
FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY

***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

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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.

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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).

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- 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.

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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.

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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.

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- 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.

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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.

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
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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. 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
Income and Endowments from:					
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
Total	720	20	-	740	715
Expenditure on:					
Charitable Activities					
Operation of Parks and playgrounds					
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
Total	771	-	-	771	737
Gains/(Losses) on Investment assets	(197)	-	-	(197)	289
Gains/(Losses) on Revaluation of Fixed Assets	(16)	-	-	(16)	299
Net (Expenditure)/Income	(264)	20	-	(244)	566
Transfers Between Funds	51	(51)	-	-	-
Net Movements in Funds	(213)	(31)	-	(244)	566
Reconciliation of Funds:					
Total funds brought forward	1,885	2,835	119	4,839	4,273
Total funds carried forward	1,672	2,804	119	4,595	4,839

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

	2020/21	2019/20
	£'000	£'000
FIXED ASSETS (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>
Total Fixed Assets	<u>4,924</u>	<u>4,664</u>
CURRENT ASSETS		
Debtors (note 9)	<u>235</u>	<u>181</u>
Total Current Assets	235	181
LIABILITIES		
Creditors: due within 1 year (note 11)	<u>40</u>	<u>3</u>
Net Current Assets	<u>195</u>	<u>178</u>
Total Assets Less Current Liabilities	<u>5,119</u>	<u>4,842</u>
Creditors: due after more than 1 year (note 12)	524	3
TOTAL NET ASSETS	<u><u>4,595</u></u>	<u><u>4,839</u></u>
THE FUNDS OF THE CHARITY		
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>
TOTAL CHARITY FUNDS (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
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (note 15)	8	(91)
Cash flows from investing activities:		
Dividends, interest and rents from investments	46	72
Purchase of tangible fixed assets	-	(43)
Purchase of investment	(521)	(3)
Net cash (used in)/provided by investing activities	(475)	26
Cash flows from financing activities:		
Cash inflows from new borrowing	521	3
Net cash provided by financing activities	521	3
Change in cash and cash equivalents in the year	54	(62)
Cash and cash equivalents at the beginning of the year (note 16)	181	243
Cash and cash equivalents at the end of the year (note 16)	235	181

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

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

	2020/21	2019/20
	£'000	£'000
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

	2020/21	2019/20
	£'000	£'000
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>	<i>2020/21</i>	<i>2020/21</i>	<i>2020/21</i>	<i>2020/21</i>	<i>2019/20</i>
	Running	Depreciation	Expend	Income	Net	Net
	Costs		Total		Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
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)
	<hr/> 709	48	757	(191)	566	526
Management and Support Services					7	37
Governance Costs					7	9
					<hr/> 14	46
Contribution from Folkestone & Hythe District Council					(529)	(544)
Net Income Before Transfers					<hr/> 51	28
Gross Transfer between funds					(51)	(81)
Net Income Before Other Recognised Gains and Losses					<hr/> -	(53)

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
<u>Cost or valuation</u>						
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	3,531	454	109	1,181	-	5,275

Accumulated Depreciation and Impairment Provision

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

Net Book Values

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

*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

	31 March 2021	31 March 2020
	Hectares	Hectares
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>
	<u>130</u>	<u>130</u>

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

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

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.

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

11. Creditors Due Within One Year

a) Balances at year end

	2020/21	2019/20
	£'000	£'000
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.

	Balance at 31 March 2020 £'000	Income released in year £'000	Income deferred in year £'000	Balance at 31 March 2021 £'000
Deferred Income				
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

	2020/21	2019/20
	£'000	£'000
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

	Balance at 31 March 2020	Net Income	Transfers	Balance at 31 March 2021
	£'000	£'000	£'000	£'000
<i>Restricted Funds:</i>				
Capital Grants Reserve	2,835	20	(51)	2,804
Endowment Fund	119	-	-	119
<i>Unrestricted Funds:</i>				
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

	Balance at 31 March 2019	Net Income	Transfers	Balance at 31 March 2020
	£'000	£'000	£'000	£'000
<i>Restricted Funds:</i>				
Capital Grants Reserve	2,910	6	(81)	2,835
Endowment Fund	119	-	-	119
<i>Unrestricted Funds:</i>				
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

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

	2019/20			
	Fixed Assets £'000	Net Current Assets £'000	Long Term Liabilities £'000	Fund Balances £'000
<i>Restricted Funds:</i>				
Capital Grants Reserve	2,835	-	-	2,835
Endowment Fund	-	119	-	119
<i>Unrestricted Funds:</i>				
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

	2020/21 £'000	2019/20 £'000
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)
Net cash provided by/(used in) operating activities	8	(91)

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

16. Analysis of Cash and Cash Equivalents

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

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:

Statement of Financial Activities	2020/21	2019/20
	£'000	£'000
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.