

Public Document Pack  
**Charity Committee AGM Agenda**

**Monday, 29 March 2021 at 6.30 pm**

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		Page No.
1.	Welcome from the Chair of the Charity Committee, Councillor Margi O'Callaghan	
2.	Trustee Annual report and Accounts for the year 2019/20 <i>(Kit Wheeler, Chief Accountant (Deputy Chief Finance Officer))</i>	1 - 38
3.	Public Question Time (30 minutes)	

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# Agenda Item 2



**Report to:** Annual meeting of the Hastings and St Leonards Foreshore Charitable Trust

**Date of Meeting:** 29 March 2021

**Report Title:** Foreshore Trust – Annual Report and Final Accounts 2019-20

**Report By:** Kit Wheeler, Chief Accountant (Deputy Chief Finance Officer)

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## **Purpose of Report**

The purpose of this is for members of the Committee to consider the 2019/20 Annual Report and Financial Accounts.

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## **Recommendation(s)**

- 1. To agree the Annual Report and Financial Accounts 2019-20**

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## **Reasons for Recommendations**

The Council has the responsibility for the proper management of the financial affairs of the Trust. In doing so it complies with Accounting Codes of Practice and the high standards required for the accounting of Public money.

The Council as Trustee, through the Charity Committee, is authorised to approve the annual report and accounts which is normally done by the 30<sup>th</sup> September each year but the outbreak of Covid19 meant an extension was required and approval will now be presented for approval will now be March 29<sup>th</sup> 2021.

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## Introduction

1. The Annual Report and Accounts are attached to this report. The Council has received an unqualified opinion on the accounts from the external auditor, Manningtons.
2. The Committee is recommended to approve the Annual Report and Accounts.

## Final position 2019/20

3. A surplus of £84,000 was achieved in the year which was above expectations, principally due to lower than budgeted expenditure on projects.
4. In terms of net current assets (Cash £1,726,721 & Debtors £150,404) the balance is £1,814,661 as at 31 March 2020, whilst total funds (which includes all assets) amount to £2,891,398.
5. The balance sheet note 15 identifies the cash reserve as the Contingency Reserve £900,000 and the Main Programme Reserve of £758,465 totalling £1,658,465. This is different from the effective cash position as it takes into account the outstanding long term loan from Hastings Borough Council of £185,915.

## Reserves

6. A reserve policy was agreed at the Committee's 23 September 2019 meeting and is due to be reviewed and approved again in a separate report at tonight's meeting. It remains appropriate to consider the reserve policy on a regular basis.

## Timetable of Next Steps

1. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Continued quarterly monitoring	Each financial quarter	Charity Committee Meetings	Chief Accountant
Review of 2019/20 under/over spends	2021/22 budget	March 2021	Chief Finance Officer

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## Wards Affected

None

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## Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes. Flesch-Kincaid grade level 12.8.

Climate change implications considered? N/A

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

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## Additional Information

Appendix 1 – Annual Report and Financial Statements

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## Officer to Contact

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Charity registration number: 1105649

# Hastings and St Leonards Foreshore Charitable Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2020

# Hastings and St Leonards Foreshore Charitable Trust

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# Hastings and St Leonards Foreshore Charitable Trust

## Reference and Administrative Details

<b>Trustee</b>	Hastings Borough Council
<b>Other Officers</b>	Councillor Andy Batsford, Committee Member (Appointed 10 July 2017)  Councillor Sue Beaney, Committee Chair (Appointed 17 May 2017 - Retired 7th June 2020)  Councillor Margi O'Callaghan, Committee Chair (Appointed 8th June 2020)  Councillor Judy Rogers, Committee Member (Appointed 16 May 2018)
<b>Charity Registration Number</b>	1105649
<b>Bankers</b>	Lloyds Bank 17 Wellington Place Hastings TN31 1NX
<b>Auditor</b>	Manningtons 39 High Street Battle East Sussex TN33 0EE
<b>Protector</b>	Christopher May MA, FCA (Retired 19th March 2020) Froghole Oast House Crockham Hill Edenbridge Kent TN8 6TD
<b>Protector</b>	James W Cook FCA (Appointed 20th March 2020) The Cottage Rushlake Green Heathfield East Sussex TN21 9QH

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

The Trustee presents the annual report together with the financial statements and auditors' report of the charity for the year ended 31 March 2020.

### Structure Governance and Management

#### *Overview*

The governing documents of the Charity are a conveyance from the Crown to Hastings Corporation dated 8 September 1893 and Charity Commission Scheme ref. no, 981/1011 made on 13 January 2011 (the 2011 Scheme).

The 1893 Conveyance provides that the length of foreshore between Ecclesbourne Glen and Grosvenor Gardens shall be held for the common use, benefit and enjoyment of Her Majesty's subjects and the public generally forever. Later conveyances in 1925, 1933 and 1934 conveyed the remainder of the foreshore to the Hastings Corporation on the same Trusts.

The Hastings Borough Council Act 1988 varies the Trust to permit certain uses on delineated areas of land and for the Council to charge for that use, whether provided by the Council itself or by another on the Council's behalf.

The 2011 Scheme extended the objects of the Charity to include such charitable purposes within the Borough of Hastings as the Trustee thinks fit.

The 2011 Scheme had the effect of revoking the Charity Commission Scheme dated 22 March 2006 which appointed independent Trustees and Council nominated Trustees and appointed Hastings Borough Council as the Trustee for all purposes. This report is prepared by the Trustee as required under the 2011 Scheme.

#### *Significant changes*

Christopher May, MA, FCA, who was appointed as first Protector completed his third term as Protector on March 19th and James Cook, FCA was appointed as the New Protector effective from March 20th 2020. We thank Chris for his excellent contribution to the running of the charity over its first nine years with Hastings Borough Council as trustee

Covid started to have a major impact towards the very end of the year under review, with a ban on mass gatherings and events being introduced on 16th March 2020, and the first national lockdown on 23rd March 2020.

#### *Governance*

##### i) The Trustee

Hastings Borough Council, is a principal local authority established under the Local Government Act 1972 and, as such, has corporate status.

As a local authority, the Trustee acts through decisions of elected members and delegations to committees, sub-committees and officers. The Local Government Act 2000 introduced executive decision making and the legislation provided for a split between decisions which are reserved to the Council, to the Executive or according to local choice. Where the function in question is not reserved to Council or a local choice function, the default provision in the legislation is that the function and decision-making relating to it are the preserve of the executive.

