

Charity number: 1105649

**Hastings and St Leonards Foreshore Charitable Trust**

**Trustees' report and financial statements**

**for the year ended 31 March 2009**

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# Hastings and St Leonards Foreshore Charitable Trust

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# Hastings and St Leonards Foreshore Charitable Trust

## Report of the trustees for the year ended 31 March 2009

### Information

**1. Trustees** Jerry Le Sueur  
Hugh Marriage OBE (Chair of Board of Trustees)  
Councillor Anne Bird  
Councillor Trevor Webb

**2. Charity Correspondent** Neasa Coen  
Berwin Leighton Paisner LLP  
Adelaide House  
London Bridge  
London EC4R 9HA

**3. Charity number** 1105649

**4. Legal adviser** Berwin Leighton Paisner LLP  
Adelaide House  
London Bridge  
London EC4R 9HA

**5. Financial Adviser** BDO LLP  
Emerald House  
East Street  
Epsom  
Surrey KT17 1HS

**6. Accountants** Manningtons  
7-9 Wellington Square  
Hastings  
East Sussex TN34 1PD

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**7. Auditors** Buzzacott LLP  
12 New Fetter Lane  
London EC4A 1AG

# Hastings and St Leonards Foreshore Charitable Trust

## Report of the trustees for the year ended 31 March 2009

### 8. Structure, Governance and Management

#### *Overview*

8.1 The Hastings and St Leonards Foreshore Charitable Trust ("the Trust") was registered as a charity in 2004. Hastings Borough Council ("the Council") had acted as outright owner of the Trust land up to that point and continued to exercise full control over the Trust until a board of trustees was appointed by a Scheme of the Charity Commission on 22 March 2006 ("the Scheme"). However, for reasons which have been set out in previous annual reports, the trustees still have to leave the day-to-day running of the "business" activities of the Trust to the Council whilst working with professional advisers and the Charity Commission to resolve the conflicts of interest and other issues arising from the former governance of the Trust.

8.2 The trustees, as a board, are responsible for the governance of the Trust. There are no employees and the trustees have no administrative support. A change since last year is that, following a legal settlement with the Council, much of the Trust's money is now held in the Trust's own current and deposit bank accounts.

8.3 The trustees' annual report and accounts for the year ending 31 March 2008 were published on 13 November 2008 although, in order to give a more accurate context, it covered some issues relevant to the year 2008/09. Similarly, in order to give an accurate and up-to-date account of the Trust's current position, this report includes a number of issues or developments which have arisen since March 2009.

8.4. This report for the year ending 31 March 2009 contains the Trust's second set of accounts in the format specified by the Statement of Recommended Practice (SORP) for charities, prepared by Manningtons, the Trust's accountants, and independently audited by Buzzacott LLP, the Trust's auditors. As last year, the report also sets out the current position in respect of:

- the £1.35m settlement reached with the Council.
- a further claim which the trustees are making against the Council.
- work in ascertaining the extent of the Trust's land.
- proposals for a Jerwood Foundation art gallery on Trust land.
- proposals for the future governance of the Trust, including the selection of a Protector.

### 9. Constitution

9.1 The Hastings and St Leonards Foreshore Charitable Trust was established under a conveyance from the Crown dated 8 September 1893 as amended by the Hastings Borough Council Act 1988, as supplemented by a Charity Commission Scheme on 22 March 2006. However, the extent to which the powers of the Hastings Borough Council Act 1988 transfer to the current trustees has not been conclusively settled. The Trust is a registered charitable trust and is unincorporated.

9.2 The 1893 conveyance states that the foreshore is to be held "upon trust for the common use benefit and enjoyment of all Her Majesty's subjects and of the public for the time being for ever". Following guidance from the Charity Commission, the principal beneficiaries of the Trust can be regarded as users of the foreshore and the people of Hastings more generally.

### 10. Appointment of Trustees

10.1 The Scheme which was sealed on 22 March 2006 provided for the appointment of six trustees, including two trustees appointed by the Council. Following guidance by the Charity Commission (sought by the Council), the non-Councillor trustees neither live in Hastings nor have any direct connection with the town.

