

Charity registration number: 1105649

# Hastings and St Leonards Foreshore Charitable Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2019

# 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) 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 Froghole Oast House Crockham Hill Edenbridge Kent TN8 6TD

# 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 2019.

### 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 for ever. 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*

New Grants Advisory Panel member Kerry Fellows was appointed in December 2018 replacing a retiring member.

#### *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. 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.

##### ii) The Protector

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.

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

The present Protector is Christopher May, MA, FCA, who was appointed as first Protector and has been subsequently re-appointed for two further three year terms of office. 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 2018-19, they were also consulted on the Seafront Cycle Hire and Deckchair service, the White Rock Fountain project, replacement of the RNLi barrier and the East Hastings Sea Angling Association gate with new electronic gate systems, a feasibility study for the Rock-a-Nore car park, the Cultural Development Fund submission, Small Grants and Events Grants, RNLi Lifeguard provision and various leases.

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 2018/19 year's round of grant making, resulting in the award of grants totalling £60,000 and grants for events totalling £23,362 (2017-18 £49,538 and events £20,095). The following grants were awarded:

Organisation	Project	Grant Awarded
Age UK East Sussex	Volunteer Opportunities at Age UK East Sussex Information Centre in Hastings	£4,121
Baby Basics Hastings (part of King's Church)	Baby Basics Hastings	£3,500
Bexleigh, Hythe and Abbey Drive Residents Association	Sophie's play space a space for all	£5,000
Citizens Advice 1066	Development of Pro Bono Law Clinics for Hastings	£4,417

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

Counselling Plus Community (CPC)	Stability After Crisis: preventing suicide	£4,990
Hastings & St Leonards Voluntary Lifeguard Club	Community participation in all levels of Resuscitation and use of community AED	£1,501
Hastings Advice and Representation Centre HARC	Challenging and Improving the DWP Health Assessment Process	£5,000
Hastings and District Interfaith Forum	Winter Festival of Faiths and Cultures	£800
Hastings Sinfonia	Hastings Sinfonia's "Fiesta" Summer Concert 2019	£750
Hastings Street Pastors	Hastings Street Pastors	£4,605
Hastings District Woodcraft Folk	Training	£1,614
Home Live Art	Home Live Art: Queer Performance Salon	£2,500
Home-Start East Sussex	Hastings Freedom Reflective Domestic Abuse Course	£4,999
Oasis Community Project – East Hastings	Oasis Men's group	£3,982
Stay Up Late	Gig Buddies	£3,100
The Sara Lee Trust	Specialist counselling and complementary therapy provision	£5,000
Hastings & Rother YMCA	Cabin Revival	£4,121
<b>Total Small Grants</b>		<b>£60,000</b>
Carousel Events	Carousel: Interactive Film Events for Families	£2,000
Creative Space Science CIC	Astronomy Nights	£2,000
Energise Sussex Coast	Sustainability Week Launch Event	£2,000
Hastings Borough Bonfire Society	Hastings Bonfire	£2,000
Hastings Old Town Carnival Association	Hastings Old Town Carnival Celebrates	£2,000
Hastings Storytelling Festival Ltd	Free children's puppetry for Children's Day at the Stade	£2,000
HVA / 'Love Hastings Love Yourself'	Love Hastings Love Yourself Fitness Rave	£1,696
Radiator Arts	Chaos Cart	£1,666
Seaview	The Big Sleep Hastings 2018	£2,000
St Leonards Festival	St Leonards Festival 2018	£2,000
Sussex Concepts CIC	Hastings Pirates Day	£2,000
Sustrans	1066 Cycling Festival - 2018	£2,000
<b>Total Events Grants</b>		<b>£23,362</b>

# 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 for ever; 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 eighth full financial year for the Council as Trustee of the Foreshore Trust. The Charity Committee 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 sixth round of grants (up to £2,000) for events on Foreshore Trust land;
- Agreement of the budget for 2018/19 and financial report.

