Grant Thornton

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

For the Year Ended 31 March 2009

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

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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 2009.

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 Tenant Services Authority, 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.

The Coin Street neighbourhood centre, which was opened in September 2007, 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 offices for its staff, meeting, training and conference facilities, and spaces for a new restaurant/ community café. In August 2009, work began on the conversion of the basement for further conference and meeting facilities and for a purpose-built health clinic and waiting room.

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.

Going concern

As highlighted in Accounting Policies on page 8, the company meets its day-to-day working capital requirements through an overdraft facility that is due for renewal on 1 March 2010. The current economic conditions create uncertainty over the availability of bank finance in the foreseeable future. In the opinion of the directors, the company's forecasts and projections, taking account of reasonably possible changes in the company's trading performance, show that the company should be able to operate within the level of its current facility. The company has held discussions with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

There was a deficit for the year after taxation amounting to £461,647 (2008: deficit £830,873).

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

Grant Thornton UK LLP having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company received notice under section 488(1) of the Companies Act 2006.

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

TJ Tuckett
Secretary
28 January 2010

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 2009 which comprise the principal accounting policies, income and expenditure account, balance sheet, statement of total recognised gains and losses and notes 1 to 19. 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.

Qualified opinion arising from disagreement on accounting treatment

Certain of the tangible assets shown on the balance sheet are investment properties carried at a historic valuation of £2,117,000. In our opinion, these properties should be valued at their open market value as required by Statement of Standard Accounting Practice 19 (SSAP 19). It is not possible for us to state the effect this has had on the financial statements because a valuation has not been performed.

Except for the failure to account for the properties referred to above as required by SSAP 19, in our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its deficit for the year ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
London
28 January 2010

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).

Going concern

As highlighted in the Directors' Report, the company meets its day-to-day working capital requirements through an overdraft facility that is due for renewal on 1 March 2010. The current economic conditions create uncertainty over the availability of bank finance in the foreseeable future. In the opinion of the directors, the company's forecasts and projections, taking account of reasonably possible changes in the company's trading performance, show that the company should be able to operate within the level of its current facility. The company has held discussions with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

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.

Prior year adjustment

During the year the directors reviewed the terms of a contract under an OFSTED joint arrangement for the supply of staff to another entity that operates a local nursery, and agreed that the company was acting as principal in this arrangement. As a result, the cost of the staff, and the matching income in respect of their costs, which are fully recharged, have been included gross in the income and expenditure statement. As this represents a change in accounting policy, the prior year's income and expenditure account has been restated to include this expenditure and matching income gross. This has resulted in expenditure and income for the year ended 31 March 2008 increasing by £445,807 respectively. There has been no change in the prior year's deficit and reserves brought forward at 1 April 2008 as a result of this prior year adjustment.

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	-	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 7). 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. These properties 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.

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.

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	2009 £	2008 £ Restated
Turnover	1	**5,365,209**	4,502,760
Other operating charges	2	**(4,751,434)**	(4,678,154)
Operating surplus/(deficit)	3	**613,775**	(175,394)
Interest receivable		**2,075**	12,415
Interest payable and similar charges		**(1,077,497)**	(667,894)
Deficit on ordinary activities before taxation		**(461,647)**	(830,873)
Deficit for the financial year	18	**(461,647)**	(830,873)

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

Balance sheet

Company number:1783483

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	7	**35,549,221**	36,246,826
Investments	8	**4**	4
		35,549,225	36,246,830
Current assets			
Debtors	9	**853,768**	873,073
Cash at bank		**–**	16,807
		853,768	889,880
Creditors: amounts falling due within one year	10	**2,291,432**	2,284,213
Net current liabilities		**(1,437,664)**	(1,394,333)
Total assets less current liabilities		**34,111,561**	34,852,497
Creditors: amounts falling due after more than one year	11	**14,937,030**	14,401,553
		19,174,531	20,450,944
Reserves	17		
Revaluation reserve	18	**21,652,467**	22,467,233
Income and expenditure account	18	**(2,477,936)**	(2,016,289)
Members' funds		**19,174,531**	20,450,944

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 28 January 2010, and are signed on their behalf by:

G E Nicholson

I J Tuckett

Other primary statements

Statement of total recognised gains and losses

	2009	2008
	£	£
Deficit for the financial year	**(461,647)**	(830,873)
Unrealised (loss)/profit on revaluation of certain fixed assets	**(1,150,000)**	5,622,910
Transfer	**335,234**	-
Total gains and losses recognised for the year	**(1,276,413)**	4,792,037

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.

	2009 £	2008 £ Restated
Car parking	**527,187**	599,183
Rental income	**1,846,764**	1,774,529
Service charges	**593,779**	562,637
Site hire	**1,182,163**	668,198
Housing management, landlord & admin fees	**1,048,686**	835,814
Social enterprise project income	**44,244**	42,682
Other	**122,386**	19,717
	5,365,209	4,502,760

2 Other operating charges

	2009 £	2008 £ Restated
Administrative expenses	**4,751,434**	4,678,154

3 Operating surplus/(deficit)

Operating surplus/(deficit) is stated after charging:

	2009 £	2008 £
Depreciation of owned fixed assets	**113,192**	139,857
Auditor's fees	**31,000**	31,900

No tax charge is expected to arise on the results for the year (2008: £nil).