10.2 The Council is the Custodian Trustee and appoints two nominated trustees, who may or may not be Councillors. Because of their possible conflict of interest, Councillor trustees are prevented from taking part in decisions in relation to claims made against the Council. For this reason, in order to enable the settlement negotiations with the Council to continue, the trustees have amended the Scheme to reduce the quorum for trustee meetings to two.

## Hastings and St Leonards Foreshore Charitable Trust

### Report of the trustees for the year ended 31 March 2009

10.3 Hugh Marriage continues to chair the Board of Trustees.

10.4 This year the trustees have considered again whether to seek additional non-Councillor trustees and have concluded that, because of the financial and organisational circumstances of the Trust, no more non-Councillor trustees should be appointed.

10.5 There has been no training for trustees this year.

### 11. Risk management

11.1 As set out in the trustees' previous annual report, one of the main tasks of the trustees has been to identify the major risks to which the Trust is exposed, using expert legal and financial advice to supplement the trustees' experience in charities, management and government. The trustees' principal priorities continue to be to tackle issues arising over the previous governance of the Trust and to put in place a proper system of governance for the future.

11.2 Because of the difficulties of operating the Trust under the terms of the Scheme, the trustees are still not able to assume the day-to-day running of the Trust, nor expect to be able to do so. This means that all the Trust's day-to-day business, including the keeping of accounts for the Trust, continues to be handled by the Council. However, on 16 February 2009, the Council paid the Trust a sum in excess of £1.8m in settlement of a claim for breach of trust. Since then the Trust has maintained its own bank accounts and settled some expenditure directly.

#### *Settlement for past breaches of trust reached with the Council*

11.3 On 16 February 2009, the Council accounted for £1.8m in cash. In our last annual report, we mentioned the possibility that the Council might settle in part in land but this turned out not to be the case. The trustees quickly placed £1.4m on deposit and placed the balance of funds in an interest bearing current account. Because of the volatility of the stock market and the expectation of the trustees that they would soon be relinquishing the trusteeship, the trustees investment policy is to maintain reserves on deposit with triple A listed banks. The trustees are satisfied that this prudent approach protects the capital and are satisfied that the returns have been acceptable for the period.

#### *Extent of Trust's land*

11.4 The trustees have continued their work to ascertain as accurately as possible the true extent of the Trust's land. In April 2009 the Council agreed that all the land south of the original trust conveyances fell to the Trust and that some sections to the north of the original trust land, where the Council were not able to establish title independently, should also properly be recognised as Trust land. As soon as the trustees have been able to satisfy themselves that there has been no loss of income to the Trust from this land, we will be able to conclude this business and produce a modern, definitive, map of the Trust's land. The foreshore seems to have been the subject of land disputes for 400 years or more: it will be good to have these issues settled for all time.

#### *Proposals by the Jerwood Foundation to establish an art centre on the foreshore*

11.5 The proposal by the Jerwood Foundation to establish an art gallery on the foreshore and the welcome given by the trustees to this were set out in some detail in our last annual report. There were a number of options for siting the gallery and, in the case of the option chosen, the greater part of the Jerwood site would have been on land beneficially owned by the Council and the remainder would have been on land held by the trustees. The parcel of Trust land on which the gallery would sit would actually have been very small, perhaps 0.1 hectare, and it had been proposed that the Trustees would grant a lease of this land (with appropriate restrictions given the charitable trusts) to the Jerwood Foundation. The trustees took the line that, having at last over three years finally established the extent of Trust land, they wished to preserve that land intact rather than dispose of it in some way for the Jerwood Gallery. We therefore worked hard with the Jerwood Foundation to negotiate a suitable lease which ensured that, were the Jerwood Foundation ever to relinquish the site, the building and the land would nevertheless for ever remain in charitable use. But for the Trust to lease even this tiny area rent-free to the Jerwood Foundation still required the formal permission of the Charity Commission.