### Built Assets:

- The Stade Open Space** was again a highly accessible and attractive venue for public events, including the three annual fish fairs and the Stade Saturdays' eclectic cultural program. The Stade Open Space also hosted a classic car show, a commercial vehicle show, the Storytelling Festival and the Christmas on the Coast event amongst others. The Open space saw 29 bookings in 2018/19.
- The Stade Hall** continued to be a popular venue for community activities, hosting all sorts of events including charity workshops, exhibitions and supporting large town wide events such as Pirate Day, the Old Town Carnival and Hastings Bonfire. Classroom on the Coast project officers worked with Billingsgate Seafood Training to introduce demonstrations and paid-for fish cookery classes which, alongside other private booking, stimulated some interest in the facility as a cookery training venue. The establishment of the Stade Hall, the Classroom on the Coast and the Open Space was made possible by a series of grants, and on the basis that that these community oriented facilities become self-sustaining. Further European Maritime Fisheries Fund grants provided dedicated resources to market the facilities and develop a sustainable cookery school. The Hall was booked a total of 77 times during 18/19, however 31 of them was via grant aid through a FLAG project.
- Classroom on the Coast**, through development with FLAG (Fisheries local action group) 2 and regeneration officers, worked with Billingsgate Seafood Training School to introduce demonstrations and paid-for fish cookery classes which, alongside other private booking, stimulated some interest in the facility as a cookery training venue.
- The Stade Open Space**, the Stade Hall and, to a lesser extent, Classroom on the Coast (Stade facilities), continue to be popular venues for a range of community activity. The original aim was that these facilities would become self-sustaining, but this has not proven to be the case. Although bookings of the Stade Hall and the Classroom on the Coast bring in some income for the Foreshore Trust, this income by no means covers the ongoing operational and repair costs.

As such the Trust agreed to seek proposals for alternative management models.

In the last quarter of 17/18 the Trust sought proposals from charitable or not-for-profit organisations interested in taking on the operations of the Stade Hall and Classroom on the Coast. Three expressions of interest were received. After evaluation by officers, a recommendation to the trust has been made, with an expectation that the classroom and Stade Hall will be leased to a nonprofit organisation during 18/19 for a period of up to 5 years.

East Sussex College Hastings took over the management of Stade Hall and the Classroom on the Coast from January 2019 for a period of 5 years, with break clause in years 1 and 3.



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## Trustee's Report

- (v) **White Rock Baths.** The White Rock Baths is the Trust's most significant building and was derelict for many years. The turnaround of this building began with the refurbishment of a small portion of the above-ground structure and its fit-out for use by the Hastings Pier Charity as a centre for their educational and promotional activities. Following this, a number of successful funding applications by the Council on behalf of the Trust enabled major repairs and refurbishment of the former main and smaller pool halls and ancillary areas for occupation by The Source under a ten year lease. The Source opened its new BMX and skateboard venue in White Rock Baths in early 2016. Many original features have been retained as part of the refurbishment, including some of the mosaic tiling for the Turkish baths that were part of the original underground complex built in the late 1800s. The venue has had positive national and international press attention, and is attracting a new, younger range of visitors to this part of the seafront. The re-use of this historic building has already generated a new vibrancy and increased footfall to this formerly underused part of the seafront. Building on the success of the first year of success a further collaborative bid was made to the Coastal Communities Fund which builds on this asset. This included revenue activities throughout 2017/18 and 2018/19 with completion by December 2019:

- Delivery of an Olympic Inspired coaching programme, with purchase of movable ramp facility to support this to take it out into the community
- Delivery of 12 BMX / skateboard events over 2 years (international, national, regional, local)

Outputs during 2017/18 were as follows:

- Recruitment of 3 coaches and delivery of weekly coaching sessions (October 17 onwards)
- Delivered x3 events (x1 international, x1 national, x1 regional)
- Increase in visitor numbers: 10,300 (target of 9,090)

Outputs completed in 2018:

- Expansion and continuation of coaching programme
- Delivery of 9 events

The revenue elements of the programme will complete by March 2019.

- (vi) **Beach Chalets:** The Trust approved plans for the establishment of 12 chalets on the beach in the White Rock area east of Hastings Pier. These have been let on a rolling basis from 2017/18 onwards. Installation was completed in October 2017, with all chalets being occupied during summer 2018.

