Coin Street Community Builders Limited
(a company Limited by Guarantee)

Financial statements

For the year ended 31 March 2006

Company No. 1783483

Company information

Company registration number	1783483
Registered office	99 Upper Ground London SE1 9PP
Directors	N Bell E H C Bowman T Keller P A Morris G E Nicholson I J Tuckett K R Voaden K Yefet
Secretary	I J Tuckett
Bankers	Lloyds TSB Bank plc 2 York Road London SE1 7LZ
Solicitors	Lovells 65 Holborn Viaduct London EC1A 2DY
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House Melton Street Euston Square LONDON NW1 2EP

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2006.

Principal activities and business review

The company was incorporated on 1 June 1984 with its principal object being 'the provision of public service within the United Kingdom otherwise than for the purpose of gain'. In July 1984 the company purchased the freehold of approximately 13 acres of London's South Bank with the intention of implementing a mixed development of housing, shopping, light industry, a riverside walkway and park, and various leisure facilities for which an outline planning consent had been granted in January 1983.

During the year under review, the company has worked with local community groups, Coin Street Secondary Housing Co-operative, Coin Street Centre Trust, the London Boroughs of Lambeth and Southwark, the Office of the Deputy Prime Minister, the Government Office for London, The Mayor of London, The Greater London Authority, the London Development Agency, the Housing Corporation, Nationwide Building Society and private sector organisations to secure the implementation of the scheme. The company has also worked closely with other organisations on the South Bank and is an active member of the South Bank Employers' Group – a body formed to improve amenities in the area.

The company maintains a public exhibition about its work on the ground floor of Oxo Tower Wharf and a website at www.coinstreet.org.

The company let a contract in December 2005 for a building on Stamford Street. The building will house a mixture of child-care, family support, training and other community facilities. The building will also provide CSCB with its new offices, a new restaurant and a community café. The company has been consulting on proposals for a mixed use development of site A comprising housing, sports and leisure facilities, retail, public open space, dance facilities and offices. Applications for planning consent for these facilities were submitted in November 2005.

The company managed the riverside walkway, Bernie Spain Gardens, Oxo Tower Wharf and Gabriel's Wharf Market. The off-street public car parks were managed by National Car Parks during most of the year but towards the end of the year CSCB entered into a management agreement with Central Parking Systems.

There was a deficit for the year after taxation amounting to £108,236 (2005: surplus £45,224).

Directors

The directors who served the company during the year were as follows:

N Bell
E H C Bowman
T Keller
P A Morris
G E Nicholson
I J Tuckett
K R Voaden
K Yefet

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

Iain Tuckett

IJ Tuckett
Secretary
Date: 12/1/2007

Report of the independent auditor to the members of Coin Street Community Builders Limited

We have audited the financial statements of Coin Street Community Builders Limited for the year ended 31 March 2006 which comprise the principal accounting policies, the income and expenditure account, the balance sheet, the statement of total recognised gains and losses and notes 1 to 15. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 to 9.

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 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 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 and the information given in the Report of the Directors is consistent with the financial statements. We also 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 judgements 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.

Report of the independent auditor to the members of Coin Street Community Builders Limited (continued)

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2006 and of its deficit 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 Report of the Directors is consistent with the financial statements for the year ended 31 March 2006.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
London
Date: 23/1/07

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Consolidation

In the opinion of the directors, the company and its dormant subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the income and expenditure account represents amounts receivable during the year for services provided, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost. Investment freehold properties are periodically revalued as noted below.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Market and temporary buildings	-	4 years
Office equipment	-	4 years
Vehicles	-	4 years
Equipment	-	4 years

Depreciation is provided on all tangible fixed assets other than investment freehold land and property, and property in the course of construction.

Investment properties

In accordance with the Financial reporting Standard for Smaller Entities certain of the company's properties are held for long-term investment and are included in the balance sheet at their open market values (as disclosed in note 6). The surplus or deficit on revaluation of such properties is transferred to the investment property revaluation reserve, unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the income and expenditure account in the year.

