

FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

1. INTRODUCTION

- 1.1 Shepway District Council, as Corporate Trustee, presents the annual report, together with the financial statements, for the year ended 31 March 2016 for the Folkestone Parks and Pleasure Grounds 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 the Financial Reporting Standard for Smaller Entities published on 16/07/14, 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	Shepway District Council
2.4	Names of the Trustees	Cllr D Monk (Leader) Cllr Mrs J Hollingsbee (Deputy Leader) Cllr Miss S Carey Cllr J Collier Cllr M Dearden Cllr A Ewart-James Cllr D Godfrey Cllr R Love Cllr P Martin Cllr S Peall
2.5	Names of Chief Officers	Chief Executive – Alistair Stewart Financial Advisor to the Charity – Pat Main Legal Advisor to the Charity – Amandeep Khroud
2.6	Principal Office	Shepway District Council Civic Centre, Castle Hill Avenue Folkestone, Kent CT20 2QY
2.7	Principal External Advisors Bankers	Shepway DC hold balances on behalf of the Charity. The Council's bankers are: National Westminster Bank Europa House, 49 Sandgate Road, Folkestone, CT20 1RU
	Auditors - to be approved	Begbies Chartered Accountants will be asked to audit the 2015/16 accounts.
	Investment Managers	Shepway District Council

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

- 3.1 Following the 1974 local government re-organisation, Shepway 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 Shepway 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 Shepway 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 chief executive, the corporate directors and service managers.
- 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 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 Trustees 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).
- 4.7 The success of the coastal park on the Lower Sandgate Road continues after 16 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 2015/16**
The main objective for 2015/16 was to ensure that the maintenance of the charitable land continued to the agreed standards.
- 4.10 This links to Shepway's strategic objectives of supporting an attractive and vibrant place to live and listening to local people.
- 4.11 Key actions for 2015/16 were the retention of the green flag accreditation national recognition for the Coastal Park and ensuring a summer events programme in the Coastal Park and Radnor Park.

5. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR 2015/16

5.1 Coastal Park

The Coastal Park success story continues with a 9th consecutive Green Flag Award and a second consecutive Certificate of Excellence awarded by the online travel forum, Tripadvisor. This certificate is awarded to attractions that are consistently ranked above 4/5 stars by forum contributors.

The usual play equipment maintenance has been complimented by the complete replacement of play area seating and most of the picnic furniture. The post base replacement scheme was also completed, prolonging the life of the main tower units. The new BBQ stands are proving to be very successful, cost effective and compliment the new picnic furniture.

The events in the park were again very popular and well attended, Kent Wildlife Trust were engaged to provide 4 rock pooling events although one had to be cancelled due to poor weather. The bulk of the event budget was used to engage a variety of local companies to deliver a range of events. The Open Air Film Factory screened The Princess Bride, Folkestone Festivals filled the park with mermaids and sea shanties for the annual Mermaid Festival and Strange Cargo encouraged budding artists to turn the amphitheatre columns into totem poles on their Totemtastic Craft Day. Aside from these Shepway District Council funded events, the usual community run events were successfully held.

The Facebook page following grows and proves to be a useful tool for advertising events and communicating with visitors.

Refresher training in rodent control was provided to staff in order to manage the rat population. In addition to this insect control training was undertaken, allowing staff to efficiently deal with wasps nests.

5.2 Radnor Park

Repairs have been made to the sides of the fishing pond, ensuring that the pond still provides popular fishing opportunities for local anglers.

The large border to the side of the bowls cub was overgrown and unsightly so it was removed and replanted with a hornbeam hedge and fastigate poplars punctuating the new turf. This has been well received by park users and has given the area a fresh look which is simple and cost effective to maintain.

Events are still popular on site with the circus and fair returning annually and boot fairs raising funds for local charities.

A large beech tree had to be removed from the upper park due to disease and will be replaced with a suitable specimen in the next planting season.

With work on the lodge tea rooms imminent, the Parks Manager spent time with the Radnor Park Community Group looking at play area improvements and officers from community engagement assisted with funding applications.

