

Charity registration number: 1105649

Hastings and St Leonards Foreshore Charitable Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2017

Hastings and St Leonards Foreshore Charitable Trust

Contents

| | |
|--------------------------------------|----------|
| Reference and Administrative Details | 1 |
| Trustees' Report | 2 to 14 |
| Statement of Responsibilities | 14 |
| Protector's Report | 15 |
| Independent Auditors' Report | 16 to 17 |
| Statement of Financial Activities | 18 |
| Balance Sheet | 19 |
| Cash Flow Statement | 20 |
| Notes to the Financial Statements | 21 to 30 |

Hastings and St Leonards Foreshore Charitable Trust

Reference and Administrative Details

| | |
|------------------------------------|---|
| Trustees | Hastings Borough Council |
| Other Officers | Councillor Kim Forward, Committee Members (resigned 10 July 2017) Councillor Andrew Cartwright, Committee Members (resigned 17 May 2017) Councillor Colin Fitzgerald, Committee Chair (resigned 17 May 2017) Councillor Dawn Poole, Committee Members (appointed 10 July 2017) Councillor Andy Batsford, Committee Members (appointed 10 July 2017) Councillor Sue Beaney, Committee Chair (appointed 17 May 2017) |
| Charity Registration Number | 1105649 |
| Bankers | Lloyds Bank 17 Wellington Place Hastings TN31 1NX |
| Auditor | Manningtons Statutory Auditor 7 Wellington Square Hastings East Sussex TN34 1PD |
| Protector | Christopher May MA, FCA Froghole Oast House Crockham Hill Edenbridge Kent TN8 6TD |

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

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

During the year there were no changes but subsequently Councillor Colin Fitzgerald stepped down as from the 17th May 2017 to be replaced as Chair by Councillor Sue Beaney, Councillor Cartwright and Councillor Forward stepped down and Councillor Dawn Poole and Councillor Andy Batsford were appointed as of 10th July 2017.

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.

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

ii) The Protector when considering the request of the former independent Trustees to appoint the Council as Trustee, the Charity 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 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 2016/17, they were also consulted on the Root 1066 Festival programme, a disability access audit, FLAG round 2, Coastal Communities Fund round 4 new chalets on Foreshore Trust land, beach stabilisation project involving groynes and the harbour arm, a Postcode Lottery Dream Fund project (unsuccessful), 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 year's round of grant making, resulting in the award of grants totalling £50,000 and grants for events totalling £19,786 (2015/16 £53,315 and events £16,685).and the following grants were awarded:

| Organisation | Project | Grant Awarded |
|---------------------|--|----------------------|
| 18 Hours Ltd | Free dance festival | £2,000 |
| Creating Community | Hastings and 1066 Country Cartoon Festival | £1,986 |

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

| | | |
|---|---|---------|
| Disability Inclusion | Accessible cookery, poetry and storytelling workshop | £2,000 |
| Hastings Fat Tuesday | Umbrella Parade and Preservation Sunday 2017 | £1,000 |
| Hastings Storytelling Festival | Children's Parade 2016 | £2,000 |
| Horizons Community Learning CIC | Horizons 'Up and Running' walking and running groups | £2,000 |
| Hastings Voluntary Action | 1066 cycling Festival | £2,000 |
| Idolrich Theatre Rotto | Danny Fishbone's Dainty Dinners | £2,000 |
| In2Play CIC | Beach Explorers | £1,800 |
| Seaview | The Big Sleep | £2,000 |
| Vocal Explosion Community Choir | Performance and workshop | £1,000 |
| Total Event Grants | | £19,786 |
| Age UK | Healthy Living Club in St Leonards | £3,293 |
| Bagladeshi Association Hastings and Rother | International Mother Language Day and Bengali New Year Celebrations | £2,250 |
| Counselling Plus Community | Hardship Fund | £2,500 |
| Fellowship of St Nicholas | Robsack Offering Brilliant Opportunities to Train (ROBOTT) | £3,000 |
| Hastings and St Leonards Christians Against Poverty | Debt Advice Centre | £5,000 |
| Hastings Arts Forum | The Big Draw 2016 'Steam Powered' | £1,115 |
| Hastings Street Pastors | Town centre night time care and support service | £2,500 |
| Hastings Bonfire Society | Hastings Celebrates 950th | £2,500 |
| Hastings Furniture Service | Support for volunteers with complex needs | £5,000 |
| Hastings and St Leonards Voluntary Lifeguard Club | Open water activity and water safety | £905 |
| Seaview | Women Only Shower Project | £4,900 |
| Sussex Prisoners' Families | Inside Outside support group | £4,600 |
| The Conservation Volunteers | The School SHED Project | £4,937 |
| The Sara Lee Trust | Specialist counselling and complementary therapy service | £5,000 |
| Trash Cannes | HOWL! Spoken word project | £2,500 |
| Total Small Grants | | £50,000 |

