

EXTERNAL

Financial Statements

Coin Street Community Builders Limited

For the year ended 31 March 2017

Registered number: 01783483

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Company Information

Directors

T Keller
D Morgan
P Morris
G Nicholson
S Rice
R Smith
I Tuckett
K Yefet

Company secretary

I Tuckett

Registered number

01783483

Registered office

Coin Street neighbourhood centre
108 Stamford Street
London
SE1 9NH

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Senior Statutory Auditor
30 Finsbury Square
London
EC2P 2YU

Bankers

Lloyds Bank plc
PO Box 1000
Gillingham
BX1 1LT

Solicitors

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London
EC4R 9HA

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Directors' Report

For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Results

The profit for the year, after taxation, amounted to £3,937,949 (2016 restated - £3,133,193).

Excluding the revaluation gain on investment property the profit for the year was £925,368 (2016 £1,081,261).

Investing activities required £197,810 (2016 £441,680) and loan interest and repayments required £1,362,234 (2016 £1,435,220). Cash and cash equivalents at the end of the year increased by £760,325 (2016 increased by £164,143).

Directors

The directors who served during the year were:

T Keller
D Morgan
P Morris
G Nicholson
S Rice
R Smith
I Tuckett
K Voaden (resigned 31 December 2016)
K Yefet

Directors' Report (continued)

For the Year Ended 31 March 2017

Charitable donations

A gift aid payment was made during the year for £150,000 (2016: £nil).

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

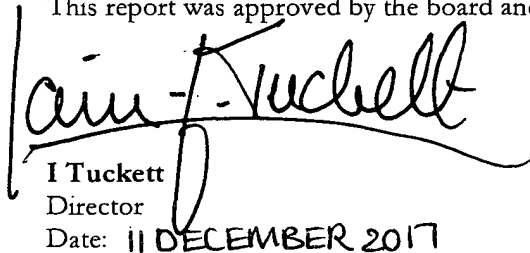
Subsequent events

There have been no significant events affecting the company since the year end.

Auditor

The appointment of auditors will be reviewed in 2018 and the appointment made in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


I Tuckett
Director
Date: 11 DECEMBER 2017

Strategic Report

For the Year Ended 31 March 2017

Principal Activities and business review

Coin Street Community Builders Limited (CSCB or “the company”) is a development trust and social enterprise that seeks to make the South Bank a better place in which to live, to work and to visit. Since 1984 CSCB has transformed a largely derelict site into a thriving mixed use neighbourhood. It has overseen the completion of the South Bank riverside walkway; the creation of Bernie Spain Gardens and Gabriel’s Wharf; the refurbishment of Oxo Tower Wharf; the building of 220 new homes for people in housing need, the construction of the Coin Street neighbourhood centre, the construction of a new headquarters and studio for Rambert and the construction of a temporary restaurant adjacent to the Rambert building. CSCB provides a diverse range of arts and events in Bargehouse and the gallery@oxo.

The company derives an income from owning, developing and managing property. Profits are not distributed but are used to support the company’s public service objectives.

During the year under review, CSCB 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, Transport for London, South Bank Employers’ Group, the Department for Education, Guy’s & St Thomas’s Hospital Trust, Nationwide Building Society, Lloyds Bank and other private sector organisations to secure the implementation of its development plan and improvement of the South Bank and Bankside areas of London. CSCB has also worked with Government, Locality, Social Enterprise UK and others to strengthen the wider social enterprise movement.

The Coin Street family and children’s centre provides an integrated range of programmes for families and children including an 84 place nursery operating from the Coin Street neighbourhood centre on Stamford Street. During the year a gift aid payment was made to CSCT in order to further develop facilities in the nursery.

Coin Street’s childcare and family services are supported through Children’s Centre funding from London Boroughs of Lambeth and Southwark. The Centre works in partnership with Lambeth and Southwark Children’s Services and Guy’s and St Thomas’ NHS Foundation Trust to deliver its programmes. In partnership with The London Borough of Southwark and First Place CSCB has extended the area covered by our Family Support.

