Registered number: 5121502

Hastings & Bexhill Renaissance Limited

(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 March 2010

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	SEEDA
A Adlington	Independent
M Froud (appointed 30 June 2009)	SE
J Shaw	SEEDA
D Tucker	SEEDA
A J L Barnes (appointed 12 June 2009)	ESCC
S Radford-Kirby (resigned 11 June 2009)	ESCC
M Lock	HBC
J Crampton	UB
D Smith	Independent
D Rowland (resigned 5 August 2009)	SE
S Manwaring	Independent
P Evans	Independent
R Crawford	SEEDA
G Martin (appointed 1 April 2009, resigned 26 June 2009)	SEEDA
S Blizzard	Independent

Secretary M Haynes

Company number 5121502

Registered office

One Priory Square
Priory Street
Hastings
East Sussex
TN34 1EA

Auditors

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

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

Contents

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

Directors' report
for the year ended 31 March 2010

The directors present their report and the financial statements for the year ended 31 March 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Directors' report
for the year ended 31 March 2010

In 2007 the Board completed a comprehensive review of its Business Plan to set out its programme of activity for the 3 year period from 2008/09 to 2010/11 From this the Programme for Sustainability identified a series of priority projects which would provide the mechanism to revitalise the local market and create the private sector confidence to achieve long term sustainable economic development in Hastings and Bexhill The Board's commitment to the Business Plan programme was demonstrated by a commitment to use HBRL's own accumulated reserves in a planned manner to supplement and lever out resources made available through external grant funds from SEEDA, The Homes and Community Agency (HCA, formerly English Partnerships) as well as other public services, including the European Union In making this decision the Board recognised that this would result in a loss on the profit and loss account and a reduction in reserves that would carry through to the balance sheet, and ensured that the level of expenditure proposed would not threaten the ongoing viability of the Company These principles and controls have subsequently been incorporated in the revised budgets for 2009/10 and 2010/11

During the period the Company continued to generate income from rents and service charges collected from the tenants of the Creative Media Centre, Innovation Centre and other Company owned property assets Profits on ordinary activities after tax showed a profit of £280,000 In 2008/09 the Company treasury policy had generated an income of £220,000, but in 2009/10 this declined to £7,000 as interest rates were held at historically record lows

During the year funding from SEEDA for the year increased from an initial £12,206,400 to £16,181,400, of which £1,000,000 was a short term loan to manage cashflow that is repayable by 31 December 2010 SEEDA funding for 2010/11 has been confirmed as £1,000,000 to cover core activity

A total of £15 1m in funding from The Homes and Communities Agency (HCA, formally English Partnerships) for the implementation of Hastings Millennium Community project was confirmed in the funding agreement signed in August 2004, of which the Company has expended £14 8m to date A claim to HCA for reimbursement of costs incurred by HBRL totaling £654,652 remains to be agreed

During the course of the year the Tangible Fixed Assets of the Company decreased in value from £10,586,000 in 2009 to £10,546,000 in 2010, resulting from depreciation

Development and Operational Activities

Development activity was associated with furthering of key projects in the approved Business Plan utilizing grant aid from external sources supplemented by the planned use of Company's own reserves Known as the Programme for Sustainability this cohesive programme of development is fully funded over the 3 years 2008-11

The beginning of the year saw the practical completion of One Priory Square which has been wholly financed by a £12 5m bank loan facility from Allied Irish Bank (AIB) This followed on from the completion of Lacuna Place in July 2008, creating a total 9,000 m2 of high quality office and retail space available to attract new businesses and inward investment

In November 2008 HBRL entered into a 50-50 Joint Venture with The Land Group in which the Queensway South site was transferred from HBRL to Coastal Innovation Ltd under a development agreement with the obligation to deliver the first phase of 4 units of the Enviro21 Innovation Park The development, which is funded with a grant of £8 5m from HBRL and a £3m bank loan facility from AIB, reached practical completion in April 2010 Investment also continued on the provision of services and an access road to the site in readiness for the first lettings

Directors' report
for the year ended 31 March 2010

HBRL has agreed heads of terms for a joint venture to operate and manage the Innovation Exchange as a conference, exhibition and restaurant facility Negotiations are ongoing with potential partners with a view to securing the required level of investment

