
Market value	
At 1 April 2018	856,107
Revaluations	6,615
At 31 March 2019	<u>862,722</u>
Historical cost	<u>748,000</u>

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2019

13. Fixed asset investments (continued)

Investments at market value comprise:

	2019 £	2018 £
Listed investments	862,722	856,107

All the fixed asset investments are held in the UK

Material investments

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

Risk profile

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

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

14. Debtors

	2019 £	2018 £
Amount owed by Maidstone Borough Council	36,509	-
Other debtors	2,627	26,477
	<u>39,136</u>	<u>26,477</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amount owed to Maidstone Borough Council	69,646	188,293
Other creditors	4,775	5,122
	<u>74,421</u>	<u>193,415</u>

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

Repayments will begin in 2019/20 once the work is complete, and interest is payable at a rate of 3% (Public Works Loan Board rate 2% plus 1%).

The total balance owed to the Council has therefore been split between amounts falling due within one year (as above) and after more than one year (see note 16).

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2019

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

	2019 £	2018 £
Amount owed to Maidstone Borough Council	231,578	-

See narrative at the end of note 15 explaining the balance owed to the Council.

17. Financial instruments

	2019 £	2018 £
Financial assets measured at fair value through income and expenditure	862,722	856,107
Financial assets measured at amortised cost	149,147	249,416
	<u>1,011,869</u>	<u>1,105,523</u>
Financial liabilities measured at cost less impairment	<u>301,224</u>	<u>188,293</u>

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

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

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

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
General funds	158,635	421,091	(351,073)	(49,170)	-	179,483
Endowment capital funds	4,100,185	-	-	49,170	836,615	4,985,970
Restricted funds	-	41,526	(41,526)	-	-	-
	<u>4,258,820</u>	<u>462,617</u>	<u>(392,599)</u>	<u>-</u>	<u>836,615</u>	<u>5,165,453</u>

Summary of funds - prior 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>

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2019

18. Summary of funds (continued)

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

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

The £69,646 and £231,578 creditor balances relate to balances owed to the corporate trustee, Maidstone Borough Council, in respect of funds provided during 2018-19 to fund new car park works that have been capitalised as tangible fixed asset additions. It is a requirement of the repayment agreement for these amounts to be treated as and disclosed as a restricted balances in the annual accounts.

Analysis of net assets between funds - prior 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>

Cobtree Manor Estate

Notes to the Financial Statements For the Year Ended 31 March 2019

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	76,633	(72,747)
Adjustment for:		
Depreciation and amortisation charges	18,353	18,353
(Losses)/gains on investments	(6,615)	17,922
Dividends, interest and rents from investments	(45,607)	(42,566)
Increase in debtors	(12,659)	(17,211)
(Decrease)/increase in creditors	(188,640)	96,249
Net cash used in operating activities	<u>(158,535)</u>	<u>-</u>

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	110,011	222,939
Total	<u>110,011</u>	<u>222,939</u>

22. Related party transactions

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

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

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

The Statement of Financial Activities includes income of £210,445 (2018: £157,159) in relation to operating the estate in accordance with this arrangement, as broken down below.

	2019 £	2018 £
Golf club revenue	120,167	92,605
Will trust income	41,526	35,663
Rental income	48,752	28,891
	<u>210,445</u>	<u>157,159</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 £108,310 (2018: £174,186) 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 £90,919 (2018: £131,675) were made for these services.

At 31 March 2019 the Charity owed £264,716 (2018: £188,293) to Maidstone Borough Council.

23. Controlling party

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

Cobtree Manor Estate

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

24. Taxation

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