

Charity registration number: 1105649

# Hastings and St Leonards Foreshore Charitable Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2024

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

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## Hastings and St Leonards Foreshore Charitable Trust

### Reference and Administrative Details

<b>Chairman</b>	Councillor Tony Collins
<b>Trustee</b>	Hastings Borough Council
<b>Other Officers</b>	Councillor John Cannan, Committee Chair <i>(Appointed 21st October 2022 - Retired 18th January 2024)</i> Councillor Ali Roark, Committee Chair <i>(Appointed 19th January 2024 - Retired 22nd May 2024)</i> Councillor Judy Rogers, Committee Member <i>(Appointed 16 May 2018 - Retired 24th January 2024)</i> Councillor Andy Batsford, Committee Member <i>(Appointed 10 July 2017 - Retired 24th January 2024)</i> Councillor Julia Hilton, Committee Member <i>(Appointed 24th January 2024)</i> Councillor Glenn Haffenden, Committee Member <i>(Appointed 24th January 2024)</i>
<b>Bankers</b>	Lloyds Bank 17 Wellington Place Hastings TN31 1NX
<b>Auditor</b>	Manningtons Statutory Auditor 39 High Street Battle, East Sussex TN33 0EE
<b>Protector</b>	James W Cook FCA (Appointed 20th March 2020) The Cottage Rushlake Green Heathfield East Sussex TN21 9QH
<b>Charity Registration Number</b>	1105649

# **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 2024.

### **Structure Governance and Management**

#### *Overview*

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

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

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

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

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

#### *Significant changes*

Councillor John Cannan was appointed to the position of Chair on 21st October 2022 and retired on 18th January 2024. Councillor Ali Roark was appointed to the position of Chair on 19th January 2024 and retired on 22nd May 2024. Councillor Tony Collins was appointed to the position of Chair on 23rd May 2024.

#### *Governance*

- i) The Trustee
- ii) The Protector

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

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

### **Trustee's Report**

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.

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.

Christopher May, MA, FCA, who was appointed as first Protector completed his third term as Protector on March 19th 2020 and James Cook, FCA was appointed as the New Protector effective from March 20th 2020. 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.

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

### **Trustee's Report**

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.

#### **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 the 2023/2024 year's round of grant making, resulting in the award of grants totalling £189.9k (£21k in Small grants & £169.9k in large grants).

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

The following grants were awarded:

<b>Small Grants</b>	<b>£</b>
Cruse Bereavement Support East Sussex	3,041
In2play CIC - final 10%	590
Stop Look Listen CIC	5,991
Hastings City of Sanctuary (public name Hastings Community of Sanctuary)	3,000
Sweetshop Revolution CIC	3,950
Counselling Plus Community - first 90%	1,800
The Sussex Association for Spina Bifida and Hydrocephalus - first 90%	1,080
ETC Sussex (Education Training Consortium Sussex)	600
Umbrella Sussex	287
XTRAX (Hastings & Rother)	160
Paediatric Diabetes Community team - first 10%	900
Hastings & St.Leonards Voluntary Lifeguard Club	1,800
2022-23 Small Grants Accrual Reversals	-2,183
<b>Total</b>	<b>21,016</b>
	<b>£</b>
Change Grow Live (CGL)	22,300
Citizens Advice 1066	31,581
Hastings Advice & Representation Centre (HARC)	48,108
Hastings Voluntary Action (HVA)	49,165
The Links Project (HVA)	11,140
The Seaview Project	28,600
2022-23 Accruals Reversals	-22,018
<b>Large Grants</b>	<b>168,876</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 always ensure that 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, Deputy Chief Executive and Director of Place.
- Kit Wheeler, Chief Finance Officer.
- Amy Terry, Property and Commercial Assets Manager
- Mary Kilner 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.

#### **Employment of staff for management of the FST business**

The trust, via its sole trustee, has employed the following officers during this financial year:

- Foreshore Trust Compliance and Liaison Officer.