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

### ii) The Protector

This represents the position regarding the Council's function or power to administer charities, that is to say that the administration of charities is an executive function and so only the Cabinet, a committee of Cabinet or officers acting under delegations from Cabinet are legally competent to make decisions relating to the Charity. This means that for the Foreshore Trust, the Council as Trustee, acts through the Charity Committee of Cabinet.

When considering the request of the former independent Trustees to appoint the Council as Trustee, the Commission was concerned regarding the potential conflict of interest between the Council's position as charitable Trustee and as local authority and how to address this. Part of the solution was the requirement in the 2011 Scheme for the appointment of a Protector, who is required to be a qualified accountant.

The role of the Protector is essentially to act as whistle blower and watchdog against the Council acting in breach of trust and to guard against situations where a conflict of interest is not being managed properly. As a chartered accountant he is equipped to scrutinise the Council's charity accounts. The Protector is required to report any matters of serious concern to the Charity Commission and must prepare an annual report on his activities for inclusion in the Charity's Annual Report.

### *Consultation*

The 2011 Scheme makes provision for consultation in two areas of the Charity's operation. Namely:-

i) Coastal Users' Group The Trustee is required to consult with and have regard to the recommendations of the Coastal Users' Group (CUG) in relation to certain matters, namely:-

- the standards or specifications for the maintenance of the charity's land.
- the Charity's policy relating to events and activities to be held on the Charity's land and any event/activity outside that policy.
- the Charity's policy relating to the exercise of any power under the Hastings Borough Council Act 1988 or otherwise to manage, let sell or otherwise dispose of the Charity's property, and
- the exercise of the powers under the previous bullet otherwise than in accordance with the agreed policy.

The CUG was an existing consultative group set up by the Council as local authority to consult with interested parties in relation to matters affecting the front line of the Council's area. It became the Coastal Advisory Group as required by the 2011 Scheme after adopting a formal constitution and rules for membership in early 2011. The minutes of its meetings, in so far as they relate to Foreshore Trust matters, are included in the reports submitted to each Charity Committee meeting. The CUG meets before each Charity Committee meeting (four times a year) to consider and comment on reports being submitted to the Charity Committee. The CUG is consulted each time the Foreshore Trust Business Plan is revised. During 2019-20, they were also consulted on the refurbishment proposals for the Seafront Cycle routes, the West Marina Bathing Pool site, External Funding initiatives, Small Grants and Events Grants, Caravans on Sea Road and RNLI Lifeguard provision and various leases.

CUG held its last face to face meeting on 10th March 2020. The inability to meet during lockdowns has inhibited its ability to discuss issues in open forum, once of its strengths, charity committee papers have continued to be circulated for comment, as have other Foreshore Trust matters

### ii) Grant Advisory Panel

The object to distribute surpluses, after meeting the costs of administering the Charity and managing its assets, including the repair and insurance of its land and buildings, through grants for charitable purposes in the Borough, are subject to consultation with the Grant Advisory Panel. The 2011 Scheme provides that consultation is to take place concerning the grant criteria, grant processes and grant determinations. The Grants Advisory Panel successfully concluded the process of prioritising the 2019/20 year's round of grant making, resulting in the award of grants totalling £60,000 and grants for events totalling £15,992 (2018-19 £60,000 and events £23,362).

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

The following grants were awarded:

Organisation	Project Name	Grant Awarded
Creative Space Science CIC	Space@TheStade	£2,000
Energise Sussex Coast	Sustainability on Sea Festival	£2,000
The Groundwork South Trust Ltd	Nature Holiday Club Activities on Bulverhythe Beach	£1,992
Hastings Storytelling Festival Ltd	Hastings Storytelling Festival Free Children's Day	£2,000
IdolRich TheatreRotto	The Dinosaur's Egg.	£2,000
18 Hours Ltd	Journeys Dance Festival: 'Ballroom Dance at the Stade'	£2,000
Seaview	The Big Sleep 2019	£2,000
St Leonards Festival	St Leonards Festival 2019.	£2,000
Hastings & St Leonards CAP Debt Advice	Hastings & SL Debt Advice	£4,800
CDA for Family Support Work	Family Support Work	£4,000
Counselling Plus Community	Supporting Positive Mental Health	£3,000
Hastings & Rother YMCA	Hastings & Rother YMCA	£4,566
Hastings Arts Forum Ltd	Home Live Art	£2,301
Hastings Fat Tuesday Ltd	Hastings Old Town Carnival Association	£2,927
Hastings Fishermens Protection Society	Project Beached - Fishmarket	£4,760
Hastings Furniture Service	Workshop On Wheels	£6,000
The Parochial Church Council of the Ecclesiastical Parish of Holy Trinity Hastings	Safehaven Men	£3,865
Sussex Prisoners' Families	Sussex Children & Families of Prisoners	£5,800
The Conservation Volunteers (TCV)	Hastings Health Walks	£3,000
The Athelstan Nursery	Family Support Work	£6,000
The Sara Lee Trust	The Sara Lee Trust	£2,000
Xtrax (Hastings and Rother Drop-In Centre)	Reaching Young People	£4,268
St Helens PCC	Renovation St Helen's Church Hall	£2,196
Chamber Enterprise Network	Disability Inclusion CIC	£3,726

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

### *Delegation to Officers*

At its first meeting on 25 January 2011, the Charity Committee agreed a Scheme of Delegation to Officers. From the 1 April 2012 the Scheme of Delegations has required amending, replacing the Chief Executive with an appropriate Director and his/her nominee as a result of a senior management restructure. The new Scheme of Delegations follows the pattern of the Council's Scheme of Delegations to Officers, in that the appropriate Director or their duly authorised nominee is authorised within the plan and budget agreed by the Charity Committee to undertake the day to day operation and management of the Charity. The authority is general and subject to certain exceptions including the disposal of land, use of the Charity's land for events outside of the agreed policy, grants for charitable purposes and specification for and the award of contracts affecting the Charity, which are all subject to consultation and then the decision of the Charity Committee. The Scheme of Delegation emphasises that the Directors or their nominees acting under the delegations must be mindful that they are acting on behalf of the Charity and not the Council and ensure that at all times they act in the best interests of the Charity.

