



# Agenda

Meeting: **Folkestone Parks and Pleasure Grounds Charity**  
Date: **26 April 2022**  
Time: **The meeting will commence at 4pm, or at the conclusion of the Cabinet meeting scheduled to take part at 3pm, whichever is earliest.**  
Place: **Council Chamber – Civic Centre, Folkestone**  
To: Councillors John Collier, Ray Field, David Godfrey, Mrs Jennifer Hollingsbee, David Monk, Stuart Peall, Tim Prater, Lesley Whybrow and David Wimble

This meeting will be webcast live to the council's website at <https://folkestone-hythe.public-i.tv/core/portal/home>.

Although social distancing rules have been relaxed, for the safety of the public, elected members and staff, we will continue to seat members of the public approximately one metre apart. This means that there will be 13 seats available for members of the public, which will be reserved for those speaking or participating at the meeting. The remaining available seats will be given on a first come, first served basis.

All attendees at meetings are kindly asked to wear face coverings, unless they are addressing the meeting.

1. **Apologies for absence**
2. **Declarations of interest (Pages 3 - 4)**
3. **Minutes (Pages 5 - 8)**
4. **Folkestone Parks and Pleasure Grounds Charity - Annual report and accounts for 2020/21**

This report presents the Charity's Annual Report and Accounts for the year ended 31 March 2021, which have been audited.

## **Queries about the agenda? Need a different format?**

Contact Jemma West – Tel: 01303 853369  
Email: [jemma.west@folkestone-hythe.gov.uk](mailto:jemma.west@folkestone-hythe.gov.uk)  
or download from our website  
[www.folkestone-hythe.gov.uk](http://www.folkestone-hythe.gov.uk)



## **Declarations of Interest**

### **Disclosable Pecuniary Interest (DPI)**

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

### **Other Significant Interest (OSI)**

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

### **Voluntary Announcement of Other Interests (VAOI)**

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

#### **Note to the Code:**

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

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# Minutes

## Folkestone Parks and Pleasure Grounds Charity

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 26 January 2022
Present	Councillors John Collier, Ray Field, David Godfrey, Mrs Jennifer Hollingsbee, David Monk, Tim Prater, Lesley Whybrow and David Wimble
Apologies for Absence	Councillor Stuart Peall
Officers Present:	Andy Blaszkowicz (Director of Housing and Operations), Ewan Green (Director of Place), Ellen Joyce (Democratic Services Trainee), Amandeep Khroud (Assistant Director), Susan Priest (Chief Executive), Charlotte Spendley (Director of Corporate Services) and Jemma West (Committee Service Specialist)

### 10. **Declarations of interest**

There were no declarations at the meeting.

### 11. **Minutes**

The minutes of the meeting held on 24 November 2021 were submitted, approved and signed by the Chairman.

### 12. **Folkestone Parks and Pleasure Grounds Update Report**

The report provided the Board with an update in relation to all those decisions taken by the Director – Housing & Operations since January 2021 under his delegated authority to deal with charity assets. The report also covered other matters relating to charity land and proposes that Alastair Clifford, Chief Officer – Operations, is given the delegated authority to deal with charity assets.

Proposed by Councillor Whybrow,  
Seconded by Councillor Prater; and

#### **RESOLVED:**

**That an additional recommendation be added for an update report be presented to the FPPG Members on a 6 monthly basis.**

(Voting: For 8; Against 0; Abstentions 0).

Proposed by Councillor David Monk

Seconded by Councillor Mrs Jennifer Hollingsbee

**RESOLVED:**

1. **That report FPPG/21/02 be received and noted.**  
(Voting: For 8; Against 0; Abstention 0)
2. **That the proposal to allow Alastair Clifford, Chief Officer – Operations, to have delegated authority to make decisions regarding charity assets, which are not politically sensitive, be agreed, on behalf of the charity to a value of £20,000pa per decision. This will commence from the new financial year 2022/23.**  
(Voting: For 8; Against 0; Abstentions 0)
3. **That the proposal to request funds from the council (from the available CIL allocations) for the works for the remedial repairs to Radnor Park Lodge – estimated at £20,000 be agreed.**  
(Voting: For 6; Against 1; Abstentions; 1)
4. **That the proposed new rent for a new two-year lease of Little Switzerland of £21,760pa be agreed.**  
(Voting: For 8; Against 0; Abstention 0)
5. **To receive a six monthly report on delegated decisions.**  
(Voting: For 8; Against 0; Abstention 0)

13. **Folkestone Parks and Pleasure Grounds Charity - Revenue Budget for 2021/22**

The report presented the Charity's budget statement of financial activities for the financial year ended 31 March 2023. The report also recommended fees and charges for 2022/23.

Proposed by Councillor Collier;

Seconded by Councillor Mrs Hollingsbee; and

**RESOLVED:**

1. **That report FPPG/21/04 be received and noted.**
2. **That the proposed fees and charges for 2022/23, be approved as set out at paragraph 4.2.**
3. **That the budget of financial activities for the year ended 31 March 2023 for the Folkestone Parks and Pleasure Grounds Charity, be approved as set out in Appendix 1.**
4. **That the proposed replenishment of the unrestricted fund during 2022/23 by £32,000 be approved.**

(Voting: For 7, Against 1, Abstention 0).

14. **Access to Meetings and Related Papers Relating to Folkestone Parks and Pleasure Grounds**

The report provided an update on the working of the current rules governing access to the meetings and related papers of the Council when meeting as trustees of the Folkestone Parks and Pleasure Grounds Charity (FPPG).

Proposed by Councillor Prater,  
Seconded by Councillor Whybrow; and

**RESOLVED:**

**That a third recommendation be added, that future FPPG meetings be webcast to the public.**

(Voting: For 8; Against 0; Absention 0)

Proposed by Councillor Wimble  
Seconded by Councillor Prater

**RESOLVED:**

- 1. That report FPPG/21/03 be received and noted.**
- 2. That the rules set out in appendix 1 of the report be adopted providing for access to the meetings of the Council as trustees and related papers on a permanent basis.**

(Voting: For 8; Against 0; Abstention 0).

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This Report will be made  
public on 14 April 2022

Report Number

**FPPG/21/05**

**To:** Folkestone Parks and Pleasure  
Grounds Charity – Board of Trustees  
**Date:** 26 April 2022  
**Financial Advisor to the Charity:** Cheryl Ireland

**SUBJECT: FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY -  
ANNUAL REPORT AND ACCOUNTS FOR 2020/21**

**SUMMARY:** This report presents the Charity's Annual Report and Accounts for the year ended 31 March 2021, which have been audited.

**REASON FOR RECOMMENDATION:**

The Charity Board of Trustees are jointly responsible for the preparation of the Annual Report and Accounts which should be approved by them and both documents should be signed on behalf of the Trustees by one of their number authorised to do so.

**RECOMMENDATIONS:**

1. To receive and note Report FPPG/21/05.
2. To approve the Annual Report and Accounts of the Folkestone Parks and Pleasure Grounds Charity for the financial year ending 31 March 2021.
3. To sign the Letter of Representation from Hacker Young as the Charity's Auditor for the accounts ending 31 March 2021.

## **1. INTRODUCTION**

- 1.1 This report presents the Annual Report and Accounts for the Folkestone Parks and Pleasure Grounds Charity for the year ended 31 March 2021 including the draft Independent Auditor's Report issuing an unqualified opinion which will be issued upon receipt of the signed accounts (appendix 1), the Audit Findings Report (appendix 2) and Letter of Representation (appendix 3).
- 1.2 The purpose of preparing a Trustees' Annual Report and Accounts is to discharge the Charity Trustees' duty of public accountability and stewardship.
- 1.3 The Annual Report and Accounts have been prepared in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in UK and Republic of Ireland (FRS 102), together with the Charity's governing document.
- 1.4 The Accounts have been prepared to give a true and fair view of the financial activities of the Charity during the year and its financial position at the year end. The Accounts are accompanied and complemented by information that does not form part of the financial statements. This is provided by the Annual Report.
- 1.5 The Report and Accounts consist of:
  - The Annual Report, covering administrative information, structure, governance and management, objectives and activities, a review of achievements and finance and future plans.
  - The Statement of Accounting and Reporting Responsibilities, setting out responsibilities of the Council as the Corporate Trustee.
  - The Statement of Financial Activities, showing all incoming resources and all resources expended and reconciles all changes in funds.
  - The Balance Sheet, showing recognised assets, the liabilities and the different categories of funds of the Charity.
  - Notes to the Accounts, explaining the accounting policies adopted and providing additional information and analysis on the figures in the accounts.

## **2. FINANCIAL REVIEW 2020/21**

- 2.1 The Charity made an operating loss of £31,000 in 2020/21, largely due to a reduction in investment income resulting from the delayed refurbishment of the beach chalets which completed in February 2021.

2.2 The net revenue expenditure in 2020/21 was £528,600 being £27,340 less than the latest budget of £555,940. The main reasons for this variance were as follows:

	£
a) Net loss on beach huts due to delay in completion of refurbishment	56,580
b) Reduced transfer to reserves due to lower than budgeted surplus on beach huts and car parks	(69,340)
c) Reduced expenditure on supplies and services	(14,580)
	<u>(27,340)</u>

2.3 The net revenue expenditure supported the objectives of the Charity by financing the maintenance of charitable open spaces, including public conveniences on this land, the provision of sports facilities at East Cliff and the management of the Coastal Park.

2.4 The net expenditure of the Charity was financed by Folkestone & Hythe District Council.

### **3. APPOINTMENT OF AUDITORS**

3.1 The Charity Commission requires external independent audit of Folkestone Parks and Pleasure Grounds Charity Accounts.

3.2 Hacker Young were reappointed to conduct the audit of the 2020/21 final accounts.

### **4. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS**

#### **4.1 Legal Advisor's Comments (NM)**

There are no legal implications arising directly out of this report on the basis that the Council (acting as corporate trustee for the Charity) and any individual trustees of the Charity have complied with their respective obligations contained in the Charities Act 2011 and ancillary legislation.

#### **4.2 Financial Advisor's Comments (CI)**

This report has been prepared by the Financial Advisor to the Charity. There are therefore no further comments to add.

### **5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Trustees with any questions arising out of this report should contact the following officer prior to the meeting:

*Cheryl Ireland – Financial Advisor to the Charity*  
*Telephone: 01303 853213*  
*Email: Cheryl.ireland@folkesone-hythe.gov.uk*

The following background documents have been relied upon in the preparation of this report:

*Data from financial information system*  
*Working papers held within Financial Services*

**Appendices:**

Appendix 1– Annual Report and Accounts for the year ended 31 March 2021

Appendix 2 – Audit Findings Report from Hacker Young

Appendix 3 – Letter of Representation

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# **FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**

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***Annual Report and Accounts for the Year  
Ended 31 March 2021***

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**1. INTRODUCTION**

- 1.1 Folkestone & Hythe District Council, as Corporate Trustee, presents the annual report, together with the financial statements, for the year ended 31 March 2021 for the Folkestone Parks and Pleasure Grounds Charity (“the Charity”).
- 1.2 The Charity’s annual report and accounts have been prepared in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in UK and Republic of Ireland (FRS 102) “Charities SORP (FRS102)” together with the Charity’s governing document.