In partnership with Coin Street Centre Trust, Colombo Street Community & Sports Centre, Rambert, Waterloo Football Club, Blackfriars Settlement and a range of specialist support agencies, CSCB provides a wide range of community programmes. CSCB has assisted in the conversion of facilities at the Colombo Centre to extend our youth and adult programmes.

The neighbourhood centre also hosts activities for young people and adults, and provides access to training and employment opportunities and business and social enterprise support.

The company’s key financial performance indicator is cash generated after loan repayments. In 2016/17 the company recorded a cash inflow of £760,325 (2015/16: £164,143).

Future developments

A major mixed development including a public swimming and indoor leisure centre is being planned for a site at Doon Street PA1 site adjacent to The National Theatre. In March 2017 CSCB undertook foundation works on the site.

Strategic Report

For the Year Ended 31 March 2017

Financial risk

CSCB 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, cash flow, price and credit risk and determined that the only material risks arising from the company's financial instruments are liquidity and cash flow risks. The directors review and agree policies for managing these risks through the preparation of monthly cash flow forecasts and by managing an on going dialogue with the company's bankers to ensure that suitable bank facilities are available to meet expected cash flow requirements. The policy has remained unchanged from previous years.

Key management personnel

In the opinion of the directors, key management personnel comprise the following individuals:

Mr R Scrase-Field (to 30/06/2016)
Mr C Heaton (to 19/07/2016)
Mr I Tuckett
Ms B Taylor
Mr B Trainor
Mrs T Hindley
Ms L King
Ms A Pinner
Mr A Silcock (to 28/02/2017)
Ms J Deeks
Ms M Scullion (from 25/07/2016)
Ms N Bell (from 11/02/2017)
Mr S Thornton (from 01/04/2016)

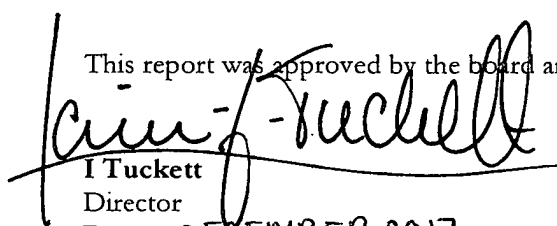
Equality

The company considers itself to be a progressive employer that values diversity and in December 2016 the Council of Management resolved to recruit additional members to extend the range of skills and diversity of the board. The table below sets out the analysis of staff by gender at 31 March 2017.

	Male	Female	Total
Grade			
Director	8		8
Senior managers	3	7	10
Employees	12	62	74
Total	23	69	92

The company's policy is that none of its staff should be paid less than the London Living Wage. This policy is extended to staff employed by suppliers and contractors.

This report was approved by the board and signed on its behalf by:


I Tuckett
Director

Date: 11 DECEMBER 2017

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 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 Auditor

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 and express an opinion on 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Basis for Qualified opinion on financial statements

As disclosed in note 11 to the financial statements, certain investments properties which are included in tangible fixed assets on the statement of financial position are valued at historical valuation of £2,117,000. In our opinion, these properties should be valued at their open market value as required by FRS 102. The effects on the financial statements of valuing these specific investment properties at open market value have not been determined.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit 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.

Independent Auditor's Report to the Members of Coin Street Community Builders Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Jennifer Brown
Senior Statutory Auditor
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
London