Hastings and St Leonards Foreshore Charitable Trust

Trustees' 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.

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

- Monica Adams-Acton, 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).

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

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.

Achievements and Performance

This has been the sixth 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 fifth annual review of the Trust's rolling five-year Business Plan;
 - The sixth round of small grant awards (up to £5,000) to local charitable organisations;
 - The fourth round of grants (up to £2,000) for events on Foreshore Trust land;
 - Agreement of the budget for 2017/18 and financial report.
- (1) Resurfacing of the Winch Road and lighting improvements reduced the risk of flooding and increased safety and security in this area that is in constant pedestrian use by the public and an important access route for the fishing community.
 - (2) 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, and a community celebration marking the 950th anniversary of the Battle of Hastings, as well as a number of events associated with the ROOT1066 International Contemporary Arts Festival, including a mass forging!
 - (3) The Stade Hall continued to be a popular venue for community activities, hosting all sorts of events including charity, exhibitions and ROOT1066. 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.
 - (4) A major new piece of artwork was sited, with the permission of the Charity Committee on Foreshore Trust land at Denmark Place. This artwork was produced as part of the ROOT 1066 festival.
 - (5) Further improvements, supported by a Coastal Communities grant, were made to the promenade around the White Rock Baths. These included the creation of a kiosk which has been let to The Source.
 - (6) The beach at the Marina achieved Blue Flag status and Pelham achieved Seaside award status.
 - (7) An access audit of the seafront was commissioned and carried out by Disability Inclusion CC. The outcome of this audit will inform future Foreshore Trust business plans.
 - (8) Initial investigations into the potential development of a children's water play feature "Seafront Splash Pad" was undertaken, but found to be unfeasible.
 - (9) A second round bid for European Maritime Fisheries Fund through the FLAG programme was submitted and was successful. Projects to be funded from this grant award will be developed in 2017-18 and several are likely to involve activities taking place on Foreshore Trust land.

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

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.

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.

Leases and agreements

The following leases were completed during the period:

- Stade Amusement area (including the boating lake). The lease contains an obligation on the tenant to carry out specified improvement works by 1 February 2019. The lease has since been assigned to Luxury Leisure.
- New kiosk built at White Rock to the Source (Hastings) Ltd.
- Substation at Hastings & St Leonards Angling Association.

The tenant of the Adventure Golf, Arnold Palmer Putting Courses Ltd, has completed improvements comprising 3 new catering kiosks, additional seating, umbrella canopies and new signage on their leased area. They have also undertaken works, at their expense, to the adjoining public realm areas including new benches, planters, shelters and paving.

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.

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

The 2011 Scheme included a new object to distribute surpluses as grants for charitable purposes within the Borough of Hastings. There have been six 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 since then.