#### **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**

## **Trustee's 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 forever; and
- (ii) subject to (i) above, such charitable purposes within the area of the Borough of Hastings as the Trustee thinks fit.

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

### **Achievements and Performance**

The Charity met five times during the year and the main business was:

- Agreement of the budget for 2024/25 and financial report.
- Renewal of the Pelham Place Play Park.
- Evaluation of the Foreshore Trust Large Grant programme.
- The new management of Stade Hall.
- The renewal of the RNLI contract for beach lifeguard provision for a further five years.

### **Car Parks**

The Foreshore Trust derives its income mainly from car parking and property leases/licences, the former income stream being quite variable.

### **Grounds Maintenance**

There are no significant changes to the grounds maintenance service provided on Foreshore Trust land. Since 2023 the service has been operated by HBC's Operational Services team, maintaining the same specification that has been in place since 2016. A review of the grounds maintenance specification is currently being carried out, but it is unlikely to impact Foreshore Trust land.

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

### **Trustee's Report**

#### **The Stade**

Stade Hall is now operated by Spun Glass Theatre. Their appointment was agreed at the Charity Committee of 16th November 2023. Spun Glass' plans for the building include reclaiming the original intention for the hall as a vibrant community space, whilst understanding and respecting the significance of its prominent location in the heart of the Old Town and its strong links with the fishing fleet community. Their mission is to open the doors as often as possible and to ensure that Hastonians from all walks of life see Stade Hall as a place where they can stage events, celebrate life changing moments and come together as a community.

The Stade Hall was managed and operated by East Sussex College Hastings from January 2019 to January 2024.

#### **Stade open space**

This area continues to be used both as a public open space and an events venue.

#### **Maintenance and repair work**

During the year resurfacing works were carried out on footpaths along with repairs to barriers and railings. The artwork to columns at Bottle Alley was reinstated.

#### **Pelham Playground Renewal scheme**

At its meeting on 18th September 2023, the Charity Committee agreed to allocate a budget for £225k for a renewal scheme for the play equipment at the main Pelham playground and to proceed to direct contract award for a playground contractor on a framework available through the East Sussex Procurement Hub.

#### **Promenade and Beach**

##### *Lifeguard Service*

As a result of the success of the service, at its meeting on 11th December 2023, the Charity Committee agreed to enter into a new five-year contract with the RNLI for provision of a beach lifeguard service for the 2024-2028 (inclusive) seasons.

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

The council continued to achieve the Seaside Award for Pelham beach, and the combined Blue Flag and Seaside Award for Marina beach.

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

### **Trustee's Report**

#### **Public Benefit**

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

These variations to the Trust powers enabled the generation of income to meet the costs of maintaining the Foreshore. The uses permitted under the Act, however, are seen as complementary to the Trust objects and the Trustee will exercise its powers under the Act to satisfy the requirement for the benefit of the public.

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

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

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

There will be different views on how the public benefit is best achieved and the Charity Committee will

continue to consult with the Coastal Users' Group on proposals for the future of the Foreshore and specifications and standards of maintenance and with the Grant Advisory Panel on the grant criteria and grants processes.

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

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

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

### **Trustee's Report**

#### **Financial Review**

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

Investments – The Trust retains significant cash balances. At 31 March 2024 these were invested as follows:-

	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
CCLA Investment Management	1,853,083	1,765,259
Lloyds Bank (the Trust's Bank Account)	556	546

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

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

	<b>Budget 2023/24</b>	<b>Actual Outturn 2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Statement of Financial Activities		
<b>Incoming Resources</b>		
Investment Income	6	87
*Incoming resources from Charitable activities	1,285	1,401
Rental income	258	248
<b>Total incoming resources</b>	<b>1,549</b>	<b>1,736</b>
<b>Resources Expended</b>		
Loan repayments	33	33
Charitable Activities (excluding Capital charges)	986	1,163
Maintenance projects and cyclical repairs	118	75
Governance costs	155	100
<b>Total resources expended</b>	<b>1,292</b>	<b>1,371</b>
<b>Total Operating Surplus/(Deficit)</b>	<b>257</b>	<b>365</b>
Small / Event Grants	43	21
Large Grants	181	169
Projects**	25	29
<b>Surplus/(Deficit)</b>	<b>7</b>	<b>146</b>

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

### **Trustee's Report**

The surplus before grants and reserve funded items and capital charges was £365,785.

