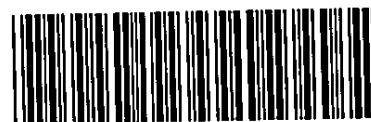


Registered number: 5121502

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Directors' report and financial statements
for the year ended 31 March 2008

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COMPANIES HOUSE

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Company information

Member organisations

East Sussex County Council (ESCC)
South East England Development Agency (SEEDA)
Rother District Council (RDC)
Hastings Borough Council (HBC)
Sussex Enterprise (SE)
University of Brighton (UB)

Director	Name	Member Organisation
	L Amor (appointed 25 June 2007)	SEEDA
	A Adlington (appointed 10 July 2007)	Independent
	J Parsonage	SEEDA
	J Shaw	SEEDA
	D Tucker	SEEDA
	D Straughen	SEEDA
	S Radford-Kirby	ESCC
	M Lock	HBC
	J Crampton	UB
	D Smith	Independent
	D Rowland	SE
	S Manwaring	Independent
	P Evans	Independent

Secretary M Haynes

Company number 5121502

Registered office Queensbury House
Havelock Road
Hastings
East Sussex
TN34 1BP

Auditors Reeves + Neylan LLP
Chartered Accountants & Registered Auditors
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

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Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Directors' report
for the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The company's principal activity is to promote the social, physical and economic environment of the area in and around Hastings and Bexhill in East Sussex by:

implementing the strategy and proposals approved by and recommended to the Company by the Hastings and Bexhill Taskforce Steering Group including procuring and regenerating land and property sites, the provision of business premises, the provision of training premises, promotion of learning and skills and community development.

Business review

Overview

The main activity of the company continued to be the delivery of the approved Business Plan for Coastal Regeneration, providing the mechanism for delivery of the projects prioritised by the Hastings and Bexhill Task Force Steering Group.

The activities of the Company fell broadly into those associated with the development of assets and those associated with investment assets, mainly the ongoing operation of the Creative Media Centre and Innovation Centre.

The Company funded its activities through grants from SEEDA and English Partnerships as well as from other public sources, including the European Union. Income was also derived from rents and service charges collected from the tenants of the Creative Media Centre the Innovation Centre and other Hastings & Bexhill Renaissance Limited (HBRL) owned property assets. Profits on ordinary activities after tax decreased from £545k in 2007 to £39k in 2008. A substantial contribution to the profitability arose from the Company Treasury Policy where the careful management of grant funds held resulted in interest income of just over £500k in the year.

Funding from SEEDA has been agreed at £5m for 2008/09 and a further £8.247m over 2009/10 and 2010/11 which will be committed to complete a range of ongoing activity as identified in the approved Business Plan Refresh. To date SEEDA has provided £57m in grant aid since 2003.

Hastings & Bexhill Renaissance Limited
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Directors' report
for the year ended 31 March 2008

A total of £15.1m in funding from English Partnerships for the implementation of Hastings Millennium Community project was confirmed in the funding agreement signed in 2004, of which £7.442m has been expended to date. A bid for an additional £15m in funding to complete the agreed master plan is currently being considered by English Partnerships.

During the course of the year the Tangible Fixed Assets of the Company decreased in value from £18.414m in 2007 to £17.946m, resulting from the outcome of various property transactions. As part of its Business Plan strategy to facilitate regeneration the Company agreed the sale of two key sites. Firstly the Lacuna Place site to Coastal Land (Sussex) LLP as part of the development agreement. Secondly the Station Plaza sites to Hastings College for the new college development, the proceeds of which were recycled to finance activity during the year. Further acquisitions for development purposes have also taken place in the Ore Valley, including the Mount Pleasant Hospital and Broomgrove Power Station sites, Priory Quarter and Queensway North. Capital and Reserves increased by almost 11% during the course of the year.

Development and Operational Activities

Development activity was associated with furthering of key projects in the approved Business Plan utilising grant aid supplemented by the Company's own resources.

The major scheme in the programme continued to be the Lacuna Place office development, with construction of phase 1 proceeding apace through most of the year. The construction of Phase 2 of the development commenced on site in October 2007, following formal tendering of the scheme and successful negotiations with the contractor. Together both phases will create over 9,000 m² of high quality office and retail space for new businesses which will contribute significantly to the revitalisation of Hastings Town Centre.

