Grant Thornton

Financial statements Coin Street Community Builders Limited (A Company Limited by Guarantee)

For the Year Ended 31 March 2008

Company No. 1783483

Company information

Company registration number	1783483
Registered office	Coin Street Neighbourhood Centre 108 Stamford Street Southbank London SE1 9NH
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

Index

Report of the directors

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

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, Colombo Street Community & Sports Centre, the London Boroughs of Lambeth and Southwark, The Mayor of London, The Greater London Authority, the London Development Agency, Transport for London, South Bank Employers' Group, the Department for Children, Schools and Families, Guy's & St Thomas's Hospital Trust, the Housing Corporation, Nationwide Building Society and private sector organisations to secure the implementation of the scheme and improvement of the South Bank and Bankside areas of London. The company has also worked closely with Government, the Development Trusts Association, and other social enterprises to strengthen the wider social enterprise movement.

During the year the Coin Street neighbourhood centre was completed. The company offers a range of programmes from this centre including childcare and education, out of school and youth activities, parent and family support, training and employment advice, and leisure activities. The building also provides CSCB with new offices for its staff, meeting, training and conference facilities, and spaces for a new restaurant and community café. The building opened in September 2007.

During the year the company continued work on its proposals for the Doon Street site. Resolutions to approve proposals for an education/office building, a new town square and a new headquarters and dance studios for Rambert Dance Company on the site have been secured. In August 2008, the Secretary of State granted consent for the adjacent development of a public swimming and indoor leisure centre and 329 flats.

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 APCOA. CSCB maintains a website - www.coinstreet.org - which gives information about its activities, future plans and job vacancies.

There was a deficit for the year after taxation amounting to £830,873 (2007: surplus £99,753).

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 auditor is 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 auditor is 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

I J Tuckett
Secretary
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Grant Thornton

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 2008 which comprise the principal accounting policies, income and expenditure account, balance sheet, statement of total recognised gains and losses and notes 1 to 17. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

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

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.

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 2008 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.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LONDON

13 February 2009

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 2007).

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
Other assets	-	4 years
Owner occupied property	-	50 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. 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.

One property has been split between investment property and owner occupied property based on the proportion of the building used for each purpose.

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 income 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.

Financial instruments

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income and expenditure account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

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 the accounting policy above for investment properties.

Income and expenditure account

	Note	2008 £	2007 £
Turnover	1	**4,056,953**	3,644,679
Cost of sales		**(1,275,208)**	(1,276,068)
Gross surplus		**2,781,745**	2,368,611
Other operating charges	2	**(2,957,139)**	(1,614,876)
Operating (deficit)/surplus	3	**(175,394)**	753,735
Interest receivable		**12,415**	2,489
Interest payable and similar charges		**(667,894)**	(656,597)
(Deficit)/surplus on ordinary activities before taxation		**(830,873)**	99,627
Tax on (deficit)/surplus on ordinary activities		**–**	126
(Deficit)/surplus for the financial year	16	**(830,873)**	99,753

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

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	6	**36,246,826**	26,622,684
Investments	7	**4**	4
		36,246,830	26,622,688
Current assets			
Debtors	8	**873,073**	1,241,194
Cash at bank		**16,807**	787,768
		889,880	2,028,962
Creditors: amounts falling due within one year	9	**2,284,213**	4,158,684
Net current liabilities		**(1,394,333)**	(2,129,722)
Total assets less current liabilities		**34,852,497**	24,492,966
Creditors: amounts falling due after more than one year	10	**14,401,553**	8,834,059
		20,450,944	15,658,907
Reserves	14		
Revaluation reserve	16	**22,467,233**	16,844,323
Income and expenditure account	16	**(2,016,289)**	(1,185,416)
Total funds		**20,450,944**	15,658,907

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 2007).

These financial statements were approved by the directors and authorised for issue on 29.1.09, and are signed on their behalf by:

G E Nicholson

I J Tuckett

Other primary statements

Statement of total recognised gains and losses

	2008	2007
	£	£
(Deficit)/surplus for the financial year	**(830,873)**	99,753
Unrealised profit on revaluation of certain fixed assets	**5,622,910**	–
Total gains and losses recognised for the year	**4,792,037**	99,753

Notes to the financial statements

1 Income

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

	2008	2007
	£	£
Car parking	**599,183**	580,528
Rental income	**1,774,529**	1,695,676
Service charges	**562,637**	557,522
Site hire	**668,198**	483,275
Housing management, landlord & admin fees	**390,007**	168,744
Revenue grants receivable	**-**	39,298
Social enterprise project income	**42,682**	53,306
Other	**19,717**	66,330
	4,056,953	3,644,679

2 Other operating charges

	2008	2007
	£	£
Administrative expenses	**2,957,139**	1,614,876

3 Operating (deficit)/surplus

Operating (deficit)/surplus is stated after charging:

	2008	2007
	£	£
Depreciation of owned fixed assets	**139,857**	26,369
Auditor's fees	**31,900**	30,850

No tax charge is expected to arise on the results for the year (2007: £nil).