The officers authorised for most purposes affecting the Charity's day to day operation and management are:-

- Victoria Conheady, Assistant Director Regeneration and Culture.
- Peter Grace, Assistant Director Financial Services and Revenues (Chief Finance Officer)
- Amy Terry, Estates Manager
- Christine Barkshire-Jones is the Monitoring Officer and the Chief Legal Officer, and is also the Authorised Signatory on behalf of the Charity

In case of actual or potential conflict of interest for officers, independent advisors are instructed on behalf of the Charity e.g. surveyors.

### **Training and Induction for the Trustee**

Training is provided for members and officers covering training on the history of the Trust, the constitutional documentation of the Trust and how to put those into effect.

Training has been offered to all members of the Council to raise awareness and to keep them advised.

### **Risk Management**

The charity maintains a risk register and formally reviews this on an annual basis when determining the reserves policy. Initially this identified the key financial risks facing the Trust, but continues to be developed to include the identification of all significant risks (it also includes the identification of relevant controls to mitigate and responsibilities).

### **Objectives**

The 2011 Scheme states the objects of the Charity to be:-

(i) to hold and maintain the charity's land for the objects set out in the trusts of the Charity, namely for the common use, benefit and enjoyment of all Her Majesty's subjects and of the public for the time being forever; and

(ii) subject to (i) above, such charitable purposes within the area of the Borough of Hastings as the Trustee thinks fit.

The Scheme expressly provides that income and capital are first to be applied in meeting the proper costs of administering the Charity and of managing its assets including the repair and insurance of its land and buildings. After payment of these costs, the Trustee must apply the remaining income in furthering the objects of the Charity.

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

### Achievements and Performance

This has been the ninth full financial year for the Council as Trustee of the Foreshore Trust. The Charity met four times during the year and the main business has been:

- The adoption of the Trust's new rolling five-year Business Plan;
- The eighth round of small grant awards (up to £5,000) to local charitable organisations;
- The seventh round of grants (up to £2,000) for events on Foreshore Trust land;
- Agreement of the budget for 2019/20 and financial report.

### Refurbishment of White Rock Water Feature

Following the refurbishment of the White Rock Baths in 2016 and the opening of the Source Park as a BMX and skateboard venue, the water feature above the building remained a key eyesore in this area of the promenade. The Council, as trustee was successful in securing funding from the fourth round of the national Coastal Communities Fund (CCF) to replace the redundant fountain with new feature for enjoyment on the Hastings seafront.

The new feature, titled 'Sea Mist', creates a new destination space at the promenade and complements existing adjacent assets. It uses high-quality long-lasting materials, specifically for the misters and paving which will be subject to coastal elements and regular water coverage from the mister jets. Substantial waterproofing to the fountain space/roof structure provided, thereby further mitigating against water ingress into The Source Park below. Programming feature for the misters to turn on/off, thereby minimising water usage and option to turn off overnight. The feature includes a good-sized mobility access plaza space – enhancing the objective of creating a destination and a social space.

Additional funding totalling £79,000 was obtained from the CCF programme to complete the refurbishment and restoration of the feature was completed in early April 2020. Formal opening of the new water feature will be delayed until COVID 19 lockdown restrictions are lifted.

### Car Parks

This was the first year of increased budget for the Seasonal Rock a Nore Car Park Stackers. This meant that they were in post for the busy Easter Period. This worked well through the whole summer season and there were no repeats of the serious congestion issues seen in previous years. The staff who worked this year had been in post in previous years and received numerous thanks for the role that they performed and the manner that they did this in.

Hastings Borough Council's CCTV control room at Muriel Matters House has been closed (March 2020) due to budget restrictions and alternative monitoring arrangements for the car parks are currently being explored.

### Grounds Maintenance

There are no significant changes to the foreshore grounds maintenance contract. For the Trust, the annual cost of seafront grounds maintenance has reduced. The ground maintenance contract has been operated by Idverde since 2016.

### The Stade

**Stade Hall** is now operated by the East Sussex College Group – their plans for the building includes commercial lettings and activities, adult education for community partners project and advanced learners project, offering 'level 3' bespoke fish mongering, butchery and patisserie courses.

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

The college had also agreed to a significant community element working with Hastings Voluntary Action to promote volunteering opportunities for long term unemployed, working with Billingsgate seafood training school and the Foreshore Trust to develop a programme with school involvement to promote sea food cooking; linking with community partners; and offering employability skills, and apprenticeship qualifications, at Stade Hall.

Please note that not all the above activities have commenced as the new arrangements are still in the early phase of the operating agreement, and have obviously been severely impacted by Covid.

### Stade open space

During 19/20 there were 23 bookings for the Stade open space. Due to the COVID 19 lockdown activities during 20/21 are likely to be minimal.

### Maintenance and repair work

During the year the automatic barrier providing access to RNLI lifeboat station was replaced and a new barrier was installed by the Angling Club. Fob access has been given to the RNLI, Fishermen and Club members to access the Blue Stade.

### Herring Fair on the Open Space

The 2019 Herring Fair was held on 23rd and 24th November, in an attempt to extend the tourism season in Hastings. This was the eighth year of the event and was for the first time funded by the FST due to the community nature of this event, support of the local fishing industry and the fact that it does attract some visitors from outside town which generates income for the Trust from car parking charges during the 'off season'. Although the Fair was successful in 2019 it failed to break even, and the Charity Committee has decided not to fund the event in the future taking into consideration the cost, impact and dependence on the weather for success.

### Promenade and Beach

#### Hastings Fisheries Local Action Group Programme 2017/19

The FLAG programme came to an end in March 2020.

The three-year programme engaged with 14 different organisations to successfully deliver 18 projects across 3 themes of (i) creating a sustainable fleet and supply chain, (ii) the environment and (iii) the place. The majority of targets for each project were achieved and overall there was a 95% spend on allocated budget.

This achievement was publicly recognised at the end of programme event, where three very diverse projects showcased their successes and the overall impact to the industry and local community was celebrated. The *Supporting Sustainable Sepia Stocks* project studied cuttlefish eggs and produced reports that include recommendations to increase sustainability of egg survival post-fishing. The *Fit to Fish* project engaged the local community and raised awareness of health and wellbeing. The *Aspiring Chefs' Academy* project educated and trained 35 young people in the fishing industry. The *Hastings Fish Brand* project has supported over 40 local businesses in establishing a fish brand that will continue beyond the project. The *Icemaker* project has ensured that ice is available for fishermen, suppliers and wholesalers in Hastings Fish Market maintaining the quality and freshness of the local catch.