**2. REFERENCE AND ADMINISTRATIVE INFORMATION**

2.1	Name of Charity	Folkestone Parks and Pleasure Grounds Charity
2.2	Registration Number	1006288
2.3	Corporate Trustee	Folkestone & Hythe District Council
2.4	Names of the Representatives of the Trustee	Cllr D Monk (Leader) Cllr Mrs J Hollingsbee (Deputy Leader) Cllr J Collier Cllr R Field Cllr D Godfrey Cllr S Peall Cllr T Prater Cllr L Whybrow Cllr D Wimble
2.5	Names of Chief Officers	Head of Paid Service – Susan Priest Financial Advisor to the Charity – Cheryl Ireland Legal Advisor to the Charity – Amandeep Khroud
2.6	Principal Office	Folkestone & Hythe District Council Civic Centre, Castle Hill Avenue Folkestone, Kent CT20 2QY
2.7	Principal External Advisors	Folkestone & Hythe District Council hold balances on behalf of the Charity. The Council’s bankers are: National Westminster Bank Europa House, 49 Sandgate Road, Folkestone, CT20 1RU
	Bankers	
	Auditor	UHY Kent LLP t/a UHY Hacker Young Thames House Roman Square Sittingbourne, Kent ME10 4BJ
	Investment Managers	Folkestone & Hythe District Council

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**3. STRUCTURE, GOVERNANCE AND MANAGEMENT**

- 3.1 Following the 1974 local government re-organisation, Folkestone & Hythe District Council succeeded the Borough of Folkestone as Corporate Trustee for a number of areas of land in Folkestone, each a charity in its own right, specifically provided as a park, pleasure ground or recreation ground for the use and enjoyment of the inhabitants of the town and its neighbourhood.
- 3.2 The areas of land are:  
East Cliff and Warren  
The Durlocks  
Lower Sandgate Road (Coastal Park)  
Radnor Park  
Morehall Recreation Ground  
Canterbury Road Recreation Ground
- 3.3 The individual charities all had identical objectives and to improve their administration a successful application was made to the Charity Commission to combine them into one.
- 3.4 On 13 June 1991 the Folkestone Parks and Pleasure Grounds Charity was established, by a Charity Commission scheme, for the provision of parks, pleasure grounds or recreation grounds for the use and enjoyment of the inhabitants of the former Borough of Folkestone and the neighbourhood thereof.
- 3.5 In accordance with the constitution of Folkestone & Hythe District Council the Council's cabinet carries out its Corporate Trustee functions.
- 3.6 The cabinet consists of the leader who is elected by the Council, together with at least two, but no more than nine, councillors appointed to the cabinet by the leader. The current cabinet is shown at 2.4. Councillors are required to stand for election by the public every four years.
- 3.7 Day to day management of the Charity is delegated to chief officers in accordance with the Council's constitution. The names and designations of chief officers are shown at 2.5.
- 3.8 The Charity is managed on the same basis as the Council's own recreation service and is subject to the same codes and protocols specified in the Council's constitution.
- 3.9 **Risk Management**  
The major risks to which the Charity is exposed are managed within Folkestone & Hythe District Council's risk management strategy and policy.
- 3.10 It is the overall responsibility of the cabinet to approve the Council's risk management policy and strategy, to review it on an annual basis and to promote a culture of risk management awareness throughout the Council, including the Charity. The cabinet is also responsible for designating a councillor to act as 'risk management champion' to support the integration of risk management into the culture of the Council.
- 3.11 The Council's constitution specifies the risk management responsibilities of the head of paid service, the corporate directors and service managers.



**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

3.12 Risks are identified, assessed and controls established throughout the year. The key controls used by the Council and the Charity include:

- formal written policies, codes and protocols;
- established organisational structure and lines of reporting;
- clear authorisation and approval levels;
- comprehensive strategic planning, budgeting and budgetary control;
- effective insurance cover and vetting procedures;
- regular training and guidance;
- maintenance of risk registers;
- formal agendas, reports and terms of reference for meetings, projects etc.

3.13 Through the Council's risk management processes established for the Charity the cabinet, representing the Corporate Trustee, is satisfied that any identified major risks have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

#### **4. OBJECTIVES AND ACTIVITIES**

##### **4.1 Objective of the Charity**

The Charity's objective, as set out in the Charity Commission scheme, is the provision of parks, pleasure grounds or recreation grounds for the use and enjoyment of the inhabitants of the area of the former Borough of Folkestone and its neighbourhood.

4.2 The parks and recreation grounds consist of the following:

East Cliff and Warren  
The Durlocks  
Lower Sandgate Road  
Radnor Park  
Morehall Recreation Ground  
Canterbury Road Recreation Ground

4.3 The representatives of the Corporate Trustee confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Charity and in planning future activities.

##### **4.4 Aims and Intended Impact**

The principal aim of the Charity is to ensure the maintenance of the parks and recreation grounds, including public conveniences on charity land, in accordance with agreed specifications so that the residents of Folkestone and Sandgate can continue to use them for leisure pursuits and to enjoy the benefits of open spaces in an urban area.

4.5 Maintenance includes grass and hedge cutting, shrub and rose beds, herbaceous borders, annual bedding displays, tree stock, ponds and associated structures such as fences, walls, paths, car parks and public conveniences.

4.6 The Charity also provides sports facilities at East Cliff (bowls, golf, putting and tennis) and allows attractions to take place on the sites, particularly Radnor Park (e.g. annual donkey derby, amusements and boot fairs).

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

- 4.7 The success of the coastal park on the Lower Sandgate Road continues after 20 years of it's opening in 2000. The park is monitored by CCTV and has a warden. It has an approximate area of 25 hectares designed into three zones.
- 4.8 The formal zone comprises pine avenues, formal planting and hard landscaping. The fun zone contains the largest free play area in the south east as well as a zigzag path and amphitheatre. The wild zone encourages wildlife through sensitive habitat management.
- 4.9 **Objectives for 2020/21**  
The main objective for 2020/21 was to ensure that the maintenance of the charitable land continued to the agreed standards.
- 4.10 This links to Folkestone & Hythe's strategic objective 'Appearance Matters' of providing an attractive and clean environment.
- 4.11 Key actions for 2020/21 were the retention of the Green Flag accreditation national recognition for the Coastal Park and Radnor Park, ensuring a summer events programme in the Coastal Park and Radnor Park and progressing with the agreed project to refurbish and replace beach huts at Marine Walk to bring the beach huts back into operation after they were brought back in-house in 2017/18.

**5. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR 2020/21**

**5.1 Radnor Park**

The park continues to be popular with local residents and is being well used and has retained its Green Flag Award for the fourth year running.

New free of charge sports facilities including an 11 v 11 football pitch, 400m running track and a rounders pitch were marked out in 2020/21. A set of new goal posts were commissioned and installed.

Two community notice board signs were commissioned and installed.

Several dilapidated paths in the Lower Radnor Park area were resurfaced and made safe.

**5.2 Coastal Park**

The Coastal Park continues to be the key destination play site for the District retaining its Green Flag status for the 14th consecutive year. It has also been the 7th successive year that the Coastal Park has received the Trip Advisor 'Certificate of Excellence' and its place in the 'Hall of Fame' was retained with the Coastal Park being the number one attraction to visit in Folkestone.

Due to the pandemic, the free events programme was reduced to a minimum however the four free family rock-pooling sessions were still popular and well attended.

Waste management of the site was improved by an installation of three permanent timber compounds housing (in total) 6 x 1100L wheelie bins with 3 units being designated to general waste and 3 to recycling.

## FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

A total ban of BBQs was announced in June 2020 resulting in a large decrease in littering, vandalism and parking issues in the park.

The park has seen many improvements over the year with works to the amphitheatre, renewal of the LED street lighting throughout the park and repairs to the play area. 2021/22 will see the ageing pirate ship wreck play equipment replaced and major refurbishment of the play towers.

### 5.3 East Cliff Sports

The sports facilities continue to be well used by the public and schools alike and the income generated has slightly increased.

Grant funding of £20k was received from KCC to look at scoping a new destination play area and associated facilities. Engineering advice was commissioned to understand the cliff position into the next 100 years. Draft drawings were commissioned and a full public consultation will take place in late 2021/22.

### 5.4 Beach Chalets – Marine Walk

The refurbishment of the Beach Chalets and local infrastructure along Marine Walk below the Coastal Park, agreed by the FPPG Trustees in October 2019, was delayed due to the Covid-19 pandemic with work commencing in June 2020 and completing in February 2021.

Further funding was required to complete the project due to additional costs of unidentified asbestos removal required as part of the demolition and concrete works and significant increases in material costs due to the pandemic. The final cost of the project was £577,000 against a budget of £500,000. The Council agreed an additional financial contribution of £77,000 which will be repaid over the original ten year period from surpluses generated from rental income.

Working together with Creative Folkestone, particularly the Artist Rana Begum, the Charity has successfully delivered a colourful scheme that has received positive national coverage. The Chalets have been viewed positively by the local community and are being enjoyed by the new tenants with 100% occupancy.

## 6. FINANCIAL REVIEW 2020/21

6.1 The charity made an operating loss of £31,000 in 2020/21, largely due to a reduction in investment income resulting from the delayed refurbishment of the beach chalets which completed in late 2020/21.

6.2 The net revenue expenditure in 2020/21 was £528,600 being £27,340 less than the latest budget of £555,940. Net revenue expenditure is defined as net expenditure on unrestricted funds excluding depreciation and is met by a contribution from Folkestone & Hythe District Council, as it is the intention for the charity to achieve a breakeven position each year. See Note 7 for the analysis of net income.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

6.3 The net revenue expenditure supported the objectives of the Charity by financing the maintenance of charitable open spaces, the provision of sports facilities at East Cliff and the management of the Coastal Park.

6.4 The net expenditure of the Charity was financed by Folkestone & Hythe District Council.

**6.5 Reserves Policy**

The day-to-day finances of the Charity are administered within the financial systems of the Council, which also finances the net cost of the Charity on an ongoing basis. As a result there are no separate balances representing resources set aside for Charity purposes such as general contingencies and cash flow management.

6.6 The Charity's general fund has a surplus of £13,000 at the end of 2020/21. In the past the Council has not contributed fully to the provision for depreciation in recognition of the significant contribution to the resources of the Charity from local taxpayers. In local authority accounts depreciation has a neutral impact on the amounts required to be raised from local taxation. A decision was taken by the Trustees in 2018/19 to utilise the profit from the beach hut service to make a contribution to reserves to reduce the deficit. There was no profit from this service in 2020/21 as the beach huts were undergoing refurbishment and replacement as part of the approved capital programme, but it is anticipated that the service will generate a surplus from 2021/22 and contribute to the charity's reserves.

**6.7 Investment Policy and Performance**

At the start of 2020/21 Folkestone & Hythe District Council held £118,434 on behalf of the Charity. That sum represented the brought forward balance of past proceeds of the sale of charitable assets and is managed by the Council as part of its overall investment portfolio. The Council also held £32,095 on behalf of the Charity representing the balance of external donations received for the Radnor Park improvements. The Council's investment activity during 2020/21 complied with its approved Investment Strategy for the year. Most investments made were for up to a maximum of 12 months duration reflecting an expectation that interest rates will eventually rise from their historically low base and also to take a cautious approach around the credit risk of counterparties available to invest with. The Council also has a strategic long term investment in the CCLA Local Authority Property Fund. During 2020/21, a grant of £20,000 was received from Kent County Council (KCC) as a contribution towards viability, consultation and master-planning costs for a proposed East Cliff redevelopment project. The balance at the end of 2020/21 of £170,529 remains with the Council.

6.8 Overall a return of approximately 0.1% was achieved on the Charity's investment, earning interest of £181 for 2020/21.

6.9 In line with Folkestone & Hythe District Council's projected return on investments, it is anticipated that the 2021/22 investment return will be similar to that achieved in 2020/21 based on the sum invested.

6.10 The Charity also holds five properties (valued at £1,181,000) that are leased at commercial rents and are classed as investment assets. There has been a significant increase in the valuation of investment assets in 2020/21 to reflect the redevelopment of beach huts at Marine Walk and the increased revenue income this will generate.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

- 6.11 The Charity's accounts showing the financial performance for the year ending 31 March 2021 are set out on pages 14 to 27. They consist of the following:
- a) The Statement of Financial Activities – which shows all resources made available to the Charity and all expenditure incurred by it.
  - b) The Balance Sheet – which sets out the financial position of the Charity at the year end. It shows the balances and reserves at the Charity's disposal and its long term indebtedness, together with summarised information on the fixed assets held.
  - c) The Statement of Cash Flows – which shows how the Charity has used cash generated by its activities and changes in cash and cash equivalents held by the Charity.
- 6.12 The accounts are supported by the Statement of Accounting Policies and various notes to the accounts.
- 6.13 The charity finished the year with a loss of £244,000 due to losses arising on the revaluation of both investment and tangible fixed assets bringing the total reserves to £4,595,000. Of these funds £2,804,000 are restricted and £119,000 are endowment funds. At the balance sheet date £4,924,000 of the reserves are represented by fixed assets and could only be accessed by the sale of those assets.