## Hastings and St Leonards Foreshore Charitable Trust

### Report of the trustees for the year ended 31 March 2009

11.6 Although the trustees had notified the Charity Commission of the Jerwood proposal as soon as it was announced, it was not until April 2009 that we had finalised all the lease and other arrangements in order to be able to make a formal approach to the Commission for this permission. In September 2009, to the surprise of the trustees, the Commission indicated that it was not happy with the proposals and would prefer the land on which the gallery would sit not to remain in charitable hands but to be disposed of by the Trust to Hastings Borough Council by sale or in exchange for some other land of equal value.

11.7 The delay in the clearance for the Jerwood Gallery allowed the trustees to again review their position over the proposal. The trustees have always been careful to keep away from campaigning either for or against the Jerwood proposal. We reiterate that we consider the development of the gallery to represent a significant public benefit for the people of Hastings and, therefore, the principal beneficiaries of this Trust. Indeed, we are rather sad that the Trust no longer looks likely to have a formal link with this important initiative. However the Charity Commission has received legal advice that the trustees must disregard any possible benefit to the people of Hastings which the new gallery might bring and must attend only to the value to the Trust itself of any land deal in connection with the gallery. Equally, it is the Charity Commission's advice that views as to the merits of the Jerwood Gallery are irrelevant to any objection to a proposed land deal. Accordingly, in a transaction like this, the trustees must seek only to increase the value of the Trust further, without regard to public benefit. Whilst the trustees fundamentally disagree with the Commission on this, we are seeking to progress a land deal with the Council.

#### *Future governance of the Trust*

11.8 In our last annual report, we outlined our long-term aim of settling the outstanding breaches of trust by the Council, working up new governance proposals and handing back the trusteeship to the Council under new, modern, governance arrangements. As a matter of law, the trusteeship cannot formally be transferred to the Council until all matters between the Trust and the Council have been settled. The major outstanding issue is, as mentioned in para 11.4, the settlement of the claim for new land (to include historic revenue) which the Council now recognises as Trust land. We are hopeful that the Charity Commission will agree to conduct the public consultation on the new Scheme before this claim has been settled, so that the new Scheme can be sealed as soon as possible after settlement.

#### *Selection of a Protector*

11.9 Consultation on the new Scheme requires a protector to be named. Following an open competition advertised nationally and locally, at a trustees' meeting on 15 May 2009, the trustees unanimously chose Christopher May MA FCA to be the first Protector of the Trust. Christopher May's selection clears the way for the Charity Commission to consult formally about the new Scheme under which the Council will become trustee in all respects. It is good to have such a suitable and well-qualified candidate for the role of protector.

11.10 The trustees have agreed a final version of the draft Scheme and governance documents. March 2009 drafts of the Scheme and the governance documents, including the duties of the Protector, are available on [www.marriages.me.uk/hughhtml/hastings.htm](http://www.marriages.me.uk/hughhtml/hastings.htm).

#### *Board of Trade and Ministry of Defence permission to erect buildings on the foreshore*

11.11 Under the original 1893 conveyance and also later conveyances, permission was required from the Ministry of Defence and/or the Board of Trade to erect buildings on all or certain parts of the foreshore, along with subsequent rights of inspection and re-entry. Following changes in the machinery of government, responsibility for these permissions and rights has passed to the Crown Estate Commissioners. Although it appears that this requirement was largely relaxed by a deed in 1971, some doubt remains over its status so the trustees have decided to seek agreement to have all these requirements set aside once and for all. This is part of our concern that all aspects of the Trust's governance should be resolved before the Council takes over the trusteeship.

## Hastings and St Leonards Foreshore Charitable Trust

### Report of the trustees for the year ended 31 March 2009

#### *Liability of trustees*

11.12 The trustees have again taken out public liability and personal indemnity insurance policies at an annual cost of £5,828.

#### *Meetings held by trustees*

11.13 Following a resolution in 2007, much of the business of the Trust is now undertaken by email and telephone and this decreases the need for face-to-face trustee meetings. During 2008/09, the trustees met in person in Hastings on the following dates:

- 24 June 2008
- 27 March 2009

11.14 Trustees have had additional meetings or correspondence with legal and financial advisers; with the Trust's auditors; with the Trust's surveyor and the Trust's valuer; with the Charity Commission: with HM Revenue and Customs; with the Leader of the Council and his advisers; with the Member of Parliament for Hastings; and with a number of residents of Hastings who have been in touch with the trustees.