The overall outturn position was a surplus of £146,893 and capital charges of £73,491.

#### **Future Expenditure Plans 2024/25 and Beyond**

In line with the approved Business plan, expenditure on major Projects and Other Expenditure will continue in 2024/25 and will result in an overall surplus for the year, estimating an overall Surplus of £97,000.

Future business plan projects commencing in 2024/25 include repairs and renewals to the beachfront area, surfacing works to car parks, bollard and barrier replacement to Stade Open Space and renewal and improvements to the Pelham Playground and equipment.

The 2024/25 budget identified spend on projects and other expenditure amounting to some £147,500. £122,500 of this spend was on cyclical repairs and maintenance and £25,000 was programmed spend, financed from Reserves. The areas of spend were as follows:-

- £12,000 – Beachfront area repairs and renewals
- £40,000 – Car Park Maintenance and repairs (Lighting, barriers, cleaning gullies and re-surfacing).
- £1,000 – Promenade adult exercise equipment
- £2,000 – Winch Road maintenance and lighting
- £18,000 – Maintenance of Play areas and equipment
- £1,000 – Chalets maintenance
- £5,000 – White Rock promenade fountain
- £7,000 – White Rock Baths external decoration
- £19,000 – White Rock Baths maintenance and redecoration
- £1,000 – Cycle hire hut redecoration and refelting of roof
- £4,000 – Maintenance of Public Conveniences
- £12,500 – Stade open space barriers and bollard replacement
- £25,000 – Project Work Contingency

The current business plan, includes the following for Projects and Other Expenditure for the years 2024/25 and 2025/26 is shown below:-

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

		2024-2025	2025-2026
PROPERTY	DESCRIPTION OF WORK	BUDGET	ESTIMATE
		£	£
Beach - Other	Other repairs and renewals beachfront area	12,000	12,000
Car Parks - Pelham	Maintenance	5,000	5,000
Car Parks Rock a Nore	Maintenance	5,000	5,000
Chalets - White Rock & Marina	Maintenance	1,000	1,000
Cycle Hire Hut	Main walls - external redecoration	0	0
Cycle Hire Hut	Roofs - routine re-felting	1,000	0
Cycle route	Contribution to maintenance	0	0
Pelham Place Car Park	Tarmac surfacing - routine minor maintenance	2,000	2,000
Pelham Place Car Park	Clean out car park drainage gullies and channels	0	0
Pelham Place Car Park	Main access routes and disabled parking space hatching road markings - re-application	0	3,000
Pelham Place Car Park	Parking bay road markings - re-application	0	2,000
Pelham Place Car Park	Traffic speed humps - repair / replacement	0	4,000
Pelham Place Car Park	Vehicle height barrier at entrance	3,000	3,000
Rock A Nore	Access Control Systems	0	0
Pelham Place Car Park	Car park lighting columns - maintain LED lamps	500	500
Pelham Place Car Park	Car park information and direction signage	1,000	0
Pelham Place Public Conveniences	Main walls - external redecorations	3,000	0
Pelham Place Public Conveniences	Interior - internal redecorations	1,000	
Pelham Playa (netted MUGA)	Replacement of roof netting system	0	0
Pelham Playground	Repair of play proprietary play equipment	3,000	3,000
Play Areas and Exercise Equipment	Maintenance of equipment	15,000	15,000
Play Hire Huts (Former Life Guards' Huts)	Main walls - external redecoration	0	1,000
Play Hire Huts (Former Life Guards' Huts)	Roofs - routine re-felting	0	0
Promenade Adult Exercise Equipment	Replacement / repair of equipment	1,000	1,000
Promenade Finger Posts	Redecoration and repair	0	500
Public Conveniences	Maintenance		
Rock-a-Nore Car Park - Hard Surfaced	Clean out car park drainage gullies and channels	1,000	0
Rock-a-Nore Car Park - Hard Surfaced	Main access route and disabled parking space hatching road markings - re-application	2,000	0
Rock-a-Nore Car Park - Hard Surfaced	Parking bay road markings to east end - re-application	1,000	0
Rock-a-Nore Car Park - Hard Surfaced	Repair and replacement of metal bollards	0	0
Rock-a-Nore Car Park - Hard Surfaced	Vehicle height barrier at car park entrance	3,000	3,000
Rock-a-Nore Car Park - Hard Surfaced	Car park lighting columns - maintain LED lamps	500	500