The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 March 2009. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting.

4 Directors and employees

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

	2009 No	2008 No
Number of administrative staff	**57**	45
Number of Directors	**3**	3
	60	48

The aggregate payroll costs of the above were:

	2009 £	2008 £ Restated
Wages and salaries	**1,828,678**	1,509,727
Social security costs	**171,361**	163,806
Other pension costs	**133,462**	115,558
	2,133,501	1,789,091

5 Directors

Remuneration in respect of directors was as follows:

	2009 £	2008 £
Emoluments	**136,069**	135,455
Value of company pension contributions to money purchase schemes	**7,055**	10,602
	143,124	146,057

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

	2009 No	2008 No
Money purchase schemes	**1**	1

6 Prior year adjustment

During the year the directors reviewed the terms of a contract under an OFSTED joint arrangement for the supply of staff to another entity that operates a local nursery, and agreed that the company was acting as principal in this arrangement. As a result, the cost of the staff, and the matching income in respect of their costs, which are fully recharged, have been included gross in the income and expenditure statement. As this represents a change in accounting policy, the prior year's income and expenditure account has been restated to include this expenditure and matching income gross. This has resulted in expenditure and income for the year ended 31 March 2008 increasing by £445,807 respectively. There has been no change in the prior year's deficit and reserves brought forward at 1 April 2008 as a result of this prior year adjustment.

7 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 2008	33,477,000	659,830	1,785,697	324,756	958,416	37,205,699
Additions	–	219,354	–	–	10,999	230,353
Revaluation	(1,150,000)	–	–	–	–	(1,150,000)
Transfers	–	386,233	–	–	(50,999)	335,234
At 31 Mar 2009	32,327,000	1,265,417	1,785,697	324,756	918,416	36,621,286
Depreciation						
At 1 Apr 2008	–	–	24,214	324,756	609,903	958,873
Charge for the year	–	–	37,055	–	76,137	113,192
At 31 Mar 2009	–	–	61,269	324,756	686,040	1,072,065
Net book value						
At 31 Mar 2009	**32,327,000**	**1,265,417**	**1,724,428**	**–**	**232,376**	**35,549,221**
At 31 Mar 2008	33,477,000	659,830	1,761,483	–	348,513	36,246,826

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 19 October 2009. 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. SSAP 19, Accounting for Investment Properties, states that investment property should be included at their open market value. 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 £32,327,000 represents:

- Properties valued as at 19 October 2009 - £30,210,000
- Properties included at their 1995 valuation - £2,117,000

During the year the grants received of £335,234 (2008:£nil) have been reclassified against additions to properties in the course of construction.

8 Investments

	Investments in subsidiaries
	£
Cost	
At 1 April 2008 and 31 March 2009	4
Net book value	
At 31 March 2009	4
At 31 March 2008	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

9 Debtors

	2009	2008
	£	£
Trade debtors	614,446	707,832
Other debtors	60,475	29,208
Prepayments and accrued income	178,847	136,033
	853,768	873,073

10 Creditors: amounts falling due within one year

	2009	2008
	£	£
Overdrafts	846,922	462,877
Trade creditors	352,427	768,328
Amounts owed to group undertakings	2	2
PAYE and social security	118,241	62,127
Other creditors	150,629	158,692
Accruals and deferred income	823,211	832,187
	2,291,432	2,284,213

The bank overdraft is secured by a fixed and floating charge over the company's assets. See note 11 for security over bank loans.

11 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Bank loans	**14,937,030**	14,345,090
Other creditors	**–**	56,463
	14,937,030	14,401,553

Included within bank loans is £13,081,938 (2008: £12,512,923) 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

In November 2009 the loans were renegotiated as set out in note 19.

12 Deferred taxation

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

	2009	2008
	£	£
Excess of depreciation over taxation allowances	**(212,323)**	(192,698)
Tax losses available	**(728,906)**	(587,038)
Other timing differences	**8,942,038**	7,155,400
	8,000,809	6,375,664

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 of approximately £8.9m (2008: £7.2m) on the sale of properties 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.

13 Leasing commitments

At 31 March 2009 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2009	2008
	£	£
Operating leases which expire:		
Within 2 to 5 years	25,452	16,742

14 Covenants

The sites owned by the company are subject to restrictive covenants. There is provision for a 'claw-back' of any additional land value attributable to any consent to vary these restrictive covenants. These are currently under negotiation with the covenant holder. The outcome of these negotiations is uncertain and it is not possible to quantify any potential impact on the long-term value of these sites.

15 Related party transactions

At 31 March 2009, the company owed £2 to its wholly owned subsidiary, South Bank Management Services Limited (2008: £2).

16 Capital commitments

At 31 March 2009 and 31 March 2008 the company had no capital commitments.

17 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.

18 Reserves

	Revaluation reserve	Income and expenditure account
	£	£
At 1 April 2008	22,467,233	(2,016,289)
Deficit for the year	–	(461,647)
Other gains and losses		
- Revaluation of fixed assets	(814,766)	–
At 31 March 2009	21,652,467	(2,477,936)

19 Post balance sheet events

The company rescheduled its loans in December 2009 to the effect that the company will be making no capital repayment for the 2 year period January 2010 to end December 2011. The final repayment date for the loans remain unchanged.