5.3 East Cliff

The facility is growing in popularity and is well used by local schools and language students.

New tennis rackets were purchased to compliment the stock of equipment for hire. New flags were purchased to re-invigorate the pitch and putt and putting green areas. The alarm system has been upgraded and modernised to protect the equipment stored at the facility. The bowls green winter maintenance included top dressing, scarifying, de-mossing and over seeding.

5.4 Canterbury Road Recreation Ground

Over the winter period work was carried out to level the goal mouths and other depressions across the site. The newly topsoiled areas were over seeded and have provided a better playing surface for informal football games.

The charity continues to work with the police and community safety officers to reduce anti-social behaviour in the area.

East Folkestone Together were awarded a ward grant from the Council to re-paint a tired concrete bench using local artists.

The new space design is very popular and has enhanced the entrance to the park.

6. FINANCIAL REVIEW 2015/16

- 6.1 The net revenue expenditure in 2015/16 was £448,000 being approximately £59,000 less than the latest budget of £496,000. The main reasons for this variance were as follows:

	£
a) Decreased expenditure on supplies and services including plants and shrubs, equipment repairs and maintenance.	(18,000)
b) Re-alignment of recharges support costs	(32,000)
c) Other net changes	4,000
d) Reduced Income	(2,000)
	<u>(48,000)</u>

- 6.2 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.

- 6.3 The net expenditure of the Charity was financed by Shepway District Council.

6.4 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.

- 6.5 The Charity's general fund has a deficit of £60,000 because 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.

6.6 Investment Policy and Performance

Shepway District Council holds £233,000 on behalf of the Charity. This sum represents the past proceeds of the sale of charitable assets and is managed by the Council as part of its overall investment portfolio. The Council's investment activity during 2015/16 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. However the Council also made a strategic long term investment in the CCLA Local Authority Property Fund.

- 6.7 Overall a return of approximately 1.00% was achieved on the Charity's investment, earning interest of £2,821 for 2015/16.
- 6.8 In line with Shepway District Council's projected return on investments, it is anticipated that the 2016/17 investment return will be slightly higher than that achieved in 2015/16 due to the impact of the investment in the CCLA Local Authority Property Fund.
- 6.9 The Charity also holds five properties (valued at £491,000) that are leased at commercial rents and are classed as investment assets.

6.10 The Charity's accounts showing the financial performance for the year ending 31 March 2016 are set out on pages 9 to 19. 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.

6.11 The accounts are supported by the Statement of Accounting Policies and various notes to the accounts.

6.12 The charity finished the year with a surplus of £72,000 due to asset revaluations bringing the total reserves to £3,830,000. Of these funds £2,531,000 are restricted and £237,000 are endowment funds. At the balance sheet date £3,595,000 of the reserves are represented by fixed assets and could only be accessed by the sale of those assets.

7. FUTURE PLANS

7.1 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. AUDIT OF THE CHARITY'S ACCOUNTS

8.1 Begbies Chartered Accountants were appointed to audit previous years accounts in accordance with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charities Statement of Recommended Practice (SORP) 2005. They will be appointed to audit the 2015/16 accounts.

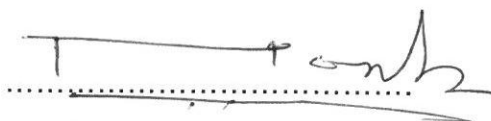
9. FURTHER INFORMATION

9.1 Further information about the Charity can be obtained from Alistair Stewart, Chief Executive, Shepway District Council, Civic Centre, Castle Hill Avenue, Folkestone, Kent CT20 2QY. (01303 852203) alistair.stewart@shepway.gov.uk.

The Annual Report for the year ended 31 March 2016 approved by the Cabinet of Shepway District Council, the Corporate Trustee on 20 December 2016 and signed on its behalf by:

Signed:

Date:


1.5.17 FEB 2017

Cllr DD Monk

Chairman

Folkestone Parks and Pleasure Gardens Charity

ACCOUNTING AND REPORTING RESPONSIBILITIES

Shepway 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).

