Charity Registration No. 1173736

Company Registration No. 03463908 (England and Wales)

THE SHANKLIN CHINE TRUST

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

PRICE & COMPANY
Chartered Accountants

THE SHANKLIN CHINE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A P P Springman	
	Mrs A L Riley	
	Mrs C Thomas	
	Mr M Porter	
	Dr R McInnes	(Appointed 6 April 2021)
Charity number	1173736	
Company number	03463908	
Registered office	30-32 Gildredge Road Eastbourne East Sussex BN21 4SH	
Independent examiner	Price & Company 30-32 Gildredge Road Eastbourne East Sussex BN21 4SH	

THE SHANKLIN CHINE TRUST

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THE SHANKLIN CHINE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 28 FEBRUARY 2022

The Trustees present their annual report and financial statements for the year ended 28 February 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the the Trust's Memorandum & Articles of Association, the Companies Act 2006 and "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 2019)".

Objectives and activities

The Trust's objects are:-

1. the preservation, conservation, management and maintenance of the land known as Shanklin Chine Historic Gorge (Shanklin Chine) in the Isle of Wight, England for the benefit of the public, being a Site of Important Nature Conservation (SINC).
2. the advancement of education of the public in all aspects of the history and importance of Shanklin Chine.

In order to achieve these objectives, the Trust maintains Shanklin Chine in good repair makes it accessible and attractive for visitors. A tea garden, gift shop and dining inn are run through a subsidiary company to attract visitors and provide revenue for the Trust. There has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the the Trust should undertake.

Achievements and performance

The new approach being used to run the Chine, has seen us significantly transform the business. Not only investing back into the structure of the Chine through significant investment to enhance and protect the geology and structure of Chine. From a business perspective the business has been updated and enhanced. The Chine has been marketed in a completely different way using social media combined with a digital online presence and a new web site. Systems have been enhanced within the Chine to manage this.

To summarise the Chine is at the beginning of a five-year transformation plan which will see significant transformation and investment. The business model will enhance and grow, which will ultimately see visitor numbers increase providing additional revenue to invest back. A good example of the this is the Halloween event that took place for the first time in 2021. During this period which demonstrated that the business can diversify and generate additional income and adapt with the times.

Financial review

The Trust achieved admission fees of £536,269 (2021: £197,667) and received donations including Gift Aid of £84,643 (2021: £46,868). The largest expenditure is on staffing, which accounts for over 50% of expenditure. These and administrative costs were kept under review. The charity made a surplus of £158,182 (2021: £24,052).

The Trustees have assessed the major risks to which the the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

The Chine is currently several years into a 5-year investment plan – albeit this has been impacted and slowed by Covid 19. The ethos of the five-year plan is around diversification and investment. For the Chine to remain a self-sufficient tourist attraction requires it to attract a significant number of visitors (100K)+ during a short season. It has become apparent that visitors to attractions have greater expectations and with more attractions available it is important that the Chine can offer a USP. Not only has the Chine required significant work to bring it back to the landmark attraction it once was and ensure it remains safe to visitor's, it has also benefitted from the start of improvements work, for example the building of the terrace lawn and the Jubilee Terrace. The plan is to continue the ongoing investment back into the business with a comprehensive work plan in place each winter to ensure the Chine can offer more and utilise the resources it has. Gift Aid provides support to this programme and ensures all monies claimed via gift aid can support the ongoing work within the Chine.

Structure, governance and management

The Trust is a company limited by guarantee, constituted by means of a Memorandum & Articles of Association. This was updated and adopted in May 2017 to comply with the Charity Commission's requirements, and registered as a charity on 7 July 2017.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A P P Springman
Mrs A L Riley
Mrs C Thomas
Mr M Porter
Dr R McInnes (Appointed 6 April 2021)

The Trustees actively seek further trustees who are concerned to preserve the future of the Chine.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Decisions on the operation of Shanklin Chine are made by the Trustees, who meet regularly. Day to day operations are delegated to the Operations Manager.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to XX day's purchases, based on the average daily amount invoiced by suppliers during the year.

The Trustees' report was approved by the Board of Trustees.

Mrs A P P Springman
Trustee

7 December 2022

THE SHANKLIN CHINE TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE SHANKLIN CHINE TRUST

I report to the Trustees on my examination of the financial statements of The Shanklin Chine Trust (the the Trust) for the year ended 28 February 2022.

Responsibilities and basis of report

As the Trustees of the the Trust (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the the Trust are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the the Trust's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the the Trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants for England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1 accounting records were not kept in respect of the the Trust as required by section 386 of the 2006 Act; or

2 the financial statements do not accord with those records; or

3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or

4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Mr Malcolm Preece BA FCA DChA
Price & Company
30-32 Gildredge Road
Eastbourne
East Sussex
BN21 4SH

Dated: 7 December 2022

THE SHANKLIN CHINE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Income and endowments from:							
Donations and legacies	**3**	84,643	-	84,643	46,868	-	46,868
Charitable activities	**4**	536,269	-	536,269	197,667	-	197,667
Other income	**5**	3,541	-	3,541	56,488	-	56,488
Total income		624,453	-	624,453	301,023	-	301,023
Expenditure on:							
Raising funds	**6**	140,000	-	140,000	-	-	-
Charitable activities	**7**	466,271	-	466,271	274,333	-	274,333
Other	**11**	-	-	-	2,638	-	2,638
Total resources expended		606,271	-	606,271	276,971	-	276,971
Net income for the year/ Net movement in funds		18,182	-	18,182	24,052	-	24,052
Fund balances at 1 March 2021		81,880	1,100,000	1,181,880	57,828	1,100,000	1,157,828
Fund balances at 28 February 2022		100,062	1,100,000	1,200,062	81,880	1,100,000	1,181,880