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

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 2017 these were invested as follows:-

| | 2016/17 | 2015/16 |
|---------------------------------------|-----------|-----------|
| | £ | £ |
| CCLA Investment Management | 1,393,958 | 1,388,578 |
| Co-op Bank (the Trust's Bank Account) | 641 | 678 |

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

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

Statement of Financial Activities

| | Budget | Revised | Actual |
|---|--------------|--------------|--------------|
| | Estimate | Budget | Outturn |
| | £000's | £000's | £000's |
| Incoming Resources | | | |
| Investment Income | 6 | 6 | 5 |
| Income from Charitable activities | 1,182 | 1,282 | 1,313 |
| Profit on disposal of Fixed Asset | 0 | 0 | 127 |
| Total Incoming Resources | 1,188 | 1,288 | 1,445 |
| Resources Expended | | | |
| Loan repayments | 47 | 47 | 33 |
| Charitable Activities | 739 | 788 | 820 |
| Maintenance and Cyclical repairs | 67 | 108 | 93 |
| Governance Costs HBC | 59 | 59 | 59 |
| Governance Costs (Other) | 44 | 46 | 47 |
| Total Resources Expended | 956 | 1,048 | 1,052 |
| Surplus before Grants and Reserve Funded items | 232 | 240 | 393 |
| Grants | 70 | 70 | 70 |
| Projects and Other | | | |
| Income | | | |
| Expenditure | | | |
| Net | 219 | 271 | 138 |
| Surplus (Deficit) | (57) | (101) | 185 |

The surplus before grants and reserve funded items and capital charges was £393,000. In brief, income levels have increased this year, mainly due to an increase in car parking income and the sale of a piece of Land to Hastings Borough Council resulting in the outturn (before Grants and projects) being £161,000 over the original income budget.

The overall outturn position was a surplus of £266,323 after capitalisation of £133,662, and after the disposal of an asset for £127,000 and capital charges of £79,143 (2015/16 surplus of £208,202). The surplus has been added to reserves.

Spend and commitments on projects and other expenditure include net costs, some of which have been capitalised:

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

Loans to finance the White Rock Baths

During the year the year Hastings Borough Council forgave one of the two loans advanced in 2015/16 of £127,000. This was the result of a land swap by which a parcel of land at West Marina, was transferred to Hastings Borough Council. This is shown in the accounts as a profit on disposal of tangible fixed assets.

Permission for the land swap was obtained from the Charity Commission for the Council and the Trust to do a land swap for a small parcel of land owned by the Trust at West Marina (on the Eastern seaward corner of the old bathing pool site). The Council would accept a small parcel of land which was independently valued at £75,000 and in return has written off the loan in full irrespective of the lower valuation.

The details of which are included in note of the financial Statements

Future Expenditure Plans 2017/18 and beyond

In line with the approved Business plan, expenditure on major Projects and Other Expenditure will continue in 2017/18 and will result in an overall deficit for the year, budgeted at £57,000 - this being funded from Reserves.

Future business plan projects commencing in 2017/18 include the development of ideas for a Coastal Planting Scheme for the Stade Open Space, new seafront information signs that incorporate the new byelaws, the formation of a Marina Litter working group, access audits and potential improvements with local disability groups, potential for new chalets for rental, and a feasibility and costing for the potential for a Water Play feature on the seafront. The 16/17 budget identifies spend on projects and other expenditure amounting to some £286,000. £67,000 of this spend is on cyclical repairs and maintenance and £219,000 is programmed spend, financed from Reserves. The main areas of spend are as follows:-

- £22,000 –White Rock chalets
- £40,000 – New signage to RNLI standard
- £5,000 – Beachfront Children’s play area
- £5,000 – Stade Open Space Landscaping
- £20,000 - Marine Litter Project
- £21,000 Parking Machine upgrades
- £85,000 - Landscaping Water feature

The current business plan, including amounts carried forward from 2016/17 includes the following for Projects and Other Expenditure for the years 2017/18 to 2021/22 is shown below:-

| Business Plan | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2017/22 |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | Actual | Estimate | Estimate | Estimate | Estimate | Estimate | Total |
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| | | | | | | | |
| Projects and other expenditure | | | | | | | |
| <i>Cyclical Repairs and Redecorations</i> | | | | | | | |
| Pier Area | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| White Rock Baths | 68 | 20 | 25 | 10 | 10 | 10 | 75 |
| Stade Barriers | 1 | 2 | 2 | 2 | 5 | 2 | 13 |