#### *Approvals for activities on Trust land*

11.15 We have again received and considered a number of requests for activities to take place on Trust land. This year the trustees gave approval for events such as the annual bonfire; Ford Car Club rally; the Historic Commercial Vehicle Rally; an RNLI beach concert; the Old Town Carnival; the farmers' market; the Seafood and Wine Festival; and a Relax café Easter barbeque. The Trust makes no charge for these events.

#### *Pelham Beach multi-use games area*

11.16 As stated last year, the trustees have always supported the proposals for a multi-use games area next to the trampolines on Pelham Beach. Since the Trust now has funds to construct and operate this project, which is entirely on Trust land, the trustees have decided to go ahead with the proposal without further delay and have approached the Charity Commission accordingly. The new facility will be owned and maintained by the Trust, but it is expected that it will be created and managed on a day-to-day basis by Hastings Old Town Residents Association.

#### *Stade Amusements and Flamingo Park*

11.17 Last year we reported that one application which caused the trustees some concern was for a new Twister ride (also known as Topscan or Sea Wave) on the Stade fun fair. Although the trustees agreed the application, subject to the new ride being quieter in operation than the current ride and that it is a replacement and not in addition to the current equipment, in the event, the trustees received a number of complaints about the noise and light disturbance from the new ride. As a result, a meeting was held with representatives of both the tenant (Stade Amusements, who operate the amusement arcade) and the sub-tenant (Flamingo Park, who operate the fun fair). At that meeting fresh assurances were given about the noise of the ride, the hours of operation and the effect of the lights. It is possible that the greatest level of disturbance by the new ride occurred soon after it had been erected when it was being tested late in the evening in darkness for regulatory reasons. The trustees understand that it now normally closes at 1800hrs, except on Saturdays when it may run until 2100hrs. Undertakings were also made generally to upgrade the site, including the area around the boating lake.

#### *White Rock Baths*

11.18 In our last report, we referred to the state of the former White Rock baths, which are owned by the Trust, and which were built in 1874 in the heyday of swimming baths but, sadly, have been derelict for about ten years. This year the trustees commissioned a condition survey of the building and we have made this survey available to three applicants who wish to lease all, or part of, the baths. Broadly, and not surprisingly, the condition survey said that the baths remain structurally fairly sound, but that considerable expenditure will be needed to bring them into normal commercial use.

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

### **Report of the trustees for the year ended 31 March 2009**

#### *Car parking charges*

11.19 Following a meeting with the Chief Executive of the Council and subsequent correspondence, the trustees agreed new car parking charges which came into effect on 1 November 2008. The trustees have also asked the Council to create more disabled parking places on Trust car parks.

#### **12. Activities**

12.1 The principal concern of the trustees is to enable the Trust to deliver local benefit whilst safeguarding the Trust's assets and putting the Trust on a proper footing for the future. The current governance arrangements continue to be deeply unsatisfactory. Unfortunately resolving the difficulties which the trustees inherited and putting in place new governance arrangements in line with modern charity law continues to take a very long time and, in spite of the trustees' efforts to limit costs, is expensive.

12.2 Nevertheless, the trustees still believe that it should be possible to resolve any outstanding legal issues and get the new governance arrangements in place in time for the start of the 2010/2011 financial year and will continue to work to achieve this.

#### **13. Achievements and performance**

13.1 Day-to-day activity of the Trust on Trust property has been delivered by the Council.

#### **14. Public benefit**

14.1 The extent of public benefit which the Trust provides has always been of great concern to the trustees. The Trust is, by any standards, fabulously cash-rich and earns a significant net income of around £250,000pa (it was inflated in 2007/08 by the settlement) and has around £1.5m in the bank. But the current Scheme, set up in March 2006 by the Charity Commission and the Council before the trustees took up office, does not allow the Trust to make charitable grants so the charity is not allowed to give a penny away. The trustees are so unhappy about this that we have opened negotiations with the Charity Commission to allow the Trust to make grants after the end of this financial year, whether or not progress has been made with a new Scheme.