### **Beach, Promenade and surrounding environs:**

- (vii) A major project to improve the town's defences against beach erosion and marine flooding commenced with the repair of one rock groyne and the building of a new rock groyne on the beach between White Rock Baths and Hastings Pier. The second phase of this project, which involves repairs to the Harbour Arm, commenced in 2017/18 and completed in 2018/19.
- (viii) The beach at the Marina achieved Blue Flag status and Pelham achieved Seaside award status. Significantly, following a high profile multi-agency Council-led project involving Southern Water Services and the Environment Agency, the quality of the bathing water at Pelham beach was significantly improved. It had been predicted that the Pelham beach bathing water would fail the new EU standards starting in 2015. This very successful project resulted in the following: Pelham Beach achieved 'Sufficient', and St Leonards Beach achieved 'Excellent'. Bathing water results also achieved for 2018 qualification, Blue Flag and Beach Award status were also confirmed for 2018.

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## Trustee's Report

- (ix) In the latter part of 2016/17, the Trust entered into a one-season agreement with the Royal National Lifeboat Institution (RNLI) to operate a lifeguard service from May until September. The agreement includes an audit of signage and a sharing of the costs of necessary replacement. As a result the RNLI were appointed to operate the lifeguard service for three years 2018 - 2021 inclusive (at a lower cost than the council operated the service, for longer periods of operation). Prior to the 2017 season, the Council as trustee, recruited, trained and managed the lifeguards through the services of an independent contractor, although it directly employed them. The RNLI now provides a comparable service at a lower cost. The RNLI currently also provides a 24/7 on-call lifeboat service to cover search and rescue requirements within 100 nautical miles from the coast of the UK and the Republic of Ireland, and provides beach lifeguard services on many south coast beaches, including Camber Sands and Bexhill in addition to Hastings.
- (x) The project to upgrade the Council's CCTV network and control room was completed in spring 2017. The extensive CCTV network we now have was originally developed to improve security and deter crime in the Council's off-street car parks in the 1990s. Whilst that original work was extremely successful, by 2015 the system was obsolete and almost impossible to maintain. This was replaced by a modern system that provides much better quality images, and is significantly more resilient. It is monitored from a brand new CCTV control room in the lower ground floor of Muriel Matters House, which is a much better working environment for the staff than the previous control room in the Carlisle underground car park complex.

### Grounds Maintenance

- (xi) The Trust participated with Hastings Borough Council, Rother District Council and Amicus Horizon in a joint procurement of grounds maintenance services. The resulting 10 year contract, effective from 6 November 2012, has produced significant savings for the partners. For the Trust, the annual cost of seafront grounds maintenance has reduced. No significant changes to the foreshore grounds maintenance contract have occurred since 2012. The original grounds maintenance contractor, The Landscape Group, was taken over by French company Idverde in the autumn of 2016.

### External Funding:

- (xii) Through the European Maritime Fisheries Funding (EMFF) Community Led or FLAG Funding the FST and its environs has benefited from this funding for a number of years. This current round or FLAG 2 had the requirement that all funding needed to be committed and approved by the 31st March 2019. In this round FLAG has committed £630,000 of funding to 19 projects. The remainder of the funding will be spent on Management and Administration, which is undertaken by Hastings Borough Council.
- (xiii) Projects which have benefited the Foreshore Trust and its immediate surrounds include a new community ice maker based in Hastings Fish Market that the Foreshore Trust match funded. Education Futures Trust are running the Aspiring Chef's Academy in Classroom on the Coast for Hastings school pupils who are disengaged in school but have an interest in cooking or working within fishing. They host a pop-up restaurant once a week in the Stade Hall. Thrive Tribe and One You East Sussex have a dedicated Health Coach based on the Stade to support fishermen and their families to lead healthy lifestyles and Hastings Borough Council and Marine Conservation Society are running both capital and revenue projects to help prevent marine litter in the Town. Research projects into cuttlefish in addition to feasibility and research studies on sustainable inshore fishing communities have also been funded. Capital projects included the Stade Barriers project. Further EMFF funding was also drawn down by fishermen, with the support of FLAG funded staff, and has resulted in projects including boat improvement and bulldozer purchases.
- (xiv) FLAG comes to an end in March 2020 by which time all money will need to be claimed back by projects.