Certain investment properties have not been professionally revalued within the last five years (as required by Statement of Standard Accounting Practice No 19). The Members of the Council of Management ('the directors') consider that a professional valuation would not be beneficial until negotiations concerning the company's interest in these properties are concluded. The directors consider that the current value of these properties is not less than their carrying value within the balance sheet. The directors consider the carrying value of these properties within the balance sheet to be not materially different to their valuation on an existing use basis. These properties therefore continue to be carried in these financial statements as at their 1995 valuation. These properties will be professionally revalued once the company's long term interest has been clarified.

Government and other grants received in respect of investment properties in the course of construction, have been deducted from the costs of development to date. This is not in accordance with schedule 4 to the Companies Act, which requires assets to be shown at their purchase price or production cost and hence grants and contributions would be shown as deferred income.

This departure from the requirements of the Companies Act is, in the opinion of the directors, necessary to give a true and fair view as any grants related to such assets would not be taken to the income and expenditure account. The value of grants received and set off in the year is disclosed in note 6.

Prior year adjustment

During the year the directors undertook a comprehensive review of the accounting for freehold property at valuation and the revaluation reserve account. As a result of this review it was noted that amounts in respect of fluctuations in market values had been written off direct to the income and expenditure account instead of being set against the revaluation reserve. The directors consider that the amounts written off represented temporary falls in value, and should therefore, in accordance with the company's accounting policy, have been set against the revaluation reserve.

The effect of this review has been to reduce the revaluation reserve by £347,772, and increase retained income and expenditure reserves by the corresponding amount. The comparative figures for 2005 have been restated accordingly. There is no impact on the results for the current year.

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 surpluses on a straight line basis over the period of the lease.

Pension costs

The company makes contributions to employees' private pension schemes. Contributions are charged to the income and expenditure account.

Deferred taxation

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. In accordance with FRS 19, deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more or less tax in the future, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Government and other grants

Grants are accounted for on a cash receivable basis and are set off against the related fixed asset or other expenditure.

Income and expenditure account

	Note	2006 £	2005 £
Turnover	1	**3,264,852**	3,431,503
Cost of sales		**(1,395,590)**	(1,165,163)
Gross surplus		**1,869,262**	2,266,340
Other operating charges	2	**(1,418,240)**	(1,661,944)
Operating surplus	3	**451,022**	604,396
Interest receivable		**2,034**	5,912
Interest payable and similar charges		**(561,292)**	(565,084)
(Deficit)/surplus on ordinary activities before taxation		**(108,236)**	45,224
(Deficit)/surplus for the financial year	14	**(108,236)**	45,224

Balance sheet

	Note	2006 £	2005 £ (Restated)
Fixed assets			
Tangible assets	6	**25,325,205**	18,312,692
Investments	7	**4**	4
		25,325,209	18,312,696
Current assets			
Debtors	8	**944,102**	1,060,484
Cash at bank		**29,187**	128,278
		973,289	1,188,762
Creditors: amounts falling due within one year	9	**2,394,139**	1,919,423
Net current liabilities		**(1,420,850)**	(730,661)
Total assets less current liabilities		**23,904,359**	17,582,035
Creditors: amounts falling due after more than one year	10	**8,345,079**	8,556,558
		15,559,280	9,025,477
Provisions for liabilities			
Deferred taxation	11	**126**	126
		15,559,154	9,025,351
Reserves			
Revaluation reserve	14	**16,844,323**	10,202,284
Income and expenditure account	14	**(1,285,169)**	(1,176,933)
Total funds		**15,559,154**	9,025,351

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors on ~~22 August 2006~~ 12 JANUARY 2007 and are signed on their behalf by:

G E Nicholson

I J Tuckett

Other primary statements

Statement of total recognised gains and losses

	2006	2005
	£	£
(Deficit)/surplus for the financial year	**(108,236)**	45,224
Unrealised surplus on revaluation of freehold property (note 6)	**6,642,039**	–
Total gains and losses recognised for the year	**6,533,803**	45,224

Notes to the financial statements

1 Turnover

Turnover, which is stated net of value added tax, represents amounts receivable from third parties. Turnover is attributable to continuing activities and all of the company's sales for the year have been made within the United Kingdom.