14.2 Moreover, the complicated legal and other work to sort out the Trust, although this yields important benefits, some of which are monetary, consumes about half of the Trust's annual income. This is not a state of affairs which, in the trustees' view, should be allowed to go on for a day longer than necessary: it is expensive and uses up resources which would be much more appropriately spent on charitable work in Hastings. The longer the legal work drags on, the more it costs in fees and the less goes on proper charitable activity.

14.3 Hence the trustees' determined efforts to get the Council and the Charity Commission to make progress with the future governance arrangements for the Trust, and for the Council to settle the outstanding matters. In the view of the trustees, that is the only way to get this charity to the point where it will provide proper public benefit.

14.4 However, this year the two initiatives which have allowed the trustees to contribute towards public benefit have been our support for the Jerwood Gallery proposal, set out in para 11.5ff above, and for the Pelham Beach multi-sports area proposal, set out in para 11.16 above. The Trust continues to make no charge for the big events instanced in para 11.15 which are held on Trust land, on the basis that these are for public benefit.

#### **15. Financial review**

15.1 The audited accounts are attached to this annual report. They are in the same format as last year. The major development since our last annual report is the settlement of the trustees' first claim against the Council, so that there is now over £1.5m in the Trust's bank accounts.

## Hastings and St Leonards Foreshore Charitable Trust

### Report of the trustees for the year ended 31 March 2009

15.2 For reasons which have been explained, the Council has continued to manage and maintain car parks on the trustees' behalf and the Council has also provided street and beach cleaning and the maintenance of public lavatories. The associated income and expenditure has been processed through the Council's systems and statutory returns and is shown in the accounts attached to this report.

15.3 The level of management charges which the Trust paid to the Council for operating the Trust in 2008/09 came to £368,000 (2007/08: £287,000).

15.4 As the trustees have not been involved in the day-to-day management of these activities, we have not been in a position to manage contracts or services so are not able to ensure value for money. The Council, by agreement with the trustees, has processed all transactions of the Trust, integrated within its general ledgers. The trustees have not been responsible for entering into contracts nor the detailed collation of income and expenditure for the period and so have had no control over expenditure on Trust business.

15.5 The Trust's accounts show that the Trust continues to accumulate significant operating surpluses, which is why the Trust has considerable cash reserves following the settlement. Under the current Scheme the Trust has no powers to make charitable grants, but it is proposed that this will be rectified by the new Scheme.

#### *Cost of professional advice*

15.6 The trustees continue to be advised by Berwin Leighton Paisner LLP as the trustees' legal adviser and BDO LLP as the trustees' financial adviser. These two firms work closely together on Trust business.

15.7 The Trust's legal and professional fees this year are shown under "Governance costs" as £123,000. This figure is not comparable to that shown in the 2008 column as last year's accounts, for technical reasons, included the professional fees for two years rather than one. Under the settlement of the previous claim for breach of trust, a portion of the Trust's legal costs continue to fall to the Council rather than the Trust, which largely accounts for the sums owed to the Trust by the Council. After the settlement and the transfer of the trusteeship to the Council, these professional fees should reduce substantially. Keeping costs down is one of the reasons why the trustees have always been keen to see the settlement concluded as quickly as possible since the longer the process goes on the more expensive it becomes.

15.8 The trustees continue to be very greatly indebted to their professional advisers for the support and help which they have given to us. The Trust's affairs are very complex and would not have been resolved without the high quality advice which we have received. Our advisors' help with issues like the settlements, obtaining tax relief, assessing the true extent of Trust land, getting independent accounts and an independent audit, and developing future governance arrangements, have greatly strengthened the Trust.

15.9 The trustees have re-appointed Manningtons as the Trust's accountants and Buzzacott LLP as the Trust's auditors. The trustees are very grateful to Manningtons for their work on the accounts, and to Buzzacott LLP for their work on the audit.

