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Grant Thornton

Financial statements Coin Street Community Builders Limited (a company limited by guarantee)

For the Year Ended 31 March 2010

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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 Statutory Auditor 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 2010

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 new offices for its staff, meeting, training and conference facilities, and spaces for a new restaurant and 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 9 the company meets its day-to-day working capital requirements through an overdraft facility that is due for renewal on 1 March 2011 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

Results

There was a surplus for the year after taxation amounting to £192,057 (2009 deficit £461,647)

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations The main purpose of the financial instruments is to raise finance for the company's operations The directors have considered liquidity, cashflow, price and credit risk and determined that the only material risks arising from the company's financial instruments are liquidity and cashflow risks The directors review and agree policies for managing these risks through the preparation of monthly cash flow forecasts, and by maintaining an ongoing dialogue with the company's bankers to ensure that suitable bank facilities are available to meet expected cash flow requirements of the company

The policy has remained unchanged from previous periods

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 Directors' 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

BY ORDER OF THE BOARD

I J Tuckett
Secretary

6 DECEMBER 2010

Independent auditor's report 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 2010 which comprise the principal accounting policies, income and expenditure account, statement of total recognised gains and losses, balance sheet, cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements

Independent auditor's report to the members of Coin Street Community Builders Limited (continued)

Qualified opinion arising from disagreement about 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 of the state of the company's affairs as at 31 March 2010 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Grant Thornton UK LLP

CAROL RUDGE (Senior Statutory Auditor)
For and on behalf of
GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS
London

Date 8 December 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 April 2008)

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 2011 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

The financial statements include the results for the company only The company's subsidiaries are dormant and have no assets or liabilities The company has therefore taken advantage of the exemption provided by Section 402 of the Companies Act 2006 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

Owner occupied property	-	50 years
Market and temporary buildings	-	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 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 revalued within the last five years (as suggested 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	2010 £	2009 £
Turnover	1	**5,221,540**	5,365,209
Other operating charges	2	**(4,551,524)**	(4,751,434)
Operating surplus	3	**670,016**	613,775
Interest receivable		**–**	2,075
Interest payable and similar charges	6	**(477,959)**	(1,077,497)
Surplus/(deficit) on ordinary activities before taxation		**192,057**	(461,647)
Tax on surplus/(deficit) on ordinary activities		**–**	–
Surplus/(deficit) for the financial year	18	**192,057**	(461,647)

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

Balance sheet

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	7	**36,221,892**	35,549,221
Investments	8	**4**	4
		36,221,896	35,549,225
Current assets			
Debtors	9	**989,326**	853,768
Creditors: amounts falling due within one year	10	**2,042,533**	2,291,432
Net current liabilities		**(1,053,207)**	(1,437,664)
Total assets less current liabilities		**35,168,689**	34,111,561
Creditors: amounts falling due after more than one year	11	**15,802,101**	14,937,030
		19,366,588	19,174,531
Reserves	17		
Revaluation reserve	18	**21,652,467**	21,652,467
Income and expenditure account	18	**(2,285,879)**	(2,477,936)
Members' funds		**19,366,588**	19,174,531

These financial statements were approved by the directors and authorised for issue on 6 December 2010 and are signed on their behalf by

G E Nicholson

I J Tuckett

Company Registration Number 1783483

Cash flow statement

	Note	2010 £	2009 £
Net cash inflow from operating activities	19	**880,373**	369,446
Returns on investments and servicing of finance	19	**(477,959)**	(1,075,422)
Capital expenditure and financial investment	19	**(832,218)**	(230,353)
Cash outflow before financing		**(429,804)**	(936,329)
Financing	19	**865,071**	535,477
Increase/(decrease) in cash	19	**435,267**	(400,852)

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

Other primary statements

Statement of total recognised gains and losses

	2010	2009
	£	£
Surplus/(deficit) for the financial year	192,057	(461,647)
Unrealised loss on revaluation of certain fixed assets	–	(1,150,000)
Transfer	–	335,234
Total gains and losses recognised for the year	192,057	(1,276,413)

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

	2010	2009
	£	£
Car parking	**414,470**	527,187
Rental income	**1,915,845**	1,846,764
Service charges	**486,120**	593,779
Site hire	**1,278,148**	1,182,163
Housing management, landlord & admin fees	**987,999**	1,048,686
Social enterprise project income	**124,665**	44,244
Other	**14,293**	122,386
	5,221,540	5,365,209

2 Other operating charges

	2010	2009
	£	£
Administrative expenses	**4,551,524**	4,751,434

3 Operating surplus

Operating surplus is stated after charging

	2010	2009
	£	£
Depreciation of owned fixed assets	**159,547**	113,192
Auditor's remuneration		
Audit fees	**32,000**	33,000
Fees for other services	**4,000**	5,400

No tax charge is expected to arise on the results for the year (2009 £nil) due to the availability of tax losses brought forward (note 12)

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 2010 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

	2010	2009
	No	No
Number of administrative staff	62	57
Number of Directors	3	3
	65	60

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	1,895,542	1,828,678
Social security costs	175,614	171,361
Other pension costs	126,422	133,462
	2,197,578	2,133,501

5 Directors

Remuneration in respect of directors was as follows

	2010	2009
	£	£
Remuneration receivable	120,906	136,069
Value of company pension contributions to money purchase schemes	7,055	7,055
	127,961	143,124