Although the future of FLAG funding is currently unknown, the Hastings FLAG Board agreed to continue to meet following the end of the programme, to maintain partnership working and to stay aware of the ongoing issues in the industry.

# **Hastings and St Leonards Foreshore Charitable Trust**

## **Trustee's Report**

### **Lifeguard Service**

As a result of the success of the pilot, at the charity committee meeting on 11th December 2017 the committee agreed unanimously to enter into a three-year contract with the RNLI to provide the Hastings lifeguard service. A number of 'tweaks' were made to the service following the pilot, including earlier starts at all three sites – Pelham, Pier, and Marina. 2019 was the second full year of the three-year contract.

During 2019 on Hastings beaches the lifeguards saved four lives, rescued seven people, assisted sixteen, performed major first aid on five casualties and minor first aid on 22. This is the first time that the RNLI lifeguards' intervention has been classified as 'saving lives' at Hastings and is the most serious form of intervention: - without the action of the lifeguards, four people may have drowned. In addition, some 14 230 members of the public were engaged with on 'preventative actions' (an action described as 'an action conducted by the lifeguard team to prevent persons coming into contact with harm including; PA announcements, moving flags, displaying safety signage, educating beach users').

All the RNLI's key performance indicators were met and no complaints were received about the service, either by the RNLI or by HBC.

### **Public Art Project Initiation**

The Foreshore Trust Seafront Arts Programme was agreed and is being delivered by Sweet and Dandy Ltd. In its first stage, a series of workshops were held involving three Hastings secondary schools, East Sussex College Hastings and the Eggtooth youth project.

The workshops explored issues around sea and beach pollution by plastics and articulating them in artistic designs, artwork and sculptures. These sessions have been ongoing since November 19 and will continue until July 2020 (subject to COVID restrictions). The workshops are led by artists Peter Quinnell, Leigh Dyer and Sarah Evans and are currently engaging the participants in ways to raise public awareness of the biggest major plastic pollutant, cigarette butts, through public art in the form of a public art piece and related campaigns along the seafront, to be delivered during 2021 (again subject to lifting of COVID 19 restrictions).

### **Cycle and deck chair hire 2019 concession**

The Cycle Hire Hut operated for 46 days between 25th May to 22nd September 2019. 235 bikes and 413 deck chairs were hired in this period. Cycle maintenance and replacement costs were a lot higher than expected. The trust also agreed to the use of the electric bikes from the Seaside Cycle Hire for a short-term trial which encourages local work-related journeys, encouraging the switch from car to electric bike. This proposed trial is aimed at council staff and would rely on additional use of the bikes when the Cycle Hut is closed or possibility at off-peak times. If the trial is successful, then there is potential to investigate external funding for a more permanent scheme.

### **Street and beach cleansing**

Two FLAG funded projects to address issues of marine litter were awarded during the year. 1 HBC led project 'Save our seas' ran through the summer – including seafront posters and banners, social media and the installation of new beach litter bins on the promenade and a pilot of branded beach-based bins.

The second community led – behavioural change and marketing campaign to reduce the amount of litter discarded thoughtlessly. This project was led by the Marine Conservation Society which worked with local schools to teach children about marine litter, its impact and how to take care of the marine environment.

### **Quality Coast Award/Blue Flag status**

The council achieved re-certification of Blue flag achieved for 2019 at Marina, Seaside Award achieved for both Marina and Pelham.



# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

### Hastings Harbour Arm

Works to the Hastings Harbour Arm was completed in February 2019. The Harbour Arm is a very important structure on the seafront as it retains beach material that protects the fishing fleet and the town from flooding. The works involved encasing the existing Hastings Harbour Arm in armour rock to help protect it from further deterioration.

### Public Benefit

The objects of the Charity clearly state that the Foreshore is to be held for the benefit of Her Majesty's subjects and the public generally forever. Where the land is beach and beach alone, the objects are achieved by ensuring that the public have free and safe access to the Foreshore. However, maintaining land in proper condition has a cost and the Charity requires an income to meet its expenditure. The Hastings Borough Council Act 1988 varied the original Trusts' to permit certain uses on defined areas of the Trust's land. For example, paid parking was permissible at Rock-a-Nore Car Park and at Pelham Car Park and leisure facilities were permitted in the Stade area. These variations to the Trust powers enabled the generation of income to meet the costs of maintaining the Foreshore. The uses permitted under the Act, however, are seen as complementary to the Trust objects and the Trustee will exercise its powers under the Act to satisfy the requirement for the benefit of the public.

So far as is possible and subject to the uses permitted under the Act, the aim of the Trustees is that the Foreshore should be accessible by all members of the public who wish to visit it. At the same time, part of the Foreshore is a working beach and so health and safety considerations apply.

The 2011 Scheme included a new object to distribute surpluses as grants for charitable purposes within the Borough of Hastings. There have been seven rounds of small grants the first of which took place in 2011/12. Grants for events on Foreshore Land commenced in 2013/14 and have been repeated annually.

The Trustee has indicated a willingness to undertake further capital works to assets if financially sustainable, which conform to the Trust's objects.

There will be different views on how the public benefit is best achieved and the Charity Committee will continue to consult with the Coastal Users' Group on proposals for the future of the Foreshore and specifications and standards of maintenance and with the Grant Advisory Panel on the grant criteria and grants processes.

In addition, whilst the Council undertook the role as Trustee from January 2011, it has been operating and managing the Foreshore and its assets without interruption over many years. The operations include:

- keeping the Charity's land safe and clean;
- operating the Charity's car parks;
- managing its tenanted premises;
- arranging and facilitating events on the Foreshore;
- undertaking routine maintenance and repair.

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

### Financial Review

The annual accounts are attached to this report and, once again, have received an unqualified audit opinion by external auditors. The Trust's main sources of income remain that of car parking fees and charges and rental income from property. The expenditure that the Trust incurs is as a result of providing the car parks e.g. operating costs, and the costs of maintaining and developing the foreshore .

Investments – The Trust retains significant cash balances. At 31 March 2020 these were invested as follows:-

	2019/20	2018/19
	£	£
CCLA Investment Management	1,726,117	1,403,963
Lloyds Bank (the Trust's Bank Account)	604	605

### Future Expenditure Plans 2020/21 and Beyond

In line with the approved Business plan, expenditure on major Projects and Other Expenditure will continue in 2020/21 and will result in an overall surplus for the year, budgeted at £48,000.