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

		2024-2025	2025-2026
PROPERTY	DESCRIPTION OF WORK	BUDGET	BUDGET
		£	£
Rock-a-Nore Car Park - Hard Surfaced	Car park information and direction signage	1,000	0
Rock-a-Nore Car Park - Loose Surface	Scarify and fill pot holes in loose surface finish	13,000	13,000
Rock-a-Nore Car Park - Loose Surface	Replacement of damaged timber bollards	0	1,000
Rock-a-Nore Car Park - Loose Surface	Repair timber kerb baulks to south boundary	2,000	0
Rock-a-Nore Car Park - Loose Surface	Replace timber kerb baulks to south boundary	0	5,000
Stade and Stade Kitchen	Maintenance	0	0
Stade Barriers	Annual maintenance	2,000	2,000
Stade Hall	Interior spaces - internal redecoration	0	0
Stade Hall	Main hall & kitchen - renewal of floor coverings	0	0
Stade Open Space	Drainage gulley clearance	500	500
Stade Open Space	Bench redecoration and remove shingle build up	0	3,000
Stade Open Space	Automatic bollard and barrier replacement	10,000	0
Stade Public Conveniences	Interior spaces - internal redecoration	0	0
White Rock Baths	External redecoration/ Building maintenance	7,000	0
White Rock Baths - Lower Basement	Additional pump hire if above adopted.	16,000	16,000
White Rock Baths - Lower Basement	Sewage tank and pump set - maintenance	500	500
White Rock Baths - Main and Small Hall Level	Further protection of interior spaces from water ingress with use of plastic sheeting at high level and internal guttering where new ingress occurs.	2,500	2,500
White Rock Baths - Promenade Level	Main central entrance superstructure and lightwell upper and lower walls - external redecorations (Inc. White Rock Community Hub frontage)	0	0
White Rock Beach Chalets	Timber walls - external redecoration	0	5,000
White Rock Promenade - Timber Kiosk Decking	Timber decking and ramps around kiosk -minor repairs	0	500
White Rock Promenade (FST owned area only)	White Rock Fountain	5,000	5,000
Winch Road	Maintenance & lighting	2,000	2,000
		<b>122,500</b>	<b>117,500</b>
White Rock Promenade (FST owned area only)	Rationalisation of timber seating, benches and waste bins.*		
Contingency	Project Work Contingency	25,000	25,000
		<b>25,000</b>	<b>25,000</b>
		<b>147,500</b>	<b>142,500</b>



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

## **Trustee's Report**

### **Cost of Professional Advice**

Legal and professional fees (including Protector's fees) - £81,629 (2022/23 £82,942).

Auditors/Accountants - £8,890 (2022/23 £13,616).

### **Trustee Expenses and Emoluments**

There were no Trustee expenses charged to the Trust in 2023/24 (2022/23 nil).

A special responsibility allowance of £6,945 (2022/23 £6,858) 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 £1.2m. 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).

## Hastings and St Leonards Foreshore Charitable Trust

### Trustee's Report

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 £2,710,742 (2022/23 £2,563,851). 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.