## **7. COVID-19 PANDEMIC**

- 7.1 The coronavirus (Covid-19) outbreak was declared a global pandemic by the World Health Organisation on 11 March 2020 and on 23 March the government imposed a lockdown on the whole population, restricting all non-essential travel and contact with people outside of the home and closed almost all businesses, venues and facilities. This has had a considerable impact on the Council and in turn the Charity as many businesses in the district were forced to close which has significantly impacted the local economy and in turn impacts the Council's income streams.
- 7.2 The impact on the Charity was not as significant as first anticipated. Car parking income was largely unaffected as Folkestone & Hythe is a coastal district and many residents and visitors travelled to local areas while national travel restrictions were imposed. Leisure income only saw a small reduction as restrictions were lifted in the Summer months and visitor numbers increased during this period.
- 7.3 Work on the Beach Hut scheme which was due to commence in March 2020 was delayed due to business closures and access restrictions and started in June 2020. This delayed completion of the initial stage of beach huts until February 2021 with new leases being granted at the end of March 2021, therefore no rental income was received in 2020/21. There were also no maintenance or financing costs incurred in 2020/21 as a result of the delayed project and so there was no impact on the net revenue expenditure of the Charity.
- 7.4 While it is difficult to estimate with any certainty the full extent of the economic impact on the Council's financial position and the subsequent impact on the Charity for future years, the net expenditure of the Charity continues to be financed by a contribution from the Council.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**8. FUTURE PLANS**

- 8.1 The Charity will be considering enhancing a number of its land and property assets with the intention of furthering the aims of the Charity and continues to improve the parks and pleasure ground facilities for the people of Folkestone and the surrounding areas.
- 8.2 The introduction of recycling facilities across all parks and open spaces is currently being discussed as part of the Council's new waste management contract.
- 8.3 Draft master-planning work has commenced to potentially create a new destination play area and leisure hub at East Cliff following approval of the Play Area Strategy 2020-2030 which identifies the site as a Priority Play Area. This is still in the formative stages, meetings have taken place with a range of external stakeholders to gain buy-in to the project. Plans will be presented to Cabinet to gain approval for the project.

**9. AUDIT OF THE CHARITY'S ACCOUNTS**

- 9.1 UHY Hacker Young Chartered Accountants have been appointed to audit the 2020/21 accounts in accordance with the Charities Act 2011.

**10. FURTHER INFORMATION**

- 10.1 Further information about the Charity can be obtained from Susan Priest, Head of Paid Service, Folkestone & Hythe District Council, Civic Centre, Castle Hill Avenue, Folkestone, Kent CT20 2QY. (01303 852203) [susan.priest@folkestone-hythe.gov.uk](mailto:susan.priest@folkestone-hythe.gov.uk).

The Annual Report for the year ended 31 March 2021 approved by the Cabinet of Folkestone & Hythe District Council, the Corporate Trustee, on **XX April 2022** and signed on its behalf by:

Signed:

Date: XXXXXX

**Cllr DD Monk  
Chairman  
Folkestone Parks and Pleasure Grounds Charity**

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**ACCOUNTING AND REPORTING RESPONSIBILITIES**

Folkestone & Hythe District Council as the Corporate Trustee of the Charity is responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires Folkestone & Hythe District Council to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the representatives of the Corporate Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Folkestone & Hythe District Council as the Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Folkestone & Hythe District Council is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We certify that the financial statements on pages 14 to 27 have been prepared in accordance with the accounting policies set out on pages 17 to 19 and that it presents fairly the financial position of the Folkestone Parks and Pleasure Grounds Charity at 31 March 2021 and the Charity's incoming and outgoing resources for the year then ended.

Signed

Date XXXXXX  
**Cllr DD Monk**

**Chairman  
Folkestone Parks and  
Pleasure Grounds Charity**

Signed

Date XXXXXX  
**Cheryl Ireland**

**Financial Advisor to the  
Folkestone Parks and  
Pleasure Grounds Charity**

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**Report of the Independent Auditor to the Members of Folkestone Parks and Pleasure Grounds Charity**

**Opinion**

We have audited the financial statements of Folkestone Parks and Pleasure Grounds Charity (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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



**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

*How the audit was considered capable of detecting irregularities, including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **UHY Kent LLP t/a UHY Hacker Young**

Chartered Accountants  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date:

UHY Kent LLP t/a UHY Hacker Young are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021**

	Unrestricted Fund	Restricted Funds	Endowment Funds	Total	2019/20
	£'000	£'000	£'000	£'000	£'000
<b>Income and Endowments from:</b>					
Donations for projects	-	20	-	20	-
Charitable Activities	145	-	-	145	100
Investment Income (note 2)	46	-	-	46	72
Contribution from Folkestone & Hythe DC (note 3)	529	-	-	529	543
<b>Total</b>	<b>720</b>	<b>20</b>	<b>-</b>	<b>740</b>	<b>715</b>
<b>Expenditure on:</b>					
<b>Charitable Activities</b>					
<b>Operation of Parks and playgrounds</b>					
Employees (note 4)	-	-	-	-	6
Premises & Grounds (note 5)	623	-	-	623	595
Supplies and Services	86	-	-	86	59
Management and Support Services (note 4)	7	-	-	7	37
Governance Costs (note 6)	7	-	-	7	9
Depreciation	48	-	-	48	31
<b>Total</b>	<b>771</b>	<b>-</b>	<b>-</b>	<b>771</b>	<b>737</b>
Gains/(Losses) on Investment assets	(197)	-	-	(197)	289
Gains/(Losses) on Revaluation of Fixed Assets	(16)	-	-	(16)	299
<b>Net (Expenditure)/Income</b>	<b>(264)</b>	<b>20</b>	<b>-</b>	<b>(244)</b>	<b>566</b>
<b>Transfers Between Funds</b>	<b>51</b>	<b>(51)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Movements in Funds</b>	<b>(213)</b>	<b>(31)</b>	<b>-</b>	<b>(244)</b>	<b>566</b>
<b>Reconciliation of Funds:</b>					
Total funds brought forward	<b>1,885</b>	<b>2,835</b>	<b>119</b>	<b>4,839</b>	<b>4,273</b>
<b>Total funds carried forward</b>	<b>1,672</b>	<b>2,804</b>	<b>119</b>	<b>4,595</b>	<b>4,839</b>

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY  
BALANCE SHEET AS AT 31 MARCH 2021**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
<b>FIXED ASSETS</b> (note 8)		
Freehold Land and Buildings	3,521	3,558
Fixtures, Fittings and Equipment	133	154
Infrastructure Assets	89	95
Investment Assets (Properties)	1,181	854
Assets under Construction	<u>-</u>	<u>3</u>
<b>Total Fixed Assets</b>	<u>4,924</u>	<u>4,664</u>
<b>CURRENT ASSETS</b>		
Debtors (note 9)	<u>235</u>	<u>181</u>
<b>Total Current Assets</b>	235	181
<b>LIABILITIES</b>		
Creditors: due within 1 year (note 11)	<u>40</u>	<u>3</u>
<b>Net Current Assets</b>	<u>195</u>	<u>178</u>
<b>Total Assets Less Current Liabilities</b>	<u>5,119</u>	<u>4,842</u>
Creditors: due after more than 1 year (note 12)	524	3
<b>TOTAL NET ASSETS</b>	<u><u>4,595</u></u>	<u><u>4,839</u></u>
<b>THE FUNDS OF THE CHARITY</b>		
Endowment Fund	119	119
<i>Restricted Funds:</i>		
Capital Grants Reserve	2,804	2,835
<i>Unrestricted Funds:</i>		
Revaluation Reserve	1,659	1,872
Unrestricted General Fund	<u>13</u>	<u>13</u>
<b>TOTAL CHARITY FUNDS</b> (note 13)	<u><u>4,595</u></u>	<u><u>4,839</u></u>

Approved by the Cabinet of Folkestone & Hythe District Council, the Corporate Trustee, on **XX April 2022** and signed on its behalf by:

Signed

Date    XXXXXX

**Cllr DD Monk**  
**Chairman**

**Folkestone Parks and Pleasure Grounds Charity**

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

	2020/21 £'000	2019/20 £'000
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by/(used in) operating activities (note 15)</b>	<b>8</b>	<b>(91)</b>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	46	72
Purchase of tangible fixed assets	-	(43)
Purchase of investment	(521)	(3)
<b>Net cash (used in)/provided by investing activities</b>	<b>(475)</b>	<b>26</b>
<b>Cash flows from financing activities:</b>		
Cash inflows from new borrowing	521	3
<b>Net cash provided by financing activities</b>	<b>521</b>	<b>3</b>
<b>Change in cash and cash equivalents in the year</b>	<b>54</b>	<b>(62)</b>
Cash and cash equivalents at the beginning of the year (note 16)	181	243
<b>Cash and cash equivalents at the end of the year (note 16)</b>	<b>235</b>	<b>181</b>

<b>Analysis of changes in net debt:</b>	<b>At 1 April 2020 £'000</b>	<b>Cashflows £'000</b>	<b>At 31 March 2021 £'000</b>
<b>Cash at bank in hand</b>	181	54	235
<b>Debt:</b>			
Loans falling due after more than one year	(3)	(521)	(524)
<b>Net debt</b>	<b>(3)</b>	<b>(521)</b>	<b>(524)</b>

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**1. Statement of Accounting Policies**

**Basis of the Preparation of Accounts**

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102), the Charities Act 2011 and applicable regulations. The accounts have been prepared on a going concern basis and under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The charity constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. While the full extent of the Covid-19 pandemic remains uncertain, the Charity continues to be financed by a contribution from the Council and regular cash flow monitoring and budget reviews are being undertaken to support the medium term financial position and there are no concerns over the Council's ability to continue as a going concern.

**Income and Expenditure**

The revenue and capital accounts of the Charity are maintained on an accruals basis. That is, sums due to or from the Charity are accounted for in the year to which they relate whether or not the cash has actually been received or paid in the year. Accounts are accrued on an estimate basis where actual figures are not known.

Income is recognised once the charity has sufficient certainty of receipt and the amount of income can be measured reliably.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount can be measured reliably. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**Grants and Contributions**

Revenue grants and contributions are matched with the expenditure to which they relate.

Where the acquisition of a fixed asset is financed either wholly or in part by a grant or other contribution, the Charity will normally have entitlement to the incoming resource when it is receivable. At this point the income is recognised in the Statement of Financial Activities and is not deferred over the life of the asset.

Grants and other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

**Overheads**

There is a recharge from the accounts of Folkestone & Hythe District Council, based on time allocations, to reflect the cost of administrative and management support for the Charity.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**1. Statement of Accounting Policies (continued)**

**Fixed Assets**

*Capitalisation*

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Generally expenditure of over £10,000 on fixed assets is capitalised, provided that the fixed asset yields benefits to the Charity and the services it provides, for a period of more than one year, excluding routine repairs and maintenance of fixed assets which is charged directly to resources expended.

*Valuation*

- Freehold land and buildings are included in the balance sheet at the lower of net current replacement cost or net realisable value in existing use.
- Fixtures, fittings and equipment are included in the balance sheet at historical cost.
- Investment assets (properties leased at commercial rent) are included in the balance sheet at the lower of net current replacement cost or net realisable value. This is normally open market value.

The surpluses arising on the initial valuation of fixed assets have been credited to the revaluation reserve. Subsequent revaluations of fixed assets are planned at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period, as they occur. For example, assets are reviewed annually for impairment loss. In accordance with this policy the fixed assets were re-valued as at 31 March 2021.

Any assets acquired under finance leases are also capitalised in the Charity's accounts, together with the liability to pay future rentals.

*Depreciation*

Depreciation is provided for on all fixed assets with a finite useful life, which can be determined at the time of acquisition or revaluation. Depreciation is based on the asset value included in the balance sheet. The straight line method of calculation is used.

Depreciation is not provided for freehold land or investment assets.

Depreciation rates for other tangible assets are as follows:

functional buildings	20-35 years
fixtures, fittings and equipment	5-10 years
infrastructure assets	20 years

**Financial instruments**

The charity only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loan balances with its parent entity, Folkestone & Hythe District Council. All financial assets and liabilities are payable within 12 months, and are measured at the transaction price less provisions for impairment.



**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**1. Statement of Accounting Policies (continued)**

**Funds Structure**

- a) General Fund – this is an unrestricted income fund available to the Trustee to apply for the general purposes of the Charity.
- b) Revaluation Reserve – this is an unrestricted capital fund arising from the revaluation of the Charity’s fixed assets. It is not available for revenue purposes.
- c) Capital Grants Reserve – this is a restricted fund reflecting the book value of fixed assets financed by capital grants. The fund is reduced over the useful economic life of the assets in line with their depreciation policy.
- d) Endowment Fund – this is a restricted fund holding capital receipts from the disposal of the Charity’s fixed assets. Investment income from this fund is transferred to the general fund.

**Taxation**

Folkestone Parks and Pleasure Grounds Charity is a registered charity and is therefore potentially exempt from taxation on its income and gains as the charity falls within the definition of a charitable trust as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen in the year.

**Judgements and key sources of estimation uncertainty**

The Trustee does not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The most significant area of judgement and key assumptions that affect items in the accounts relate to the revaluation of land and buildings.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value.

