

COBTREE MANOR ESTATE COMMITTEE



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

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Cobtree Manor Estate for the year ended 31 March 2023. We note that your audit was performed for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the result and financial position of Cobtree Manor Estate in accordance with the UK Generally Accepted Accounting Practice financial reporting framework.

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

1. **General**

We acknowledge as trustees our responsibility under the Charities Act 2011 for preparing financial statements, which give a true and fair view of the financial position of Cobtree Manor Estate as of 31 March 2023, and of the result of its operations for the year then ended, and for making accurate representations to you. The financial statements are free of material misstatements, including omissions. We confirm that we have held prior discussion with you to ensure that there is complete agreement on the meaning of all confirmations that we are making to you.

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

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

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

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

2. **Non-audit services**

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

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

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

3. **Commitments, contingencies and liabilities**

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

4. **Litigation**

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

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

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

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

6. **Post Balance Sheet Events**

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

7. **Laws and Regulations**

We are not aware of any events which involve possible or actual instances of non-compliance with those laws and regulations which provide a legal framework within which the entity conducts its business. The entity has complied with all aspects of contractual agreements and the

requirements of regulatory authorities that, in either case, could, in the event of non-compliance, have a material effect on the financial statements.

8. Accounting estimates

The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

We confirm that:

- significant judgments made in making the accounting estimates have considered all relevant information of which we are aware.
- the consistency and appropriateness in the selection or application of the methods, assumptions and data used by management in making the accounting estimates.
- the assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the company, whenever relevant to the accounting estimates and disclosures.
- disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- that appropriate specialised skills or expertise has been applied in making the accounting estimates, where appropriate.
- that no subsequent event requires adjustment to the accounting estimates and related disclosures included in the financial statements.

9. Fixed assets

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

Long-term leasehold properties:	£	Comments
Cobtree Manor Golf Course	637,778	(being 7/9 th of the £1m valuation by Harrisons)
Cobtree Play Area	459,283	Depreciation over UEL 10 years
Cobtree Café/Visitor Centre	210,000	(based on Harrisons valuation)
Kent Life Attraction	700,000	(based on Harrisons valuation)
Cobtree Manor Park Car Park	154,631	Depreciation over UEL 8 years
	2,161,692	

Investment properties:	£	Comments
Garden Cottage	330,000	(based on Harrisons valuation)
2 Stream Cottages	182,500	
3 Stream Cottages	225,000	
4 Stream Cottages	230,000	
Gate Lodge	-	
Tyland Farm	-	Based on an Existing Use Value basis and the 125 year lease with a peppercorn rent
	967,500	

10. **Going Concern**

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

In particular we confirm the following balances owing to and from Maidstone Borough Council at 31 March 2023:

Amounts owed to Maidstone B.C	135,032
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The amounts owed to Maidstone B.C. are further split as follows:

Car park loan (due within one year)	66,505
Car park loan (due after more than one year)	68,527

	135,032

11. **Future Plans**

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

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

Yours faithfully,

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Name and Signature

On behalf of the Cobtree Manor Estate Committee

Date:

APPENDIX I – AGREED ADJUSTMENTS INCLUDED IN THE FINANCIAL STATEMENTS

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

	£	Effect on net income £
Surplus per Sage		49,777
Investment revaluation movement	54,117	(54,117)
Fixed asset revaluation movement	274,999	(274,999)
Write off duplicated invoice for MBC	12,736	(12,736)
Write off irrecoverable VAT from control account	18,099	(18,099)
Reanalysis of costs from prof fees to R&M	4,744	-
Reanalysis of 2/9ths owed to MBC re golf club	38,642	-
Reanalysis of income from licences to car park	19,200	-
Revised surplus/(loss)		<u>(310,174)</u>

APPENDIX II – UNADJUSTED AUDIT DIFFERENCES

	Effect on net income £
Unadjusted audit differences	
Understatement of Café income (Q4 inv not accounted for)	2,182
Adjustment for overstated loan interest	8,069
Under accrual for UHY fee	(835)
Extra accruals identified	(5,079)
Impact of unadjusted audit differences	<u>4,337</u>