

PEOPLE'S PIER HASTINGS PIER CHARITY

ANNUAL REPORT & ACCOUNTS
For the Period ended 31 December 2014



HASTINGS PIER CHARITY

ANNUAL REPORT & ACCOUNTS

Period ended 31 December 2014

Chairman's statement to the Members of Hastings Pier Charity

Welcome to the first AGM of the Hastings Pier Charity.

I want to spend a little time telling you about the progress we have made, the plans we have and the timetable we envisage.

The Pier has been a landmark project. £14.3m raised for the reconstruction and reopening of the pier. £11.4m from the Heritage Lottery Fund, about £2.3m from other grant giving and loan funding organisations, including arms of government and around £600,000 from you, the people and friends of Hastings in a record breaking community share issue which sees us with 3,000 or so committed shareholders.

It has been a model of community power and energy. From early beginnings driven by The Hastings Pier and White Rock Trust, including Jess Steele and Ray Chapman, who is a Director of the pier, it became a live project. I should like to pay tribute to the drive and tenacity of all those volunteers fully supported by Amber Rudd, our local MP and Jeremy Birch the leader of the Council. Amber has been a driving force for us locally in Westminster and when necessary with the agencies we have had to deal with. Jeremy has been a great support too, recognising the role of the pier in regenerating White Rock and the Western part of the Town.

Our funders have been critical. Spending public money they have to be careful and cautious but the Heritage Lottery Fund has helped as much as they possibly could and their scrutiny and challenge has sharpened up our thinking on a number of occasions.

£14m is a lot of money, but it only covers the construction and launch of the pier. We then need at least £200,000 per annum of surplus to keep the pier insured and maintained. This has to come from the activities on the pier and from well-wishers. We need to run the pier commercially and well to achieve this. A lot of piers are neglected and decay because they cannot generate a profit. More on this later.

How have we spent the money? Well, you can see the structure is really taking shape. We had spent about £7.2m to the end of March. Our current forecast is that we will complete the job at budgeted cost. This would be a real achievement given that the economy is picking up and construction is one of the few areas showing sharp price increases in 2014/15. My thanks to our Financial Controller, Clive Wormald and to Neil Mather, the Director with specific financial oversight responsibilities.

Our financials to the end of March 2015 are that we have just over £1m in the bank, and we will have enough cash to get the pier open and provide working capital for the first year.

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We had our issues. The storm of February 2014 caused a lot of damage and forced a rethink of our construction method and timetable. We had to make a £1m insurance claim that was settled in full thanks to the expertise and intervention of Clive Bowring one of our hard working and committed Directors. We had to bring in a barge to undertake the work when safe access to the pier from landside became impossible.

We have been largely successful in our choice of contractors but this luck is directly related to the hard work of our project team supported by the expertise and time of Directors on the Project Committee; Simon Fraser, Ray Chapman and William Davies.

We have had a few legal and contractual issues but here Maria Ludkin, a long standing Director, our Company Secretary, lawyer and resident of the town, has been ever on hand.

As well as building the pier we have renovated the Hub as our seafront visitor centre and put on a programme of events highlighting the cultural importance of the pier and attracting audiences and participants from all parts of the community, especially school children.

Our Board have been outstanding. We have been lucky to have Kate Flett who has wide experience of the media and strong relationships in the performing arts. From 2017 our Board will begin to be directly elected from the shareholders in accordance with our Rules, but we do have one vacancy right now which we would love a local shareholder to take up. We have commenced the process of recruitment.

The prime job of any Board is hiring the right Chief Executive and here we have excelled; Simon Opie has been a star. His commitment to the pier has been total. His empathy with a community pier owned by the people of Hastings for the benefit of local families and visitors to the Town has been unequalled. He has been a softly spoken but effective voice for the pier and has projected our work and the town in exemplary fashion.

What of the future plans? There are three questions everyone wants answered. Who will do the food on the pier and is it right for my friends, family and me?

What attractions can I expect to see on the pier?

When will it be opened?