Valuations are therefore not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards, except in respect of Retail and specific trading related assets/sectors such as camp sites, as at the valuation date there continue to be an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base judgements. Consequently, less certainty and a higher degree of caution should be attached to the valuations of these assets. This does not apply to Freehold Land & Buildings.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**2. Income**

**Investment income**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Sum Held By Folkestone & Hythe District Council	-	6
Rental Income (UK)	46	66
	46	72

**Donations**

The remaining balance of donations received brought forward was £32,094. A grant of £20,000 was received in 2020/21 and no expenditure was incurred leaving a balance of £52,094 to be carried forward at 31 March 2021.

**3. Contribution from Folkestone & Hythe District Council**

The net expenditure of the Charity is met from the resources of Folkestone & Hythe District Council and is treated as a special expense chargeable through Council Tax on the area of the former Borough of Folkestone (the current area of Folkestone and Sandgate).

**4. Employees and Management and Support Services**

The Charity does not directly employ any staff. Staffing costs, including an on-cost to recover Folkestone & Hythe's pension and national insurance overheads, are charged from the payroll of Folkestone & Hythe District Council either directly or through an apportionment based on time allocations. All apportioned staffing costs are included under 'management and support services'.

No employee of Folkestone & Hythe District Council charged total employee benefits (excluding employer's pension contributions) in excess of £60,000 to the Charity in 2020/21.

**5. Premises and Grounds Expenses**

The costs included in this heading are those relating to the grounds maintenance service and maintenance of the Charity's assets including utility costs. Both maintenance services are provided by Folkestone & Hythe District Council.

**6. Governance Costs**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Auditor's Remuneration – Current Year	3	3
Auditor's Remuneration – Relating to Prior Years	-	(1)
Valuation fees	4	7
	7	9

Fees for audit of the 2020/21 accounts are estimated at £3,000 and have been accrued in 2020/21.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**7. Unrestricted Fund - Analysis of Net Income**

	<i>2020/21</i> <b>Running Costs</b> <b>£'000</b>	<i>2020/21</i> <b>Depreciation</b> <b>£'000</b>	<i>2020/21</i> <b>Expend Total</b> <b>£'000</b>	<i>2020/21</i> <b>Income</b> <b>£'000</b>	<i>2020/21</i> <b>Net Total</b> <b>£'000</b>	<i>2019/20</i> <b>Net Total</b> <b>£'000</b>
East Cliff & Warren (incl Durlocks)	142	14	156	(29)	127	123
Lower Sandgate Rd	196	3	199	(124)	75	139
Radnor Park	255	31	286	(38)	248	200
Morehall Rec Ground	42	-	42	-	42	46
Canterbury Rd Rec Ground	45	-	45	-	45	47
Marine Walk Beach Chalets	29	-	29	-	29	(29)
	<u>709</u>	<u>48</u>	<u>757</u>	<u>(191)</u>	<u>566</u>	<u>526</u>
Management and Support Services					7	37
Governance Costs					7	9
					<u>14</u>	<u>46</u>
Contribution from Folkestone & Hythe District Council					(529)	(544)
<b>Net Income Before Transfers</b>					<u><b>51</b></u>	<u><b>28</b></u>
Gross Transfer between funds					(51)	(81)
<b>Net Income Before Other Recognised Gains and Losses</b>					<u>-</u>	<u>(53)</u>

**8. Fixed Assets**

**a) Definitions of Fixed Assets**

Freehold Land and Buildings – functional assets used in the delivery of services, possibly income producing e.g. car parks, sports facilities etc.

Fixtures, Fittings and Equipment – play area equipment at the Coastal Park and play equipment at Radnor Park and Canterbury Road Recreation Ground.

Infrastructure Assets – long-lived capital assets, normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets e.g. surfacing and landscaping at Radnor Park.

Investment Assets – freehold land and buildings that are leased at commercial rents.

There is no historic cost to the charity of the revalued assets as they were transferred with no charge in 1991 on the formation of the charity.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**8. Fixed Assets (continued)**

**b) Movement in Fixed Assets**

	*Land and Buildings £'000	Fixtures & Fittings £'000	Infra- structure Assets £'000	Investment Assets £'000	Assets under Construction £'000	Total £'000
<b><u>Cost or valuation</u></b>						
1 April 2020	3,568	454	109	854	3	4,988
Additions	-	-	-	521	-	521
Re-categorisation	-	-	-	3	(3)	-
Revaluations	(37)	-	-	(197)	-	(234)
31 March 2021	<b>3,531</b>	<b>454</b>	<b>109</b>	<b>1,181</b>	<b>-</b>	<b>5,275</b>

**Accumulated Depreciation and Impairment Provision**

1 April 2020	10	300	14	-	-	324
Revaluations	(21)	-	-	-	-	(21)
Charge for year	21	21	6	-	-	48
	<b>10</b>	<b>321</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>351</b>

**Net Book Values**

31 March 2020	<b>3,558</b>	<b>154</b>	<b>95</b>	<b>854</b>	<b>3</b>	<b>4,664</b>
31 March 2021	<b>3,521</b>	<b>133</b>	<b>89</b>	<b>1,181</b>	<b>-</b>	<b>4,924</b>

\*The historical cost of Land and Buildings included above is £2,689,000 (2020: £2,689,000)

**c) Fixed Asset Valuation**

The Charity's freehold land and buildings and investment assets (properties), were re-valued at 31 March 2021 by an external independent valuer – Wilks, Head & Eve Chartered Surveyors – on the under-mentioned bases in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institution of Chartered Surveyors.

Freehold Land and Buildings – are valued on the basis of open market value for the existing use or, where this could not be assessed because there was no market for an asset, the depreciated replacement cost.

Investment Assets (properties) – are valued on the basis of open market value.

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**8. Fixed Assets (continued)**

**d) Approximate Area of Charity's Land**

	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>Hectares</b>	<b>Hectares</b>
East Cliff and Warren (incl Durlocks)	102	102
Lower Sandgate Road	13	13
Radnor Park	8	8
Morehall Recreation Ground	5	5
Canterbury Road Recreation Ground	<u>2</u>	<u>2</u>
	<b><u>130</u></b>	<b><u>130</u></b>

**e) Capital Commitments**

In November 2019 Folkestone & Hythe District Council agreed a capital contribution to the Charity of £500,000 to meet the capital cost of the proposed Beach Hut Scheme (see section 5.4 in this report). In summary, the proposed £500,000 capital scheme is for the following programme of works:

- Renovate the existing 8 tiered chalets
- Renovate the existing 8 pitched roof chalets
- Undertake engineering works to stabilise and support the cliff
- Undertake infrastructure improvements (walls, surfacing, steps, disabled access)
- Undertake drainage improvements
- Install 120 new wooden chalets

Following commencement of works the overall projected cost of the scheme has increased to £577,000 due to higher than anticipated costs to renovate the existing chalets; significant increases in material costs as a result of the COVID-19 pandemic; and additional costs for unidentified asbestos removal required as part of the demolition and concrete works. The Charity is to receive a contribution of £7,500 towards the scheme and a further capital contribution of £69,500 has been agreed by Folkestone & Hythe District Council (in January and November 2021) taking total borrowing to £569,500. The borrowing period is 10 years and the indicative annual capital financing cost is estimated to be £62,000 and the Charity will meet the financing costs over a 10 year period from the gross additional revenue income generated from the scheme.

**9. Debtors**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Sum Held By Folkestone & Hythe District Council (see note10)	<u>235</u>	<u>181</u>
	<b><u>235</u></b>	<b><u>181</u></b>

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**10. Sum Held by Folkestone & Hythe District Council**

The Council's investments, including the Charity's capital receipts, are now managed in-house. The Charity's capital receipts are not in a ring-fenced investment but are part of Folkestone & Hythe's overall investment funds.

Folkestone & Hythe District Council also holds the Charity's day-to-day cash balance in one of its bank accounts. Sums held by the Council on behalf of the Charity are now treated as a debtor balance to acknowledge that the Council has custody of the funds but not beneficial ownership.

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Capital Receipts from Disposal of Fixed Assets <i>(Endowment Fund held by F&amp;HDC)</i>	119	119
Grants and Contributions <i>(Restricted Funds held by F&amp;HDC)</i>	52	32
General Reserve <i>(Unrestricted Funds held by F&amp;HDC)</i>	29	29
Movement in Trade Debtors and Creditors <i>(Administered by F&amp;HDC)</i>	35	1
	235	181

**11. Creditors Due Within One Year**

**a) Balances at year end**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Trade Creditors	6	-
Accruals	14	3
Deferred Income	20	-
	40	3

**b) Movement in the Year**

Beach Hut rental income is payable either quarterly in advance so is treated as deferred income in the accounts and only recognised as income in the period to which it relates.

	<b>Balance at 31 March 2020 £'000</b>	<b>Income released in year £'000</b>	<b>Income deferred in year £'000</b>	<b>Balance at 31 March 2021 £'000</b>
<b>Deferred Income</b>				
Beach hut rental income	-	-	20	20
	-	-	20	20

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**12. Creditors Due After More Than One Year**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Loan due to F&HDC	524	3
	524	3

The above loan is in respect of the refurbishment of the Beach Chalets as disclosed in note 8e.

**13. Fund Movements in the Year**

**a) Movement in current year**

	<b>Balance at 31 March 2020</b>	<b>Net Income</b>	<b>Transfers</b>	<b>Balance at 31 March 2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><i>Restricted Funds:</i></b>				
Capital Grants Reserve	2,835	20	(51)	2,804
Endowment Fund	119	-	-	119
<b><i>Unrestricted Funds:</i></b>				
Revaluation Reserve	1,872	(213)	-	1,659
General Fund	13	(51)	51	13
	4,839	(244)	-	4,595

The transfers between funds of £51k relate to the transfer of depreciation £48k and application of capital grants £3k.

**b) Movement in prior year**

	<b>Balance at 31 March 2019</b>	<b>Net Income</b>	<b>Transfers</b>	<b>Balance at 31 March 2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><i>Restricted Funds:</i></b>				
Capital Grants Reserve	2,910	6	(81)	2,835
Endowment Fund	119	-	-	119
<b><i>Unrestricted Funds:</i></b>				
Revaluation Reserve	1,284	588	-	1,872
General Fund	(40)	(28)	81	13
	4,273	566	-	4,839

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**14. Analysis of Net Assets between Funds**

	<b>2020/21</b>			
	<b>Fixed Assets £'000</b>	<b>Net Current Assets £'000</b>	<b>Long Term Liabilities £'000</b>	<b>Fund Balances £'000</b>
<b><i>Restricted Funds:</i></b>				
Capital Grants Reserve	2,804	-	-	2,804
Endowment Fund	-	119	-	119
<b><i>Unrestricted Funds:</i></b>				
Revaluation Reserve	1,659	-	-	1,659
General Fund	461	76	(524)	13
	4,924	195	(524)	4,595

	<b>2019/20</b>			
	<b>Fixed Assets £'000</b>	<b>Net Current Assets £'000</b>	<b>Long Term Liabilities £'000</b>	<b>Fund Balances £'000</b>
<b><i>Restricted Funds:</i></b>				
Capital Grants Reserve	2,835	-	-	2,835
Endowment Fund	-	119	-	119
<b><i>Unrestricted Funds:</i></b>				
Revaluation Reserve	1,872	-	-	1,872
General Fund	(43)	53	3	13
	4,664	172	3	4,839

**15. Reconciliation of Net Cash Flow from Operating Activities**

	<b>2020/21 £'000</b>	<b>2019/20 £'000</b>
Net (expenditure)/income for the reporting period (as per statement of financial activities)	(244)	566
Adjustments for:		
Depreciation charge	48	31
Loss/(Gains) on investments	197	(289)
Loss/(Gains) on fixed assets	16	(299)
Dividends, interest and rents from investments	(46)	(72)
(Increase)/Decrease in debtors	-	2
Increase/(Decrease) in creditors	37	(30)
<b>Net cash provided by/(used in) operating activities</b>	<b>8</b>	<b>(91)</b>



**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**16. Analysis of Cash and Cash Equivalents**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Sum held by Folkestone & Hythe District Council	235	181
<b>Total cash and cash equivalents</b>	<b>235</b>	<b>181</b>

**17. Related Party Transactions**

The Charity is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Charity (or to be controlled or influenced by the Charity). Disclosure of these transactions allows readers to assess the extent to which the Charity might have been constrained in its ability to operate independently (or might have secured the capability to limit another party's ability to bargain freely with the Charity).

Folkestone & Hythe District Council has effective control over the general operations of the Charity. It is responsible for providing the majority of the Charity's funding by financing its net cost. The Corporate Trustee duties of the Council are carried out by its cabinet councillors. The Charity's management and support and grounds maintenance is provided by Council officers.