#### *Trustees' expenses*

15.11 In common with the trustees of other charities, the trustees are volunteers who give their time and effort to the Trust without charge. Trustees are, however, allowed to reclaim their reasonable expenses, which is mainly for travel to meetings, postage in 2008/09 these amounted to £184 (2007/08: £171). The higher figure which appears in the accounts covers two years.

### 16. Plans for the future

16.1 The trustees have always been absolutely clear that the best future for the Trust lies in new governance arrangements which will safeguard the Trust's land and assets for the people of Hastings for the future without giving rise to the excessive overhead costs associated with operating a stand-alone enterprise. The proper role for the Trust is to provide a substantial and valuable charitable endowment for the town.

## Hastings and St Leonards Foreshore Charitable Trust

### Report of the trustees for the year ended 31 March 2009

#### 17. Responsibilities of the trustees

17.1 The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 operation.

17.2 The trustees are responsible for keeping adequate accounting records which 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 1993 (as amended), the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

17.3 Since assuming office in March 2006, the trustees have taken professional advice on their duties as charity trustees and have done all in their power to try to get the Trust onto a proper footing so that it can move forward and benefit the people of Hastings. The trustees are anxious that, in future, as much of the Trust's operating surplus as possible is disbursed as charitable grants for the benefit of the people of Hastings.

#### 18. Accountants and Auditors

18.1 Manningtons, from Hastings, are the Trust's accountants.

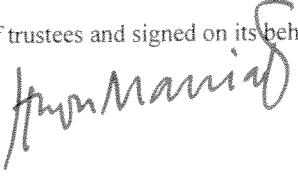
18.2 Buzzacott LLP were appointed auditors to the charity in August 2008.

18.3 The trustees have passed resolutions to re-appoint Manningtons as the Trust's accountants and Buzzacott LLP as the Trust's auditors.

#### 19. Concluding remarks

19.1 In the view of the trustees, the long-standing difficulties of this Trust stem from decisions taken in the past by both the Council and the Charity Commission. We have taken steps to address these matters with, and made strong representations to, both these bodies and should now be nearing the completion of our work. It remains our intention that the trusteeship will revert to the Council as soon as possible. Only then will the expenditure on professional fees fall and the charity will at last be enabled to making grants to support charitable work in Hastings. That is our aim.

Approved by the board of trustees and signed on its behalf by:

  
**Hugh Marriage OBE**  
**Chair**

Date: 26 November 2009

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

### **Independent auditor's report to the trustees' of Hastings and St Leonards Foreshore Charitable Trust**

We have audited the financial statements of Hastings and St Leonards Foreshore Charitable Trust for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees', as a body, in accordance with Section 43 of the Charities Act 1993 and with regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees' those matters we are required to state to them in an auditor's 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 the charity's trustees' as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees' and auditors**

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with those financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records or if we have not received all of the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Annual Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

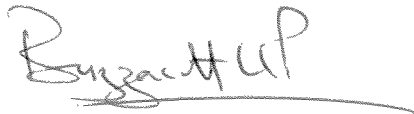
## Hastings and St Leonards Foreshore Charitable Trust

### Independent auditor's report to the trustees' of Hastings and St Leonards Foreshore Charitable Trust

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been prepared in accordance with the Charities Act 1993.



**Buzzacott LLP**  
**Chartered Accountants and**  
**Registered Auditors**

**12 New Fetter Lane**  
**London**  
**EC4A 1AG**

9 December 2009

## Hastings and St Leonards Foreshore Charitable Trust

### Statement of financial activities

For the year ended 31 March 2009

	Notes	2009 £	2008 £
<b>Incoming resources</b>			
Incoming resources from generating funds:			
Investment income	2	16,821	12,729
Incoming resources from charitable activities	3	1,020,190	1,018,085
<b>Total incoming resources</b>		<u>1,037,011</u>	<u>1,030,814</u>
<b>Resources expended</b>			
Charitable activities	4	811,755	814,324
Governance costs	5	123,138	229,146
<b>Total resources expended</b>		<u>934,893</u>	<u>1,043,470</u>
<b>Net movement in funds</b>		102,118	(12,656)
Total funds brought forward		<u>1,592,958</u>	<u>1,605,614</u>
<b>Total funds carried forward</b>		<u>1,695,076</u>	<u>1,592,958</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

All funds are unrestricted.