In November 2007 HBRL entered into a 50-50 Joint Venture with The Land Group for the completion of the Lacuna scheme, which entailed the transfer of the land under a development agreement that required the completion of both phases of the Lacuna development. Coastal Land (Sussex) LLP will complete phase 1 with a grant of £2.7m from HBRL and has secured a £12.5m bank loan facility to wholly fund the cost of phase 2. The agreement transfers the risks associated with phase 2 entirely to the private sector and entails no recourse to the public sector. Phase 1 is expected to be completed in July 2008, with completion of phase 2 following in December 2008.

Pre development design and site assembly has continued for the Millennium Community project in the Ore Valley. Planning approval has been granted for the construction of the site spine road which will allow the provision of around 650 new homes designed to the highest standards of sustainability. The Company also worked with SEEDA and Hastings College to promote a Compulsory Purchase Order (CP) for land required to complete the remainder of the master plan proposals for the scheme, including the provision of a new vocational college, commercial and retail space and health facilities. The CP was confirmed during the spring of 2008.

The Company has continued to work in partnership with the University of Brighton on securing the funding to build phase 2 of the University Centre Hastings on a site to be made available in Priory Quarter. This would increase student numbers to 1,400 as the next stage in securing the long term target of up to 2,500 students required for sustainability. Following feedback on an outline bid to the Higher Education Funding Council for a fully funded new build scheme the University is considering alternative options that will allow the continued growth of student numbers while longer term solutions are generated that meet the funding criteria.

Investment continued on the provision of services and an access road to the Queensway South site to allow the site to be brought forward for the Enviro21 Innovation Park currently in an advanced stage of design. It is anticipated that the main development will start on site in the Autumn of 2008.

At Marina Pavilion construction work was nearing completion at the year end, with the fit out contract well under way. Following a successful marketing campaign during the year a tenancy agreement has been concluded with an operator that is contributing to the capital cost and will be paying a commercial rate in the medium term. The facility, which comprises a quality restaurant and meeting/conference space is expected to open during the summer of 2008.

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Directors' report
for the year ended 31 March 2008

More generally pre development design and scheme development continued for a range of sites including Rye Harbour, Queensway North and Priory Quarter so that the momentum and continuity of development can be maintained once the Lacuna Place scheme is completed.

The Company owns and operates two managed workspace developments the Creative Media Centre in Hastings town centre and the Innovation Centre on Churchill Industrial estate. The Creative Media Centre opened in two phases in 2003 and 2004 and has secured tenants in line with Business plan projections. The Innovation Centre, the larger development offering 70 office and workshop units, opened in July 2006 and has performed above business plan expectations with almost 80% space let.

The Company has a wholly owned subsidiary, Coastal Innovation Ltd (formerly Pebble Properties (Marline) Limited), in preparation for the entering into a joint venture with a private sector partner for the Enviro21 Innovation Park. The Company has made a token investment of £1 in shares and appointed a director in the interim, but it is anticipated that the private sector partner will take a 50% share to unlock a bank facility. At present the subsidiary is dormant.

During the course of the year the Company has also entered into a partnership with The Land Group through Coastal Land (Sussex) LLP for the delivery of the Lacuna Place development.

Results

The profit for the year, after taxation, amounted to £39 thousand (2007 - £545 thousand).

Directors

The directors who served during the year were:

L Amor (appointed 25 June 2007)
A Adlington (appointed 10 July 2007)
J Parsonage
J Shaw
D Tucker
D Straughen
S Radford-Kirby
M Lock
J Crampton
D Smith
D Rowland
S Manwaring
P Evans

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Directors' report
for the year ended 31 March 2008

Financial instruments

The Company's principal financial instruments comprise grants from the public sector, bank balances, trade creditors, trade debtors. The main purpose of these instruments is to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is set out below.

Public sector grants are made against eligible expenditure under funding agreements entered into with the grant provider. Risk is managed by ensuring that the grant conditions are fully complied with.

In respect of bank balances any surplus funds are invested in variable short term interest bearing deposits with financial institutions.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Where debts relate to occupants of the Company's flexible business space deposits are held which can be offset in the case of default.

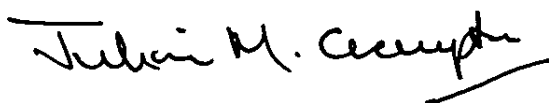
Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on 17 July 2008 and signed on its behalf.