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

| | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|
| Cycle Route | 1 | 0 | 5 | 0 | 0 | 0 | 5 |
| Public Conveniences | 2 | 6 | 6 | 6 | 4 | 6 | 28 |
| Car Parks & Other | 10 | 40 | 40 | 47 | 49 | 47 | 223 |
| <i>Total of Cyclical repairs</i> | 83 | 68 | 78 | 65 | 68 | 65 | 344 |
| | | | | | | | |
| <i>Maintenance Projects</i> | | | | | | | |
| Beach | 11 | 12 | 12 | 12 | 12 | 12 | 60 |
| <i>Total Maintenance Projects</i> | 11 | 12 | 12 | 12 | 12 | 12 | 60 |
| | | | | | | | |
| <i>Main Programme</i> | | | | | | | |
| White Rock promenade Kiosk | 2 | | | | | | 0 |
| New Signage | 0 | 40 | | | | | 40 |
| White Rock Chalets | | 14 | | | | | 14 |
| Beachfront | 19 | 5 | | | | | 5 |
| Stade Open Space Landscaping | | 5 | | | | | 5 |
| Access Audit | | 10 | 10 | | | | 20 |
| Marine Litter Project | | 20 | | | | | 20 |
| Resurfacing Robertson street to Pier | 113 | 25 | 25 | 25 | 25 | 25 | 125 |
| Parking Machine Upgrade | | 21 | | | | | 21 |
| Landscaping adjacent to the boating lake | | | 15 | 6 | 6 | | 27 |
| Landscaping Water Feature | 3 | 82 | | | | | 82 |
| Contingency | | 25 | 25 | 25 | 25 | 25 | 125 |
| <i>Total Main Programme</i> | 137 | 258 | 75 | 56 | 56 | 50 | 495 |
| Total Projects and Other Expenditure | 231 | 338 | 165 | 133 | 136 | 127 | 899 |

* The 2017/18 estimate has been adjusted for items that were originally planned for 2016/17 but are now in the 2017/18 Business Plan.

Cost of Professional advice Professional advisor fees (including Protector's fees) - £23,780 (2015/16 £27,930)

Auditors/Accountants - £ 3,500 (2015/16 £3,500)

Trustee Expenses and emoluments There were no Trustee expenses charged to the Trust in 2016/17.

£6,310 was paid in 2016/17 (2015/16 £5,940) as a special responsibility allowance to the chair of the charity committee and this is shown as Governance costs in the accounts

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

Reserves Policy

The policy is reviewed on a regular basis to take account of changes in the future plans of the Trust and perceived risks the last review being 26 June 2017. 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 £960,000. It is suggested that a 10% contingency (say £100,000) be retained for unexpected and unforeseen operational expenditure.

c) 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.

d) 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.

e) 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).

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 |
| | Total | 900,000 |

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

Hastings and St Leonards Foreshore Charitable Trust

Trustees' Report

The total funds of the Trust, of which the above form a part, amount to £2,506,516 (2015/16 £2,240,192). The financing of the main programme is dependent upon achieving annual surpluses on the trust's 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.

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 (acting as Trustee), and although the Council makes use of the same banks for its own activities as local authority, the Trust's funds are held in separate accounts. Since the date of these accounts, the council has changed its own, and the Trust's, banking arrangements from Co-operative Bank to Lloyds Bank. The Council's comprehensive Treasury Management and Investment Policy requirements equally apply when dealing with Trust monies.

Concluding Remarks

The transfer of the trusteeship to the Council in January 2011 concluded a long and difficult process. The Council has previously thanked the former trustees who were involved in the trust immediately before it transferred to the Council.