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

## **Trustee's Report**

### **Stade Development**

The Stade area is partly in Council ownership and partly in Trust ownership. The development is the combination of the Jerwood Gallery and the Stade Open Space community facilities, the Stade Hall and public toilets with exceptional disabled accommodation and Stade café. The Jerwood Gallery, on Council owned land, is privately funded but the other facilities result from the Council's application for funding from the Commission for Architecture and the Built Environment (CABE), South East England Development Agency (SEEDA), East Sussex County Council, with significant funding also being provided by Hastings Borough Council. Management of the Stade Open Space (approximately 69% in Trust ownership) and the Stade Hall (wholly Trust owned) is being undertaken by the Council on behalf of the Foreshore Trust.

However, in line with the Trusts business plan, in the last quarter of 2017/18 the Trust sought proposals from charitable or not-for-profit organisations interested in taking on the operations of the Stade Hall and Classroom on the Coast. Three expressions of interest were received. After evaluation by officers, a recommendation to the Trust was made, and the classroom and Stade Hall were leased to Sussex Coast College Hastings, a non-profit organisation for a period of up to 5 years from January 2019

### **Leases and agreements**

A ground lease of land at Pelham Beach East and West was granted to the Royal National Lifeboat Institution for siting shore facilities in connection with the lifeguard services contract.

The administrators of Hastings Pier Charity surrendered the lease of part of the Upper Promenade Building at White Rock Baths on 29 June 2018. The Source (Hastings) Ltd has a right of first refusal and we are in discussions with them regarding a lease.

### **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:

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

- 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.

### 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 2019 these were invested as follows:-

	2018/19	2017/18
	£	£
CCLA Investment Management	1,403,963	1,397,271
Lloyds Bank (the Trust's Bank Account)	605	605

The following table compares the major elements of the budget to the actual income and expenditure for the financial year:-

### Statement of Financial Activities

	Budget	Revised	Actual
	Estimate	Budget	Outturn
	£000's	£000's	£000's
<b>Incoming Resources</b>			
Investment Income	5	5	8
Income from Charitable activities	1,472	1,407	1,400
<b>Total Incoming Resources</b>	<b>1,477</b>	<b>1,412</b>	<b>1,408</b>
<b>Resources Expended</b>			
Loan repayments	33	33	33
Charitable Activities	780	829	856
Maintenance and Cyclical repairs	90	78	56
Governance Costs HBC	68	68	58
Governance Costs (Other)	49	40	43
<b>Total Resources Expended</b>	<b>1,020</b>	<b>1,048</b>	<b>1,046</b>
<b>Surplus before Grants and Reserve Funded items</b>	<b>457</b>	<b>364</b>	<b>362</b>
Grants	80	83	83
Projects and Other Income/ Expenditure Net	396	171	45
<b>Surplus (Deficit)</b>	<b>(19)</b>	<b>110</b>	<b>234</b>

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

The surplus before grants and reserve funded items and capital charges was £362,000. Income levels have increased this year, due to an increase in car parking and rental income.

The overall outturn position was a surplus of £179,912, and capital charges of £89,332 (2017/18 surplus of £124,316). The surplus has been added to reserves.

### Future Expenditure Plans 2019/20 and Beyond

In line with the approved Business plan, expenditure on major Projects and Other Expenditure will continue in 2019/20 and will result in an overall deficit for the year, budgeted at £197,000 – this being funded from Reserves.

Future business plan projects commencing in 2019/20 include the delivery of the White Rock fountain, public art project, surfacing works to footpaths and playground areas, landscaping adjacent to boating lake and new seafront information signs that incorporate the new byelaws along with other smaller maintenance projects to buildings and facilities.

The 2019/20 budget identified spend on projects and other expenditure amounting to some £454,000. £173,000 of this spend is on cyclical repairs and maintenance and £281,000 is programmed spend, financed from Reserves. The areas of spend are as follows:-

- £175,000 - White Rock Fountain
- £50,000 - Public Art Project
- £42,500 - White Rock Baths building redecoration and maintenance
- £41,500 - Car park repairs and maintenance
- £36,000 - Play Areas and Exercise Equipment
- £25,000 - Resurfacing Works
- £25,000 - Contingency funding
- £23,000 - Other beach front items
- £12,000 - Water play
- £7,000 - Beach chalets
- £6,000 - Landscaping
- £6,000 - Public conveniences
- £5,000 - Signage