Following the granting of planning consent work has also continued on developing proposals for a wind turbine for the Enviro21 site as part of the longer term sustainable development of the A21 development corridor Private funding is being sought for the scheme and it is hoped that the turbine will be operational by the end of the year

Pre development design and site assembly has continued for the Millennium Community project in the Ore Valley with the acquisition of several smaller sites under the CPO Throughout the year negotiations continued with Bellway Homes for the delivery of the first phase of housing development A grant of £3 1m from HCA was awarded to the secure the construction of 51 units under a development agreement to which HBRL was a signatory The Company also continued to work with partners to secure the development of the remainder of the master plan proposals for the scheme The end of 2008/09 saw the start of construction of the vocational campus of Sussex Coast College on land close to Ore Station, which is expected to complete during the summer of 2010 Negotiations are also continuing with the PCT to facilitate the construction of a new health centre to serve the community

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 (UCH) on a site owned by HBRL in Priory Quarter Pre development work saw the completion of the design, the securing of planning approval and the tendering of the contract The scheme started on site in the final quarter of the year with the announcement of a grant of £2,975,000 from SEEDA, with the balance funding of up to £8m provided by University of Brighton The development is expected to open during the 2011/12 academic year and will increase capacity of UCH to 1,000 students

Marketing of all of the Company's developments was intensified over the course of the year in order to offset the effect of the recession Occupancy at the Creative Media Centre and Innovation Centre remained high throughout the year with only a marginal impact on income Three new lettings were achieved in the Priory Quarter office development, with the prospect of a major plc taking the remaining space during the coming year Interest in the Enviro21 Innovation Park is looking promising with 2 potential enquiries ready to move towards agreement of heads of terms

More generally pre development design and scheme development continued for a range of sites including Queensway North and Priory Quarter so that the momentum and continuity of development can be maintained once the Priory Quarter schemes are fully occupied The longer term provision of development land for employment and housing use at North East Bexhill is wholly dependent on the construction of the Bexhill – Hastings Link Road to provide access During the course of the year HBRL was a major witness at the Link Road inquiry which is expected to report in the summer of 2010 Dependent on the outcome HBRL will continue to seek agreement with landowners on the release of the allocated land

The momentum of PR and marketing nationally, regionally and locally continued to build through targeted mailings, updated collateral and advertorial Majoring on Hastings as a best value location offering grade A business space on flexible leasing terms, interest has remained good despite the adverse market conditions

Hastings & Bexhill Renaissance Limited

(A company limited by guarantee)

Directors' report
for the year ended 31 March 2010

Results

The profit for the year, after taxation, amounted to £280,000 (2009 - loss £1,517,000)

Directors

The directors who served during the year were

L Amor
A Adlington
M Froud (appointed 30 June 2009)
J Shaw
D Tucker
A J L Barnes (appointed 12 June 2009)
S Radford-Kirby (resigned 11 June 2009)
M Lock
J Crampton
D Smith
D Rowland (resigned 5 August 2009)
S Manwaring
P Evans
R Crawford
G Martin (appointed 1 April 2009 & resigned 26 June 2009)
S Blizzard

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

The risk associated with the development of the Priory Quarter and Enviro21 sites and their associated Bank Facilities has been wholly transferred to the joint venture subsidiaries

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

Directors' report
for the year ended 31 March 2010

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
- that 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

Auditors

The auditors, Reeves + Neylan LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 10 May 2010 and signed on its behalf

M Haynes
Secretary

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 2010, set out on pages 8 to 22 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit 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 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit 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 Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Reeves + Neylan LLP

Peter Manser FCA
Senior Statutory Auditor
for and on behalf of
Reeves + Neylan LLP
Statutory Auditor
Chartered Accountants
Canterbury

11 May 2010

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

Profit and loss account
for the year ended 31 March 2010

	Note	2010 £000	2009 £000
Turnover	1,2	**12,200**	6,343
Cost of sales		**(11,528)**	(7,564)
Gross profit/(loss)		**672**	(1,221)
Administrative expenses		**(443)**	(655)
Other operating income		**70**	120
Operating profit/(loss)	3	**299**	(1,756)
Interest receivable		**20**	233
Profit/(loss) on ordinary activities before taxation		**319**	(1,523)
Tax on profit/(loss) on ordinary activities	4	**(39)**	6
Profit/(loss) on ordinary activities after taxation		**280**	(1,517)
Profit brought forward		**2,556**	4,073
Retained profit carried forward		**2,836**	2,556