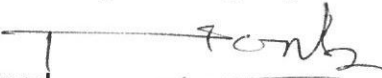
The law applicable to charities in England and Wales requires Shepway District Council to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees 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.

Shepway 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.

Shepway 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 9 to 19 have been prepared in accordance with the accounting policies set out on pages 11 to 13 and that it presents fairly the financial position of the Folkestone Parks and Pleasure Grounds Charity at 31 March 2016 and the Charity's incoming and outgoing resources for the year then ended.

Signed 
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Date 1st FEB 2017
Cllr DD Monk

**Chairman
Folkestone Parks and
Pleasure Gardens Charity**

Signed 
.....

Date 31.1.2017
Pat Main CPFA

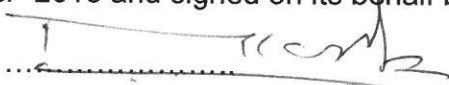
**Financial Advisor to the
Folkestone Parks and
Pleasure Gardens Charity**

**FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY
BALANCE SHEET AS AT 31 MARCH 2016**

	2015/16 £'000	2014/15 £'000
FIXED ASSETS (note 8)		
Freehold Land and Buildings	382	375
Fixtures, Fittings and Equipment	32	73
Heritage Assets	2,690	2,690
Investment Assets (Properties)	<u>491</u>	<u>388</u>
Total Fixed Assets	<u>3,595</u>	<u>3,526</u>
CURRENT ASSETS		
Debtors (note 9)	<u>237</u>	<u>252</u>
Total Current Assets	<u>237</u>	<u>252</u>
LIABILITIES		
Creditors: due within 1 year (note 11)	<u>2</u>	<u>6</u>
Net Current Assets	<u>235</u>	<u>246</u>
Total Assets Less Current Liabilities	<u>3,830</u>	<u>3,772</u>
TOTAL NET ASSETS	<u><u>3,830</u></u>	<u><u>3,772</u></u>
THE FUNDS OF THE CHARITY (note 12)		
Endowment Fund	237	248
<i>Restricted Funds:</i>		
Capital Grants Reserve	2,531	2,579
<i>Unrestricted Funds:</i>		
Revaluation Reserve	1,122	1,005
Unrestricted General Fund	<u>(60)</u>	<u>(60)</u>
TOTAL CHARITY FUNDS (note 13)	<u><u>3,830</u></u>	<u><u>3,772</u></u>

Approved by the Cabinet of Shepway District Council, the Corporate Trustee, on 20th December 2016 and signed on its behalf by:

Signed



Date

13th FEB 2017

Cllr DD Monk

Chairman

Folkestone Parks and Pleasure Gardens Charity

FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

	Unrestricted Fund	Restricted Funds	Endowment Funds	Total	2014/15
	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:					
Charitable Activities	52	-		52	55
Investment Income (note 2)	37	3		40	36
Contribution from Shepway DC (note 3)	448			448	528
Total	537	3		540	619
Expenditure on:					
Charitable Activities					
Operation of Parks and playgrounds					
Employees (note 4)	19			19	17
Premises & Grounds (note 5)	453			453	427
Transport	1			1	1
Supplies and Services	59			59	50
Management and Support Services (note 4)	12			12	99
Governance Costs (note 6)	7			7	11
Depreciation	48			48	58
Total	599	-		599	663
Net Income/(Expenditure)	(62)	3		(59)	(44)
Transfers Between Funds	62	(51)	(11)	-	-
Gains/(Losses) on Revaluation of Fixed Assets	14	-		14	68
Gains/(Losses) on Investment assets	103			103	71
Net Movements in Funds	117	(48)	(11)	58	95
Reconciliation of Funds:					
Total funds brought forward	945	2,579	248	3,772	3,677
Total funds carried forward	1,062	2,531	237	3,830	3,772

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Statement of Accounting Policies

Basis of the Preparation of Accounts

The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (FRSSE), and the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Incoming Resources and Resources Expended

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.

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 Shepway District Council, based on time allocations, to reflect the cost of administrative and management support for the Charity.

