

Charity number: 1105649

Hastings and St Leonards Foreshore Charitable Trust

Trustees' report and financial statements

for the year ended 31 March 2010

Hastings and St Leonards Foreshore Charitable Trust

Contents

	Page
Trustees report	1 - 9
Auditors' report to the trustees	10 - 11
Statement of financial activities	12
Balance sheet	13
Notes to the financial statements	14 - 16

Hastings and St Leonards Foreshore Charitable Trust

Report of the trustees for the year ended 31 March 2010

Information

- 1. Trustees**

Jerry Le Sueur	
Hugh Marriage OBE	(Chair of Board of Trustees)
Councillor Anne Bird	
Councillor Trevor Webb	(until 16 June 2010)
Councillor Bruce Dowling	(from 16 June 2010)

- 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

- 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 2010

8. Structure, Governance and Management

Overview

8.1 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 have had 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 claims, 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.

8.3 The trustees' annual report and accounts for the year ending 31 March 2009 were published on 26 November 2009 although, in order to give a more accurate context, it covered some issues relevant to the year 2009/10. 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 2010. Up-to-date information about the Trust is always available on the Trust's webpage: www.marriages.me.uk/hughhtml/hastings.htm

8.4 This report for the year ended 31 March 2010 contains the Trust's third 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.

8.5 This report also sets out the major developments since the trustees' last report:

- a land exchange and the redevelopment of the Stade as a public open space;
- final agreement and definition of the extent of Trust land;
- the Charity Commission's agreement to proposals for the future governance of the Trust; and
- the construction by the Trust of a multi-use games area on the foreshore: the "playa".

9. Constitution

9.1 The Trust was established under a conveyance from the Crown dated 8 September 1893 as amended by the Hastings Borough Council Act 1988, and supplemented by a Charity Commission Scheme on 22 March 2006. 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.

9.3 On 9 August 2010 the Charity Commission published details of its decision to make a new Scheme which, amongst other things, would make the Council the trustee in all respects. This is discussed further in para 11.16 below.

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.

Hastings and St Leonards Foreshore Charitable Trust

Report of the trustees for the year ended 31 March 2010

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. 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.

10.3 Hugh Marriage continues to chair the Board of Trustees.

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

10.5 There has been no training for trustees this year.

10.6 As discussed in para 11.16 below, the current trustees expect the Scheme re-appointing the Council as trustee to be made in November 2010.

11. Risk management

11.1 As set out in the trustees' previous annual reports, 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 most of the Trust's day-to-day business, including the keeping of accounts for the Trust, continues to be handled by the Council.

Bank accounts

11.3 However, the Trust maintains its own current account, so is able to settle some expenditure directly. The Trust also holds an interest-bearing deposit account. Because of the current volatility of the stock market, 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.

Public consultation on the Stade

11.4 Previous annual reports have set out the background to the Trust seeking a land exchange to acquire that part of Pelham Place car park which it did not already own. The trustees were also concerned to enable the redevelopment of the Stade as a high-quality public open space. The trustees launched a public consultation on 15 January 2010, which closed on 16 February 2010 in relation to the land exchange. The Trust received 64 responses, of which 48 were in support of the proposals and 16 against: but of these, 6 responses (2 in favour and 4 against) were received after the deadline for responses had passed.

11.5 The trustees noted that there were considerably more comments in favour of the exchange of land than against; and that no points had been raised by those who objected to the proposals which gave the trustees cause for concern about the merits, the principle or the process of the exchange of land. The trustees therefore resolved to apply to the Charity Commission for an Order under section 36 of the Charities Act 1993 authorising the exchange of land, and to proceed with the other Stade proposals, subject to any objections raised by the Charity Commission.

11.6 On 15 March 2010 the trustees obtained an Order from the Charity Commission authorising the land exchange. The land exchange was completed on 28 May 2010. The Trust now owns the whole of Pelham Place car park and the redevelopment of the Stade has begun and should be completed by Christmas 2010.