The current business plan, including amounts carried forward from 2017/18 includes the following for Projects and Other Expenditure for the years 2018/19 to 2023/24 is shown below:-

<b>Business Plan</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2018/24</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	21	43	37	48	34	24	<b>207</b>
Stade Barriers	6	2	5	2	2	2	<b>19</b>
Public Conveniences	5	6	10	6	12	6	<b>45</b>
Car Parks	8	42	29	51	57	33	<b>220</b>
Chalets - White Rock & Marina	2	7	2	2	7	2	<b>22</b>
Play areas and Exercise Equipment	0	36	18	20	19	62	<b>155</b>
Signage	0	5	0	1	0	1	<b>7</b>
Stade Hall and Stade open Space	3	7	10	4	37	4	<b>65</b>

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

Water Play	0	12	12	12	12	12	<b>60</b>
Beachfront	11	12	12	12	12	12	<b>71</b>
Other	0	1	3	2	2	4	<b>12</b>
<b>Total of Cyclical repairs</b>	<b>56</b>	<b>173</b>	<b>138</b>	<b>160</b>	<b>194</b>	<b>162</b>	<b>883</b>

<b>Business Plan</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2018/24</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	0	50	25	0	0	0	75
Play Areas	4	0	0	0	0	0	4
Fishing fleets Ice maker	16	0	0	0	0	0	16
Pelham Hut Play Facility	25	0	0	0	0	0	25
Surfacing Works	0	25	25	0	0	0	50
Landscaping - adj. to boating lake	0	6	6	0	0	0	12
White Rock Fountain	0	175	0	0	0	0	175
Contingency	0	25	25	25	25	25	125
<b>Total Main Programme</b>	<b>45</b>	<b>281</b>	<b>81</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>482</b>
<b>Total Projects and Other Expenditure</b>	<b>101</b>	<b>454</b>	<b>219</b>	<b>185</b>	<b>219</b>	<b>187</b>	<b>1,365</b>

#### Cost of Professional Advice

Professional advisor fees (including Protector's fees) - £27,668 (2017/18 £33,250).

Auditors/Accountants - £ 3,600 (2017/18 £3,500).

#### Trustee Expenses and Emoluments

There were no Trustee expenses charged to the Trust in 2018/19 (2017/18 nil).

A special responsibility allowance of £6,512 (2017/18 £6,380) was paid to the Chair of the Charity Committee and this is shown as Governance costs in the accounts.

#### 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 24 September 2018 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.

- a) £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.
- b) Expenditure budget - a small contingency fund to meet unforeseen operational costs. The expenditure budget is some £1,048,000. It is suggested that a 10% contingency (say £100,000) be retained for unexpected and unforeseen operational expenditure.

# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

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.

d)

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.

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)

f) 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 £2,810,745 (2017/18 £2,630,833). The financing of the main programme is dependent upon achieving annual surpluses on the trusts main activities, given the level of Reserves being retained.

### 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.

The current business plan will be reviewed and updated to present at the end of the 2019/20 financial year.

### Accountants, Auditors and Bankers

The Trust has been grateful for the excellent work of Manningtons (Auditors) in meeting the early closedown of the Accounts – due to the need to report within 6 months of the end of the financial 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.

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

## **Trustee's Report**

### **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.



# Hastings and St Leonards Foreshore Charitable Trust

## Trustee's Report

### 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.

### 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 ..... and signed on its behalf by:

.....  
**Councillor Sue Beaney**  
**Chair of Charity Committee**

# Hastings and St Leonards Foreshore Charitable Trust

## Protector's Report

This is my ninth Annual Report as Protector of The Hastings and St Leonards Foreshore Charitable Trust ("Foreshore Trust" for short). It covers my activities from September 2018 to the date of this report.

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, except that of 10th December 2018 when I was unwell.
- (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. A further advisory committee was formed in 2012, dealing with the management of the Stade Hall. 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.

An issue arose in October 2018 in connection with a planning consent application concerning the Stade Amusement Park, located on Foreshore Trust land. The issue in question concerned the proposed modification and re-routing of a broad, unmettled path leading from the main road (A259) beside the amusement park up to the model railway line close to the beach near the East Hastings Sea Angling premises. Concerns about this proposal were expressed by the CUG, but there was no clear process for these concerns to be communicated through the Charity Committee (acting as the voice of the Foreshore Trust) to the HBC Planning Committee responsible for making decisions on such matters. This issue has now been addressed, and in future the CUG will be informed of any relevant landlord consent questions.