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. This excludes expenditure on

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Statement of Accounting Policies (continued)

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.
- Heritage assets (community open spaces) are included in the balance sheet at historical cost.

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 31/3/2016.

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. Newly acquired assets are depreciated from the following year.

Depreciation is not provided for freehold land or investment and heritage assets.

Depreciation rates for other tangible assets are as follows:

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

Sale of Fixed Assets

Income from the disposal of fixed assets is accounted for on an accruals basis. Subject to the approval of the Charity Commission capital receipts can be applied to meet expenditure. Such income that has not been used is included in the balance sheet as an endowment fund.

Leases

Rental payments under finance leases are apportioned between the finance charge and the principal element, i.e. the reduction of liability to pay future rentals. The finance element of rentals is charged to the revenue account.

At present the Charity has no outstanding finance lease liability.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Statement of Accounting Policies (continued)

Any rentals payable under operating leases are charged to the revenue account on an accruals basis.

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.

Investments

Current asset investments are included at market value at the balance sheet date. The statement of financial activities includes any net gains or losses arising from revaluation and disposals throughout the year.

Pensions

The Charity does not directly employ any staff or participate in any pension scheme.

Value Added Tax

Value added tax is included in the Charity's accounts only to the extent that it is irrecoverable.

2. Investment Income

	2015/16 £'000	2014/15 £'000
Sum Held By Shepway District Council	3	3
Rental Income (UK)	37	33
	<u>40</u>	<u>36</u>

3. Contribution from Shepway District Council

The net expenditure of the Charity is met from the resources of Shepway 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).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

4. Employees and Management and Support Services

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

The management structure of Shepway District Council and the method of apportionment were changed in 2014/15, so that some staffing costs formerly shown within Premises and Ground Expenses are now shown as Management and Support Services (see Note 14)

No employee of Shepway District Council charged emoluments of above £60,000 to the Charity in 2015/16.

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 Shepway District Council.

6. Governance Costs

	2015/16 £'000	2014/15 £'000
Auditors Remuneration for External Scrutiny	2	-
Consultants Fees for Advice re Deed of variation Radnor Park Lodge	5	8
Consultants fees for Property Revaluation	-	3
	<u>7</u>	<u>11</u>

Fees for audit of the 2015/16 accounts are estimated at £2,230 and will be accounted for in 2016/17. In addition a fee of £450 for the revaluation of Investment Properties has also not been accrued.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

7. Unrestricted Fund - Analysis of Net (Incoming)/Outgoing Resources

	2015/16 Running Costs £'000	2015/16 Depreciation £'000	2015/16 Expend Total £'000	2015/16 Income £'000	2015/16 Net Total £'000	2014/15 Net Total £'000
East Cliff & Warren (incl Durlocks)	156	3	159	(33)	126	121
Lower Sandgate Rd	224	1	225	(39)	186	181
Radnor Park	77	12	89	(17)	72	60
Morehall Rec Ground	37	0	37	0	37	35
Canterbury Rd Rec Ground	37	32	69	0	69	68
	<u>531</u>	<u>48</u>	<u>579</u>	<u>(89)</u>	<u>491</u>	<u>465</u>
Management and Support Services					12	99
Governance Costs					7	11
					<u>19</u>	<u>110</u>
Contribution from Shepway District Council					(448)	(528)
Net (Incoming)/Outgoing Resources Before Transfers					<u>62</u>	<u>47</u>
Gross Transfer between funds					(62)	(47)
Net (Incoming)/Outgoing Resources Before Other Recognised Gains and Losses					<u>0</u>	<u>0</u>

8. Fixed Assets

a) Definitions of Fixed Assets

Heritage Assets – community open spaces central to the purpose of the Charity, held in trust for the benefit of residents. The assets are intended to be held in perpetuity, have no determinable useful life and have restrictions on their disposal.

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.