Let us talk food. Everyone has an opinion. For our Pavilion building we had to find a secure operator who could commit to high standards, training, the use of local produce and pay a minimum rent of £100,000 per annum and be financially strong enough to sign a long term lease and stay in business for 10 years or more. This was tough. A pier is seasonal and Hastings does not appear high on every restaurateur's list of target towns...YET.

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Period ended 31 December 2014

We approached small people, big people, independents and celebrities. We were encouraged by our outcome but I must not let you believe we were killed in the rush. In fact as I write this, we continue to try to secure the operators we believe will meet the needs of the Pier.

We have also targeted to sign up a local operator for the Visitor Centre offer and this has also proved challenging. We will have a series of coffee shops and pop up operators in the high season that will suit local operators. This combined package will, we believe, meet our customers' needs and the financial contribution we have to earn to keep the pier going after 2016.

Opening date: We will have the pier finished by October this year but we will delay opening until the spring of next year in time for the Easter trade. We are making this delay for two reasons: one to avoid losing money over the winter and two, to give us time to see if we can bring another exciting attraction on to the pier and pier head.

The programme for 2016 is starting to take shape. Simon, who as you know is ex Disney Group, has been working on a series of events for the pier, a circus, concerts, a travelling steam fair and car shows; it is going to be a real platform for bringing in great attractions and we trust lots of new visitors and business for the town.

Can I thank everyone who has worked, volunteered and supported the pier? It is sometimes easy to forget what people put in. In a town and hinterland of 80,000 it is hard to please everybody all the time. The town is a real melting pot of people, ideas, values and views of what Hastings, and the pier in particular, should be. We listen to everyone, the vocal few who Twitter and text but also the many thousands and thousands of our fellow residents less vocal but just as important to us in delivering a pier for all the people, meeting the desire of families and friends for a great value fun day out on the front and at the pier in Hastings.

As for the challenges ahead in the coming year, we have to put our past success behind us and redouble our efforts to finish the pier within budget and to deliver a package of events and attractions to make us all proud of what has been done here.

John Lovering
Chairman
Hastings Pier Charity
25 April 2015

HASTINGS PIER CHARITY

ANNUAL REPORT & ACCOUNTS

Period ended 31 December 2014

Chief Executive's Report

The period covered by this report is one of monumental progress and achievement allied to fundamental change in the organisation, and as such I must start by thanking everyone who has worked so hard to make the ambition to restore and reopen Hastings Pier a reality.

Our own HPC staff team has been very hard working and highly effective – often going well above and beyond what might reasonably be expected of them. Beatrice Rapley, Susan Kent, Jo McLaughlan and Melanie Parker (our maternity cover Learning and Education Manager) have made a brilliant start to the considerable task of delivering on our promises for the activity plan. Over 90 events have been held involving around 10,000 people, the Pier Hub on the seafront has been successfully launched and operated, and we now have real momentum and drive in our mission to connect the community with our heritage project. The feedback from participants in these activities has been extremely positive and I look forward to the continued development of our ambitious programme. Thank you Beatrice, Susan, Jo and Melanie.

David Spooner, Peter Wheeler and Emma Palfrey-Rogers, together with our apprentices Daniel Bailey and Andrew Holmes, have not only managed the restoration works but also taken time out to be involved in all aspects of our public engagement with their progress. From Heritage Open Days to teatime updates in the Pier Hub they have been committed and informative in bringing a greater understanding of the challenges we face through patient explanation. This is much appreciated and as we look forward to the completion of the construction phase of the project I thank them for all that has been achieved so far.

Clive Wormald has brought great professionalism and a reassuring attention to detail to the management of our finances. In particular our cash flow, which was anticipated to be a major challenge, has been very well managed. My thanks are due to Clive for taking on the management of Finance and much else besides.

In addition to our staff team I must acknowledge the invaluable contribution of all of our independent consultants and in particular Tim Fordham Moss, our PR expert, and Keith Sadler for managing shareholder relations and a multitude of special projects.

Then we have over 60 volunteers who make such a vital and irreplaceable contribution to our work. They are the very essence of our organisation and I thank them sincerely.