	2006	2005
	£	£
Car parking	**615,966**	761,262
Rental income	**1,482,119**	1,471,195
Service charges	**353,709**	370,088
Site hire	**455,072**	299,852
Housing management, landlord & admin fees	**165,552**	148,056
Revenue grants receivable	**79,605**	101,923
Sponsorship income	**5,000**	70,194
Social enterprise project income	**9,459**	45,465
Other	**98,370**	163,468
	3,264,852	3,431,503

2 Other operating charges

	2006	2005
	£	£
Administrative expenses	**1,418,240**	1,661,944

3 Operating surplus

Operating surplus is stated after charging:

	2006	2005
	£	£
Depreciation of owned fixed assets	**28,246**	38,445
Auditor's fees	**28,750**	24,500

No tax charge is expected to arise on the results for the year (2005: £nil).

4 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2006 No	2005 No
Number of administrative staff	**37**	37

The aggregate payroll costs of the above were:

	2006 £	2005 £
Wages and salaries	**1,065,970**	958,076
Social security costs	**112,711**	96,356
Other pension costs	**77,046**	72,596
	1,255,727	1,127,028

5 Directors

Remuneration in respect of directors was as follows:

	2006 £	2005 £
Emoluments	**127,390**	100,675
Value of company pension contributions to money purchase schemes	**9,164**	7,688
	136,554	108,363

The number of directors who accrued benefits under company pension schemes was as follows:

	2006 No	2005 No
Money purchase schemes	**1**	1

6 Tangible fixed assets

	Freehold property £	Property in the course of construction £	Market and temporary buildings £	Office equipment £	Other assets £	Total £
Cost or valuation						
At 1 Apr 2005	18,154,961	67,059	324,756	321,344	208,973	19,077,093
Additions	–	388,900	–	5,388	4,432	398,720
Revaluation	6,642,039	–	–	–	–	6,642,039
At 31 Mar 2006	24,797,000	455,959	324,756	326,732	213,405	26,117,852
Depreciation						
At 1 Apr 2005	–	–	324,756	289,396	150,249	764,401
Charge for the year	–	–	–	19,809	8,437	28,246
At 31 Mar 2006	–	–	324,756	309,205	158,686	792,647
Net book value						
At 31 Mar 2006	**24,797,000**	**455,959**	**–**	**17,527**	**54,719**	**25,325,205**
At 31 Mar 2005	18,154,961	67,059	–	31,948	58,724	18,312,692

A valuation was carried out for the Council of Management by Montagu Evans, Chartered Surveyors, on certain of the company's completed commercial investment properties as at 20 January 2006. Also included above are certain investment properties which have not been professionally revalued within the last 5 years (as required by Statement of Standard Accounting Practice No 19). The Members of the Council of Management ('the directors') consider that a professional valuation would not be beneficial until negotiations concerning the company's interest in these properties are concluded. The directors consider that the current value of these properties is not less than their carrying value within the balance sheet. The directors consider the carrying value of these properties within the balance sheet to be not materially different to their valuation on an existing use basis. These properties therefore continue to be carried in these financial statements as at their 1995 valuation. These properties will be professionally revalued once the company's long term interest has been clarified.

Freehold property above of £24,797,000 represents:

- Properties valued as at 20 January 2006 - £22,680,000
- Properties included at their 1995 valuation - £2,117,000

If certain freehold properties had not been revalued, they would have been included on a historical cost basis at cost and net book value of £7,952,677 (2005: £7,952,677).

During the year the grants received of £940,000 have been set off against additions to properties in the course of construction, in accordance with the company's accounting policy for such grants.