The current business plan is continually reviewed and updated on an ongoing basis.

#### Accountants, Auditors and Bankers

The Trust has been grateful for the excellent work of Manningtons (Auditors) in carrying out the audit of the Trust's accounts.

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

#### Concluding Remarks

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

## **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 is signed on behalf of the trustee by:

.....

**Councillor Tony Collins**

**Chair of Charity Committee**

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

### **Protector's Report 2023/24**

This is my fourth full Annual Report as Protector of The Hastings and St Leonards Foreshore Charitable Trust ("Foreshore Trust") since my appointment on 20th March 2020.

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 the charity and HBC acting in its capacity as local authority. To this end, the rules provide that the general duty of the Protector is "to ensure the integrity of the administration of the charity", in other words to act as a watchdog over the activities of HBC's Charity Committee in managing the affairs of the Foreshore Trust.

- (1) I have attended all meetings of the Charity Committee.
- (2) Under the constitution of the Foreshore Trust the Trustee must consult two advisory bodies: (1) a nominated consultative and advisory group (currently the Coastal Users' Group - "CUG") in relation to major foreshore management issues, and (2) the Grants Advisory Panel ("GAP") which deals with the detailed process of recommending grants to be made by the Trustee under powers given in the Scheme. The Protector is entitled to attend the meetings of these groups and I have attended all meetings of the CUG and also those of the Charity Planning Committee which discusses the recommendations of the GAP;
- (3) Following the extension of the Trust's charitable activities, having ceased to make contributions under the Community Partnership Fund as from April 2021, The Foreshore Trust has extended its establishment of a "Large Grant Programme" with charitable objectives similar in many respects to those of the Community Partnership Fund. The new programme has resulted in the award of grants totaling £189.9k in 2023/24, made up of £21k in small grants and £168.9k in large grants. Further grants will be committed in the two subsequent years. Members of the Charity Committee and senior HBC officers have been at pains to ensure that:
  - (a) The activities of the Large Grant Programme are genuinely charitable in nature;
  - (b) Grant recommendations to the members of the Charity Committee will be made by the GAP, not by the HBC officers previously responsible for making Community Partnership Fund recommendations, though they are available in an advisory capacity to the GAP;
  - (c) Procedures have been introduced to ensure that all eligible applications are placed before the GAP, and any applications considered ineligible by HBC staff members are reported to and considered by the GAP;
  - (d) Potential conflicts of interest issues will continue to be properly addressed and resolved - these might relate to Charity Committee or GAP members with personal involvement with particular charities.
  - (d) Following these developments, the Charity Commission was requested for a minor amendment to the 2011 Scheme to allow for the appointment of two extra members of the GAP to cope with the extra work load, and this was granted and implemented.
- (4) During the period to which this report relates, I have been satisfied as Protector that the Trustee (HBC), acting through its Charity Committee, has satisfactorily ensured the integrity of the administration of the affairs of the Foreshore Trust, as required by the current Scheme of constitution.

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

**James W Cook FCA**

**Protector**

**..... 2025**

## **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 2024, 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).

#### **Basis for qualified opinion on financial statements**

We were unable to obtain sufficient audit evidence pertaining to the source data of transactions of Hastings and St Leonards Foreshore Charitable Trust at 31 March 2024. All bookkeeping is maintained in-house by Hastings Borough Council (HBC) and apportionment of various costs and income are based on actual ownership of land by the Charity. The income and expenditure is managed by HBC and is transacted via their bank accounts.

We are able to verify all rents due, grants received, interest received and review the other income streams for expectation and reasonableness. Similarly we are able to verify related costs, however all evidence provided is in the name of HBC and not of the charity.

The auditors of HBC have issued a disclaimer of opinion for the accounts for the year ending 31st March 2024 and highlighted significant control deficiencies in HBC's financial accounting and record keeping. Therefore no comfort can be obtained from their published accounts for the same period.

#### **Qualified opinion on the financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 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.