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

Trustees' Report

Statement of Responsibilities

The trustees are responsible for preparing the Trustees' Annual 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 trustees 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 trustees are 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 trustees are 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 trustees are 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

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees 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 seventh Annual Report as Protector of The Hastings and St Leonards Foreshore Charitable Trust ("Foreshore Trust" for short). It covers my activities from September 2016 to the date of this report, during which period I was re-appointed for a further three-year period starting 1st April 2017.

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) 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.
- (3) During the financial year, having obtained a formal clearance Order from the Charity Commission, dated 5th January 2017, the Foreshore Trust transferred a small parcel of land by the beach near Seaside Road at West St Leonards to HBC (in the latter's capacity as local authority) in full and final settlement of a loan of £127,000 made by HBC to the Foreshore Trust during the preceding financial year as part of the funding arrangements for the refurbishment of the White Rock Baths site. The land was previously held in the Foreshore Trust's financial records at "nil" value, so the whole amount of the loan was credited to Foreshore Trust's reserves, and is shown as "Other income" in the Statement of Financial Activities (see also Note 5 to the Accounts). The £127,000 value received by the Foreshore Trust compares with a professional market valuation of the site dated 18th January 2016 of "at or about £75,000", and thus represents a clear financial benefit to the Trust.
- (4) During the year I have been satisfied that the Trustee (Hastings Borough Council), 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

13th September 2017

Hastings and St Leonards Foreshore Charitable Trust

Independent Auditors' Report to the Members of Hastings and St Leonards Foreshore Charitable Trust

We have audited the financial statements of Hastings and St Leonards Foreshore Charitable Trust for the year ended 31 March 2017, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

This report is made solely to the Charity's trustees, 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 trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the (set out on page), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Hastings and St Leonards Foreshore Charitable Trust

Independent Auditors' Report to the Members of Hastings and St Leonards Foreshore Charitable Trust

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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.

Matters on which we are required to report by exception

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:

- the information given in the Trustees' Annual Report is not consistent with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

.....
(Senior Statutory Auditor)

For and on behalf of Manningtons, Statutory Auditor

7 Wellington Square
Hastings
East Sussex
TN34 1PD

Date:.....

Hastings and St Leonards Foreshore Charitable Trust

Statement of Financial Activities for the Year Ended 31 March 2017

| | Note | Unrestricted funds £ | Total 2017 £ |
|------------------------------------|-------------|-------------------------------------|-----------------------------|
| Income and Endowments from: | | | |
| Charitable activities | 3 | 1,326,630 | 1,326,630 |
| Investment income | 4 | 5,379 | 5,379 |
| Other income | 5 | 127,000 | 127,000 |
| | | <u>1,459,009</u> | <u>1,459,009</u> |
| Total Income | | | |
| Expenditure on: | | | |
| Charitable activities | 6 | (1,098,150) | (1,098,150) |
| Governance costs | 7 | (94,536) | (94,536) |
| | | <u>(1,192,686)</u> | <u>(1,192,686)</u> |
| Total Expenditure | | | |
| Net movement in funds | | 266,323 | 266,323 |
| Reconciliation of funds | | | |
| Total funds brought forward | | <u>2,240,193</u> | <u>2,240,193</u> |
| Total funds carried forward | 15 | <u>2,506,516</u> | <u>2,506,516</u> |
| | | Unrestricted funds £ | Total 2016 £ |
| | Note | | |
| Income and Endowments from: | | | |
| Donations and legacies | 2 | 155,227 | 155,227 |
| Charitable activities | 3 | 1,243,150 | 1,243,150 |
| Investment income | 4 | 7,620 | 7,620 |
| | | <u>1,405,997</u> | <u>1,405,997</u> |
| Total Income | | | |
| Expenditure on: | | | |
| Charitable activities | 6 | (1,100,799) | (1,100,799) |
| Governance costs | 7 | (96,996) | (96,996) |
| | | <u>(1,197,795)</u> | <u>(1,197,795)</u> |
| Total Expenditure | | | |
| Net movement in funds | | 208,202 | 208,202 |
| Reconciliation of funds | | | |
| Total funds brought forward | | <u>2,031,990</u> | <u>2,031,990</u> |
| Total funds carried forward | 15 | <u>2,240,192</u> | <u>2,240,192</u> |

All of the Charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2016 is shown in note 15.