Just like our volunteers, our Board of Directors give their advice, wealth of experience and considerable talents to the organisation for no material reward. Their dedication and commitment never ceases to amaze me and I thank them for their unceasing support and expert contribution.

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Period ended 31 December 2014

The numbers in the financial section of this report are a measure of our progress and they show that we are well beyond the halfway point in reaching our goal to rebuild the Pier. This truly is encouraging and has allowed us, just in the last few days to set the opening date for the Pier – 21st March 2016, which although later than we might have wished is nonetheless a terrific achievement and the best possible springboard from which to programme a brilliant opening year of entertainment and activities on our Pier.

What the numbers do not illustrate are the significant and innovative steps we took first in taking ownership of the Pier through a compulsory purchase process and then in converting from a registered Charity to a Community Benefit Society (Bencom), thereby allowing us to recruit an extensive and active membership through the issuing of Community Shares. This transition in our operating model was not without its challenges and in truth we are still learning how best to manage our responsibilities and shareholder relations. It is a big test for a small organisation such as ours. I believe with a firm commitment to the outcomes and, most importantly, your valuable support we will continue to set the standards for others to follow in community-based regeneration.

Before closing, I must also acknowledge the contribution of all of our funders and in particular the Heritage Lottery Fund. Their faith in awarding our project £11.4m is something for which we are all massively grateful. Without their support, there would be no project.

Finally, I thank you, our members, for your passion for and engagement with Hastings Pier and I very much look forward to our future success in making Hastings Pier the very best of peoples' piers.

Simon Opie
Chief Executive
Hastings Pier Charity
17 April 2015



**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS**

**PERIOD ENDED
31 DECEMBER 2014**

Hastings Pier Charity

FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2014

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HASTINGS PIER CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS

PERIOD ENDED 31 DECEMBER 2014

Directors

The following Directors held office during the period under review

	Appointed	Ceased
John Lovering (Chairman)	10/10/2013	
Amy Sanders	10/10/2013	
Jess Steele	10/10/2013	02/12/2013
Ray Chapman	10/10/2013	
Neil Mather FCA	10/10/2013	
Teresa Hall	10/10/2013	17/02/2014
Maria Ludkin (Secretary)	10/10/2013	
Brian Oldman	10/10/2013	28/04/2014
Clive Bowring	17/02/2014	
Simon Fraser	17/02/2014	
William Davies	17/03/2014	
Tom Attwood	28/04/2014	
Kathryn Flett	16/06/2014	

Society registered number 32211R

Registered office 1 – 10 White Rock
Hastings
TN34 1JU

Auditors PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London
E14 4HD

HASTINGS PIER CHARITY

THE REPORT OF THE BOARD OF DIRECTORS

PERIOD ENDED 31 DECEMBER 2014

The Directors are pleased to present their Report and audited Financial Statements for the period 10th October 2013 to 31st December 2014.

Introduction

Hastings Pier Charity (HPC) was incorporated as a Community Benefit Society (Bencom), regulated by the Financial Conduct Authority, on the 10th October 2013. On this date the organisation ceased to be a charity regulated by the Charities Commission and all its assets and liabilities were transferred to the Bencom. HMRC has confirmed that HPC retains its charitable status for tax purposes. The accounts under review cover the period from incorporation until 31st December 2014.

The change of status to a Bencom was a key component in providing members of the public the opportunity to have a stake in the Pier's future through subscribing to community shares.

Main Activities during the Period

In the immediate few months following incorporation the contracts for the main restoration works were tendered, contractors were appointed and preliminary works to make the structure safe commenced.

The start of 2014 also saw a number of notable events:

- Work on the main structure steelwork commenced on the Pier.
- The 'Hub', at the entrance to the former White Rock Baths, opened. The Hub is a valuable space for public engagement and a venue to deliver talks and workshops as part of our community engagement remit.
- Two engineering apprentices were recruited to work on the Pier alongside the project engineer.
- The share offer was finalised.