Councillors are required to observe the code of conduct for councillors, register financial interests under section 81(1) of the Local Government Act 2000 and register the receipt of any gifts/hospitality over £25. There are no material related party transactions with councillors to disclose for 2020/21.

Officers are required to observe the code of conduct for officers and register the receipt of any gifts/hospitality. The Charity had no material related party transactions with officers during 2020/21.

Material amounts included in the Charity's accounts relating to Folkestone & Hythe District Council are as follows:

<b>Statement of Financial Activities</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Contribution to finance net expenditure	(529)	(543)
Provision of management and support services	7	37
Provision of grounds maintenance and cleansing services (see note 5)	623	595

**18. Key Management Personnel**

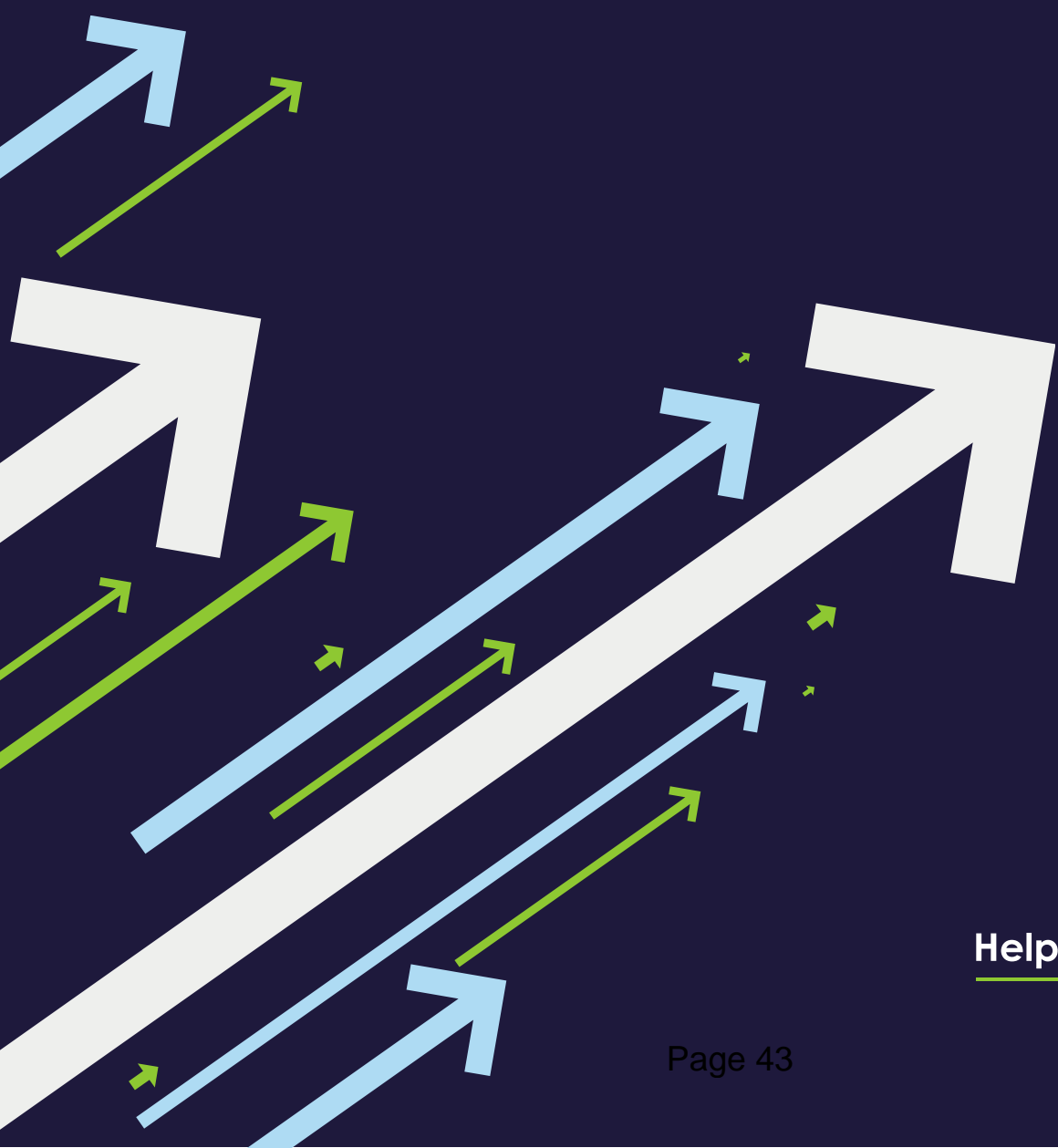
The Corporate Trustee, Folkestone & Hythe District Council, constitutes the key management personnel of the Charity. The cabinet members of Folkestone & Hythe District Council, as listed on page 1, have not received any remuneration or expenses for carrying out the Corporate Trustee function on behalf of the Council.

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# Audit Findings report

Folkestone Parks and Pleasure Grounds Charity

Year ended 31 March 2021



Helping you prosper

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The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising and, in particular, we cannot be held responsible for reporting all risks in your business or all internal control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for and is not intended for, any other purpose.

# 01 Introduction

## Purpose of this report

The purpose of this report is to bring to your attention the salient points which have arisen from our audit of the financial statements of Folkestone Parks and Pleasure Grounds Charity ('FPPGC') ("the Charity") for the year ended 31 March 2021.

This report provides an update to the matters raised in our Audit Service Plan dated 23 November 2021, focussing on observations that are significant to the responsibility of those charged with governance to oversee the financial reporting process as required by International Standard on Auditing (UK) 260 Communication with Those Charged with Governance.

This report provides an update to matters which arose during the course of our audit.

## Audit independence

We are required to reaffirm our independence at the conclusion of the audit.

We confirm that no matters have arisen that impact on our previous statement made in our Audit Service Plan that there are no relationships between our firm and connected entities and your Charity that need to be brought to your attention.

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**Should you have any questions relating to the issue of our independence and objectivity, please do not hesitate to contact Allan Hickie on 01795 475363 or at [a.hickie@uhy-uk.com](mailto:a.hickie@uhy-uk.com)**

## Audit scope

Our terms of engagement are set out in our engagement letter dated 15 October 2019. This sets out our audit responsibilities and their limitations and the responsibilities of the Corporate Trustee in relation to the financial statements.

Our Audit Service Plan set out in detail the key issues and risks identified at the planning stage and the related planned audit responses. It also explained that our audit approach concentrates on areas of material risk of misstatement in the financial statements to allow us to reach our opinion in accordance with auditing standards.

## Confidentiality and limitations

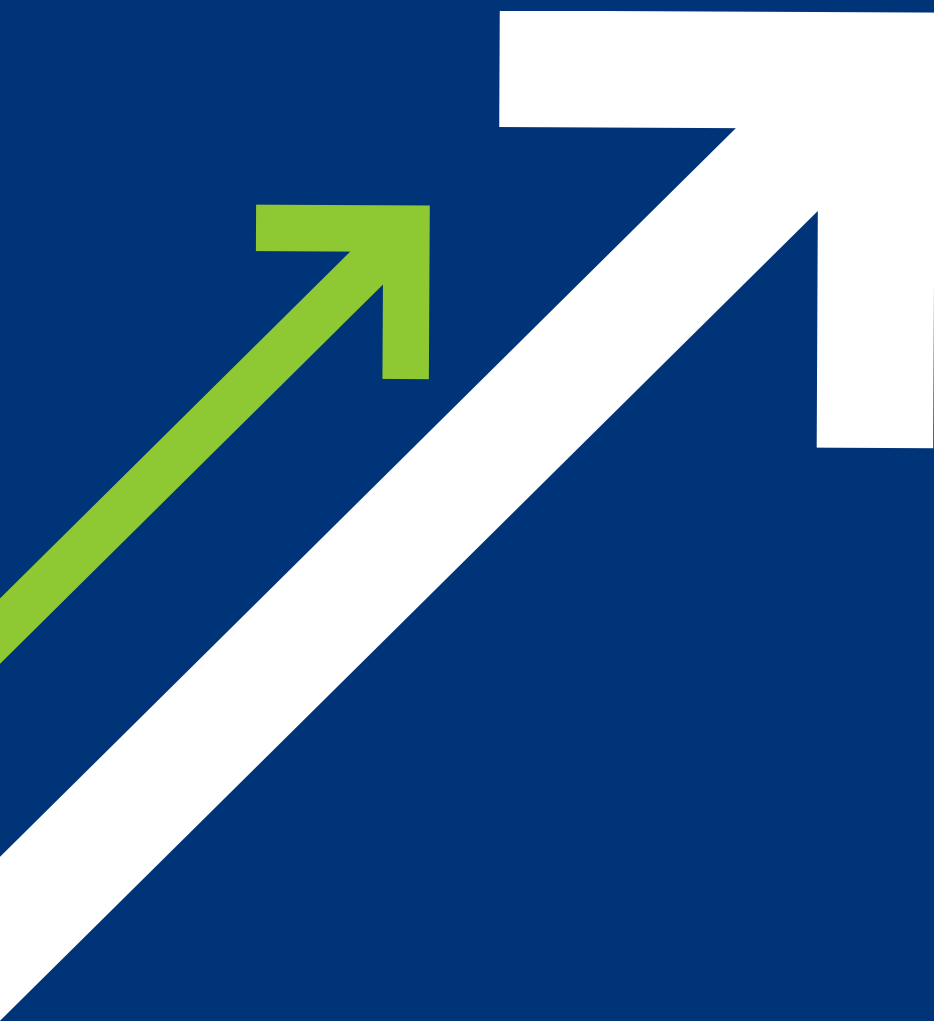
Please note the following important limitations with regards to the contents of this Report:

- This report has been prepared for the sole use of the FPPGC;
- The contents of this Report must not be disclosed or quoted to third parties, in whole or in part, without our prior written consent;
- We assume no responsibility to any other person;
- Our procedures are carried out solely for the purpose of our audit of the financial statements. Our audit is not designed to identify all matters that may be relevant to those charged with governance; accordingly the matters referred to within this Report may not be the only shortcomings that exist.

## Acknowledgement

We have received full co-operation from all the finance staff. We wish to thank in particular Patricia Phillipson, as well as the wider team for the helpfulness and co-operation during the course of the audit process.

# Audit status



## 02 Audit status

Our work was carried out in accordance with our audit plan communicated to you in our Audit Service Plan dated 23 November 2021.

Throughout our work we considered the key audit risks noted in our Audit Service Plan, and no matters were identified which required us to change our approach. Further to this, no additional risks were identified. We comment on the original risks communicated in our Audit Service Plan, and our conclusion on these risks later in this Report.

Our audit is substantially complete, although we are finalising our procedures in the following areas:

- Related party questionnaires;

We do not anticipate that the completion of our work in these areas will give rise to any material adjustment.

### Letter of representation

We have forwarded the Letter of Representation, which we request that the Trustees approve and sign at the same time as the financial statements, under separate cover. This letter contains the following specific representations;

- Land and buildings being in the name of the Corporate Trustee
- Confirmation of the valuation of land and buildings, including the coastal parks that were previously treated as heritage assets.

### Anticipated audit report

Subject to the conclusion of the above items, we do not expect any modifications to our audit report on the financial statements for the year ended 31 March 2021. However, our responsibilities with regards to the audit report extend up to the date on which it is signed and we will advise you of any changes to this position if necessary.