Hastings and St Leonards Foreshore Charitable Trust

(Registration number: 1105649) Balance Sheet as at 31 March 2017

| | Note | 2017 £ | 2016 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 1,445,741 | 1,391,222 |
| Current assets | | | |
| Cash at bank and in hand | | 1,394,599 | 1,389,256 |
| Creditors: Amounts falling due within one year | 13 | <u>(89,923)</u> | <u>(152,794)</u> |
| Net current assets | | <u>1,304,676</u> | <u>1,236,462</u> |
| Total assets less current liabilities | | 2,750,417 | 2,627,684 |
| Creditors: Amounts falling due after more than one year | 14 | <u>(243,901)</u> | <u>(387,492)</u> |
| Net assets | | <u>2,506,516</u> | <u>2,240,192</u> |
| Funds of the Charity: | | | |
| Unrestricted income funds | | | |
| Unrestricted income funds | | <u>2,506,516</u> | <u>2,240,192</u> |
| Total funds | 15 | <u>2,506,516</u> | <u>2,240,192</u> |

The financial statements on pages 18 to 30 were approved by the trustees, 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 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash income | | 266,323 | 208,202 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | | 79,143 | 57,731 |
| Investment income | 4 | (5,379) | (7,620) |
| (Profit)/loss on disposal of tangible fixed assets | | <u>(127,000)</u> | <u>22,205</u> |
| | | 213,087 | 280,518 |
| Working capital adjustments | | | |
| (Decrease)/increase in creditors | 13 | <u>(233)</u> | <u>609</u> |
| Net cash flows from operating activities | | <u>212,854</u> | <u>281,127</u> |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | 4 | 5,379 | 7,620 |
| Purchase of tangible fixed assets | 12 | (133,662) | (817,340) |
| Sale of tangible fixed assets | | <u>127,000</u> | <u>-</u> |
| Net cash flows from investing activities | | <u>(1,283)</u> | <u>(809,720)</u> |
| Cash flows from financing activities | | | |
| Value of new loans obtained during the period | | - | 427,000 |
| Repayment of loans and borrowings | 13 | <u>(206,228)</u> | <u>(355,072)</u> |
| Net cash flows from financing activities | | <u>(206,228)</u> | <u>71,928</u> |
| Net increase/(decrease) in cash and cash equivalents | | 5,343 | (456,665) |
| Cash and cash equivalents at 1 April | | <u>1,389,256</u> | <u>1,845,921</u> |
| Cash and cash equivalents at 31 March | | <u><u>1,394,599</u></u> | <u><u>1,389,256</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 2017

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 trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

Judgements

As outlined in Note 16, 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 16.

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 £1,445,741 (2016 -£1,391,222).

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

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.

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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

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.

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.

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 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 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.

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

Designated funds are unrestricted funds are resources 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 donations and legacies

| | Total 2017 £ | Total 2016 £ |
|-----------------------------------|-----------------------------|-----------------------------|
| Grants, including capital grants; | | |
| European Fisheries Fund | - | 155,227 |
| | - | 155,227 |
| | - | 155,227 |

3 Income from charitable activities

| | Unrestricted funds | | Total 2017 £ | Total 2016 £ |
|----------------------|-------------------------------|--|-----------------------------|-----------------------------|
| | General £ | | | |
| Car Parking | 1,062,680 | | 1,062,680 | 1,031,640 |
| Foreshore management | 262,800 | | 262,800 | 210,370 |
| Street cleansing | 1,150 | | 1,150 | 1,140 |
| | 1,326,630 | | 1,326,630 | 1,243,150 |
| | 1,326,630 | | 1,326,630 | 1,243,150 |