J Crampton
Director

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Independent auditors' report to the members of Hastings & Bexhill Renaissance Limited

We have audited the financial statements of Hastings & Bexhill Renaissance Limited for the year ended 31 March 2008, set out on pages 7 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Independent auditors' report to the members of Hastings & Bexhill Renaissance Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

Reeves + Neylan LLP

Reeves + Neylan LLP

Chartered Accountants
Registered Auditors

Canterbury

17 July 2008

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Profit and loss account
for the year ended 31 March 2008

	Note	2008 £000	2007 £000
Turnover	1,2	13,338	9,613
Cost of sales		(13,207)	(8,736)
Gross profit		131	877
Administrative expenses		(710)	(492)
Other operating income		164	116
Other operating charges		(12)	(6)
Operating (loss)/profit	3	(427)	495
Interest receivable		506	261
Interest payable		-	(2)
Profit on ordinary activities before taxation		79	754
Tax on profit on ordinary activities	4	(40)	(209)
Profit on ordinary activities after taxation		39	545
Profit brought forward		786	241
Transferred from revaluation reserve		3,250	-
Retained profit carried forward		4,075	786

All amounts relate to continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Statement of total recognised gains and losses
for the year ended 31 March 2008

	2008	2007
	£000	£000
Profit for the financial year	39	545
Unrealised surplus on revaluation of investment and development properties	<u>1,974</u>	<u>5,456</u>
Total recognised gains and losses relating to the year	<u><u>2,013</u></u>	<u><u>6,001</u></u>

Note of historical cost profits and losses
for the year ended 31 March 2008

	2008	2007
	£000	£000
Reported profit on ordinary activities before taxation	79	754
Realisation of valuation gains of previous periods	<u>3,250</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u><u>3,329</u></u>	<u><u>754</u></u>
Historical profit for the year after taxation	<u><u>3,289</u></u>	<u><u>545</u></u>

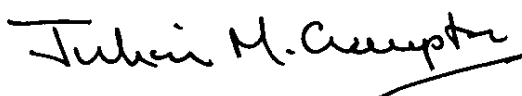
The notes on pages 11 to 19 form part of these financial statements.

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Balance sheet
as at 31 March 2008

	Note	£000	2008 £000	£000	2007 £000
Fixed assets					
Tangible fixed assets	5		17,946		18,414
Current assets					
Debtors	7	3,545		4,461	
Cash at bank		6,014		10,050	
		<u>9,559</u>		<u>14,511</u>	
Creditors: amounts falling due within one year	8	<u>(6,465)</u>		<u>(13,798)</u>	
Net current assets			<u>3,094</u>		<u>713</u>
Total assets less current liabilities			<u>21,040</u>		<u>19,127</u>
Creditors: amounts falling due after more than one year	9		<u>(22)</u>		<u>(122)</u>
Net assets			<u>21,018</u>		<u>19,005</u>
Capital and Reserves					
Revaluation reserve	11		16,943		18,219
Profit and loss account			4,075		786
	12		<u>21,018</u>		<u>19,005</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 July 2008.



J Crampton
Director

The notes on pages 11 to 19 form part of these financial statements.

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Cash flow statement
for the year ended 31 March 2008

	Note	2008 £000	2007 £000
Net cash flow from operating activities	13	(6,522)	7,891
Returns on investments and servicing of finance	14	506	259
Taxation		(209)	(44)
Capital expenditure and financial investment	14	2,189	-
(Decrease)/Increase in cash in the year		<u>(4,036)</u>	<u>8,106</u>

Reconciliation of net cash flow to movement in net funds
for the year ended 31 March 2008

	2008 £000	2007 £000
(Decrease)/Increase in cash in the year	<u>(4,036)</u>	<u>8,106</u>
Movement in net debt in the year	(4,036)	8,106
Net funds at 1 April 2007	<u>10,050</u>	<u>1,944</u>
Net funds at 31 March 2008	<u>6,014</u>	<u>10,050</u>

The notes on pages 11 to 19 form part of these financial statements.

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2008

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment and development properties and in accordance with applicable accounting standards, and except for the treatment of certain grants and the application of depreciation to investment and development properties, comply with the requirements of the Companies Act 1985. Explanation of these departures from the requirements of the Act are given in the policies on grants and investment and development properties below.