Hastings and St Leonards Foreshore Charitable Trust

Report of the trustees for the year ended 31 March 2010

Public consultation about an electricity sub-station

11.7 As part of this redevelopment it was necessary to vary a lease on adjoining land to enable a small electricity sub-station to be erected at no cost to the Trust. A public consultation was launched on 2 April 2010 and concluded on 7 May 2010.

11.8 The Trust received 15 responses, all of which were in support of the proposals. The trustees therefore resolved to make the necessary arrangements to vary the lease to Hastings Fishmarket Enterprises Limited to enable the sub-station to be constructed.

The extent of Trust's land

11.9 The trustees have continued their work to ascertain as accurately as possible the true extent of the Trust's land. The land exchange referred to in para 11.4 above, a major settlement with the Council over land south of the Trust's original conveyances, and subsequent agreement with the Council over a number of small boundary issues have all enabled the trustees to prepare a modern, definitive, map of the Trust's land. This has now been submitted to the Land Registry for registration as a new title, separate from the Council. The trustees are deeply indebted to David Powell, a national expert in deciding boundaries, of David Powell Surveys Ltd, for his very skilful work in preparing this map and helping to resolve the boundary issues.

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

11.10 As reported in last year's annual report, under the original 1893 conveyance and 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 passed to the Crown Estate Commissioners. Although it appears that this requirement was largely relaxed by a deed in 1971, some doubt remained over its status. The trustees therefore sought agreement to have all these requirements set aside once and for all, as part of our concern that all aspects of the Trust's governance should be resolved before the Council is re-appointed trustee. The Crown Estate release was granted on 12 August 2010.

Claimed public footpath on the Stade

11.11 One issue which has been running since before the current trustees took up office is an application for a public footpath to be recognised on the Stade. It is our understanding that the application was first lodged with East Sussex County Council in 1997 and again in 2000.

11.12 The Trust's land is 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" and the trustees have taken great care to ensure that the foreshore remains as open as possible to the public. The trustees argued that it was unnecessary to designate a particular piece of foreshore as a footpath when the whole foreshore was open to the public. In June 2010 East Sussex County Council seems to have informed the applicants (but not the Trust) that it had decided against designating the footpath. However it is the trustees' understanding that some Hastings residents have subsequently appealed to the Secretary of State against this decision.

White Rock Baths

11.13 Our previous annual reports have referred to the state of the former White Rock baths, which were built in 1874 in the heyday of swimming baths and are owned by the Trust. However, sadly, the baths have been derelict for about ten years. A condition survey of the building commissioned by the trustees in 2009 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 2010

11.14 A meeting was held in the White Rock Hotel on 22 March 2010 to discuss with interested parties, and representatives of the Council, some possible uses for the building. Following this a detailed proposal for a completely new use of the baths, which has the support of the trustees, has been put to the Council. The trustees very much hope that this will enable the building to be brought back into use, and that this will help redevelop that part of St Leonards and the area around the pier. The trustees are grateful to all who have helped make progress with these developments, including those who worked on those proposals which in the end did not seem worthwhile pursuing.

Renewal of leases

11.15 The trustees have continued to review and, as necessary, re-let leases on Trust land. Renewed leases were granted this year to Arnold Palmer Putting Courses Limited and the Go-Kart Track. Consultations on new leases continue with Stade Developments (which includes Flamingo Park), the Miniature Railway and a proposal for a community café at St Leonards.

Future governance of the Trust

11.16 In our previous annual reports, the trustees have set out in some detail 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 Council cannot be re-appointed trustee until all matters between the Trust and the Council have been settled.

11.17 In 2007 the trustees agreed the basis for a new Scheme with the Charity Commission. The Commission's proposal was to re-appoint the Council as trustee, with the safeguards of a Protector; an annual public meeting; and public documents on the governance of the charity. After protracted discussions and the selection of a protector designate in May 2009, the Commission launched a public consultation on the draft Scheme on 27 November 2009. This closed on 12 January 2010.