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SHANKLIN CHINE TRUST

BALANCE SHEET
AS AT 28 FEBRUARY 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**12**		53,669		28,938
Heritage assets	**13**		1,100,000		1,100,000
Investments	**14**		1		1
			1,153,670		1,128,939
Current assets					
Debtors	**15**	41,525		34,266	
Cash at bank and in hand		20,448		42,874	
		61,973		77,140	
Creditors: amounts falling due within one year	**16**	(15,581)		(24,199)	
Net current assets			46,392		52,941
Total assets less current liabilities			1,200,062		1,181,880
Capital funds					
Endowment funds - general			1,100,000		1,100,000
Income funds					
Unrestricted funds			100,062		81,880
			1,200,062		1,181,880

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 28 February 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 7 December 2022

Mr M Porter
Trustee

Company Registration No. 03463908

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

Charity information

The Shanklin Chine Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 30-32 Gildredge Road, Eastbourne, East Sussex, BN21 4SH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the the Trust's [governing document], the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "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 2019). The the Trust is a Public Benefit Entity as defined by FRS 102.

The the Trust has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the the Trust.

1.4 Incoming resources

Income is recognised when the the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

1 Accounting policies (Continued)

Cash donations are recognised on receipt. Other donations are recognised once the the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	10% reducing balance
Fixtures and fittings	10% - 33% straight line, 10% - 25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the the Trust. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies (Continued)

1.8 Impairment of fixed assets

At each reporting end date, the the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The the Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the the Trust's balance sheet when the the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (Continued)

Derecognition of financial liabilities
Financial liabilities are derecognised when the the Trust's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	**2021**
	£	**£**
Donations and gifts	84,643	46,868

4 Charitable activities

	Unrestricted funds	Total
	2022	**2021**
	£	**£**
Admission fees	536,269	197,667

5 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	247	-
Coronavirus Job Retention Scheme Grant	3,294	31,488
Coronavirus Business Support Grant	-	25,000
	3,541	56,488

6 Raising funds

	Unrestricted funds	Total
	2022	2021
	£	£
Fundraising and publicity		
Promotion and fundraising costs	140,000	-
	140,000	-

7 Charitable activities

	The Chine 2022 £	The Chine 2021 £
Staff costs	157,876	117,233
Repairs to the Chine	107,233	36,925
Rates	4,061	2,920
Bank and credit card charges	8,444	4,494
Insurance	4,978	4,308
Advertising	28,446	18,749
Cleaning and waste disposal	2,223	2,595
Light and heat	11,697	13,778
Postage, printing and stationery	2,576	2,844
Telephone	2,345	1,807
	329,879	205,653
Share of support costs (see note 8)	131,892	64,180
Share of governance costs (see note 8)	4,500	4,500
	466,271	274,333

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	100,870	-	100,870	47,342	-	47,342
Depreciation	17,006	-	17,006	8,608	-	8,608
Motor and travel	13,638	-	13,638	8,210	-	8,210
Other interest	78	-	78	-	-	-
Sundries	300	-	300	20	-	20
Independent examination fees	-	4,500	4,500	-	4,500	4,500
	131,892	4,500	136,392	64,180	4,500	68,680
Analysed between						
Charitable activities	131,892	4,500	136,392	64,180	4,500	68,680

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the the Trust during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administrative support staff	5	5

Employment costs	2022 £	2021 £
Wages and salaries	239,605	156,689
Social security costs	17,415	6,474
Other pension costs	1,726	1,412
	258,746	164,575

There were no employees whose annual remuneration was £60,000 or more.

11 Other

	Total 2022 £	Unrestricted funds 2021
Net loss on disposal of tangible fixed assets	-	2,638
	-	2,638

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

12 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 March 2021	32	32,845	8,568	41,445
Additions	-	7,747	33,990	41,737
At 28 February 2022	32	40,592	42,558	83,182
Depreciation and impairment				
At 1 March 2021	9	9,732	2,766	12,507
Depreciation charged in the year	2	7,055	9,949	17,006
At 28 February 2022	11	16,787	12,715	29,513
Carrying amount				
At 28 February 2022	21	23,805	29,843	53,669
At 28 February 2021	23	23,113	5,802	28,938

13 Heritage assets

	Historic land
	£
At 1 March 2021 and at 28 February 2022	1,100,000

The Trust owns the land known as Shanklin Chine Historic Gorge in the Isle of Wight for the benefit of the public.

14 Fixed asset investments

	Other investments
Cost or valuation	
At 1 March 2021 & 28 February 2022	1
Carrying amount	
At 28 February 2022	1
At 28 February 2021	1

Other investments comprise:	Notes	2022 £	2021 £
Investments in subsidiaries	19	1	1

15 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	247	-
Amounts owed by subsidiary undertakings	6,860	-
Other debtors	34,418	34,266
	41,525	34,266

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	5,400	-
Amounts owed to subsidiary undertakings	-	19,699
Other creditors	5,681	-
Accruals and deferred income	4,500	4,500
	15,581	24,199

17 Analysis of net assets between funds

	General fund 2022	Endowment fund 2022	Total 2022	General fund 2021	Endowment fund 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 28 February 2022 are represented by:						
Tangible assets	53,669	-	53,669	28,938	-	28,938
Heritage assets	-	1,100,000	1,100,000	-	1,100,000	1,100,000
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	46,392	-	46,392	52,941	-	52,941
	100,062	1,100,000	1,200,062	81,880	1,100,000	1,181,880

18 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

19 Subsidiaries

Details of the the Trust's subsidiaries at 28 February 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Shanklin Chine Limited	England & Wales	Running restaurant & gift shop	Ordinary	100.00	

19 Subsidiaries (Continued)

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Shanklin Chine Limited	11,953	(64,304)