Our audit report is required to explicitly comment upon the extent to which our audit was directed to detect irregularities, including fraud:

#### Consideration of fraud

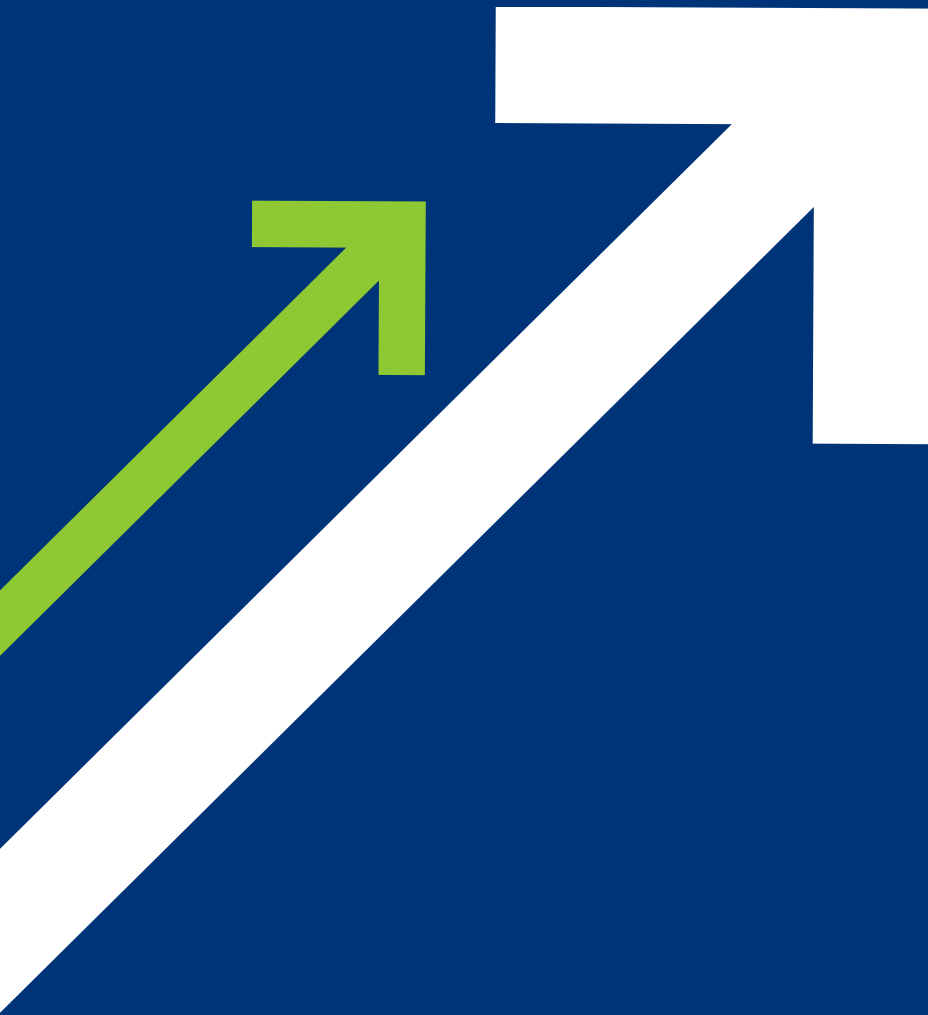
During the course of our work we found no evidence of fraud and corruption. We must emphasise, however, that the responsibility for the prevention of and detection of fraud lies with management, and our work does not remove the possibility that fraud and corruption may have occurred and remain undetected.

#### Laws and regulations

We are not aware of any significant incidences of non-compliance with laws and regulations.



# Significant matters



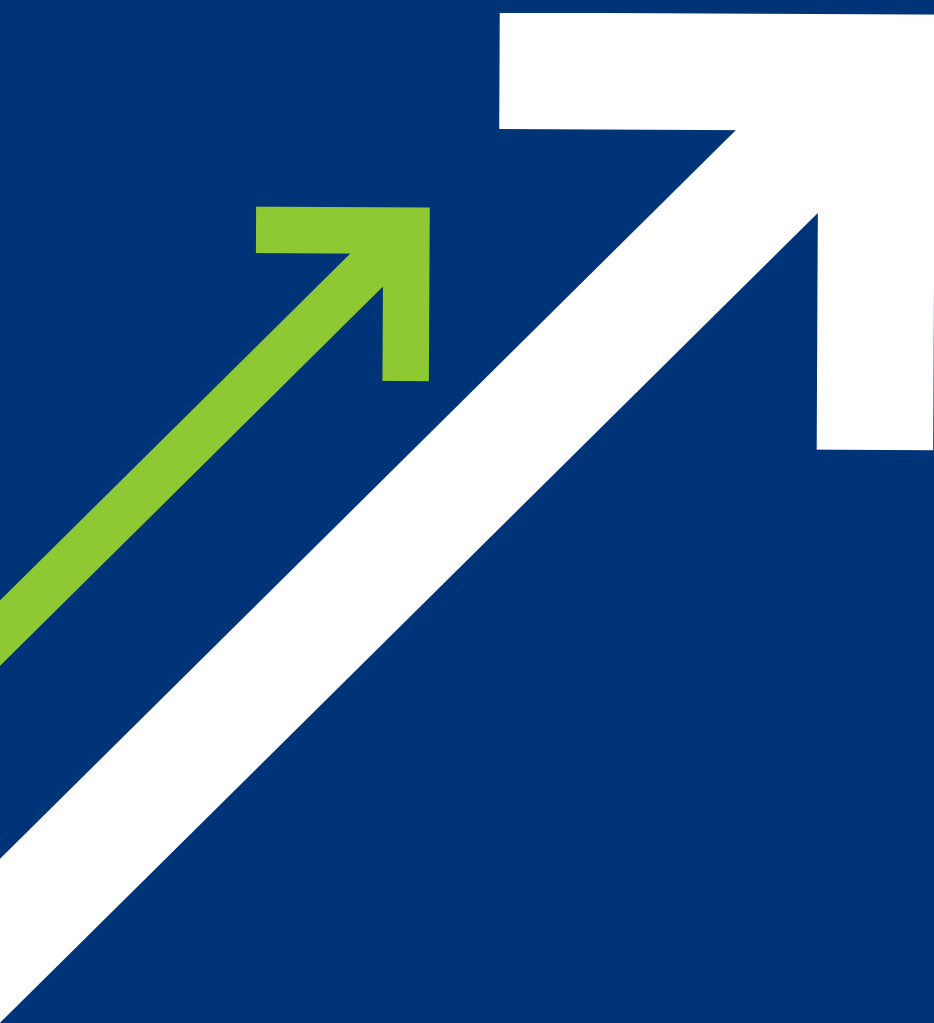
## 03 Significant matters

Significant matters, as identified in our Audit Service Plan:

Risks identified in Audit Service Plan	Planned audit response	Comments
<p><b>Revenue recognition</b></p> <p>The Charity receives from various sources such as donations and legacies, charitable activities and investment income. There is a risk that revenue may not be complete if transactions have not been recorded in the correct accounting period.</p> <p>The International Standards on Auditing (UK) consider revenue recognition to be an inherent fraud risk and on consideration of the Charity's sources of income, this cannot be rebutted.</p> <p>The Charity's accounting policies for income should follow the criteria set out in FRS 102 and the Charities SORP.</p>	<p>We will review each income stream, ensuring it is correctly recorded and will consider the specific risks associated with the various income categories. We will also ensure that the revenue has been recorded in the correct accounting period.</p>	<p><b>Conclusion:</b> We found no significant or reportable adjustments based on the work performed.</p>

Risks identified in Audit Service Plan	Planned audit response	Comments
<p><b>Management override of controls</b></p> <p>The International Standards on Auditing (UK) consider management override of controls to be an inherent fraud risk due to the possibility of financial statement bias or fraud.</p>	<ul style="list-style-type: none"> <li>• Consider key accounting policies and whether they are appropriate to the circumstances of the group and consistent with other organisations in the sector.</li> <li>• Review journals during the year and confirm they are reasonable, adequately supported and accurate;</li> <li>• Enquire of individuals involved in the financial reporting process about any inappropriate or unusual activity relating to the processing of journal entries and other adjustments;</li> <li>• Evaluation of management processes for setting accounting estimates; and</li> <li>• Incorporate an element of unpredictability into the timing and extent of testing.</li> </ul>	<p><b>We have:</b></p> <ul style="list-style-type: none"> <li>• Documented the processes regarding the posting of journals and formulation of key estimates and assessed the design and implementation of those controls.</li> <li>• Assessed accounting estimates, judgements and decisions made by management.</li> <li>• Tested a sample of journal entries, adjustments and accounting estimates for bias that could result in material misstatements.</li> <li>• Review significant transactions to ensure they were in the normal course of business.</li> </ul> <p><b>Conclusion:</b> We found no indication of management bias or significant transactions outside the normal course of business.</p>

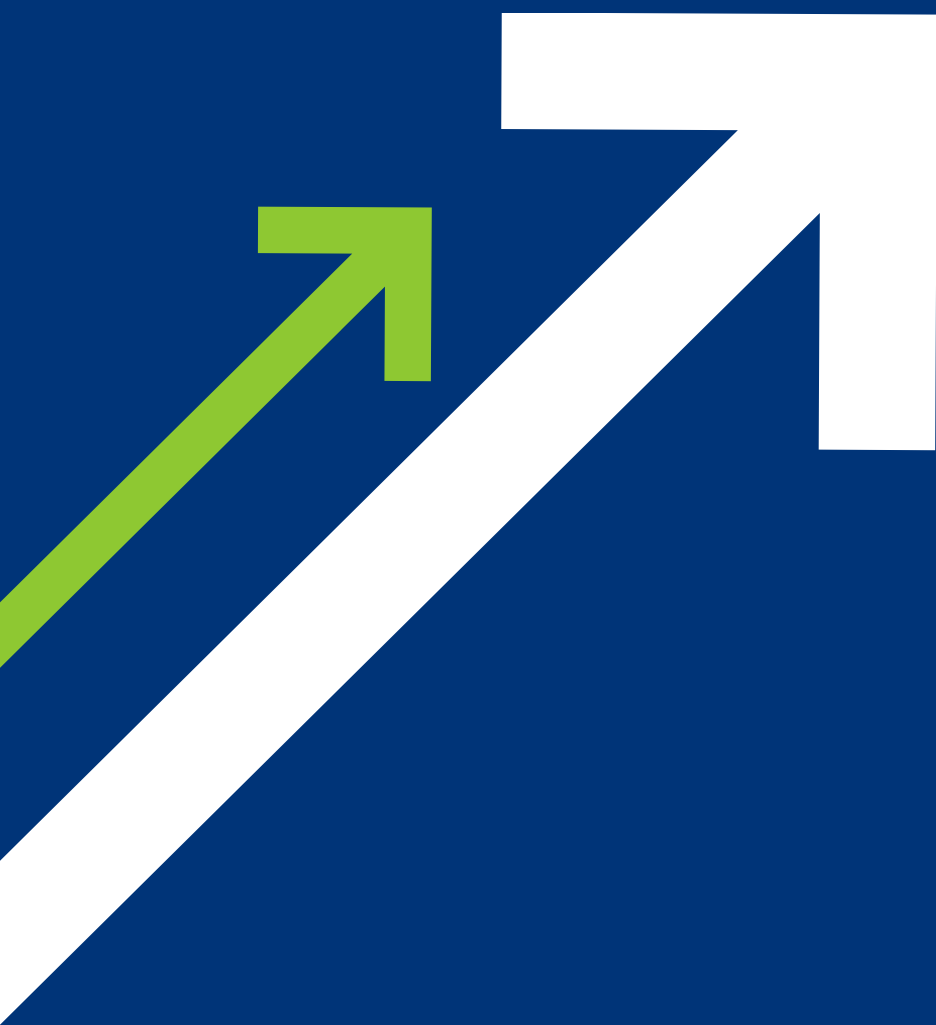
# Going Concern



## 04 Going concern

<b>Management's assessment</b>	<p>Management were to evaluate whether the Charity is trading as a going concern.</p> <p>Management were required to provide a budget up to 2023 which confirmed their assessment of the going concern principle.</p>	<p>We inspected the budget provided by management, checking that the assumptions made were reasonable and that the calculations were accurate.</p> <p><b>Conclusion:</b> We concur with management's assessment that the going concern principle is applicable.</p>
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# Other matters (non-significant risks)