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

	2010	2009
	No	No
Money purchase schemes	1	1

6 Interest payable and similar charges

	2010	2009
	£	£
Interest payable on bank borrowing	**477,959**	1,077,497

7 Tangible fixed assets

	Freehold property	Property in the course of construction	Owner occupied property	Temporary buildings	Other assets	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 Apr 2009	32,327,000	1,265,417	1,785,697	324,756	918,416	36,621,286
Additions	–	813,267	6,017	–	12,934	832,218
Transfers	705,024	(842,110)	–	–	137,086	–
At 31 Mar 2010	33,032,024	1,236,574	1,791,714	324,756	1,068,436	37,453,504
Depreciation						
At 1 Apr 2009	–	–	61,269	324,756	686,040	1,072,065
Charge for the year	–	581	37,145	–	121,821	159,547
At 31 Mar 2010	–	581	98,414	324,756	807,861	1,231,612
Net book value						
At 31 Mar 2010	**33,032,024**	**1,235,993**	**1,693,300**	**–**	**260,575**	**36,221,892**
At 31 Mar 2009	32,327,000	1,265,417	1,724,428	–	232,376	35,549,221

A valuation was carried out by the Council of Management ('the directors') on certain of the company's completed commercial investment properties as at 31 March 2010, based on professional guidance received in respect of movements in the property market since the last formal valuation was performed at 19 October 2009 (the 2009 valuation being performed by Montagu Evans, Chartered Surveyors) 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 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

Freehold property above of £33,032,024 represents

- Properties valued by the directors as at 31 March 2010 - £30,915,024
- Properties included at their 1995 valuation - £2,117,000

During the year the grants received of £160,385 (2009 £335,234) have been reclassified against additions to properties in the course of construction

8 Investments

	Investments in subsidiaries
	£
Cost	
At 1 April 2009 and 31 March 2010	4
Net book value	
At 31 March 2010 and 31 March 2009	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

Both companies have share capital and assets of £2

9 Debtors

	2010	2009
	£	£
Trade debtors	**619,915**	614,446
Other debtors	**61,915**	60,475
Prepayments and accrued income	**307,496**	178,847
	989,326	853,768

10 Creditors: amounts falling due within one year

	2010	2009
	£	£
Overdrafts	**411,655**	846,922
Trade creditors	**478,005**	352,427
Amounts owed to group undertakings	**2**	2
Other taxation and social security	**61,917**	118,241
Pension contributions payable	**43,374**	17,416
Other creditors	**189,725**	133,213
Accruals and deferred income	**857,855**	823,211
	2,042,533	2,291,432

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

	2010	2009
	£	£
Bank loans	**15,802,101**	14,937,030

Included within bank loans is £13,190,975 (2009 £13,081,938) which is due after 5 years

All loans are held with the Nationwide Building Society They are repayable over 20 years Interest is charged at 2 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

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 beginning January 2010 to end December 2011 The final repayment date for the loans remain unchanged

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

	2010	2009
	£	£
Excess of depreciation over taxation allowances	**278,146**	212,323
Tax losses available	**632,953**	728,906
	911,099	941,229

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

In addition no provision has been made for deferred tax on gains recognised on revaluing property to its market value As at March 2010, the unprovided deferred tax on revalued property was £8 6m (2009 £8 9m) 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 2010 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2010	2009
	£	£
Operating leases which expire		
Within 2 to 5 years	**24,240**	25,452

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 2010, the company owed £2 to its wholly owned subsidiary, South Bank Management Services Limited (2009 £2)

16 Capital commitments

At 31 March 2010 and 31 March 2009 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 2009	21,652,467	(2,477,936)
Surplus for the year	–	192,057
At 31 March 2010	21,652,467	(2,285,879)

19 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Operating surplus	670,016	613,775
Depreciation	159,547	113,192
(Increase)/decrease in debtors	(135,558)	19,305
Increase/(decrease) in creditors	186,368	(376,826)
Net cash inflow from operating activities	880,373	369,446

Returns on investments and servicing of finance

	2010 £	2009 £
Interest received	–	2,075
Interest paid	(477,959)	(1,077,497)
Net cash outflow from returns on investments and servicing of finance	(477,959)	(1,075,422)

Capital expenditure

	2010 £	2009 £
Payments to acquire tangible fixed assets	(832,218)	(230,353)
Net cash outflow from capital expenditure	(832,218)	(230,353)

19 Notes to the cash flow statement (continued)

Financing

	2010 £	2009 £
Increase in bank loans	**865,071**	535,477
Net cash inflow from financing	**865,071**	535,477

Reconciliation of net cash flow to movement in net debt

	2010 £	2009 £
Increase/(decrease) in cash in the period	**435,267**	(400,852)
Net cash (inflow) from bank loans	**(865,071)**	(535,477)
Change in net debt	**(429,804)**	(936,329)
Net debt at 1 April 2009	**(15,783,952)**	(14,847,623)
Net debt at 31 March 2010	**(16,213,756)**	(15,783,952)

Analysis of changes in net debt

	At 1 Apr 2009 £	Cash flows £	At 31 Mar 2010 £
Net cash			
Overdrafts	(846,922)	435,267	(411,655)
Debt			
Debt due after 1 year	(14,937,030)	(865,071)	(15,802,101)
Net debt	(15,783,952)	(429,804)	(16,213,756)