1.2 Turnover

Turnover comprises income received in respect of the company's principal activities. It incorporates two elements; firstly the release of grants, these are explained in the policy on grants below, and secondly rental and similar income derived from the company's investment properties, these are credited to the profit and loss account as they fall due.

1.3 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account, after adjustment for incentives received from lessors, on a straight line basis over the lease term.

1.4 Investment and development properties

a) Investment properties

Investment properties are carried in the financial statements at market values based on the latest professional valuation. A valuation was carried out by K Sadler FRICS as at 31 March 2008.

In accordance with SSAP19, depreciation is not provided on investment properties that are held as freeholds or on lease having more than 20 years unexpired. This is not in accordance with Schedule 4 of the Companies Act 1985, which requires all tangible assets to be depreciated. This departure from the requirements of the Act is, in the opinion of the Directors, necessary for the financial statements to give a true and fair view and comply with applicable accounting standards which require investment properties to be included in the financial statements at market value. Had the provisions of the Act been followed, prior to grants being released as described in note 1.7, revenue profits would have been reduced, the revaluation surplus would have been increased and therefore net assets would have been unchanged.

b) Development properties

As part of the company's principal activity, investment is made in properties requiring development. The initial purchase of development properties is capitalised. Expenditure incurred in developing properties in accordance with the principal activities of the company is written off to the profit and loss account as incurred.

Development properties are carried in the financial statements at market values based on the latest professional valuation. A valuation was carried out by K Sadler FRICS as at 31 March 2008.

Freehold land is not depreciated.

Properties in the course of construction are not depreciated until commissioned.

Hastings & Bexhill Renaissance Limited
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Notes to the financial statements
for the year ended 31 March 2008

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fittings and equipment - 20-33% straight line

1.6 Investments

(i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

(ii) Joint venture undertakings

Investments in joint ventures are valued at cost.

1.7 Grants

Grants received in respect of investment and development properties have been deducted from the cost of those assets. This is not in accordance with Schedule 4 of the Companies Act 1985, which requires assets to be shown at their purchase price or production cost and hence grants and contributions to be presented as deferred income. This departure from the requirements of the Act is, in the opinion of the Directors, necessary to give a true and fair view as these assets do not have determinable finite lives and therefore no basis exists on which to recognise grants and contributions as deferred income. The effect of this departure is that the cost of investment and development properties is £11,633 thousand lower than it would otherwise have been (2007: £16,245 thousand), but the valuation of those assets is unchanged.

Grants received in respect of other costs are recognised in the profit and loss account in the period in which the expenditure towards which they relate is incurred.

1.8 Other operating income

Other operating income comprises rental and similar income derived from the company's development properties, these are credited to the profit and loss account as they fall due.

2. Turnover

All turnover arose from the company's principal activity.

All turnover arose within the United Kingdom.

Hastings & Bexhill Renaissance Limited
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Notes to the financial statements
for the year ended 31 March 2008

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2008	2007
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the company	113	73
Auditors' remuneration	12	10
Operating lease rentals:		
- plant and machinery	13	-
- other operating leases (administrative)	17	17
- other operating leases (cost of sales)	36	31
Impairment of development properties	116	-
	<u>116</u>	<u>-</u>

Throughout both years no director received any emoluments. Throughout both years there were no staff employed by the company, all staffing is provided by agencies or through member organisations.

4. Taxation

	2008	2007
	£000	£000
UK corporation tax charge on profit for the year	40	209
	<u>40</u>	<u>209</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - lower than) the standard rate of corporation tax in the UK (20%). The differences are explained below:

	2008	2007
	£000	£000
Profit on ordinary activities before tax	79	754
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2007 - 30%)	16	226
Effects of:		
Expenses not deductible for tax purposes	5	3
Depreciation for year in excess of capital allowances	19	-
Marginal rate tax relief	-	(20)
Current tax charge for the year (see note above)	<u>40</u>	<u>209</u>

Factors that may affect future tax charges

The company is currently only taxable on its income from investment properties and interest earned.

The company has revalued its properties and has not accounted for deferred tax on the revalued amount. There is no intention to sell the majority of its properties, those that are being considered should not give rise to a substantial tax liability. Should the company sell any of its properties it could be liable to a tax charge.