4 Investment income

| | Unrestricted funds | | Total 2017 £ | Total 2016 £ |
|---|-------------------------------|--|-----------------------------|-----------------------------|
| | General £ | | | |
| Interest receivable and similar income; | | | | |
| Interest receivable on bank deposits | 5,379 | | 5,379 | 7,620 |
| | 5,379 | | 5,379 | 7,620 |
| | 5,379 | | 5,379 | 7,620 |

5 Other income

| | Unrestricted funds | | Total 2017 £ |
|--|-------------------------------|--|-----------------------------|
| | General £ | | |
| Gains on sale of tangible fixed assets for charity's own use | 127,000 | | 127,000 |
| | 127,000 | | 127,000 |
| | 127,000 | | 127,000 |

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

6 Expenditure on charitable activities

| | Activity undertaken directly £ | Grant funding of activity £ | Total 2017 £ | Total 2016 £ |
|------------------------------|---|-----------------------------------|--------------------|--------------------|
| Car parking | 268,249 | - | 268,249 | 248,553 |
| Foreshore management | 402,016 | - | 402,016 | 510,151 |
| Street cleansing | 86,640 | - | 86,640 | 79,460 |
| Public conveniences | 159,199 | - | 159,199 | 142,335 |
| White Rock Baths and other | 111,985 | - | 111,985 | - |
| Small and event grants | - | 70,060 | 70,060 | 69,700 |
| Grants paid on FLAG projects | - | - | - | 50,600 |
| | <u>1,028,089</u> | <u>70,060</u> | <u>1,098,149</u> | <u>1,100,799</u> |

£1,098,149 (2016 - £1,100,799) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £Nil) to restricted funds.

7 Analysis of governance and support costs

Governance costs

| | Unrestricted funds General £ | Total 2017 £ | Total 2016 £ |
|-----------------------------------|---------------------------------------|--------------------|--------------------|
| Wages and salaries | 6,310 | 6,310 | 5,940 |
| Audit fees | | | |
| Audit of the financial statements | 3,500 | 3,500 | 3,500 |
| Legal fees | 23,780 | 23,780 | 27,930 |
| HBC management charges | 60,310 | 60,310 | 58,750 |
| Other governance costs | 636 | 636 | 876 |
| | <u>94,536</u> | <u>94,536</u> | <u>96,996</u> |

8 Net incoming/outgoing resources

Net incoming resources for the year include:

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Audit fees | 3,500 | 3,500 |
| (Profit)/loss on disposal of tangible fixed assets | (127,000) | 22,205 |
| Depreciation of fixed assets | 79,131 | 57,731 |

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

The profit on disposal arising in the year is the proceeds from the land swap in settlement of the loan as per the agreement with Hastings Borough Council. The land disposed of was previously included at zero value.

The loss on disposal arising in 2016 represents an asset that was previously capitalised that is now considered not to belong to the Trust.

9 Trustees 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 £6,310 (2016 - £5,940), included in Governance costs.

10 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 benefits of the key personnel of the Charity were £16,460 (2016 - £15,580).

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

11 Taxation

The Charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

| | Land and buildings £ | Plant and equipment £ | Total £ |
|-----------------------|----------------------------|-----------------------------|------------|
| Cost | | | |
| At 1 April 2016 | 1,029,241 | 512,121 | 1,541,362 |
| Additions | 114,850 | 18,812 | 133,662 |
| At 31 March 2017 | 1,144,091 | 530,933 | 1,675,024 |
| Depreciation | | | |
| At 1 April 2016 | 29,093 | 121,047 | 150,140 |
| Charge for the year | 33,464 | 45,679 | 79,143 |
| At 31 March 2017 | 62,557 | 166,726 | 229,283 |
| Net book value | | | |
| At 31 March 2017 | 1,081,534 | 364,207 | 1,445,741 |
| At 31 March 2016 | 1,000,148 | 391,074 | 1,391,222 |

The additions to Land and building in the year includes £106,000 in respect of the Sea Escapes project. The total project costs were budgeted at £354,000 partly funded by The Coastal Communities Fund (£100,000) and Hastings Borough Council (£140,000).