11.18 At the end of March 2010 the Commission asked the Trust for a financial appraisal of the Trust's activities and an analysis of alternative options for running the Trust. A 29-page report, which was prepared by BDO LLP, was sent to the Commission on 27 May 2010. This showed how the Trust would continue to make a substantial surplus if the trusteeship were returned to the Council; but, because of the additional overheads involved, would probably operate at a loss if the Trust became a stand-alone charity wholly independent of the Council.

11.19 On 20 July 2010, Amber Rudd, MP for Hastings and Rye, put down a Parliamentary Question to the Chair of the Charity Commission about the consultation, for answer by 27 July 2010. On 26 July 2010 the Charity Commission wrote to the Trust's legal advisers saying that they proposed to make the new Scheme re-appointing the Council as Trustee, with some additional safeguards.

11.20 The two principal additional safeguards the Commission required are the need for the Council, as trustee, to consult with:

(i) a Coastal Users Group on the maintenance of the Trust's land; activities and events on Trust land; and the exercise of any power under the Hastings Borough Council Act 1988 or otherwise to manage, let, sell or otherwise dispose of Trust property; and

(ii) a Grant Advisory Panel with between four and eight members (who must not be councillors, officers or employees of the Council and are appointed on the basis of their knowledge and experience of the voluntary and charitable sector and in particular Hastings) to advise on the criteria for making grants; the grant application forms; the advertising of grants; individual applications for grants; and proposals for making grants.

Hastings and St Leonards Foreshore Charitable Trust

Report of the trustees for the year ended 31 March 2010

11.21 The Charity Commission's decision is at http://www.charity-commission.gov.uk/Our_regulatory_activity/Compliance_reports/fdcase.aspx#27

11.22 The trustees have welcomed the Charity Commission's decision as it seems to us to provide very much the best way for the Trust to be managed and governed and to maximise the charitable benefit which the Trust should be able to provide in future. The trustees expect the Council to be re-appointed in November 2010.

Liability of trustees

11.23 The trustees have taken out public liability and personal indemnity insurance policies at an annual cost of £1,071.

Meetings held by trustees

11.24 Following a resolution in 2007, the business of the Trust, including the making of formal resolutions, is undertaken by email and telephone. The last face-to-face trustee meeting was in Hastings on 27 March 2009. About 10,000 emails have been exchanged in the four years since the trustees took office.

11.25 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 Leaders of the Council and their advisers; with Michael Foster and Amber Rudd, successive Members of Parliament for Hastings and Rye; and with a number of residents of Hastings who have been in touch with the trustees, particularly during the public consultations.

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 has taken a very long time and, in spite of the trustees' efforts to limit costs, has been expensive.

12.2 Nevertheless, the future of the Trust looks good as the new governance arrangements should be in place in a matter of weeks.

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 continues to be, by any standards, fabulously cash-rich and earns a significant net income before professional fees of at least £200,000 and has around £1.3m in the bank. But the current Scheme of the Charity Commission made in March 2006 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. This will be rectified by the new Scheme but, in the meantime, the lack of this power limits the public benefit which the Trust can provide. Without grant making powers, the Trust has had no choice but to accumulate reserves on an annual basis.

Hastings and St Leonards Foreshore Charitable Trust

Report of the trustees for the year ended 31 March 2010

Pelham Beach multi-use games area

14.2 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 has funds to construct and operate this project, which is entirely on Trust land, the trustees decided in April 2010 to go ahead with the proposal without further delay and let the contract to Trevor May Contractors Ltd. The new facility will be owned and maintained by the Trust, but it will be managed on a day-to-day basis by Hastings Old Town Residents Association (HOTRA), with the support of Arnold Palmer Putting Courses Limited. The trustees are very grateful to Dick Edwards of HOTRA and Chris Richards of Arnold Palmer Putting Courses Limited for all their help with this project.

14.3 The games area opened briefly in July 2010 but had to be closed almost at once when it became apparent that the perimeter fence (which had to be reduced in height for planning reasons) was too low to stop some balls escaping. A horizontal net has since been installed across the top of the pitch. The facility was named formally as the "Pelham Playa" on Hastings Day, 14 October 2010. The overall cost of the project, including the overhead net, was £122,057.