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

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

#### **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**

In auditing the financial statements, we have concluded that the trustee use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

#### **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.

#### **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.

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

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

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

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

#### **Responsibilities of trustee**

As explained more fully in the Statement of Trustee Responsibilities [set out on page ], the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **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.



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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The detection of fraud and irregularities is a primary consideration of the audit planning and is carried through to the audit completion stage. A risk assessment and preliminary analytical review is undertaken at the planning stage and areas of concern are then built into the audit strategy and testing to ensure sufficient procedures and evidence is obtained to give comfort that material irregularities and potential instances of fraud are detected where possible.

The audit team is briefed regarding any areas of concern, the potential audit risks and consequential impact. The audit team remained vigilant throughout their work and made enquiries of key management personnel throughout.

Key management were consulted on any known or suspected breaches in laws and regulations along with misappropriation of funds at both the planning and completion stages of the audit. Due consideration was given to the possible use of management override and this was built into our audit strategy.

The purpose of the preliminary analytical review of the financial statements is to highlight any possible areas of concern to investigate whether the variance is expected or unexpected, based on the information obtained as part of the planning process and the current climate the charity is operating under. Relevant audit tests had then been planned to obtain supporting documentation to ensure that they are within the charitable objectives and no misappropriation of funds by way of fraud, or misstatements. Latest accounts disclosure checklists available are also completed to ensure the accounts comply with the latest reporting framework that is applicable to the charity.

There are aspects of the audit which are deliberately unpredictable to assist in the detection of irregularities, such as varying how we test items which are more susceptible to fraud, year on year and by incorporating systematic sampling over the populations tested.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

#### **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.

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

39 High Street  
Battle, East Sussex  
TN33 0EE

Date:.....

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

## Hastings and St Leonards Foreshore Charitable Trust

### Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted funds £	Total 2024 £
<b>Income and Endowments from:</b>			
Charitable activities	2	1,648,961	1,648,961
Investment income	3	<u>87,834</u>	<u>87,834</u>
Total Income		<u>1,736,795</u>	<u>1,736,795</u>
<b>Expenditure on:</b>			
Charitable activities	4	(1,490,108)	(1,490,108)
Governance costs	5	<u>(99,795)</u>	<u>(99,795)</u>
Total Expenditure		<u>(1,589,903)</u>	<u>(1,589,903)</u>
Net movement in funds		146,892	146,892
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,563,850</u>	<u>2,563,850</u>
Total funds carried forward	15	<u><u>2,710,742</u></u>	<u><u>2,710,742</u></u>
	Note	Unrestricted funds £	Total 2023 £
<b>Income and Endowments from:</b>			
Charitable activities	2	1,551,556	1,551,556
Investment income	3	<u>36,358</u>	<u>36,358</u>
Total Income		<u>1,587,914</u>	<u>1,587,914</u>
<b>Expenditure on:</b>			
Charitable activities	4	(1,422,531)	(1,422,531)
Governance costs	5	<u>(105,105)</u>	<u>(105,105)</u>
Total Expenditure		<u>(1,527,636)</u>	<u>(1,527,636)</u>
Net movement in funds		60,278	60,278
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,503,573</u>	<u>2,503,573</u>
Total funds carried forward	15	<u><u>2,563,851</u></u>	<u><u>2,563,851</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The notes on pages 28 to 40 form an integral part of these financial statements.

## Hastings and St Leonards Foreshore Charitable Trust

(Registration number: 1105649)  
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	10	938,969	1,012,460
<b>Current assets</b>			
Debtors	11	9,860	-
Cash at bank and in hand	12	1,853,639	1,765,804
		1,863,499	1,765,804
<b>Creditors: Amounts falling due within one year</b>	13	(59,446)	(150,381)
<b>Net current assets</b>		1,804,053	1,615,423
<b>Total assets less current liabilities</b>		2,743,022	2,627,883
<b>Creditors: Amounts falling due after more than one year</b>	14	(32,280)	(64,032)
<b>Net assets</b>		2,710,742	2,563,851
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		2,710,742	2,563,851
<b>Total funds</b>	15	2,710,742	2,563,851

The financial statements on pages 25 to 40 were approved by the trustee, and authorised for issue on .....  
and signed on their behalf by:

.....  
Councillor Tony Collins  
Chairman

The notes on pages 28 to 40 form an integral part of these financial statements.