All amounts relate to continuing operations

The notes on pages 12 to 22 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 2010

	2010 £000	2009 £000
Profit/(loss) for the financial year	**280**	(1,517)
Unrealised surplus/(deficit) on revaluation of tangible fixed assets	-	(6,691)
Total recognised gains and losses relating to the year	**280**	(8,208)

The notes on pages 12 to 22 form part of these financial statements

Hastings & Bexhill Renaissance Limited

(A company limited by guarantee)
Registered number 5121502

Balance sheet
as at 31 March 2010

	Note	£000	2010 £000	£000	2009 £000
Fixed assets					
Tangible fixed assets	5		**10,546**		10,586
Fixed asset investments	6		**1**		1
			10,547		10,587
Current assets					
Debtors	7	**5,142**		2,084	
Cash at bank		**6,714**		5,876	
		11,856		7,960	
Creditors amounts falling due within one year	8	**(9,315)**		(5,734)	
Net current assets			**2,541**		2,226
Total assets less current liabilities			**13,088**		12,813
Creditors amounts falling due after more than one year	9		**-**		(5)
Net assets			**13,088**		12,808
Capital and reserves					
Revaluation reserve	11		**10,252**		10,252
Profit and loss account	11		**2,836**		2,556
	12		**13,088**		12,808

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 May 2010

John J Shaw

J Shaw
Director

The notes on pages 12 to 22 form part of these financial statements

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

Cash flow statement
for the year ended 31 March 2010

	Note	2010 £000	2009 £000
Net cash flow from operating activities	13	**818**	(336)
Returns on investments and servicing of finance	14	**20**	233
Taxation		**-**	(34)
Acquisitions and disposals	14	**-**	(1)
Increase/(Decrease) in cash in the year		**838**	(138)

Reconciliation of net cash flow to movement in net funds
for the year ended 31 March 2010

	2010 £000	2009 £000
Increase/(Decrease) in cash in the year	**838**	(138)
Movement in net funds in the year	**838**	(138)
Net funds at 1 April 2009	**5,876**	6,014
Net funds at 31 March 2010	**6,714**	5,876

The notes on pages 12 to 22 form part of these financial statements

Notes to the financial statements
for the year ended 31 March 2010

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

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 under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

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 of development and investment properties was undertaken by John Shaw FRICS, a director, as at 31 March 2010, on an open market value basis

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 the Companies Act 2006, 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 of development and investment properties was undertaken by John Shaw FRICS, a director, as at 31 March 2010, on an open market value basis

Freehold land is not depreciated

On completion of construction work, development properties are reclassified as investment properties and accounted for in accordance with Statement of Standard Accounting Practice 19

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

Notes to the financial statements
for the year ended 31 March 2010

1. Accounting policies (continued)

1 5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation Depreciation is not charged on freehold land Depreciation on other tangible fixed assets 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 less provision for impairment

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 the Companies Act 2006, 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 income The effect of this departure is that the cost of investment and development properties is £11,633,000 lower than it would otherwise have been (2009 £11,633,000), 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

1 9 Going concern

The company has £6,714,000 included in cash at the bank The company meets its day to day working capital requirements through its bank facilities and grant draw downs and is therefore reliant on the continuing support of its members As a consequence, the directors believe that the company is well placed to manage its business risks successfully

After making enquiries, the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

2 Turnover

All turnover arose from the company's principal activity

All turnover arose within the United Kingdom

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging

	2010 £000	2009 £000
Depreciation of tangible fixed assets		
- owned by the company	40	65
Auditors' remuneration	14	13
Operating lease rentals		
- other operating leases (administrative)	74	17
- other operating leases (cost of sales)	25	25
Impairment of development properties	-	604

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

2009 Exceptional item - impairment of development properties

The use of some of the company's development properties changed during the previous year, the year ended 31 March 2009 The properties had previously generated income and were demolished in the year ended 31 March 2009 in order to create an open public space As a result of these changes the development properties were subject to an impairment charge of £545,000, this is included within the £604,000 disclosed above