4 Directors and employees

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

	2008 No	2007 No
Number of administrative staff	**45**	36
Number of Directors	**3**	3
	48	39

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	**1,294,828**	1,154,711
Social security costs	**148,586**	109,804
Other pension costs	**117,069**	95,211
	1,560,483	1,359,726

5 Directors

Remuneration in respect of directors was as follows:

	2008 £	2007 £
Emoluments	**135,455**	126,489
Value of company pension contributions to money purchase schemes	**10,602**	8,141
	146,057	134,630

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

	2008 No	2007 No
Money purchase schemes	**1**	1

6 Tangible fixed assets

	Freehold property £	Property in the course of construction £	Owner occupied property £	Market and temporary buildings £	Other assets £	Total £
Cost or valuation						
At 1 Apr 2007	24,797,000	1,767,106	–	324,756	552,838	27,441,700
Additions	–	4,084,503	–	–	56,586	4,141,089
Revaluation	5,622,910	–	–	–	–	5,622,910
Transfers	3,057,090	(5,191,779)	1,785,697	–	348,992	–
At 31 Mar 2008	33,477,000	659,830	1,785,697	324,756	958,416	37,205,699
Depreciation						
At 1 Apr 2007	–	–	–	324,756	494,260	819,016
Charge for the year	–	–	24,214	–	115,643	139,857
At 31 Mar 2008	–	–	24,214	324,756	609,903	958,873
Net book value						
At 31 Mar 2008	**33,477,000**	**659,830**	**1,761,483**	**–**	**348,513**	**36,246,826**
At 31 Mar 2007	24,797,000	1,767,106	–	–	58,578	26,622,684

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 8 October 2008. Members of the Council of Management ('the directors') believe this best represents the property valuation at the year end. Also included above are certain investment properties carried in these financial statements as at their 1995 valuation. The Members of the Council of Management 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. 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 £33,477,000 represents:

- Properties valued as at 8 October 2008 - £31,360,000
- Properties included at their 1995 valuation - £2,117,000

If the freehold properties had not been revalued as at 8 October 2008, they would have been included on a historical cost basis at cost and net book value of £11,009,767 (2007: £7,952,677).

During the year the grants received of £Nil (2007:£3,063,112) 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 2007 and 31 March 2008	4
Net book value	
At 31 March 2008	4
At 31 March 2007	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

	2008	2007
	£	£
Trade debtors	707,832	711,331
Other debtors	29,208	272,720
Prepayments and accrued income	136,033	257,143
	873,073	1,241,194

9 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	462,877	2,542,851
Trade creditors	768,328	595,602
Amounts owed to group undertakings	2	2
PAYE and social security	62,127	47,495
Other creditors	158,692	197,521
Accruals and deferred income	832,187	775,213
	2,284,213	4,158,684

Included in bank loans is £390,033 relating to loans which were taken out in the year. The balance of £2,542,851 as at 31 March 2007 was rolled into a loan due for repayment over 20 years during the year.

10 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Bank loans	**14,345,090**	8,642,277
Other creditors	**56,463**	191,782
	14,401,553	8,834,059

Included within bank loans is £12,512,923 (2007: £7,868,850) which is due after 5 years.

All loans are held with the Nationwide Building Society. They 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 Cornwall Road Car Park, Upper Ground, Coin Street Neighbourhood Centre, 2 Coin Street and 62 Cornwall Road.
- 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

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2008	2007
	£	£
Excess of depreciation over taxation allowances	**(192,698)**	(183,460)
Tax losses available	**(587,038)**	(287,830)
Potentially taxable gains on revalued assets	**7,155,400**	5,932,892
	6,375,674	5,461,602

The deferred tax assets included above have not been recognised as it is considered 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 of approximately £7.2m (2007: £5.9m) where it is expected that potentially taxable gains would be rolled over into replacement assets. Such tax would become payable only if property was 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 2008 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2008	2007
	£	£
Operating leases which expire:		
Within 2 to 5 years	**16,742**	12,620

13 Related party transactions

At 31 March 2008, the company owed £2 to its wholly owned subsidiary, South Bank Management Services Limited (2007: £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 no capital commitments. As at 31 March 2007 the company had a commitment of £2,615,900 in respect of the Stamford Street redevelopment.

16 Reserves

	Revaluation reserve £	Income and expenditure account £
At 1 April 2007	**16,844,323**	**(1,185,416)**
Deficit for the year	**–**	**(830,873)**
Other gains and losses		
- Revaluation of fixed assets	**5,622,910**	**–**
At 31 March 2008	**22,467,233**	**(2,016,289)**

17 Post balance sheet events

In August 2008 the Secretary of State granted permission for the adjacent development on Site A of a public swimming pool, indoor leisure centre and 329 flats.