The share offer was a resounding success with over 3,000 people subscribing for more than £600,000 of capital. The sum raised allowed us to allocate the planned £200,000 to the cost of restoring the pier and also provided a necessary balance of working capital for the operational phase of the pier's life.

During February 2014 a major storm and tidal surge occurred which severely damaged the structure at the Pier head and caused us to completely revise our strategy for the demolition of the Old Ballroom.

Despite the severity of the damage at the Pier head, work on the remainder of the structure continued with the laying of new hardwood decking and the refurbishment of the original balustrade at the promenade. Work also commenced on the restoration of the Old Pavilion building, which was the only structure to survive intact from the fire that engulfed the pier in 2010.

The storm damage was rectified during the late summer and early autumn of 2014. Altogether, the costs of the works amounted to £1,079,598. Recoveries from our insurers totalled £1,029,598 the difference of £50,000 representing the excess on our policy and therefore the extent of our financial loss.

The figures reported in these accounts for storm damage costs and recoveries differ from those quoted above. This is because some costs which the insurers have accepted fall into the current financial year. In addition the final claims settlement was received after 31st December 2014.

In addition to the restoration programme, HPC staff have been involved in designing and delivering a series of learning and educational programmes and events both in the community and at the Hub building on the promenade. The activities being delivered are an important part of our remit to engage the wider community in the 'Hastings Pier' experience and to celebrate our shared seaside heritage.

HASTINGS PIER CHARITY

THE REPORT OF THE BOARD OF DIRECTORS

PERIOD ENDED 31 DECEMBER 2014

Another important aspect of our work is the creation of a digital heritage resource that will be based in the newly created Visitor Centre on the Pier. This will provide a source of reference for educational purposes as well as a fascinating insight into the history and development of the Pier since its beginnings in the 1870s.

Volunteers have also played a key part in the story so far. A team of approximately 70 volunteers has provided vital input and support to help us deliver our key activities. Since the start of the period our volunteers have provided around 4,000 hours valued at approximately £70,000.

Financial headlines

Income

The majority of the income to fund the restoration and associated work has come from the Heritage Lottery Fund (HLF). In total the HLF are providing £11.4m of grants against a total cost of the project of £13.9m. The balance of £2.5m has been raised through a combination of grant income, fundraising and the share issue with some short term financing by way of loans.

During the period under review the HLF provided grant income to the value of £4,844,968, the majority of which (£4,231,223) relates directly to the construction spend with the balance (£613,745) funding activity costs, property and office costs, staff costs, legal fees and insurances.

Grant income in these accounts is reported according to the type of expenditure to which it relates. As the majority of our grant income relates to construction spend it will be reported in line with how those costs are reported.

Construction costs are treated in these accounts as capital expenditure (expenditure used to acquire, improve or construct a tangible asset – in this case the Pier itself) and will be subject to an annual depreciation charge once the work has been completed and the Pier is in use. The annual depreciation charge will be shown in future income and expenditure accounts as a cost – against which a proportion of the grant income that has already been received will be offset.

For this reason, all the grant income for construction costs that has been received up to 31st December 2014 will not be reported in this year's income and expenditure account but a proportion will be carried forward (deferred) to later years to match the corresponding amount of depreciation being charged in each year.

At 31st December 2014, £4,946,574 of grant income (from all funders including HLF) was carried forward with the balance of £750,186 being shown as revenue in the period being reported.

The sources of grant income received and their treatment in the accounts is as follows:

Funder	Split of Grant Income		
	Deferred £	Revenue £	Total £
Heritage Lottery Fund	4,231,223	613,745	4,844,968
English Heritage		7,431	7,431
Hastings Borough Council	250,000		250,000
Coastal Communities Fund	465,351		465,351
Social Investment Business		100,000	100,000
East Sussex Invest		24,000	24,000
Sussex Coast College		3,000	3,000
Castle Ward		2,010	2,010
TOTAL	4,946,574	750,186	5,696,760

In addition to grant income HPC raised £27,168 through donations and other income.