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2008

5. Tangible fixed assets

	Develop- ment Properties £000	Investment Properties £000	Furniture, fittings and equipment £000	Total £000
Cost or valuation				
At 1 April 2007	11,699	6,520	302	18,521
Additions	2,102	-	72	2,174
Disposals	(3,250)	-	(34)	(3,284)
Grant funding	(1,113)	-	-	(1,113)
Revaluation surplus/(deficit)	1,279	695	-	1,974
	<u>10,717</u>	<u>7,215</u>	<u>340</u>	<u>18,272</u>
At 31 March 2008				
Depreciation				
At 1 April 2007	-	-	107	107
Charge for the year	-	-	113	113
On disposals	-	-	(10)	(10)
Impairment charge	116	-	-	116
	<u>116</u>	<u>-</u>	<u>210</u>	<u>326</u>
At 31 March 2008				
Net book value				
At 31 March 2008	<u>10,601</u>	<u>7,215</u>	<u>130</u>	<u>17,946</u>
At 31 March 2007	<u>11,699</u>	<u>6,520</u>	<u>195</u>	<u>18,414</u>

All development and investment properties are carried at valuation. Furniture fittings and equipment are carried at cost less depreciation.

The last external professional valuation of development and investment properties was undertaken as at 31 March 2007 by Drivers Jonas MRICS, on an open market value basis. The valuations have been updated as at 31 March 2008 by K Sadler FRICS, an employee of South East England Development Agency, on an open market value basis and based on available third party valuations.

If the development properties had not been included at valuation they would have been included under the historical cost convention as cost £10,259 thousand less grant funding £9,269 thousand and impairment £116 thousand (2007: £13,881 thousand, £13,881 thousand and £Nil respectively).

If the investment properties had not been included at valuation they would have been included under the historical cost convention as cost £2,363 thousand less grant funding £2,363 thousand (2007: £2,363 thousand and £2,363 thousand respectively).

Included in investment properties are long term leasehold properties valued at £3,165 thousand, (2007: £3,120 thousand) and included in development properties are short term leasehold properties valued at £695 thousand (2007: £Nil). All remaining properties valued above are held as freehold properties.

Included in development properties are properties valued at £1,200 thousand, (2007: £3,250 thousand) that derive other operating income. All investment properties derive turnover.

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2008

6. Fixed asset investments

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Pebble Properties (Marline) Limited

The aggregate of the share capital and reserves as at 31 March 2008 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves £000	Profit/(loss) £000
Pebble Properties (Marline) Limited	-	-

Investments in participating interests

The company also has a joint venture interest in Coastal Land (Sussex) LLP. The LLP was incorporated on 12 November 2007 and has not yet had a financial year end. The following results have been extracted from the unaudited management accounts:

	2008 £000	2007 £000
Turnover	-	-
Loss available for division among members	(2,258)	-
Fixed assets	1,150	-
Current assets	5,362	-
Liabilities due within one year	(3,055)	-
Liabilities due after more than one year	(3,360)	-
Net assets	97	-

The company has assigned all its rights and interests in Coastal Land (Sussex) LLP as security against loans drawdown by Coastal Land (Sussex) LLP.

7. Debtors

	2008 £000	2007 £000
Trade debtors	107	139
Amounts owed by member organisations	273	2,991
Amounts owed by joint ventures	2,583	-
Other debtors	533	1,308
Prepayments and accrued income	49	23
	3,545	4,461

Hastings & Bexhill Renaissance Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2008

8. Creditors:
Amounts falling due within one year

	2008	2007
	£000	£000
Trade creditors	785	192
Amounts owed to member organisations	404	1,427
Amounts owed to joint ventures	220	-
Corporation tax	40	209
Other creditors	615	3,904
Accruals and deferred income	4,401	8,066
	6,465	13,798

9. Creditors:
Amounts falling due after more than one year

	2008	2007
	£000	£000
Accruals and deferred income	22	122

10. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

11. Reserves

	Revaluation reserve £000
At 1 April 2007	18,219
Surplus on revaluation of development properties	695
Surplus on revaluation of investment properties	1,279
Transfer between Revaluation reserve and P/L account	(3,250)
	16,943
At 31 March 2008	16,943