- (3) During the year I have been satisfied 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

12th September 2019

## **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 2019, 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 2019 and of its results 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 15], 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.

#### **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.

.....  
(Senior Statutory Auditor)  
For and on behalf of Manningtons, Statutory Auditor

39 High Street  
Battle  
East Sussex  
TN33 0EE

Date:.....

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.

## Hastings and St Leonards Foreshore Charitable Trust

### Statement of Financial Activities for the Year Ended 31 March 2019

	Note	Unrestricted funds £	Total 2019 £
<b>Income and Endowments from:</b>			
Charitable activities	2	1,424,700	1,424,700
Investment income	3	<u>7,532</u>	<u>7,532</u>
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	<u>(92,221)</u>	<u>(92,221)</u>
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	14	<u>2,810,745</u>	<u>2,810,745</u>
	Note	Unrestricted funds £	Total 2018 £
<b>Income and Endowments from:</b>			
Charitable activities	2	1,268,600	1,268,600
Investment income	3	<u>3,314</u>	<u>3,314</u>
Total Income		<u>1,271,914</u>	<u>1,271,914</u>
<b>Expenditure on:</b>			
Charitable activities	4	(1,046,052)	(1,046,052)
Governance costs	5	<u>(101,546)</u>	<u>(101,546)</u>
Total Expenditure		<u>(1,147,598)</u>	<u>(1,147,598)</u>
Net movement in funds		124,316	124,316
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,506,517</u>	<u>2,506,517</u>
Total funds carried forward	14	<u>2,630,833</u>	<u>2,630,833</u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2018 is shown in note 14.

**Hastings and St Leonards Foreshore Charitable Trust**

**(Registration number: 1105649)  
Balance Sheet as at 31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	1,311,537	1,400,869
<b>Current assets</b>			
Debtors	11	316,394	81,916
Cash at bank and in hand		<u>1,404,568</u>	<u>1,397,876</u>
		1,720,962	1,479,792
<b>Creditors: Amounts falling due within one year</b>	12	<u>(35,839)</u>	<u>(34,680)</u>
<b>Net current assets</b>		<u>1,685,123</u>	<u>1,445,112</u>
<b>Total assets less current liabilities</b>		2,996,660	2,845,981
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(185,915)</u>	<u>(215,148)</u>
<b>Net assets</b>		<u>2,810,745</u>	<u>2,630,833</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>2,810,745</u>	<u>2,630,833</u>
<b>Total funds</b>	14	<u>2,810,745</u>	<u>2,630,833</u>

The financial statements on pages 20 to 30 were approved by the trustee, and authorised for issue on ..... and signed on their behalf by:

.....  
**Councillor Sue Beaney**  
**Chair of Charity Committee**

**Hastings and St Leonards Foreshore Charitable Trust**  
**Cash Flow Statement for the Year Ended 31 March 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash income		179,912	124,316
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		89,332	87,782
Investment income	3	<u>(7,532)</u>	<u>(3,314)</u>
		261,712	208,784
<b>Working capital adjustments</b>			
Increase in debtors	11	(234,478)	(81,916)
Increase in creditors	12	<u>680</u>	<u>2,052</u>
Net cash flows from operating activities		<u>27,914</u>	<u>128,920</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	3	7,532	3,314
Purchase of tangible fixed assets	10	<u>-</u>	<u>(42,910)</u>
Net cash flows from investing activities		7,532	(39,596)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	12	<u>(28,754)</u>	<u>(86,047)</u>
Net increase in cash and cash equivalents		6,692	3,277
Cash and cash equivalents at 1 April		<u>1,397,876</u>	<u>1,394,599</u>
Cash and cash equivalents at 31 March		<u><u>1,404,568</u></u>	<u><u>1,397,876</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 2019

### 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 £1,311,537 (2018 -£1,400,869).

#### Income and endowments

##### *Investment income*

Investment income is recognised on a receivable basis.

##### *Charitable activities*

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

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

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **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.

#### **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.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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.