The balance of income shown in these accounts relates to the insurance recovery in respect of the storm damage. In total £949,680 was received from insurers against our claim with the balance being received in the current financial year – see note above. Total income reported in the income and expenditure accounts is £1,727,034

HASTINGS PIER CHARITY

THE REPORT OF THE BOARD OF DIRECTORS

PERIOD ENDED 31 DECEMBER 2014

Expenditure

Construction

During the period under review a total of £5,558,217 was expended on construction works, this included:

	£
Surveys and management fees	70,983
Repairs & conservation work	4,491,853
Restoration of old Pavilion	389,822
New building work	98,374
Professional fees and construction staff costs	490,979
Equipment	16,206

No depreciation in respect of this expenditure has been charged in the accounts under review because the Pier is considered to be an asset in the course of construction.

Activity Costs

Activity costs comprise those costs such as insurances, office costs, staff costs and costs associated with the delivery of events and educational activities in the community and in the Hub.

During the period under review the total expended on activity costs was £662,112, this included:

	£
Direct costs (insurances, volunteer expenses, staff costs etc.)	521,007
Activity Plan costs (education and equipment costs etc.)	51,155
Property costs (rent & rates, cleaning etc.)	23,391
Office running costs (telephones, stationery and computers)	26,810
Professional costs (audit, accountancy and legal)	32,124
Fundraising costs	7,625

In addition, the costs of repairing the storm damage amounted to £999,680.

Costs of serving our loans (£10,241) and a small sum of interest received (£247) are also reflected in the accounts.

Total costs reported in the income and expenditure accounts is £1,662,039.

The result for the period under review is a surplus of income over expenditure of £55,248.

Statement of Directors' Responsibilities

The Directors are required by law to prepare Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the state of affairs of the Society at the end of the financial period and of its result for the period. In preparing those Financial Statements the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Society will continue in business.

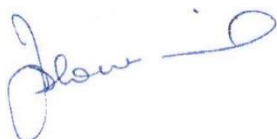
**HASTINGS PIER CHARITY
THE REPORT OF THE BOARD OF DIRECTORS
PERIOD ENDED 31 DECEMBER 2014**

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the Financial Statements comply with the Cooperative and Community Benefits Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

PKF Littlejohn LLP were appointed as auditors in the year and will be proposed for reappointment at the Society's AGM.

By Order of the Board



.....
John Lovering

13 April 2015

HASTINGS PIER CHARITY INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HASTINGS PIER CHARITY

Independent auditor's report to the members of Hastings Pier Charity

We have audited the Financial Statements of Hastings Pier Charity for the period ended 31 December 2014 which comprises the Income and Expenditure Account, Balance Sheet, the Cashflow Statement 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 Society's members, as a body in accordance with Section 87(2) and Section 98(7) of the Cooperative and Community Benefits Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members 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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities as set out on pages 4 and 5, 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 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 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 Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Society's affairs as at 31 December 2014 and of its income and expenditure and cashflow for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Cooperative and Community Benefits Societies Act 2014.

HASTINGS PIER CHARITY INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HASTINGS PIER CHARITY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Cooperative and Community Benefits Societies Act 2014 require us to report to you if, in our opinion:

- proper books of account have not been kept;
- a satisfactory system of control over transactions has not been;
- the Society's Financial Statements are not in agreement with the accounting records;
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Alastair Duke (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

13 April 2015

**HASTINGS PIER CHARITY
INCOME AND EXPENDITURE ACCOUNT
PERIOD ENDED 31 DECEMBER 2014**

	Note	Period ended 31.12.14 £
INCOME		
Income relating to activities		
Insurance receipt		777,354
		<u>949,680</u>
		<u>1,727,034</u>
OPERATING COSTS:		
Direct costs		521,007
Activity plan costs		51,155
Property costs		23,391
Office running costs		26,810
Professional costs		32,124
Fundraising costs		7,625
Write off of storm damage		<u>999,680</u>
TOTAL		<u>1,661,792</u>
NET OPERATING SURPLUS	3	65,242
Loan interest payable		(10,241)
Interest receivable		<u>247</u>
Surplus before taxation		55,248
Taxation	4	<u>-</u>
SURPLUS AFTER TAX	10	<u>55,248</u>

All of the activities of the Society are classed as continuing

The Society has no recognised gain or losses other than the results for the year as set out above.