The notes on pages 13 to 15 form an integral part of these financial statements.

## Hastings and St Leonards Foreshore Charitable Trust

### Balance sheet as at 31 March 2009

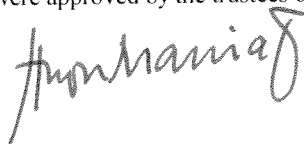
	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets		1,030	1,030
<b>Current assets</b>			
Debtors	8	237,788	1,821,074
Cash at bank and in hand		1,545,582	-
		1,783,370	1,821,074
<b>Creditors: amounts falling due within one year</b>	9	(89,324)	(229,146)
<b>Net current assets</b>		1,694,046	1,591,928
<b>Net assets</b>		1,695,076	1,592,958
<b>Funds</b>			
Unrestricted income funds		1,695,076	1,592,958
<b>Total funds</b>		1,695,076	1,592,958

The financial statements were approved by the trustees on

26 November 2009

and signed on its behalf by

Hugh Marriage OBE  
Trustee



The notes on pages 13 to 15 form an integral part of these financial statements.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to financial statements for the year ended 31 March 2009

#### 1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

##### 1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Charities Act 1993.

##### 1.2. Cashflow

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small charity.

##### 1.3. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income from investments is included in the year in which it is receivable.

##### 1.4. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

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.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with financing and with constitutional and statutory requirements.

##### 1.5. Tangible fixed assets and depreciation

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. The trustees are of the opinion that the open market value is materially in excess of this figure.

##### 1.6. 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. No adjustment has been made based on the application of FRS 17, as no effect of this adjustment will be borne by the charity.

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to financial statements for the year ended 31 March 2009

#### 2. Investment income

	2009	2008
	£	£
Bank interest receivable	198	-
Other interest receivable	16,623	12,729
	<u>16,821</u>	<u>12,729</u>

An allocation of interest receivable from Hastings Borough Council has been made to reflect what should have been earned by the trustees on their surplus funds if they had not been retained by the Council. The Council has been advised of the Trust's claim for this interest.

#### 3. Incoming resources from charitable activities

	2009	2008
	£	£
Car parking	846,244	880,184
Rents	168,924	133,497
Other income	5,022	4,404
	<u>1,020,190</u>	<u>1,018,085</u>

#### 4. Costs of charitable activities - by activity

	2009	2008
	£	£
Car parking	245,507	228,496
Foreshore management	323,355	346,139
Street cleansing	89,565	87,386
Public conveniences	153,328	152,303
	<u>811,755</u>	<u>814,324</u>

## Hastings and St Leonards Foreshore Charitable Trust

### Notes to financial statements for the year ended 31 March 2009

#### 5. Governance costs

	2009	2008
	£	£
Accountancy fees	1,841	2,938
Auditor remuneration	5,913	11,750
Legal and professional fees	108,784	214,458
Trustees' indemnity insurance	5,828	-
Trustees' reimbursement and meeting costs	772	-
	<u>123,138</u>	<u>229,146</u>

Trustees' related expenditure charged in the year ended 31 March 2009 included Trustees' indemnity insurance of £3,612 relating to the previous two years and Trustees' reimbursement of out of pocket expenses and meeting costs of £588 relating to the previous two years.

#### 6. Employees

There are no direct employees and there are no apportioned costs of employees who received emoluments of more than £60,000 (2008 : None).

#### 7. Trustees' emoluments

No remuneration was paid to trustees during the year. Expenses of £184 were paid to one trustee for travel costs.

#### 8. Debtors

	2009	2008
	£	£
Amounts owed by Hastings Borough Council	<u>237,788</u>	<u>1,821,074</u>

#### 9. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	61,443	-
Amounts owed to Hastings Borough Council	9,250	214,458
Accruals and deferred income	18,631	14,688
	<u>89,324</u>	<u>229,146</u>