7 Investments

	Investments in subsidiaries
	£
Cost	
At 1 April 2005 and 31 March 2006	**4**
Net book value	
At 31 March 2006	**4**
At 31 March 2005	4

The company owns 100% of the issued ordinary share capital of the following dormant companies, registered in England and Wales:

Coin Street Community Services Limited
South Bank Management Services Limited

8 Debtors

	2006	2005
	£	£
Trade debtors	**435,853**	685,272
Other debtors	**322,795**	145,639
Prepayments and accrued income	**185,454**	229,573
	944,102	1,060,484

9 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdraft	**460,132**	408,810
Trade creditors	**1,017,145**	379,166
Amounts owed to group undertakings	**2**	2
Payments received on account	–	187,187
PAYE and social security	**41,243**	37,733
VAT	–	150,454
Other creditors	**142,830**	127,401
Accruals and deferred income	**732,787**	628,670
	2,394,139	1,919,423

The bank overdraft is secured by a fixed and floating charge over the company's assets. See note 10 for security over bank loans.

10 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Bank loans	**8,164,160**	8,313,411
Other creditors	**180,919**	243,147
	8,345,079	8,556,558

All loans are held with the Nationwide Building Society and are repayable over 20 years and interest is charged at 1.5% per annum above Libor. The loans are secured by:

- first legal charges over the freeholds of OXO Tower Wharf, 89 Upper Ground and the Car Park Development, Site B, Upper Ground
- short form debenture over the assets of the company
- assignment of rental income from OXO Tower Wharf, 89 Upper Ground and Gabriel's Wharf

11 Other provisions

	Deferred taxation
	£
Balance brought forward and carried forward	**126**

The provision, and amounts unprovided at the year end, in respect of deferred taxation consists of the tax effect of timing differences in respect of:

	2006		2005	
	Provided	**Unprovided**	Provided	Unprovided
	£	£	£	£ (Restated)
Excess of tax allowances over depreciation	**126**	**(193,454)**	126	(199,644)
Tax losses available	**-**	**(344,795)**	-	(321,598)
Potentially taxable gains on revalued assets	**-**	**6,400,000**	-	4,400,000
	126	**5,861,751**	126	3,8785758

The deferred tax asset has not been recognised as it is considered that it cannot be regarded as more likely than not that there will be suitable surpluses in the future.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value of on the sale of properties (approximately £6.4m (2005: £4.4m) where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. At present it is not envisaged that any tax will become payable in the foreseeable future.

12 Related party transactions

At 31 March 2006, the company owed £2 to its wholly owned subsidiary, South Bank Management Services Limited (2005: £2).

13 Company limited by guarantee

The company is limited by guarantee and does not have share capital. In the event of the company being wound up, each member has agreed to contribute £1.

14 Reserves

	Revaluation reserve £	Income and expenditure account £ (Restated)
At 1 April 2005	**10,550,056**	**(1,524,705)**
Prior year adjustment (note 15)	**(347,772)**	**347,772**
Revised balance as at 1 April 2005	**10,202,284**	**(1,176,933)**
Deficit for the year	**-**	**(108,236)**
Other gains and losses - revaluation of fixed assets (note 6)	**6,642,039**	**-**
At 31 March 2006	**16,844,323**	**(1,285,169)**

15 Prior year adjustment

During the year the directors undertook a comprehensive review of the accounting for freehold property at valuation and the revaluation reserve account. As a result of this review it was noted that amounts in respect of fluctuations in market values had been written off direct to the income and expenditure account instead of being set against the revaluation reserve. The directors consider that the amounts written off represented temporary falls in value, and should therefore, in accordance with the company's accounting policy, have been set against the revaluation reserve.

The effect of this review has been to reduce the revaluation reserve by £347,772, and increase retained income and expenditure reserves by the corresponding amount. The comparative figures for 2005 have been restated accordingly (note 14). There is no impact on the results for the current year.