4 Taxation

	2010 £000	2009 £000
Analysis of tax charge/(credit) in the year		
UK corporation tax charge on profit/loss for the year	68	-
Adjustments in respect of prior periods	(29)	(6)
Tax on profit/loss on ordinary activities	39	(6)

4 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK (21%) The differences are explained below

	2010 £000	2009 £000
Profit/loss on ordinary activities before tax	319	(1,523)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 - 21%)	68	(320)
Effects of:		
Expenses not deductible for tax purposes	-	5
Depreciation for year in excess of capital allowances	-	132
Unutilised losses arising in the year	-	183
Adjustments to tax charge in respect of prior periods	(29)	(6)
Current tax charge/(credit) for the year (see note above)	39	(6)

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 properties Should the company sell any of its properties it could be liable to a tax charge

Hastings & Bexhill Renaissance Limited
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Notes to the financial statements
for the year ended 31 March 2010

5. Tangible fixed assets

	Development Properties £000	Investment Properties £000	Furniture, fittings and equipment £000	Total £000
Cost or valuation				
At 1 April 2009 and 31 March 2010	**6,261**	**4,980**	**340**	**11,581**
Depreciation				
At 1 April 2009	**720**	**-**	**275**	**995**
Charge for the year	**-**	**-**	**40**	**40**
At 31 March 2010	**720**	**-**	**315**	**1,035**
Net book value				
At 31 March 2010	**5,541**	**4,980**	**25**	**10,546**
At 31 March 2009	5,541	4,980	65	10,586

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

An internal valuation of development and investment properties was undertaken by John Shaw FRICS, a director, as at 31 March 2010, on an open market value basis

If the development properties had not been included at valuation they would have been included under the historical cost convention as cost £10,259,000 less grant funding £9,269,000 and impairment £720,000 (2009 £10,259,000, £9,269,000 and £720,000 respectively)

If the investment properties had not been included at valuation they would have been included under the historical cost convention at cost £2,363,000 less grant funding £2,363,000 (2009 £2,363,000 and £2,363,000 respectively)

Included in investment properties are long term leasehold properties valued at £1,500,000, (2009 £1,500,000) and short term leasehold properties valued at £830,000 (2009 £830,000) All remaining properties valued above are held as freehold properties

6. Fixed asset investments

	Investments in participating interests £000
Cost	
At 1 April 2009 and 31 March 2010	1

Investments in participating interests

The company has a joint venture interest in Coastal Land (Sussex) LLP The LLP was incorporated on 12 November 2007 The company's 50% share of the results of the LLP for the year ended 31 March 2010 (2009 17 month period ended 31 March 2009) were as follows

	2010 £000	2009 £000
Turnover	132	11
Loss available for division among members	(407)	(560)
Fixed assets	6,394	5,910
Current assets	230	791
Liabilities due within one year	(479)	(699)
Liabilities due after more than one year	(5,994)	(5,744)
Net assets	151	258

The company has assigned all its rights and interests in Coastal Land (Sussex) LLP as security against loan drawdowns by the LLP

The company also has a joint venture interest in Coastal Innovation Limited (CIL) CIL, started trading on 19 November 2008 The company's 50% share of the results of CIL for the year ended 31 March 2010 were as follows

	2010 £000	2009 £000
Turnover	100	172
Loss for the financial year	(1,058)	(219)
Fixed assets	2,573	-
Current assets	572	839
Liabilities due within one year	(951)	(991)
Liabilities due after more than one year	(1,210)	(67)
Net liabilities	984	(219)

The company has assigned all its rights and interests in CIL as security against loan drawdowns by CIL

7. Debtors

	2010 £000	2009 £000
Due after more than one year		
Other debtors	263	200
Due within one year		
Trade debtors	392	204
Amounts owed by member organisations	4,129	1,345
Amounts owed by joint ventures	3	15
Other debtors	355	320
	5,142	2,084

8. Creditors: Amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	180	389
Amounts owed to member organisations	1,000	33
Amounts owed to joint ventures	-	1,278
Corporation tax	68	-
Other creditors	93	93
Accruals and deferred income	7,974	3,941
	9,315	5,734