Future business plan projects commencing in 2020/21 include the delivery of the public art project, surfacing works to footpaths and playground areas, White Rock Promenade timber kiosk decking, landscaping adjacent to boating lake and installation of Electric Vehicle Charging points.

The 2020/21 budget identified spend on projects and other expenditure amounting to some £244,500. £132,500 of this spend is on cyclical repairs and maintenance and £112,000 is programmed spend, financed from Reserves. The areas of spend are as follows:-

- £25,000 – Public Art Project
- £36,000 – Resurfacing Works
- £25,000 – Contingency funding
- £15,000 – Installation E.V Charge Points
- £ 6,000 – Landscaping
- £ 5,000 – White Rock Promenade Decking

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

The current business plan, including amounts carried forward from 2018/19 includes the following for Projects and Other Expenditure for the years 2019/20 to 2024/25 is shown below:-

<b>Business Plan</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2019-24</b>
<b>Projects and other expenditure</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Total</b>
<i>Cyclical Repairs and redecorations</i>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
White Rock Baths	31	41	28	34	24	9	<b>164</b>
Stade Barriers	2	5	2	2	2	0	<b>13</b>
Public Conveniences	6	22	12	6	6	4	<b>56</b>
Car Parks	42	17	47	57	33	23	<b>219</b>
Chalets - White Rock & Marina	7	2	2	7	2	0	<b>20</b>
Play areas and Exercise Equipment	34	18	18	19	60	3	<b>152</b>
Stade Hall and Stade open Space	7	5	4	35	4	11	<b>63</b>
Water Play	0	12	12	12	12	12	<b>60</b>
Beachfront	12	8	8	8	8	0	<b>44</b>
Other	10	6	7	3	8	0	<b>32</b>
<b>Total of Cyclical repairs</b>	<b>149</b>	<b>135</b>	<b>139</b>	<b>182</b>	<b>158</b>	<b>61</b>	<b>822</b>

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

<b>Business Plan</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2019-24</b>
<b>Projects and other expenditure</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Total</b>
<i>Main Programme</i>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Public Art Project	50	25	0	0	0	0	75
Play Areas	14	36	0	0	0	0	50
White Rock Promenade Timber Kiosk Decking	0	5	0	0	0	0	5
White Rock Promenade Timber Seating, Benches & Waste Bins	0	0	20	0	0	0	20
Surfacing Works	0	0	0	0	0	0	0
Landscaping - adj. to boating lake	6	0	6	0	0	0	12
White Rock Fountain	175	0	0	0	0	0	175
E V Charge Points	0	15	0	0	0	0	15
Contingency	25	25	25	25	25	0	125
<b>Total Main Programme</b>	<b>270</b>	<b>106</b>	<b>51</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>477</b>
<b>Total Projects and Other Expenditure</b>	<b>419</b>	<b>241</b>	<b>190</b>	<b>207</b>	<b>183</b>	<b>61</b>	<b>1299</b>

#### Cost of Professional Advice

Professional advisor fees (including Protector's fees) - £26,131 (2018/19 £27,668).

#### Trustee Expenses and Emoluments

There were no Trustee expenses charged to the Trust in 2019/20 (2018/19 nil).

A special responsibility allowance of £6,642 (2018/19 £6,512) was paid to the Chair of the Charity Committee and this is shown as Governance costs in the accounts.

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

### Reserves Policy

The policy is reviewed periodically to take account of changes in the future plans of the Trust and perceived risks. The last review was 23 September 2019 and there have been no significant changes since this date which require a change to the policy. Reserves are maintained for a variety of reasons and the main points of the Policy are reproduced below.

- £100,000 is to be retained for an unforeseen emergency or other unexpected need. This amount is arrived at after considering risks and how much might be needed for such contingencies; this involves judgment of events that may occur and their likelihood.
- a)

- Expenditure budget - a small contingency fund to meet unforeseen operational costs. The expenditure budget is some £1,099,000. It is suggested that a 10% contingency (say £100,000) be retained for unexpected and unforeseen operational expenditure.
- b)

- Uncertainty over future income. Most well run organisations retain reserves equivalent to a number of weeks or months of equivalent income to allow time to develop new sources of income or to cut-back on related expenditure. Potential significant loss of income could result from a downturn in economic activity or an increase in fuel costs resulting in fewer tourists, a major disaster in the area, bad weather, pollution incident, or loss of reputation e.g. bathing water deterioration, etc. It is recommended that the equivalent of 6 months income be retained to cater for this risk which would amount to around £700,000.
- c)

- Planned spending commitments which cannot be met from future income would imply a need for a specific sum to be set aside, often this amount will be included within designations in the accounts. Given the predicted surplus for each year there is scope to include some of the recurring planned expenditure within the annual budget. There are higher cost initiatives e.g. resurfacing of car parks, roadways etc., that will necessitate identification and retention of significant sums within the accounts.
- d)

- Cash Flow – organisations require a working balance to cover 'troughs' in the cash budget. Based on the financial year the cash flow is expected to be positive throughout the year i.e. income generated should exceed expenditure. Where significant one off expenditure is incurred e.g. resurfacing, use of reserves would be used to cover any shortfalls. As such no sum is set aside for this specific purpose – especially given the sums detailed above (a to d).
- e)

In summary the Reserves to be retained amount to :-

Ref.	Risk Area/ Designated Funds	Amount (£)
a)	Unforeseen emergency/event	100,000
b)	Unforeseen operational costs/contingency	100,000
c)	Uncertainty on Income streams	700,000
	<b>Total</b>	<b>900,000</b>

Plus Planned Spending Commitments e.g. repairs and other initiatives identified within the business plan.

The total funds of the Trust, of which the above form a part, amount to £2,891,398 (2018/19 £2,810,745). The financing of the main programme is dependent upon achieving annual surpluses on the trusts main activities, given the level of Reserves being retained.

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

### Plans for the Future

The Charity Committee looks to review its Business Plan on a regular basis to take account of known variations in resources and new opportunities and commitments. Subject to the Scheme's predetermination that meeting the cost of the administration and the repair and maintenance of its existing assets is the first priority; this will involve consideration of proposals for enhancing income generation and/or reducing operating expenditure as well as providing better facilities and attractions for the public benefit.

Due to the Covid pandemic and uncertainty regarding income during the years 20/21 and 21/22 the cyclical review of the business plan was agreed to be postponed, whilst the market conditions and the economy is uncertain. This decision is reviewed quarterly by lead officers, committee members and trustee while the pandemic continues.