## Hastings and St Leonards Foreshore Charitable Trust

### Cash Flow Statement for the Year Ended 31 March 2024

	Note	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Net cash income		146,892	60,278
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		73,491	73,491
Investment income	3	<u>(87,834)</u>	<u>(36,358)</u>
		132,549	97,411
<b>Working capital adjustments</b>			
Increase in debtors	11	(9,860)	-
Decrease in creditors	13	<u>(91,456)</u>	<u>(66,723)</u>
Net cash flows from operating activities		31,233	30,688
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	3	87,834	36,358
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	13	<u>(31,232)</u>	<u>(30,718)</u>
Net increase in cash and cash equivalents		87,835	36,328
Cash and cash equivalents at 1 April		<u>1,765,804</u>	<u>1,729,476</u>
Cash and cash equivalents at 31 March		<u><u>1,853,639</u></u>	<u><u>1,765,804</u></u>

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

The notes on pages 28 to 40 form an integral part of these financial statements.

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

### **Notes to the Financial Statements for the Year Ended 31 March 2024**

#### **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.

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

### **Notes to the Financial Statements for the Year Ended 31 March 2024**

#### **1 Accounting policies (continued)**

##### **Judgements**

As outlined in Note 17, 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 17.

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 £938,969 (2023 -£1,012,460).

##### **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.

##### ***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.

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

### **Notes to the Financial Statements for the Year Ended 31 March 2024**

#### **1 Accounting policies (continued)**

##### ***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.



# Hastings and St Leonards Foreshore Charitable Trust

## Notes to the Financial Statements for the Year Ended 31 March 2024

### 1 Accounting policies (continued)

#### 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.

#### 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

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

### **Notes to the Financial Statements for the Year Ended 31 March 2024**

#### **1 Accounting policies (continued)**

##### **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.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024

#### 1 Accounting policies (continued)

##### Staff and pension schemes

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

#### 2 Income from charitable activities

	<b>Unrestricted funds General £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Car parking	1,401,265	1,401,265	1,293,454
Foreshore management	246,918	246,918	257,540
Public conveniences	778	778	562
	<u>1,648,961</u>	<u>1,648,961</u>	<u>1,551,556</u>

#### 3 Investment income

	<b>Unrestricted General £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Interest receivable and similar income;			
Interest receivable on bank deposits	87,834	87,834	36,358
	<u>87,834</u>	<u>87,834</u>	<u>36,358</u>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024

#### 4 Expenditure on charitable activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Car Parking	506,667	506,667	426,913
Foreshore management	599,870	599,870	554,223
Street cleansing	14,474	14,474	12,771
Public conveniences	179,205	179,205	147,624
White Rock Baths	-	-	9,000
Small end events grants	189,892	189,892	272,000
	<u>1,490,108</u>	<u>1,490,108</u>	<u>1,422,531</u>

#### 5 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Wages and salaries	6,945	6,945	6,858
Audit of the financial statements	6,390	6,390	9,116
Accountancy services	2,500	2,500	4,500
Legal fees	23,399	23,399	26,396
HBC management charges	58,230	58,230	58,230
Other governance costs	2,331	2,331	5
	<u>99,795</u>	<u>99,795</u>	<u>105,105</u>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024

#### 6 Net incoming/outgoing resources

Net incoming resources for the year include:

	2024 £	2023 £
Audit fees	(6,390)	(9,116)
Depreciation of fixed assets	<u>(73,491)</u>	<u>(73,491)</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 £6,945 (2023 - £6,858), 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 £65,369 (2023 - £55,974).