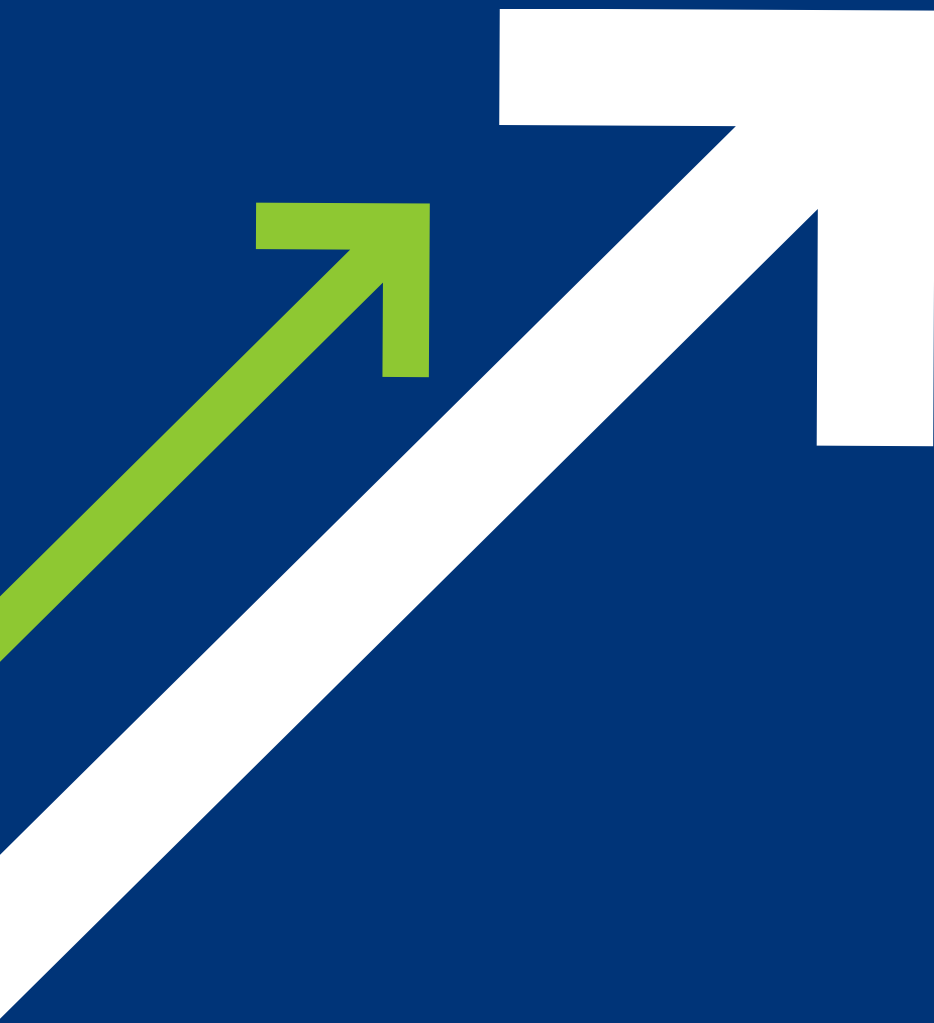


## 05 Other matters (non-significant risks)

Other Risks identified in our Audit Service Plan	Planned audit response	Comments
<p><b>Related party transactions</b></p> <p>Work is required to ensure that related party disclosures are correctly made in accordance with both the Financial Reporting Standard 102 (“FRS 102”) and the Charities SORP.</p>	<p>We planned to review completed questionnaires, issued by UHY, and other external sources of information such as Companies House and the Charity Commission to identify any potential related party transactions requiring disclosure.</p>	<p>No additional related party transactions were highlighted, on review on questionnaires.</p> <p><b>Conclusion:</b> Related party transactions are considered complete and accurately disclosed in accordance with UK Generally Accepted Accounting Practice (UK GAAP).</p>

Section 06

# Accounting practices and financial reporting



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## 06 Accounting practices and financial reporting

During the course of our audit, we consider the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements.

### Accounting policies

We have reviewed the accounting policies adopted by the Charity and have found them to be appropriate and applied consistently.

There have been no changes to the accounting policies, nor changes to the activities of the Charity necessitating changes to accounting policies, since the previous period.

### Unusual transactions

The extent to which the financial statements are affected by any unusual transactions during the period and the extent to which such transactions are separately disclosed in the financial statements. There were no matters arising.

Throughout the course of our audit fieldwork, we considered the timing of transactions and the period in which they are recorded. We did not identify any significant transactions where we had concerns over the timing or the period in which they were recognised. Specifically, we confirm that based upon our testing, income appears to have been appropriately accrued or deferred as required and appropriate accruals for expenditure have been included.

### Accounting estimates and judgements

We reviewed the appropriateness of accounting estimates and judgements, including the consistency of assumptions and degree of prudence reflected in the accounting records. There were no matters arising.

### Trustees' Report

We reviewed the annual trustees' report to ensure consistency with the financial statements, and to ensure that all necessary disclosures have been made. There were no matters arising.

### Disagreements

There were no disagreements about matters that, individually or in aggregate, could be significant to the Charity's financial statements or our auditor's report. We are required to report to the Trustees any such matters, whether they have or have not been resolved and the significance of these matters.

## Significant difficulties

We encountered no significant difficulties during the course of the audit that we feel necessary to bring to your attention.

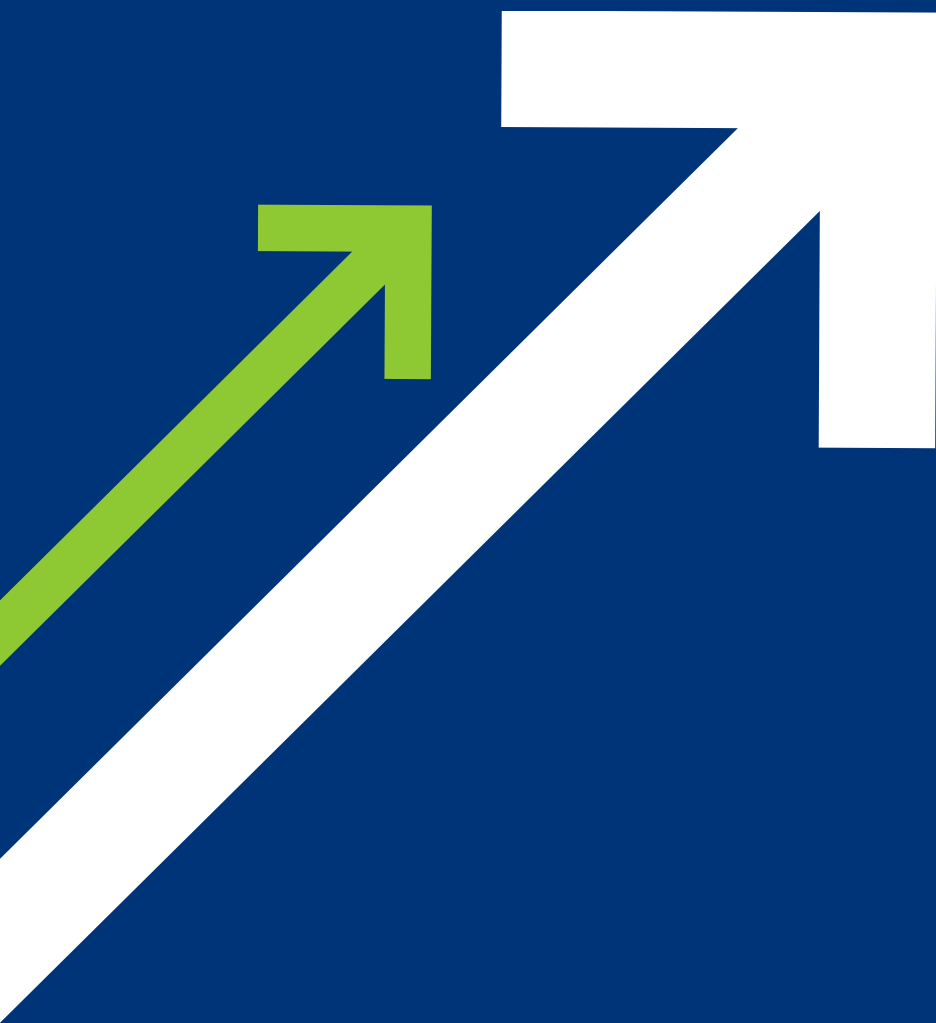
## Significant matters

There were no significant matters arising from the audit that we have discussed, or were subject to correspondence with management which have required us to obtain written representations from management.

## Other matters

As part of our audit work we consider the potential effect on the financial statements of any uncertainties, including significant risks and disclosures, such as pending litigation that are required to be disclosed in the financial statements. There were no matters arising.

# Audit adjustments



## 07 Audit adjustments

Under the requirement of ISA (UK) 260, we are required to report to you all adjusted and unadjusted misstatements, with the exception of those deemed to be 'clearly trivial'.

Below sets out the misstatements identified as part of this year's audit.

### **Audit adjustments agreed with management**

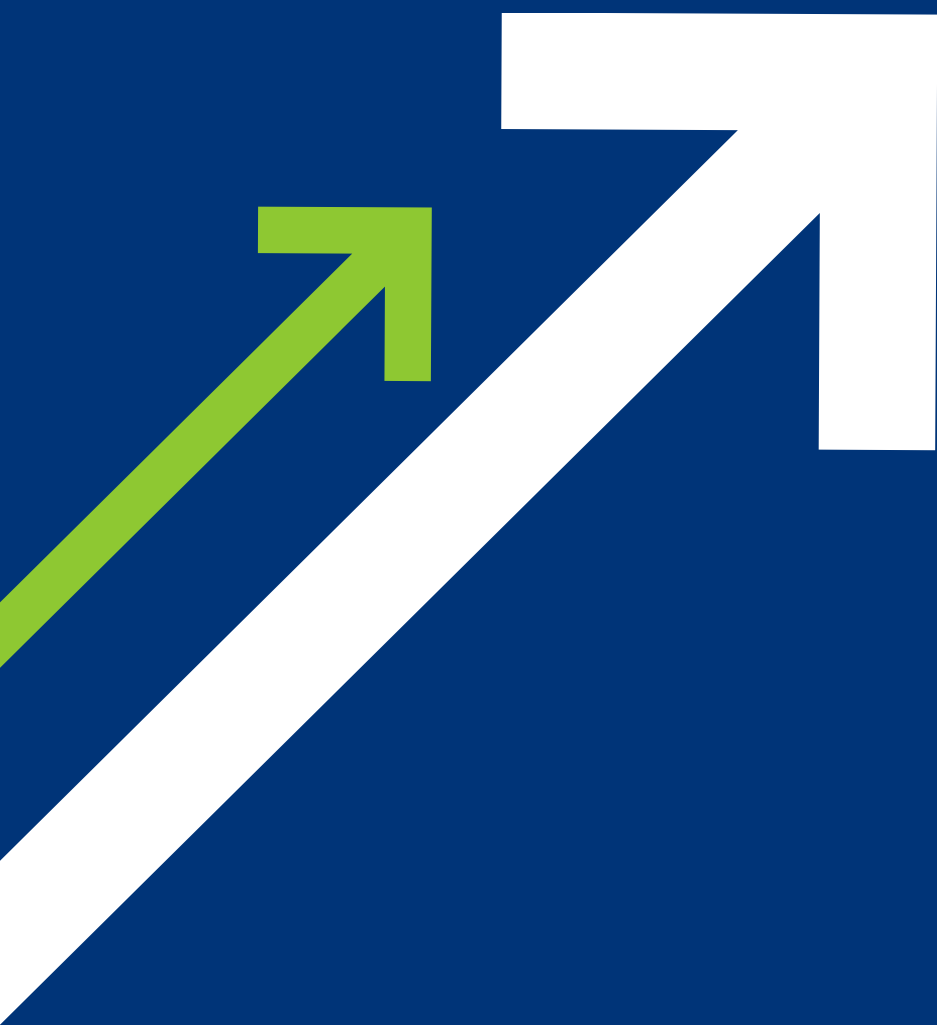
During the course of the audit, we identified no adjustments which necessitated the statutory financial statements to be revised.

### **Unadjusted items**

During the course of the audit, we identified no potential adjustments.



# Recommendations to processes and internal controls



## 08 Recommendations to processes and internal controls

### Management’s responsibilities

The Charity’s management is responsible for the identification, assessment and monitoring of risk, and for developing, operating and monitoring the systems of internal control and for providing assurance to the Corporate Trustee that it has done so. During the course of our audit of the financial statements for the year ended 31 March 2021, we examined the principal internal controls which management has established to enable it to ensure, as far as possible, the accuracy and reliability of the Charity’s assets.

### Auditor’s responsibilities





International Standard on Auditing (UK) 265, *Communicating deficiencies in internal control to those charged with governance and management*, (ISA (UK) 265) requires us to report separately where we identify missing or ineffective controls which, in our judgement, are of sufficient importance to bring to the attention of those charged with governance.

During our work we identified no such weaknesses in controls (described as “significant deficiencies” per the ISA). We have however identified some recommendations for improvement as set out below.

The matters dealt with in this Audit Findings Report came to our attention during the conduct of our normal audit procedures which are primarily designed for the purpose of expressing our opinion on the financial statements of the Charity. In consequence it cannot be relied upon necessarily to disclose possible frauds or other irregularities, or to disclose all possible weaknesses or improvements in internal control that a more extensive special examination may highlight.

Our observations from the audit are set out below together with our recommendations and suggested timescale.


#### Key to risk ratings:

			
Less urgent, requires attention	Important and could impact within six months	Urgent, potential impact on accuracy of financial reporting	Advisory

## Follow up of previous year's recommendations

The following matters were raised as part of the previous year's audit.