### Accountants, Auditors and Bankers

The Trust is very grateful for the continued excellent work of Manningtons (Auditors), especially given the unprecedented challenges over the last year.

The Trust's monies are managed by the Council. The bankers are Lloyds Bank, which is the same as the Council with separate bank accounts. The Council's comprehensive Treasury Management and Investment Policy requirements equally apply when dealing with Trust monies.

### Concluding Remarks

The Trust continues to concentrate efforts on ensuring a secure and viable future for the Trust, especially in terms of maintaining and improving its assets, managing its available resources for the long term benefit of the community, and also in the distribution of grants to the benefit of the Community - as resources permit.

### Statement of Responsibilities

The trustee is responsible for preparing the trustee's report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustee 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.

# **Hastings and St Leonards Foreshore Charitable Trust**

## **Trustee's Report**

### **Disclosure of information to auditor**

The trustee has taken steps that it ought to have taken as a member in order to make itself aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustee confirms that there is no relevant information that is known of and of which they know the auditor is unaware.

The annual report was approved by the trustee of the charity on 29 March 2021 and signed on its behalf by:

.....

**Councillor Margi O'Callaghan**

**Chair of Charity Committee**

# Hastings and St Leonards Foreshore Charitable Trust

## Protector's Report

This is my tenth and final Annual Report as Protector of The Hastings and St Leonards Foreshore Charitable Trust ("Foreshore Trust" for short). It covers my activities from September 2019 to 19th March 2020, the date on which my appointment as Protector came to an end.

The rules of the Foreshore Trust call for the appointment of a Protector to safeguard the proper management of this charitable trust and, in particular, the resolution of any conflicts of interest that may arise from time to time between Hastings Borough Council ("HBC") acting as Trustee of this charity and HBC acting in its capacity as local authority. To this end, the rules provide that the general duty of the Protector is "to ensure the integrity of the administration of the charity", in other words to act as a watchdog over the activities of HBC's Charity Committee in managing the affairs of the Foreshore Trust.

- (1) I have attended all meetings of the Charity Committee.
- (2) Under the constitution of the Foreshore Trust the Trustee must consult two advisory bodies: (1) a nominated consultative and advisory group (currently the Coastal Users' Group - "CUG") in relation to major foreshore management issues, and (2) the Grant Advisory Panel ("GAP") which deals with the detailed process of recommending grants to be made by the Trustee under powers given in the Scheme. The Protector is entitled to attend the meetings of these groups, though in practice I do not routinely do so. I do however receive notices and minutes of their meetings, and attend as necessary.
- (3) The Foreshore Trust has decided to extend its charitable activities significantly in the next few years following the decision of HBC (in its capacity as local authority) to cease as from April 2021 its financial support for the Community Partnership Fund (previously administered by HBC officers), much of whose activities were in practice directed towards charitable objectives.

This will result in the establishment in 2021 of a "Large Grant Programme" with charitable objectives similar in many respects to those of the Community Partnership Fund. The new programme will amount to some £160,000 in 2021-22, and £180,000 in the two subsequent years. Members of the Charity Committee and senior HBC officers have been at pains to ensure that:

- (a) The activities of the Large Grant Programme will be genuinely charitable in nature;
- (b) Grant recommendations to the members of the Charity Committee will be made by the GAP, not by the HBC officers previously responsible for making Community Partnership Fund recommendations, though they will be available in an advisory capacity to the GAP;
- (c) Procedures will be introduced to ensure that all eligible applications will be placed before the GAP, and any applications considered ineligible by HBC staff members will be reported to and considered by the GAP;
- (d) Potential conflict of interest issues will be properly addressed and resolved - these might relate to Charity Committee or GAP members with personal involvement with particular charities.

Following this development, the Charity Commission was requested for a minor amendment to the 2011 Scheme to allow for the appointment of two extra members of the GAP to cope with the extra work load, and this has now been granted.

- (4) During the period to which this report relates, I have been satisfied as Protector that the Trustee (HBC), acting through its Charity Committee, has satisfactorily ensured the integrity of the administration of the affairs of the Foreshore Trust, as required by the current Scheme of constitution.

**Christopher May FCA**

Protector

19th March 2020



## **Hastings and St Leonards Foreshore Charitable Trust**

### **Protector's Report**

I was appointed Protector of The Hastings and St Leonards Foreshore Charitable Trust (Foreshore Trust) with effect from 20th March 2020.

There were no meetings between 20th March and 31st March 2020, the end of the financial year 2019/20, and due to the countrywide lockdown introduced to combat Covid-19, the activities of The Foreshore Trust were significantly curtailed. I am satisfied that the integrity of The Foreshore Trust was maintained through to 31st March 2020 and into the following financial year.

**James W Cook FCA**

Protector

12th March 2021

## **Hastings and St Leonards Foreshore Charitable Trust**

### **Independent Auditor's Report to the Members of Hastings and St Leonards Foreshore Charitable Trust**

#### **Opinion**

We have audited the financial statements of Hastings and St Leonards Foreshore Charitable Trust (the 'charity') for the year ended 31 March 2020, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

## **Hastings and St Leonards Foreshore Charitable Trust**

### **Independent Auditor's Report to the Members of Hastings and St Leonards Foreshore Charitable Trust**

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

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustee**

As explained more fully in the Statement of Trustee Responsibilities [set out on page ], the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee 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 trustee is 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 trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Manningtons Chartered Accountants is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

#### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.

## Hastings and St Leonards Foreshore Charitable Trust

### Independent Auditor's Report to the Members of Hastings and St Leonards Foreshore Charitable Trust

- Conclude on the appropriateness of the trustee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charity trustee, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustee those matters we are required to state to trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Manningtons, Statutory Auditor

39 High Street  
Battle  
East Sussex  
TN33 0EE

Date:.....