#### 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 2024

#### 10 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 April 2023	1,144,091	573,843	1,717,934
At 31 March 2024	1,144,091	573,843	1,717,934
<b>Depreciation</b>			
At 1 April 2023	305,641	399,833	705,474
Charge for the year	40,514	32,977	73,491
At 31 March 2024	346,155	432,810	778,965
<b>Net book value</b>			
At 31 March 2024	797,936	141,033	938,969
At 31 March 2023	838,450	174,010	1,012,460

#### 11 Debtors

	<b>2024</b>
	<b>£</b>
Other amounts owed by Hastings Borough Council	9,860

#### 12 Cash and cash equivalents

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Cash at bank	1,853,639	1,765,804

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024

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

	2024 £	2023 £
Other creditors	-	93,951
Loans from Hastings Borough Council	31,751	31,231
Accruals	27,695	25,200
	<u>59,446</u>	<u>150,382</u>

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

	2024 £	2023 £
Loans from Hastings Borough Council	<u>32,280</u>	<u>64,032</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 for the year ending 31 March 2024 were £1,452 (2023: £1,964), if the venture failed the amount payable per annum by the Trust would be reduced by 50%. If a new tenant was found at that time but the rental stream achieved was lower, then the shortfall would be shared.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024

#### 15 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unappropriated reserve	-	1,736,795	(1,589,903)	(146,892)	-
<i>Designated</i>					
Contingency reserve	900,000	-	-	-	900,000
Main programme reserve	651,391	-	-	220,383	871,774
Fixed asset fund	1,012,460	-	-	(73,491)	938,969
	<u>2,563,851</u>	<u>-</u>	<u>-</u>	<u>146,892</u>	<u>2,710,743</u>
<b>Total funds</b>	<u>2,563,851</u>	<u>1,736,795</u>	<u>(1,589,903)</u>	<u>-</u>	<u>2,710,743</u>
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unappropriated reserve	-	1,587,914	(1,527,636)	(60,278)	-
<i>Designated</i>					
Contingency reserve	900,000	-	-	-	900,000
Main programme reserve	517,622	-	-	133,769	651,391
Fixed asset fund	1,085,951	-	-	(73,491)	1,012,460
	<u>2,503,573</u>	<u>-</u>	<u>-</u>	<u>60,278</u>	<u>2,563,851</u>
<b>Total funds</b>	<u>2,503,573</u>	<u>1,587,914</u>	<u>(1,527,636)</u>	<u>-</u>	<u>2,563,851</u>



## Hastings and St Leonards Foreshore Charitable Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024

#### 15 Funds (continued)

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.

#### 16 Analysis of net assets between funds

	<b>Unrestricted funds Designated £</b>	<b>Total funds at 31 March 2024 £</b>
Tangible fixed assets	938,969	938,969
Current assets	1,863,499	1,863,499
Current liabilities	(59,446)	(59,446)
Creditors over 1 year	(32,280)	(32,280)
Total net assets	<u>2,710,742</u>	<u>2,710,742</u>
	<b>Unrestricted funds Designated £</b>	<b>Total funds at 31 March 2023 £</b>
Tangible fixed assets	1,012,460	1,012,460
Current assets	1,765,804	1,765,804
Current liabilities	(150,381)	(150,381)
Creditors over 1 year	(64,032)	(64,032)
Total net assets	<u>2,563,851</u>	<u>2,563,851</u>

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

### **Notes to the Financial Statements for the Year Ended 31 March 2024**

#### **17 Related party transactions**

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

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

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

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

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

For the former, to limit the potential impact on the Trust, the Council would share the risk on a 50:50 basis. For clarity, the annual borrowing costs for the year during 31st March 2024 were £1,452 (£1,964), if the venture failed the amount payable per annum by the Trust would be reduced by 50%. If a new tenant was found at that time but the rental stream achieved was lower, then the shortfall would be shared. At the balance sheet date the amount due to Hastings Borough Council was £54,170 (2023 - £268,108).