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

8. Fixed Assets (continued)

b) Movement in Fixed Assets

	Heritage Assets £'000	Freehold Land & Buildings £'000	Fixtures, Fittings & Equipment £'000	Investment Assets £'000	Total £'000
<u>Cost or Valuation</u>					
1 April 2015	2,690	389	604	388	4,071
Revaluations	-	-	-	103	103
31 March 2016	2,690	389	604	491	4,174

Accumulated Depreciation and Impairment Provision

1 April 2015	-	14	531	-	545
Revaluations	-	(14)	-	-	(14)
Charge for Year	-	7	41	-	48
31 March 2016	-	7	572	-	579

Net Book Values

31 March 2015	2,690	375	73	388	3,526
31 March 2016	2,690	382	32	491	3,595

c) Fixed Asset Valuation

The Charity's freehold land and buildings and investment assets (properties), were re-valued at 31st March 2016 by an external independent valuer – Taylor Riley Stafford, 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 – were valued on the bases 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) – were valued on the basis of open market value.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

8. Fixed Assets (continued)

d) Approximate Area of Charity's Land

	31 March 2016 hectares	31 March 2015 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

There are currently no capital commitments for the Charity.

f) Heritage Assets

There has been no movement in Heritage Assets for the past 5 years.

9. Debtors

	31 March 2016 £'000	31 March 2015 £'000
Sum Held By Shepway DC (see note10)	233	249
Trade Debtors	<u>4</u>	<u>3</u>
	<u>237</u>	<u>252</u>

10. Sum Held by Shepway 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 Shepway's overall investment funds.

Shepway also holds the Charity's day-to-day cash balance in one of its bank accounts.

Sums held by Shepway District Council on behalf of the Charity are now treated as a debtor balance to acknowledge that Shepway has custody of the funds but not beneficial ownership.

	2015/16 £'000	2014/15 £'000
Capital Receipts from Disposal of Fixed Assets	237	248
Cash and Bank	<u>(4)</u>	<u>1</u>
	<u>233</u>	<u>249</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

11. Creditors Due Within One Year

	31 March 2016 £'000	31 March 2015 £'000
Trade Creditors	2	6
Income in Advance	0	0
	<u>2</u>	<u>6</u>

12. Funds Movements in the Year

	Balance at 31 March 2015 £'000	Net Income £'000	Transfers £'000	Gains/ (Losses) £'000	Balance at 31 March 2016 £'000
<i>Restricted Funds:</i>					
Capital Grants Reserve	2,579	3	(51)	0	2,531
Endowment Fund	248		(11)	0	237
<i>Unrestricted Funds:</i>					
Revaluation Reserve	1,005	0	0	117	1,122
General Fund	<u>(60)</u>	<u>(62)</u>	<u>62</u>	<u>0</u>	<u>(60)</u>
	<u>3,772</u>	<u>(59)</u>	<u>0</u>	<u>117</u>	<u>3,830</u>

13. Net Assets of Funds

	Fixed Assets £'000	Net Current Assets £'000	Long Term Liabilities £'000	Fund Balances £'000
<i>Restricted Funds:</i>				
Capital Grants Reserve	2,531	-	-	2,531
Endowment Fund	-	237	-	237
<i>Unrestricted Funds:</i>				
Revaluation Reserve	1,122	-	-	1,122
General Fund	<u>(58)</u>	<u>(2)</u>	<u>-</u>	<u>(60)</u>
	<u>3,595</u>	<u>235</u>	<u>-</u>	<u>3,830</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

14. 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).

Shepway 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 2015/16.

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 2015/16.

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

Statement of Financial Activities	2015/16 £'000	2014/15 £'000
Contribution to finance net expenditure	(448)	(528)
Provision of management and support services	12	99
Provision of grounds maintenance and cleansing services (see note 5)	377	348

15. Trustee Remuneration and Expenses

The cabinet members of Shepway District Council have not received any remuneration or expenses for carrying out the Corporate Trustee function on behalf of the Council.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**

We have audited the financial statements of Folkestone Parks and Pleasure Grounds Charity for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual 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



Mr. Daniel Valentine ACA (senior statutory auditor)
For and on behalf of Begbies
Chartered Accountants and
Registered Auditors
9 Bonhill Street
London EC2A 4DJ

31 January 2017