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Notes to the financial statements
for the year ended 31 March 2008

12. Reconciliation of movement in members' funds

	2008	2007
	£000	£000
Opening members' funds	19,005	13,004
Profit for the year	39	545
Other recognised gains and losses during the year	1,974	5,456
	<hr/>	<hr/>
Closing shareholders' funds	21,018	19,005
	<hr/>	<hr/>

13. Net cash flow from operations

	2008	2007
	£000	£000
Operating (loss)/profit	(427)	495
Depreciation of tangible fixed assets	113	73
Impairments of fixed assets	116	-
Loss on disposal of tangible fixed assets	24	-
Decrease in debtors	781	934
Decrease in amounts owed by member organisations	2,719	457
Increase in amounts owed by joint ventures	(2,583)	-
(Decrease)/increase in creditors	(6,331)	5,977
Amortisation of tangible fixed asset grants	(131)	(73)
(Decrease)/increase in amounts owed to group undertakings	(1,023)	28
Increase in amounts owed to joint ventures	220	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from operations	(6,522)	7,891
	<hr/>	<hr/>

14. Analysis of cash flows for headings netted in cash flow statement

	2008	2007
	£000	£000
Returns on investments and servicing of finance		
Interest received	506	261
Interest paid	-	(2)
	<hr/>	<hr/>
Net cash inflow from returns on investments and servicing of finance	506	259
	<hr/>	<hr/>
	2008	2007
	£000	£000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,174)	(4,587)
Sale of tangible fixed assets	3,250	-
Government grants received	1,113	4,587
	<hr/>	<hr/>
Net cash inflow from capital expenditure	2,189	-
	<hr/>	<hr/>

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Notes to the financial statements
for the year ended 31 March 2008

15. Analysis of changes in net funds

	1 April 2007 £000	Cash flow £000	Other non-cash changes £000	31 March 2008 £000
Cash at bank and in hand:	10,050	(4,036)	-	6,014
Net funds	10,050	(4,036)	-	6,014

16. Major non-cash transactions

During the prior year the company acquired a development property for £490 thousand from South East England Development Agency. This was transferred to the company from South East England Development Agency by means of a grant.

17. Contingent liabilities

The Company has received a claim from a contractor which has been reviewed and rejected through the formal adjudication process and a final certificate has been issued. It is not known whether the contractor will challenge the validity of the certificate through the courts. At the same time the Company is pursuing a claim against the contractor's insurance for costs related to damage incurred on the project which gave rise to additional cost.

18. Operating lease commitments

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008 £000	2007 £000	2008 £000	2007 £000
Expiry date:				
After more than 5 years	41	41	-	-

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Notes to the financial statements
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19. Related party transactions

During the period the company entered into the following transactions and had the following balances with its member organisations and joint ventures:

	2008	2007
	£000	£000
South East England Development Agency (SEEDA)		
Revenue grants receivable	8,401	7,414
Capital grants receivable	-	3,540
Purchases	-	10
Purchase of development properties	-	490
At 31 March 2008 the net balance owed (by)/to the company was	(44)	1,614
Hastings Borough Council (HBC)		
Revenue grants receivable	-	221
Sales	46	82
Reimbursement of costs incurred by the company	-	40
Purchases	293	288
Purchase of development properties	1,047	-
At 31 March 2008 the net balanced owed to the company was	67	82
East Sussex County Council (ESCC)		
Sales	146	-
Purchases	150	5
Purchase of development properties	300	-
At 31 March 2008 the net balance owed (by) the company was	(155)	(4)
University of Brighton (UB)		
Revenue grants receivable	15	136
Grants made	64	177
Purchases	26	63
At 31 March 2008 the balance owed (by) the company was	-	(129)
Coastal Land (Sussex) LLP		
Grant made by the company	2,993	-
Management services provided by the company	92	-
At 31 March 2008 the net balance owed to the company was	2,362	-

In addition to the above SEEDA have supplied staff to the company for the administration and management of the projects, and a property was sold to Coastal Land (Sussex) LLP for a nominal value of £1.

20. Post balance sheet events

The amount of £2,583 thousand owed to the Company by Coastal Land LLP was repaid on 10 July 2008.

21. Controlling party

There was no controlling member of the company. The dominant influence over the company's activity was however provided by the Hastings and Bexhill Task Force Steering Group.