#### 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.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 2 Income from charitable activities

	Unrestricted funds		Total 2018 £
	General £	Total 2019 £	
Car Parking	1,132,100	1,132,100	977,470
Foreshore management	290,415	290,415	289,980
Street cleansing	1,821	1,821	1,150
Public conveniences	364	364	-
	<u>1,424,700</u>	<u>1,424,700</u>	<u>1,268,600</u>

#### 3 Investment income

	Unrestricted funds		Total 2018 £
	General £	Total 2019 £	
Interest receivable and similar income;			
Interest receivable on bank deposits	6,692	6,692	3,314
Interest receivable on loans to related parties	840	840	-
	<u>7,532</u>	<u>7,532</u>	<u>3,314</u>

#### 4 Expenditure on charitable activities

	Activity undertaken directly £	Total 2019 £	Total 2018 £
	Car parking	277,737	277,737
Foreshore management	413,594	413,594	432,936
Street cleansing	135,557	135,557	83,630
Public conveniences	188,076	188,076	153,612
White Rock Baths and other	21,030	21,030	34,791
Small and event grants	83,362	83,362	69,630
Other project grants	40,743	40,743	-
	<u>1,160,099</u>	<u>1,160,099</u>	<u>1,046,052</u>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 5 Analysis of governance and support costs

##### Governance costs

	<b>Unrestricted funds</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Wages and salaries	6,512	6,512	6,380
Audit of the financial statements	2,000	2,000	2,000
Accountancy services	1,700	1,700	1,500
Legal fees	23,693	23,693	33,250
HBC management charges	58,230	58,230	58,230
Other governance costs	86	86	186
	<u>92,221</u>	<u>92,221</u>	<u>101,546</u>

#### 6 Net incoming/outgoing resources

Net incoming resources for the year include:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Audit fees	2,000	2,000
Depreciation of fixed assets	<u>89,332</u>	<u>87,782</u>

#### 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 £6,512 (2018 - £6,380), 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 £15,566 (2018 - £15,790).

#### 9 Taxation

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

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 10 Tangible fixed assets

	<b>Land and buildings £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2018	<u>1,144,091</u>	<u>573,843</u>	<u>1,717,934</u>
At 31 March 2019	<u>1,144,091</u>	<u>573,843</u>	<u>1,717,934</u>
<b>Depreciation</b>			
At 1 April 2018	103,071	213,994	317,065
Charge for the year	<u>40,514</u>	<u>48,818</u>	<u>89,332</u>
At 31 March 2019	<u>143,585</u>	<u>262,812</u>	<u>406,397</u>
<b>Net book value</b>			
At 31 March 2019	<u>1,000,506</u>	<u>311,031</u>	<u>1,311,537</u>
At 31 March 2018	<u>1,041,020</u>	<u>359,849</u>	<u>1,400,869</u>

#### 11 Debtors

	<b>2019 £</b>	<b>2018 £</b>
Prepayments	3,600	-
Other amounts owed by Hastings Borough Council	<u>312,794</u>	<u>81,916</u>
	<u>316,394</u>	<u>81,916</u>

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

	<b>2019 £</b>	<b>2018 £</b>
Loans from Hastings Borough Council	29,232	28,753
Accruals	<u>6,607</u>	<u>5,927</u>
	<u>35,839</u>	<u>34,680</u>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2019

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

	2019 £	2018 £
Loans from Hastings Borough Council	<u>185,915</u>	<u>215,148</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.

#### 14 Funds

	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	<u>1,400,869</u>	<u>-</u>	<u>-</u>	<u>(89,332)</u>	<u>1,311,537</u>
	<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>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2019

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unappropriated reserve	-	1,271,914	(1,147,597)	(124,317)	-
<i>Designated</i>					
Contingency reserve	900,000	-	-	-	900,000
Main programme reserve	160,775	-	-	169,189	329,964
Fixed asset fund	1,445,741	-	-	(44,872)	1,400,869
	<u>2,506,516</u>	<u>-</u>	<u>-</u>	<u>124,317</u>	<u>2,630,833</u>
<b>Total funds</b>	<u>2,506,516</u>	<u>1,271,914</u>	<u>(1,147,597)</u>	<u>-</u>	<u>2,630,833</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.

#### 15 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 from Hastings Borough Council was £97,647 (2018 - £161,986 due to).