1. Cash sales East Cliff Sports Pavilion	
Prior year observation	<p>Our testing of the East Cliff Pavilion income identified that the cash collected from sales of pitch and putt/ bowls tickets is open to manipulation.</p> <p>With the current system in place, it is fully reliant on tickets being issued to all customers that partake in the activities that are on offer. There are no controls to identify if cash has been collected and a ticket not issued.</p> <p>As part of our audit work, we checked to see if the closing ticket numbers on the Waybill for the last day of the season tallied with the opening ticket numbers for the opening weekend of the season in April 2019. There were discrepancies which could not be explained.</p> <p>Our review of the income received for the year against the budgeted income has not highlighted any significant variances, therefore we have not rated this as a high risk item.</p>
Prior year recommendation	<p>It was recommended that a credit card payment facility is explored further. In addition, we recommend that care is taken to ensure that all tickets are securely stored at the end of the season to ensure that no tickets are lost or misappropriated.</p> <p>This recommendation was discussed with Cheryl Ireland at the audit clearance meeting on 17 December 2020 and we were advised that card machines have been ordered and are expected to be in place from April 2021.</p>
Prior year Management response	<p>Cheryl Ireland at the audit clearance meeting on 17 December 2020 and we were advised that card machines have been ordered and are expected to be in place from April 2021.</p>

Priority now 	<p>During the year the ticket numbers tested were sequential and total banking was in line with weekly taking sheets.</p>
Current year recommendation	<p>As above, this should be more efficient for 2021/22 and card machines are now being used.</p>
Current year Management response	

We can confirm the following prior year recommendations following the conclusion of the 31 March 2020 audit have been resolved:

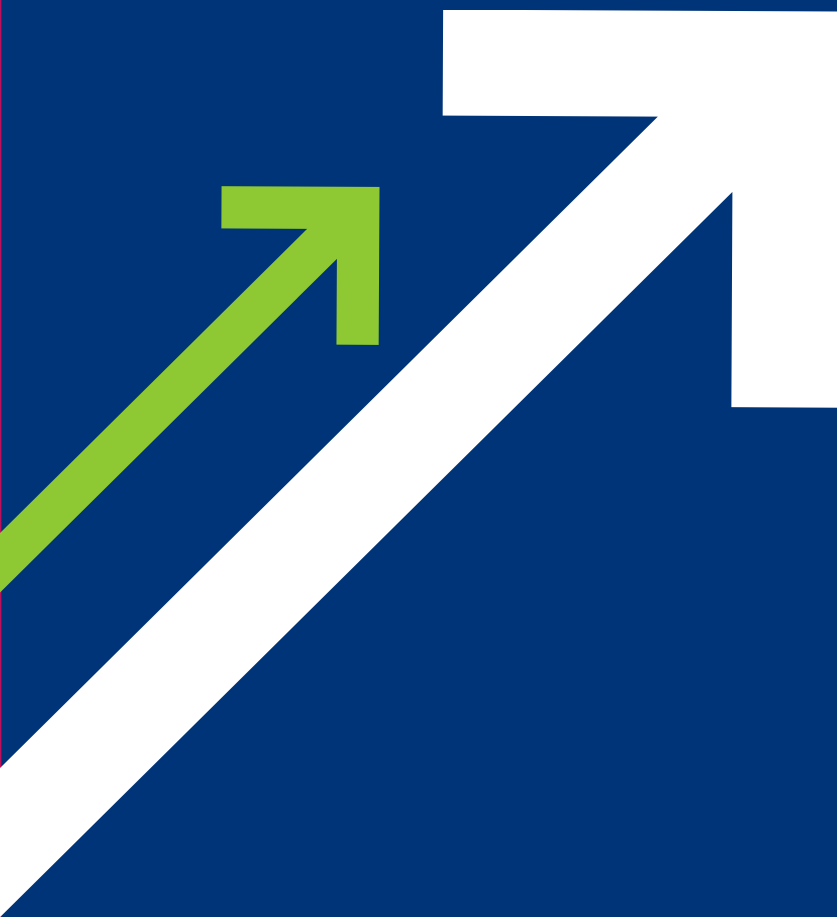
- Deposits are now recorded correctly.
- Income admin charges are now being spilt out correctly.

## **Recommendations made following the audit for the year ended 31 March 2021**

There were no issues highlighted during the audit.



# Sector developments



## **Periodic review of Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)**

FRS 102 is subject to a periodic review at least every five years. The last periodic review, the Triennial Review 2017, was completed in December 2017 with an effective date of 1 January 2019.

The Financial Reporting Council has now commenced its next periodic review of FRS 102 and issued its request for views on 23 March 2021. A part of this process is seeking views from stakeholders on areas that might be considered as part of the review. This may include new issues or transactions that should be addressed, or other suggestions. The review will consider recent developments in financial reporting and relevant developments in the wider reporting framework.

### **New Charities SORP (FRS 102)**

The establishment of the new Charities SORP engagement process in the context of a global pandemic understandably led to a delayed start. The process is now fully underway with the Committee currently in the “reflection” phase of their timetable. It is during this phase that the Committee consider how well the Charities SORP, and accounting standards, meet their identified need and identify areas for change and potential solutions to effect beneficial change.

Following completion of this phase, the Committee will need to enter into a problem solving phase before drafting the new Charities SORP, based on the exposure draft of FRS 102 following its own periodic review as the new FRS 102 is a critical factor on the timing of the new Charities SORP process.

Public consultation of the new Charities SORP is expected between July 2022 and July 2023 with the SORP expecting to be finalised and published between October 2022 and January 2024. The intention is that the new Charities SORP would be effective for accounting periods beginning on or after 1 January 2024.

### **The future of Charity financial reporting**

In May 2021 the Charity Commission for England and Wales (CCEW), the Charity Commission for Northern Ireland (CCNI) and the Office of the Scottish Charity Regulator (OSCR) wrote to the Financial Reporting Council (FRC) in their capacity as the joint SORP making body for charities in the UK. The purpose of this letter was to encourage the FRC to make changes to FRS 102 as a precursor to making a wholesale change to the financial reporting and accounting arrangements for not-for-profit organisations.

FRS 102 is primarily focused at for-profit entities, although some concessions are made to Public Benefit Entities as noted within Section 34 of the Standard.

The intention of the SORP making body is for FRS 102, which underpins the Charities SORP, is to acknowledge the differences in financial reporting required by for-profits and non-profits – particularly in cases when FRS 102 Section 1A highlights financial reporting exemptions that not-for-profits are unable to take advantage of as it contradicts the financial reporting requirements of the Charities SORP.

Other proposed changes arise from the desire to “de-clutter” charity accounts. One such example was the triennial review of FRS 102 in 2017, which clarified that comparative information be presented in respect of the preceding period for all amounts presented in the current period’s financial statements. Evidence collected from users and preparers of charity accounts found that additional information included because of this clarification, such as comparative information in respect of a charity’s Statement of Funds, has not proved informative or useful to decision making by users of the accounts.

The letter to the FRC then went further and proposed that the FRC develop a dedicated financial reporting standard for not-for-profits for the UK and Ireland. This would dispense of the need for the users and preparers of non-profit financial statements to refer to two, sometimes conflicting, financial reporting frameworks. This need has been driven to better recognise the charity sector’s reporting realities and to remove the requirement to prepare disclosures which are driven by Companies Act and other legislative requirements. The SORP making body noted that the anticipation of further developments to FRS 102, with capital markets in mind, will undoubtedly increase the number of disclosures and reporting requirements burdensome to the sector, with little or no benefit to the users of charity financial statements.

## UHY resources

### Charity insights

As part of our commitment to keep our clients informed and up-to-date with the latest developments and ideas in the sector, we have a long-established charities sector blog which covers the latest issues, including any announcements from the Charity Commission, and explains how these issues could affect you. Latest blogs include:

- Do you have controls for your charity?
- Would your charity benefit from a robust internal audit service?
- Making the most of your Trustees’ Report
- Sourcing skilled Trustees

Visit our insights page to view our latest charity resources. [www.uhy-uk.com/insights](http://www.uhy-uk.com/insights).

### Charity and not-for-profit sector outlook

Our 2020/21 Outlook aims to bring you the salient issues relevant to the sector at this time. We cover a range of topics which take a look at the impact of COVID-19 and discuss what you can do to protect your charity. We also have a fantastic interview with Rita Akushie, Chief Financial Officer at Cancer Research UK, who shares some valuable insights. [2020-21-Charity-and-NFP-Sector-Outlook\\_0.pdf \(uhy-uk.com\)](#)



UHY Hacker Young  
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Sittingbourne  
Kent  
ME10 4BJ

Dear Sirs

### **Letter of Representation**

This representation letter is provided in connection with your audit of the financial statements of Folkestone Parks and Pleasure Grounds Charity ('the Charity') for the year ended 31 March 2021. We note that your audit was performed for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the result and financial position of the Charity in accordance with the UK Generally Accepted Accounting Practice financial reporting framework.

We confirm to the best of our knowledge and belief, the following representations made to you in connection with your audit of this entity's financial statements:-

#### **1. General**

We acknowledge as trustees our responsibility under the Charities Act 2011 for preparing financial statements, which give a true and fair view of the financial position of the Charity as of 31 March 2021, and of the result of its operations for the year then ended, and for making accurate representations to you. The financial statements are free of material misstatements, including omissions. We confirm that we have held prior discussion with you to ensure that there is complete agreement on the meaning of all confirmations that we are making to you.

We have made available to you all the accounting records necessary for your audit, including books of account, supporting documentation and all minutes of meetings of shareholders and the board of trustees. All the entity's transactions have been reflected in the accounting records produced to you. We have not withheld any information, the knowledge of which could cause you to take a materially different view in your report.

All relevant access to persons within the charity has been made available to you for the purpose of your audit.

We acknowledge our responsibility for the design and implementation of internal control procedures to prevent and detect fraud and error, and have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We are not aware of any irregularities involving either management, employees with a significant role in internal control, former employees, analysts, regulators or anyone else where those irregularities could have a material effect on the financial statements.

#### **2. Audit Adjustments**

There were no potential audit adjustments highlighted during your audit, and thus no adjustments have been made to the financial statements.

#### **3. Commitments, contingencies and liabilities**

We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties. We do not know of any substantial liabilities, contingent liabilities of capital commitments, of a material amount, other than those disclosed in the financial statements.

#### **4. Litigation**

There is no litigation in progress or pending.

**5. Transactions and arrangements with officers and related parties**

We confirm that we are aware that a related party of the charity is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charity or vice versa and as a result will include: trustees, other key management, close family and other business interests of the previous.

We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the applicable financial reporting framework.

**6. Post balance sheet events**

No other events or transactions have occurred, or are pending, which could either have a material effect on the financial statements or which are of such significance in relation to the entity's affairs that they should either require adjustment or be disclosed in the financial statements, or notes thereto, in order to avoid giving a misleading view of the entity's financial position.

**7. Laws and regulations**

We are not aware of any events which involve possible or actual instances of non-compliance with those laws and regulations which provide a legal framework within which the entity conducts its business. The entity has complied with all aspects of contractual agreements and the requirements of regulatory authorities that, in either case, could, in the event of non-compliance, have a material effect on the financial statements.

**8. Future plans**

We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

**9. Accounting estimates**

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable, in particular those assumptions in respect of the charity's investment properties and land and buildings, as stated below.

**10. Assets in name of Corporate Trustees**

We confirm that the following title deeds are in the name of The District Council of Shepway (Trustee);

Public Gardens, Wear Bay Road/Crescent  
Lower Sandgate Road Pleasure Ground  
Lower Sandgate Road Coastal Park  
Lower Sandgate Road Car Park  
The Warren Camping Site  
Marine Walk Beach Chalets  
Lower Sandgate Road Restaurant  
Tollgate, Lower Coastal Sandgate Road toilets  
Lower Sandgate Road Car Park

Although the title deed is not in the charity's name, we confirm the land is owned by the charity.

**11. Assets held at valuation**

We confirm that we have assessed the fair value of all investment properties as being £831,000, and all other land and buildings as being £3,499,000 at 31 March 2021 on an open market value basis. We have based this valuation on information from professional Chartered Surveyors we confirm that this is considered to be an accurate valuation of the property at the year end.

12. **Coastal parks valuation**

We confirm that we consider the fair value of the coastal parks and associated land and car parks to be £2,689,000. As there is no open market value available for this type of land and due to its specialised nature, we consider the historic cost of the parks to be a reasonable basis for the valuation on an existing use basis.

13. **Going concern**

We confirm that having considered our expectations, intentions and projections for the twelve months following the date of this letter, and the availability of unrestricted reserves, we are not aware of any matters that would suggest that the charity will not continue as a going concern.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully,

.....  
Name (Print)

.....  
Signature

For and on behalf of Folkestone Parks and Pleasure Grounds Charity

.....  
Date

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