Manningtons is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## Hastings and St Leonards Foreshore Charitable Trust

### Statement of Financial Activities for the Year Ended 31 March 2020

	Note	Unrestricted funds £	Total 2020 £
<b>Income and Endowments from:</b>			
Charitable activities	2	1,347,537	1,347,537
Investment income	3	9,360	9,360
Total Income		<u>1,356,897</u>	<u>1,356,897</u>
<b>Expenditure on:</b>			
Charitable activities	4	(1,186,223)	(1,186,223)
Governance costs	5	(90,021)	(90,021)
Total Expenditure		<u>(1,276,244)</u>	<u>(1,276,244)</u>
Net movement in funds		80,653	80,653
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,810,745</u>	<u>2,810,745</u>
Total funds carried forward	15	<u>2,891,398</u>	<u>2,891,398</u>
	Note	Unrestricted funds £	Total 2019 £
<b>Income and Endowments from:</b>			
Charitable activities	2	1,424,700	1,424,700
Investment income	3	7,532	7,532
Total Income		<u>1,432,232</u>	<u>1,432,232</u>
<b>Expenditure on:</b>			
Charitable activities	4	(1,160,099)	(1,160,099)
Governance costs	5	(92,221)	(92,221)
Total Expenditure		<u>(1,252,320)</u>	<u>(1,252,320)</u>
Net movement in funds		179,912	179,912
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,630,833</u>	<u>2,630,833</u>
Total funds carried forward	15	<u>2,810,745</u>	<u>2,810,745</u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2019 is shown in note 15.

## Hastings and St Leonards Foreshore Charitable Trust

### (Registration number: 1105649) Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	1,232,933	1,311,537
<b>Current assets</b>			
Debtors	11	150,404	316,394
Cash at bank and in hand	12	<u>1,726,721</u>	<u>1,404,568</u>
		1,877,125	1,720,962
<b>Creditors: Amounts falling due within one year</b>	13	<u>(62,464)</u>	<u>(35,839)</u>
<b>Net current assets</b>		<u>1,814,661</u>	<u>1,685,123</u>
<b>Total assets less current liabilities</b>		3,047,594	2,996,660
<b>Creditors: Amounts falling due after more than one year</b>	14	<u>(156,196)</u>	<u>(185,915)</u>
<b>Net assets</b>		<u>2,891,398</u>	<u>2,810,745</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>2,891,398</u>	<u>2,810,745</u>
<b>Total funds</b>	15	<u>2,891,398</u>	<u>2,810,745</u>

The financial statements on pages 21 to 32 were approved by the trustee, and authorised for issue on ..... and signed on their behalf by:

.....  
**Councillor Margi O'Callaghan**  
**Chair of Charity Committee**

**Hastings and St Leonards Foreshore Charitable Trust**  
**Cash Flow Statement for the Year Ended 31 March 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash income		80,653	179,912
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		78,604	89,332
Investment income	3	<u>(9,360)</u>	<u>(7,532)</u>
		149,897	261,712
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	11	165,989	(234,478)
(Decrease)/increase in creditors	13	(486)	680
Increase in deferred income	14	<u>26,624</u>	<u>-</u>
Net cash flows from operating activities		342,024	27,914
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	3	9,360	7,532
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	13	<u>(29,231)</u>	<u>(28,754)</u>
Net increase in cash and cash equivalents		322,153	6,692
Cash and cash equivalents at 1 April		<u>1,404,568</u>	<u>1,397,876</u>
Cash and cash equivalents at 31 March		<u><u>1,726,721</u></u>	<u><u>1,404,568</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

# Hastings and St Leonards Foreshore Charitable Trust

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 1 Accounting policies

#### Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

#### Basis of preparation

Hastings and St Leonards Foreshore Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### Going concern

The trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern.

#### Judgements

As outlined in Note 14, Hastings Borough Council acts as the sole trustee for the Hastings and St Leonards Foreshore Charitable Trust. The scheme is so constituted as to prevent the Council from obtaining any benefit from the Trust's activities and no group accounts are produced. Further details of the transactions with the Council are given in Note 14.

The Statement of Accounts contains estimated figures that are based on assumptions made by the Trust about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

#### Key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the effect of the elements, maintenance programmes and past experience are taken into account. The carrying amount is £1,232,933 (2019 -£1,311,537).

#### Income and endowments

##### *Deferred income*

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

##### *Investment income*

Investment income is recognised on a receivable basis.



## **Hastings and St Leonards Foreshore Charitable Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### ***Charitable activities***

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Grant expenditure***

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

#### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Governance costs**

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The land comprising the foreshore of Hastings and St Leonards was sold to the Trust by the Crown in September 1893 for £400 and subsequent purchases between 1925 and 1934 for a further £630. No valuation of this land has ever been carried out and it is recorded at cost. Land valued at £95,000 was acquired in 2010 as part of a land swap with Hastings Borough Council. Additional expenditure of £119,490 in 2013 represents the cost of creating additional car parking spaces within the Pelham Place car park. This is being depreciated over 15 years, being the estimated time before re-surfacing becomes necessary. The trustee is of the opinion that the open market value is materially in excess of the carrying value of the land.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land	not depreciated
Pelham Place car park additional spaces	over 15 years straight line
White Rock Baths	over 50 years straight line
Winch Road Upgrade	over 15 years straight line
Plant and equipment	over 5 and 15 years straight line

#### Research and development

Research and development expenditure is written off as incurred.

#### Debtors

Are amounts due from Hastings Borough Council for settlement of expenditure incurred by the Trust that is to be repaid and is recognised initially at the transaction price. A provision for the impairment of it will be established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

#### Staff and pension schemes

The charity has no employees but is charged the relevant portion of those undertaking work in pursuance of the charity's objectives. These are employed by Hastings Borough Council and have the choice of being in the relevant defined benefit local government pension scheme.

#### 2 Income from charitable activities

	<b>Unrestricted funds General £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Car Parking	1,102,313	1,102,313	1,132,100
Foreshore management	245,018	245,018	290,415
Street cleansing	44	44	1,821
Public conveniences	162	162	364
	<u>1,347,537</u>	<u>1,347,537</u>	<u>1,424,700</u>

#### 3 Investment income

	<b>Unrestricted General £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Interest receivable and similar income;			
Interest receivable on bank deposits	9,360	9,360	6,692
Interest receivable on loans to related parties	-	-	840
	<u>9,360</u>	<u>9,360</u>	<u>7,532</u>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 4 Expenditure on charitable activities

	Activity undertaken directly £	Total 2020 £	Total 2019 £
Car parking	370,793	370,793	277,737
Foreshore management	512,912	512,912	413,594
Street cleansing	40,416	40,416	135,557
Public conveniences	173,180	173,180	188,076
White Rock Baths and other	9,642	9,642	21,030
Small and event grants	79,280	79,280	83,362
Other project grants	-	-	40,743
	<u>1,186,223</u>	<u>1,186,223</u>	<u>1,160,099</u>