The project was to improve the area around the White Rock baths. This included resurfacing decking a kiosk and planters. The Trust owns some 71% of the land upon which the improvements were undertaken.

13 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Other amounts owed to Hastings Borough Council | 57,765 | 109,178 |
| Loans from Hastings Borough Council | 28,282 | 39,507 |
| Accruals | 3,876 | 4,109 |
| | 89,923 | 152,794 |

14 Creditors: amounts falling due after one year

| | 2017 £ | 2016 £ |
|-------------------------------------|-----------|-----------|
| Loans from Hastings Borough Council | 243,901 | 387,492 |

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

The amount is the long term portion of the £300,000 annuity loan. The loan is at 1.66%, and has biannual payments. The £127,000 annuity loan has been cancelled during the year.

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.

15 Funds

| | Balance at 1 April 2016 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2017 £ |
|--------------------------------------|---------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|
| Unrestricted funds | | | | | |
| <i>Unrestricted general funds</i> | | | | | |
| Unappropriated reserve | - | 1,332,009 | (1,065,685) | (266,324) | - |
| <i>Unrestricted designated funds</i> | | | | | |
| Contingency reserve | 690,000 | - | - | 210,000 | 900,000 |
| Main programme reserve | 158,971 | - | - | 1,804 | 160,775 |
| Fixed asset fund | 1,391,221 | - | - | 54,520 | 1,445,741 |
| | <u>2,240,192</u> | <u>-</u> | <u>-</u> | <u>266,324</u> | <u>2,506,516</u> |
| Total funds | <u>2,240,192</u> | <u>1,332,009</u> | <u>(1,065,685)</u> | <u>-</u> | <u>2,506,516</u> |
| | | | | | |
| | Balance at 1 April 2015 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2016 £ |
| Unrestricted funds | | | | | |
| <i>Unrestricted general funds</i> | | | | | |
| Unappropriated reserve | - | 1,405,997 | (1,197,795) | (208,202) | - |
| <i>Unrestricted designated funds</i> | | | | | |
| Contingency reserve | 690,000 | - | - | - | 690,000 |
| Main programme reserve | 688,172 | - | - | (529,201) | 158,971 |
| Fixed asset fund | 653,818 | - | - | 737,403 | 1,391,221 |
| | <u>2,031,990</u> | <u>-</u> | <u>-</u> | <u>208,202</u> | <u>2,240,192</u> |
| Total funds | <u>2,031,990</u> | <u>1,405,997</u> | <u>(1,197,795)</u> | <u>-</u> | <u>2,240,192</u> |

Hastings and St Leonards Foreshore Charitable Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

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 2017

16 Related party transactions

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

Hastings Borough Council (Trustee)

The Foreshore Trust took two loans last year 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 two loans granted by Hastings Borough Council one for £300,000 and the other for £127,000. Both loans were 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 loans are repayable in biannual payments. The £300,000 annuity loan being at 1.66%, and the first payment being due on the 21st September 2016. The £127,000 annuity loan has similar terms with an interest rate of 1.82% with the first payment due on the 1st of 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.

For the latter, it was agreed however that the Council and the Trust would seek to do a land swap and in return the Council would write off the loan in full irrespective of the valuation. The land swap was for a small parcel of land (independently valued at £75,000) owned by the Trust at West Marina (on the Eastern seaward corner of the old bathing pool site). The principal paid by the Trust on the loan was reimbursed by the Council.

Permission for the land swap was obtained from the Charity Commission and was actioned in the year. The loan for £127,000 has now been cleared. At the balance sheet date the amount due to Hastings Borough Council was £329,948 (2016 - £536,177).