Approvals for activities on Trust land

14.4 The trustees 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; the Spratt and Winkle Run commercial vehicle rally; Ford Car Club rally; the Historic Commercial Vehicle Rally; an RNLI beach concert; the Old Town Carnival; the farmers' market; and the Seafood and Wine Festival. The Trust makes no charge for these consents.

Free overnight car parking for holders of Hastings residents permits

14.5 One of the consequences of the Stade redevelopment was that a certain amount of car parking had to be suspended, including residents' on-street car parking during highways work as well as car parking spaces on the Trust's Fishmarket car park which had for many years been used by residents for overnight parking without charge. The trustees therefore decided to allow residents to park overnight in the Trust's Pelham Place and Rock-a-Nore car parks without charge between 1800 and 0900 provided that their vehicle was displaying a valid Hastings residents car parking permit. Although this arrangement is intended to be permanent, it will be reviewed in January 2011 to make sure it is working out properly.

15. Financial review

15.1 The audited accounts are attached to this annual report. They are in the same format as in previous years and, once again, have received an unqualified audit.

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 2009/10 came to £350,121 (2008/09: £300,799).

15.4 As the trustees have not been involved in the day-to-day management of these activities, they 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.

Hastings and St Leonards Foreshore Charitable Trust

Report of the trustees for the year ended 31 March 2010

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 £154,566 (2008/09: £123,138). Under the settlement of the initial claim for breach of trust, a portion of the Trust's legal costs continue to fall to the Council rather than the Trust. Once the new Scheme has been made, these professional fees should reduce substantially. The trustees have always been keen to see the settlement concluded as quickly as possible in order to keep costs down.

15.8 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

15.9 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 and incidental expenses like postage: in 2009/10 these amounted to £391 (2008/09: £184).

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 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 recreational facility and charitable endowment for the town.

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 Trust and of the incoming resources and application of resources of the Trust 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 Trust 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 Trust 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's governing document. They are also responsible for safeguarding the assets of the Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hastings and St Leonards Foreshore Charitable Trust

Report of the trustees for the year ended 31 March 2010

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 Trust in August 2008.

18.3 The trustees are very grateful to Manningtons and Buzzacott for their work with the annual report and accounts and have passed resolutions to re-appoint Manningtons as the Trust's accountants and Buzzacott LLP as the Trust's auditors.

19. Concluding remarks

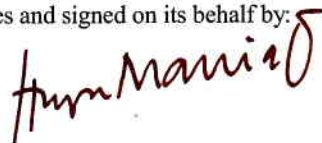
19.1 The trustees are very pleased, and not a little relieved, to be able to report that the end of the current arrangements is in sight and that before too long the trusteeship will pass, with significant new safeguards, to the Council.

19.2 The trustees have completed all that they set out to do: to secure the Trust, its estate and its income; to resolve and settle all the business with the Council; to clarify and simplify the administration of the Trust, particularly through a definitive map of Trust land; to give the Trust a clear identity, separate and easily distinguishable from the Council; and to ensure that the Trust can provide indisputable public benefit to the people of Hastings, particularly as the result of the grant-giving powers which the new Scheme will bring.

19.3 Nobody could claim that this has been an easy journey. The legal and financial issues the trustees have had to tackle have been complex and time-consuming. During the time of our trusteeship we have found ourselves in unpleasant dispute or serious disagreement with the Council, the Charity Commission and a number of groups and individuals in Hastings. Moreover we doubt if the new arrangements, which the trustees regard as absolutely the best for the Trust and its beneficiaries, will necessarily please everyone.

19.4 We would not have got to where we are now without the expertise and dedication of the Trust's many professional advisers, all of whom have provided excellent service. Although it may be invidious to mention any by name, there are some who have been advising the trustees a very great deal: Neasa Coen, Roger Cohen and Jeremy Stephen from Berwin Leighton Paisner LLP, the Trust's legal advisers; and James Aston and Jonathan Chantler from the Trust's financial advisers, BDO LLP. They have supported the trustees through thick and thin and we are deeply grateful to them for their professionalism, persistence and integrity as well as their professional skill. The fact that the future of the Trust looks to be so secure, and should benefit the people of Hastings so substantially in future, is so largely down to them.

