

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

Financial statements

For the year ended 31 March 2007

Grant Thornton 

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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 2007

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 Department for Education & Skills, the Government Office for London, The Mayor of London, The Greater London Authority, the London Development Agency, 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

During the year the company maintained a public exhibition about its work on the ground floor of Oxo Tower Wharf and a website at www.coinstreet.org It continued the building of the Coin Street neighbourhood centre on Stamford Street The building was completed in early September 2007 The building houses a mixture of child-care, family support, training and other community facilities The building also provides CSCB with its new offices and spaces for a new restaurant and a community café The final account for the Stamford Street construction costs is anticipated to be £7,300,000 At 31 March the contractor had invoiced a total of £4,684,100 The outstanding amount to be invoiced by at 31 March 2007 (including retention) was £2,615,900 Funding for these costs will be met wholly from the loan facility provided by Nationwide Building Society

The company has been consulting on proposals for a mixed use development of Doon Street 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 continued to manage the riverside walkway, Bernie Spain Gardens, Oxo Tower Wharf and Gabriel's Wharf Market The off-street public car parks were managed by Central Parking Systems

There was a surplus for the year after taxation amounting to £99,753 (2006 deficit £108,236)

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 Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

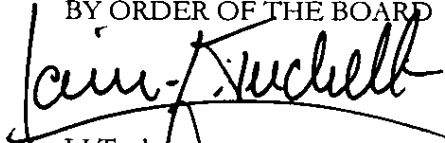
Auditor

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

A handwritten signature in black ink, appearing to read 'I J Tuckett', written over a horizontal line.

I J Tuckett
Secretary

Date 24/1/2008

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 2007 which comprise the income and expenditure account, balance sheet, statement of recognised gains and losses and related notes on pages 14 to 19. 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 8 to 10.

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. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

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

We read the 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 2007 and of its surplus 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

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
London

Date *29 January 2008*

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.

Income

The income 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
Other assets	- 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. 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.

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 profits 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 profits 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, as detailed in accounting policy above for investment properties.

Income and expenditure account

	Note	2007 £	2006 £
Income	1	3,644,679	3,264,852
Cost of sales		(1,276,068)	(1,395,590)
Gross surplus		2,368,611	1,869,262
Other operating charges	2	(1,614,876)	(1,418,240)
Operating surplus	3	753,735	451,022
Interest receivable		2,489	2,034
Interest payable and similar charges		(656,597)	(561,292)
Surplus/(deficit) on ordinary activities before taxation		99,627	(108,236)
Tax on surplus/(deficit) on ordinary activities	11	126	—
Surplus/(deficit) for the financial year	16	99,753	(108,236)

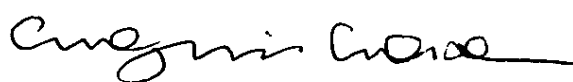
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

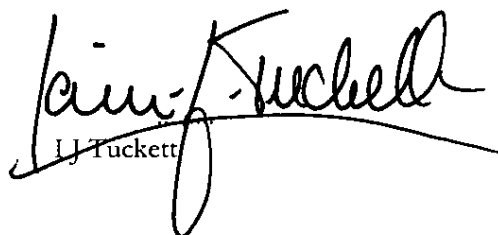
	Note	2007 £	2006 £
Fixed assets			
Tangible assets	6	26,622,684	25,325,205
Investments	7	4	4
		<u>26,622,688</u>	<u>25,325,209</u>
Current assets			
Debtors	8	1,241,194	944,102
Cash at bank		787,768	29,187
		<u>2,028,962</u>	<u>973,289</u>
Creditors: amounts falling due within one year	9	4,158,684	2,394,139
Net current liabilities		<u>(2,129,722)</u>	<u>(1,420,850)</u>
Total assets less current liabilities		<u>24,492,966</u>	<u>23,904,359</u>
Creditors: amounts falling due after more than one year	10	8,834,059	8,345,079
		<u>15,658,907</u>	<u>15,559,280</u>
Provisions for liabilities			
Deferred taxation	11	—	126
		<u>15,658,907</u>	<u>15,559,154</u>
Reserves			
Revaluation reserve	16	16,844,323	16,844,323
Income and expenditure account	16	(1,185,416)	(1,285,169)
Total funds		<u>15,658,907</u>	<u>15,559,154</u>

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 29/1/08 and are signed on their behalf by



G E Nicholson



I J Tuckett

The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Statement of total recognised gains and losses

	2007 £	2006 £
Surplus/(deficit) for the financial year	99,753	(108,236)
Unrealised surplus on revaluation of certain fixed assets	–	6,642,039
Total gains and losses recognised for the year	99,753	6,533,803

The accompanying accounting policies and notes form part of these financial statements.

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.