The notes on pages 11 to 15 form part of these financial statements

**HASTINGS PIER CHARITY
BALANCE SHEET
31 DECEMBER 2014**

	Note	At 31.12.14	
		£	£
FIXED ASSETS			
Tangible assets	5		6,196,415
CURRENT ASSETS			
Debtors	6	921,621	
Cash at bank and in hand		<u>1,011,157</u>	
			<u>1,932,778</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(6,034,896)</u>	
NET CURRENT ASSETS			(4,102,118)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		(336,773)
			<u>1,757,524</u>
CAPITAL AND RESERVES			
Called up share capital	9		600,100
Income and expenditure account	10		<u>1,157,424</u>
SHAREHOLDERS' FUNDS			<u>1,757,524</u>

These financial statements were approved by the Directors on 13 April 2015 and are signed on their behalf by:

.....
John Lovering

.....
Neil Mather FCA

The notes on pages 11 to 15 form part of these financial statements

**HASTINGS PIER CHARITY
CASHFLOW STATEMENT
PERIOD ENDED 31 DECEMBER 2014**

£

Net Cash Inflow from Operating Activities	1	5,286,838
Capital Expenditure		
Payments made to acquire tangible fixed assets		(5,558,217)
Returns on Investment and Servicing of Finance		
Interest received		247
Interest paid		(10,241)
		<hr/>
Net cash outflow before Financing		(281,373)
Financing		
Issue of shares		600,100
Repayment of loans		(107,500)
New long term loans		450,000
		<hr/>
Increase in Cash in the Period		661,227
Cash introduced on 10 October 2013		349,930
		<hr/>
Closing Cash at bank and in hand		£1,011,157
		<hr/> <hr/>

1	Reconciliation of operating surplus to net cash inflow from operating activities	
	Operating surplus	65,242
	Increase in debtors	(921,621)
	Increase in creditors	5,979,169
	Net assets transferred on 10 th October 2013 (excluding cash)	164,048
		<hr/>
	Net cashflow from operating activities	£5,286,838
		<hr/> <hr/>

**HASTINGS PIER CHARITY
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting and Financial Reporting Standards in the United Kingdom.

Grants

Grants are credited to the Income and Expenditure Account in the period to which their purposes relate. Any surplus or deficit arising on on-going projects in the current year is deferred to the following accounting period.

Grant income used to acquire fixed assets is treated as deferred capital grant income and released over the useful economic life of the asset.

Other Income and Expenditure

Other income is recognised in the income and expenditure account on a receivable basis; associated expenditure is recognised on an accruals basis.

Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets, other than assets in the course of construction, at rates calculated to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

Going concern

The Directors consider that the use of the going concern basis is appropriate because there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Society to continue as a going concern and there is reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future.

**HASTINGS PIER CHARITY
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2014**

2. INCOME

	Period ended 31.12.14 £
Grants	750,186
Other income	350
Donations	<u>26,818</u>
	<u>748,168</u>

3. NET OPERATING SURPLUS

	Period ended 31.12.14 £
This is stated after charging/(crediting):	
Auditors' remuneration	9,000
And after crediting grant income as follows	
Grant receivable	5,696,760
Grant taken to deferred income	<u>(4,946,574)</u>
Grant credited to the income and expenditure account	<u>750,186</u>

Members of the Board did not receive any remuneration, other benefits or reimbursements of expenses, other than out of pocket, from the Society.

4. TAXATION ON ORDINARY ACTIVITIES

The Board do not consider that the core activities of the company are subject to tax. By far the majority of the income is received from grants and are not considered to be taxable. The Board does however accept that corporation tax is payable on interest received and a provision in the accounts relates to the tax on that interest.