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



Hugh Marriage OBE
Chair

3 November 2010

Date:

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 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the principle accounting policies 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 2010 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
Statutory Auditors

12 New Fetter Lane
London
EC4A 1AG

9 November 2010

Hastings and St Leonards Foreshore Charitable Trust

Statement of financial activities

For the year ended 31 March 2010

	Notes	2010 Total £	2009 Total £
Incoming resources			
Incoming resources from generating funds:			
Investment income	2	19,613	16,821
Incoming resources from charitable activities	3	1,077,736	1,020,190
Total incoming resources		<u>1,097,349</u>	<u>1,037,011</u>
Resources expended			
Charitable activities	4	870,698	811,755
Governance costs	5	154,566	123,138
Total resources expended		<u>1,025,264</u>	<u>934,893</u>
Net movement in funds		72,085	102,118
Total funds brought forward		1,695,076	1,592,958
Total funds carried forward		<u>1,767,161</u>	<u>1,695,076</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 14 to 16 form an integral part of these financial statements.

Hastings and St Leonards Foreshore Charitable Trust

Balance sheet as at 31 March 2010

	Notes	£	2010 £	£	2009 £
Fixed assets					
Tangible assets			1,030		1,030
Current assets					
Debtors	8	577,863		237,788	
Cash at bank and in hand		1,293,297		1,545,582	
		1,871,160		1,783,370	
Creditors: amounts falling due within one year	9	(105,029)		(89,324)	
Net current assets			1,766,131		1,694,046
Net assets			1,767,161		1,695,076
Funds					
Unrestricted income funds			1,767,161		1,695,076
Total funds			1,767,161		1,695,076

3 November 2010

The financial statements were approved by the trustees on / and signed on its behalf by

Hugh Marriage OBE
Trustee

Hugh Marriage

The notes on pages 14 to 16 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 2010

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' (SORP 2005 2nd edition) 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 2010

2. Investment income

	2010	2009
	£	£
Bank interest receivable	16,733	198
Other interest receivable	2,880	16,623
	<u>19,613</u>	<u>16,821</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

	2010	2009
	£	£
Car parking	907,973	846,244
Rents	151,610	168,924
Other income	18,153	5,022
	<u>1,077,736</u>	<u>1,020,190</u>

4. Costs of charitable activities - by activity

	2010	2009
	£	£
Car parking	263,321	245,507
Foreshore management	378,668	323,355
Street cleansing	94,563	89,565
Public conveniences	134,146	153,328
	<u>870,698</u>	<u>811,755</u>

Hastings and St Leonards Foreshore Charitable Trust

Notes to financial statements for the year ended 31 March 2010

5. Governance costs

	2010	2009
	£	£
Accountancy fees	3,231	1,841
Auditor remuneration	12,044	5,913
Protector's fees	2,907	-
Legal and professional fees	134,753	108,784
Trustees' indemnity insurance	1,071	5,828
Trustees' reimbursement and meeting costs	560	772
	<u>154,566</u>	<u>123,138</u>

6. Employees

There are no direct employees and there are no apportioned costs of employees who received emoluments of more than £60,000 (2009 : None).

7. Trustees' emoluments

No remuneration was paid to trustees during the year. Expenses of £391 were paid to one trustee for travel costs.

8. Debtors

	2010	2009
	£	£
Amounts owed by Hastings Borough Council	<u>577,863</u>	<u>237,788</u>

9. Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	44,177	61,443
Amounts owed to Hastings Borough Council	9,250	9,250
Accruals and deferred income	51,602	18,631
	<u>105,029</u>	<u>89,324</u>

10. Post balance sheet events

On 28 May 2010, the Trust entered into a land swap agreement with Hastings Borough Council. The Trust acquired a strip of land within Pelham Place car park valued at £95,000 and received additional consideration of £15,000 in exchange for the land at the Stade Coach and Lorry park, valued at £100,000.