	2007 £	2006 £
Car parking	580,528	615,966
Rental income	1,695,676	1,482,119
Service charges	557,522	353,709
Site hire	483,275	455,072
Housing management, landlord & admin fees	168,744	165,552
Revenue grants receivable	39,298	79,605
Sponsorship income	-	5,000
Social enterprise project income	53,306	9,459
Other	66,330	98,370
	<u>3,644,679</u>	<u>3,264,852</u>

2 Other operating charges

	2007 £	2006 £
Administrative expenses	<u>1,614,876</u>	<u>1,418,240</u>

3 Operating surplus

Operating surplus is stated after charging

	2007 £	2006 £
Depreciation of owned fixed assets	26,369	28,246
Auditor's fees	<u>30,850</u>	<u>28,750</u>

No tax charge is expected to arise on the results for the year (2006 £nil). Deferred tax provided in previous years of £126 has been reversed.

4 Directors and employees

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

	2007	2006
	No	No
Administrative staff	36	34
Directors	3	3
	<u>39</u>	<u>37</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	1,154,711	1,065,970
Social security costs	109,804	112,711
Other pension costs	95,211	77,046
	<u>1,359,726</u>	<u>1,255,727</u>

5 Directors

Remuneration in respect of directors was as follows

	2007	2006
	£	£
Emoluments	126,489	124,957
Value of company pension contributions to money purchase schemes	8,141	9,164
	<u>134,630</u>	<u>134,121</u>

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

	2007	2006
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

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 2006	24,797,000	455,959	324,756	326,732	213,405	26,117,852
Additions	–	1,311,147	–	12,701	–	1,323,848
At 31 Mar 2007	<u>24,797,000</u>	<u>1,767,106</u>	<u>324,756</u>	<u>339,433</u>	<u>213,405</u>	<u>27,441,700</u>
Depreciation						
At 1 Apr 2006	–	–	324,756	309,205	158,686	792,647
Charge for the year	–	–	–	15,672	10,697	26,369
At 31 Mar 2007	<u>–</u>	<u>–</u>	<u>324,756</u>	<u>324,877</u>	<u>169,383</u>	<u>819,016</u>
Net book value						
At 31 Mar 2007	<u>24,797,000</u>	<u>1,767,106</u>	<u>–</u>	<u>14,556</u>	<u>44,022</u>	<u>26,622,684</u>
At 31 Mar 2006	<u>24,797,000</u>	<u>455,959</u>	<u>–</u>	<u>17,527</u>	<u>54,719</u>	<u>25,325,205</u>

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. 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 (2006 £7,952,677)

During the year the grants received of £3,063,112 (2006 £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 2006 and 31 March 2007	<u>4</u>
Net book value	
At 31 March 2007	<u>4</u>
At 31 March 2006	<u>4</u>

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

	2007 £	2006 £
Trade debtors	711,331	435,853
Other debtors	272,720	322,795
Prepayments and accrued income	257,143	185,454
	<u>1,241,194</u>	<u>944,102</u>

9 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans and overdraft	2,542,851	460,132
Trade creditors	595,602	1,017,145
Amounts owed to group undertakings	2	2
PAYE and social security	47,495	41,243
Other creditors	197,521	142,830
Accruals and deferred income	775,213	732,787
	<u>4,158,684</u>	<u>2,394,139</u>

Included in bank loans is £2,542,851 relating to a loan which becomes due for repayment on 1 January 2008. The Directors, subsequent to the year end, have rolled this over into another loan on this date, due for repayment over 20 years.

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

	2007 £	2006 £
Bank loans and overdrafts	8,642,277	8,164,160
Other creditors	191,782	180,919
	<u>8,834,059</u>	<u>8,345,079</u>

Included within bank loans is £7,868,850 (2006 £7,847,941) which is due after 5 years

All loans are held with the Nationwide Building Society. They are repayable over 20 years with the first year being interest only. 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
- and the assignment of rental income from OXO Tower Wharf, 89 Upper Ground and Gabriel's Wharf

11 Deferred taxation

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007		2006	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of tax allowances over depreciation	-	(183,460)	126	(193,454)
Tax losses available	-	(287,830)	-	(344,795)
Potentially taxable gains on revalued assets	-	5,932,892	-	6,400,000
	<u>-</u>	<u>5,461,602</u>	<u>126</u>	<u>5,861,751</u>

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 profits in the future.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties (approximately £5.9m (2006 £6.4m)) 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 Leasing commitments

At 31 March 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2007 £	2006 £
Operating leases which expire Within 2 to 5 years	<u>12,620</u>	<u>7,548</u>

13 Related party transactions

At 31 March 2007, the company owed £2 to its wholly owned subsidiary, South Bank Management Services Limited (2006 £2)

14 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

15 Capital commitments

At the year end the company had capital commitments of £2,615,900 in respect of the Stamford Street redevelopment. See the business review in the Directors report for further information

16 Reserves

	Revaluation reserve £	Income and expenditure account £
At 1 April 2006	16,844,323	(1,285,169)
Surplus for the year	—	99,753
At 31 March 2007	<u>16,844,323</u>	<u>(1,185,416)</u>