#### 5 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Wages and salaries	6,642	6,642	6,512
Audit of the financial statements	2,700	2,700	2,000
Accountancy services	1,900	1,900	1,700
Legal fees	10,837	10,837	23,693
HBC management charges	58,230	58,230	58,230
Other governance costs	9,712	9,712	86
	<u>90,021</u>	<u>90,021</u>	<u>92,221</u>

#### 6 Net incoming/outgoing resources

Net incoming resources for the year include:

	2020 £	2019 £
Audit fees	2,700	2,000
Depreciation of fixed assets	<u>78,604</u>	<u>89,332</u>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 7 Trustee remuneration and expenses

Payments to the Trustee related entirely to recharges of costs incurred by HBC on behalf of the charity. These included a payment by HBC to the Chair of the Charity Committee of HBC by way of a responsibility allowance from the Council of £6,642 (2019 - £6,512), included in Governance costs.

#### 8 Staff costs

The Trust does not directly employ any staff. As such no employee received emoluments of more than £60,000 during the year

The total employee benefits of the key management personnel of the charity were £14,728 (2019 - £15,566).

#### 9 Taxation

The charity is a registered charity and is therefore exempt from Corporation Tax.

#### 10 Tangible fixed assets

	<b>Land and buildings £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2019	1,144,091	573,843	1,717,934
At 31 March 2020	<u>1,144,091</u>	<u>573,843</u>	<u>1,717,934</u>
<b>Depreciation</b>			
At 1 April 2019	143,585	262,812	406,397
Charge for the year	<u>40,514</u>	<u>38,090</u>	<u>78,604</u>
At 31 March 2020	<u>184,099</u>	<u>300,902</u>	<u>485,001</u>
<b>Net book value</b>			
At 31 March 2020	<u>959,992</u>	<u>272,941</u>	<u>1,232,933</u>
At 31 March 2019	<u>1,000,506</u>	<u>311,031</u>	<u>1,311,537</u>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 11 Debtors

	2020 £	2019 £
Prepayments	-	3,600
Other amounts owed by Hastings Borough Council	150,404	312,794
	<u>150,404</u>	<u>316,394</u>

#### 12 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>1,726,721</u>	<u>1,404,568</u>

#### 13 Creditors: amounts falling due within one year

	2020 £	2019 £
Loans from Hastings Borough Council	29,720	29,232
Accruals	6,121	6,607
Deferred income	26,624	-
	<u>62,465</u>	<u>35,839</u>

#### 14 Creditors: amounts falling due after one year

	2020 £	2019 £
Loans from Hastings Borough Council	<u>156,196</u>	<u>185,915</u>

The amount is the long term portion of the £300,000 annuity loan. The loan is at 1.66%, and has biannual payments.

For the £300,000 annuity loan, to limit the potential impact on the Trust, the Council shared the risk on a 50:50 basis. For clarity, the annual borrowing costs are £32,643, if the venture failed the amount payable per annum by the Trust would be reduced by 50%. If a new tenant was found at that time but the rental stream achieved was lower, then the shortfall would be shared.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 15 Funds

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unappropriated reserve	-	1,356,897	(1,276,244)	(80,653)	-
<i>Designated</i>					
Contingency reserve	900,000	-	-	-	900,000
Main programme reserve	599,208	-	-	159,257	758,465
Fixed asset fund	1,311,537	-	-	(78,604)	1,232,933
	<u>2,810,745</u>	<u>-</u>	<u>-</u>	<u>80,653</u>	<u>2,891,398</u>
<b>Total funds</b>	<u>2,810,745</u>	<u>1,356,897</u>	<u>(1,276,244)</u>	<u>-</u>	<u>2,891,398</u>
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unappropriated reserve	-	1,432,232	(1,252,320)	(179,912)	-
<i>Designated</i>					
Contingency reserve	900,000	-	-	-	900,000
Main programme reserve	329,964	-	-	269,244	599,208
Fixed asset fund	1,400,869	-	-	(89,332)	1,311,537
	<u>2,630,833</u>	<u>-</u>	<u>-</u>	<u>179,912</u>	<u>2,810,745</u>
<b>Total funds</b>	<u>2,630,833</u>	<u>1,432,232</u>	<u>(1,252,320)</u>	<u>-</u>	<u>2,810,745</u>

The specific purposes for which the funds are to be applied are as follows:

The Main programme reserve is held to fund the Trust's business plan initiatives and significant items of repair and maintenance that cannot be financed in a single year.

The Fixed asset fund is created to recognise that an equivalent amount of reserves has already been used, and is not available for further use.

The Unappropriated reserve represents all monies for which a specific purpose remains to be determined.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 16 Analysis of net assets between funds

	<b>Unrestricted funds Designated £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	1,232,933	1,232,933
Current assets	1,877,125	1,877,125
Current liabilities	(62,464)	(62,464)
Creditors over 1 year	<u>(156,196)</u>	<u>(156,196)</u>
Total net assets	<u>2,891,398</u>	<u>2,891,398</u>
	<b>Unrestricted funds Designated £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	1,311,537	1,311,537
Current assets	1,720,962	1,720,962
Current liabilities	(35,839)	(35,839)
Creditors over 1 year	<u>(185,915)</u>	<u>(185,915)</u>
Total net assets	<u>2,810,745</u>	<u>2,810,745</u>

#### 17 Related party transactions

During the year the charity made the following related party transactions:

##### **Hastings Borough Council** (Trustee)

The Foreshore Trust took a loan in 2016 from Hastings Borough Council to allow it to fund the conversion of White Rock Baths as a BMX centre and café.

The property belongs to the Foreshore Trust and the loan granted by Hastings Borough Council for £300,000 was for a ten year period. The Building has been leased to The Source for a period of ten years and the rental income generated will contribute to the repayment of the loan principal and interest.

The loan is repayable in biannual payments. The £300,000 annuity loan being at 1.66%, and the first payment being made on the 21st September 2016.

For the former, to limit the potential impact on the Trust, the Council would share the risk on a 50:50 basis. For clarity, the annual borrowing cost is £32,643 if the venture failed the amount payable per annum by the Trust would be reduced by 50%. If a new tenant was found at that time but the rental stream achieved was lower, then the shortfall would be shared. At the balance sheet date the amount due to Hastings Borough Council was £35,512 (2019 - £97,647 due from).