**HASTINGS PIER CHARITY
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2014**

5. TANGIBLE FIXED ASSETS

	Assets in the course of construction £
COST	
Introduced as at 10 October 2013	638,198
Additions during year	5,558,217
Disposals during year	-
	<hr/>
At 31 December 2014	6,196,415
DEPRECIATION	
Introduced as at 10 October 2013	-
Charge for year	-
Disposals during the year	-
	<hr/>
At 31 December 2014	-
NET BOOK VALUE	
At 31 December 2014	<u>6,196,415</u>

At the period end there were capital commitments of £3,039,526

6. DEBTORS

	31.12.14 £
Prepayments and accrued income	840,275
VAT recoverable	81,346
	<hr/>
	921,621
	<hr/>

7. CREDITORS: Amounts falling due within one year

	31.12.14 £
Trade creditors	531,006
Accruals and deferred income	4,963,322
Taxes and social security costs	6,331
Loan repayments	55,727
Other creditors	398,592
Insurance monies received in advance	79,918
	<hr/>
	6,034,896
	<hr/>

**HASTINGS PIER CHARITY
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2014**

8. CREDITORS: Amounts falling due after more than one year

	31.12.14 £
Loans	336,773
The Society has entered into two loan agreements as follows:	
- £150,000 5 year unsecured loan with Community Builders at a rate of interest of 5%.	
- £250,000 5 year unsecured loan with Architectural Heritage Fund with interest rates between 6% and 8%.	
	£
Amount repayable within one year	55,727
Amount repayable between two and five years	<u>336,773</u>
	<u><u>392,500</u></u>

9. SHARE CAPITAL

	31.12.14 £
Received in the period	600,100
Withdrawn in the period	<u>-</u>
	<u><u>600,100</u></u>

The shares of the Society have the nominal value of £1 each. In accordance with the Society's rules, shares may be withdrawn having given three months' notice. Shares may not be withdrawn, under the terms of the share offer, for a period of 3 years.

10. INCOME AND EXPENDITURE ACCOUNT

	Period ended 31.12.14 £
Introduced 10 October 2013	1,102,176
Surplus for year	<u>55,248</u>
At 31 December	<u><u>1,157,424</u></u>

**HASTINGS PIER CHARITY
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2014**

11. Financial commitments

Financial commitments at the year end under non-cancellable leases will result in the following payments:

	£
Land and buildings	
Annual commitment for leases expiring	
In one to five years	5,118
After five years	6,000

The following pages do not form part of the statutory financial statements and are not, therefore, the subject of the independent auditors' report on pages 9 and 10.

**HASTINGS PIER CHARITY
NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
PERIOD ENDED 31 DECEMBER 2014**

	Period ended 31.12.14 £
INCOME	
Grants	750,186
Other income	350
Donations	26,818
Insurance income	<u>949,680</u>
	<u>1,727,034</u>
DIRECT COSTS	
Salaries, including national insurance	167,363
Volunteer expenses and training	3,547
Insurance	315,589
Consultancy fees	31,802
Other staff costs	<u>2,706</u>
	<u>521,007</u>
ACTIVITY PLAN COSTS	
Education and training	11,424
Equipment and materials	2,617
Visitor Centre	17,258
Publicity	10,243
The Hub	3,616
Evaluation	<u>5,997</u>
	<u>51,155</u>

HASTINGS PIER CHARITY
NOTES TO THE INCOME AND EXPENDITURE ACCOUNT (continued)
PERIOD ENDED 31 DECEMBER 2014

	Period ended 31.12.14 £
PROPERTY COSTS:	
Rent and rates	13,531
Cleaning	2,444
Miscellaneous office costs	<u>7,416</u>
	<u>23,391</u>
OFFICE RUNNING COSTS:	
Telephone and fax	1,797
Stationery, postage, printing & supplies	7,319
Computer and equipment costs	<u>17,694</u>
	<u>26,810</u>
PROFESSIONAL COSTS:	
Audit fees	9,000
Accountancy fees	5,950
Legal and professional fees	<u>17,174</u>
	<u>32,124</u>
FUNDRAISING COSTS:	
Fundraising expenditure	<u>7,625</u>