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

	2010 £000	2009 £000
Accruals and deferred income	-	5

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	Profit and loss account £000
At 1 April 2009	**10,252**	**2,556**
Profit for the year		**280**
At 31 March 2010	**10,252**	**2,836**

Included within the profit and loss account is an accumulated total of £720,000 (2009 £720,000) relating to the impairment of development properties

12 Reconciliation of movement in members' funds

	2010 £000	2009 £000
Opening members' funds	**12,808**	21,016
Profit/(loss) for the year	**280**	(1,517)
Other recognised gains and losses during the year	**-**	(6,691)
Closing members' funds	**13,088**	12,808

13 Net cash flow from operating activities

	2010 £000	2009 £000
Operating profit/(loss)	**299**	(1,756)
Depreciation of tangible fixed assets	**40**	65
Impairments of fixed assets	**-**	604
Increase in debtors	**(258)**	(35)
Increase in amounts owed by member organisations	**(2,784)**	(1,072)
Decrease in amounts owed by joint ventures	**12**	2,567
Increase/(decrease) in creditors	**3,804**	(1,561)
Amortisation of tangible fixed asset grants	**16**	1,266
Decrease in amounts owed to joint ventures	**(1,278)**	(43)
Increase / (decrease) in amounts owed to member organisations	**967**	(371)
Net cash inflow/(outflow) from operating activities	**818**	(336)

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

	2010 £000	2009 £000
Returns on investments and servicing of finance		
Interest received	**20**	233

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

	2010 £000	2009 £000
Acquisitions and disposals		
Purchase of share in joint ventures	-	(1)

15 Analysis of changes in net funds

	1 April 2009 £000	Cash flow £000	Other non-cash changes £000	31 March 2010 £000
Cash at bank and in hand	5,876	838	-	6,714
Net funds	5,876	838	-	6,714

16. Capital commitments

At 31 March 2010 the company had capital commitments as follows

	2010 £000	2009 £000
Contracted for but not provided in these financial statements	505	-

17. Operating lease commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2010 £000	2009 £000
Expiry date		
Within 1 year	11	-
Between 2 and 5 years	16	16
After more than 5 years	25	25

18. 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

	2010 £000	2009 £000
South East England Development Agency (SEEDA)		
Revenue grants receivable	14,498	5,524
At 31 March 2010 the net balance owed to the company was	2,975	1,340
Hastings Borough Council (HBC)		
Revenue grants receivable	-	9
Sales	414	3
Purchases	269	447
At 31 March 2010 the net balance owed to/(by) the company was	80	(12)
East Sussex County Council (ESCC)		
Purchases	34	26
At 31 March 2010 the net balance owed by the company was	-	(20)
University of Brighton (UB)		
Sales	112	-
Purchases	34	88
At 31 March 2010 the balance owed to the company was	74	5
Coastal Land (Sussex) LLP (CLS)		
Rent paid to CLS	52	-
Management services provided to CLS	-	80
Expenses recharged to CLS	-	862
Expenses recharged by CLS	-	(347)
At 31 March 2010 the net balance owed to/(by) the company was	3	(370)
Coastal Innovation Limited (CIL)		
Grants made to CIL	4,689	2,452
Management services provided to CIL	80	40
Expenses recharged to CIL	-	70
At 31 March 2010 the net balance owed (by)/to the company was	-	(893)

In addition to the above, SEEDA have supplied staff to the company for the administration and management of the projects

19 Post balance sheet events

Discussions are ongoing with the Homes and Communities Agency (HCA) relating to the eligibility of seconded staff costs totaling £479,000 and related staff overheads of £176,000 claimed by the Company for legitimate expenditure under the grant funding agreement with HCA The Directors believe that the costs should be allowed under the Agreement and associated understandings reached between the parties dating back to 2002 The Directors have issued invoices for the total amount outstanding and if the attempt to recover costs is not successful the costs will be met from other grant funding

A new building contract was part let in the year ended 31 March 2010 under a letter of intent using a grant of £2,975,000 provided by SEEDA in 2009/10

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

Notes to the financial statements
for the year ended 31 March 2010

20 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