Date: 12 DECEMBER 2017

Statement of Comprehensive Income

For the Year Ended 31 March 2017

		2017	As restated 2016
	Note	£	£
Turnover		8,543,251	8,474,246
Gross profit		<u>8,543,251</u>	<u>8,474,246</u>
Administrative expenses		(6,689,152)	(6,517,643)
Revaluation gain on investment property		3,012,368	2,051,932
Operating profit	5	<u>4,866,467</u>	<u>4,008,535</u>
Interest receivable and similar income	8	524	607
Interest payable and expenses	9	(361,926)	(414,979)
Profit before tax		<u>4,505,065</u>	<u>3,594,163</u>
Tax on profit	10	(567,116)	(460,970)
Profit for the financial year		<u>3,937,949</u>	<u>3,133,193</u>
Other comprehensive income for the year			
Surplus on revaluation of other fixed assets		887,632	1,811,804
Tax on surplus on revaluation of other fixed assets		(94,540)	(272,874)
Other comprehensive income for the year		<u>793,092</u>	<u>1,538,930</u>
Total comprehensive income for the year		<u>4,731,041</u>	<u>4,672,123</u>

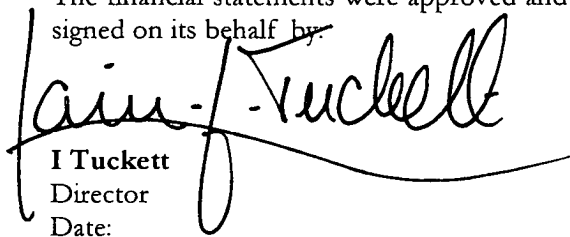
The notes on pages 11 to 23 form part of these financial statements.

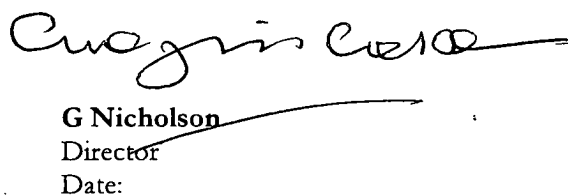
Statement of Financial Position

As at 31 March 2017

	Note	2017 £	As restated 2016 £
Fixed assets			
Tangible assets	11	48,929,585	44,998,462
Investments	12	4	4
		<u>48,929,589</u>	<u>44,998,466</u>
Current assets			
Debtors: amounts falling due within one year	13	802,910	1,686,925
Cash at bank and in hand	14	1,952,077	1,191,752
		<u>2,754,987</u>	<u>2,878,677</u>
Creditors: amounts falling due within one year	15	(3,555,879)	(3,840,882)
Net current liabilities		<u>(800,892)</u>	<u>(962,205)</u>
Total assets less current liabilities		<u>48,128,697</u>	<u>44,036,261</u>
Creditors: amounts falling due after more than one year	16	(11,029,928)	(12,030,236)
Provisions for liabilities			
Deferred tax	18	(2,917,550)	(2,555,847)
		<u>(2,917,550)</u>	<u>(2,555,847)</u>
Net assets		<u><u>34,181,219</u></u>	<u><u>29,450,178</u></u>
Capital and reserves			
Revaluation reserve	20	4,600,145	3,712,513
Profit and loss account	20	29,581,074	25,737,665
Shareholders' funds		<u><u>34,181,219</u></u>	<u><u>29,450,178</u></u>

The financial statements were approved and authorised for issue by the board on 11 DECEMBER 2017 and were signed on its behalf by:


I Tuckett
Director
Date:


G Nicholson
Director
Date:

The notes on pages 11 to 23 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2017

	Revaluation reserve	Profit and loss account	Total equity
	£	£	£
At 1 April 2016 as restated	3,712,513	25,737,665	29,450,178
Comprehensive income for the year			
Profit for the year	-	3,937,949	3,937,949
Surplus on revaluation of other fixed assets	887,632	-	887,632
Tax on surplus on revaluation of other fixed assets	-	(94,540)	(94,540)
At 31 March 2017	4,600,145	29,581,074	34,181,219

Statement of Changes in Equity

For the Year Ended 31 March 2016

	Revaluation reserve	Profit and loss account	Total equity
	£	£	£
At 1 April 2015 as previously stated	1,900,709	24,901,701	26,802,410
Restatement	-	(2,024,355)	(2,024,355)
At 1 April 2015 as restated	1,900,709	22,877,346	24,778,055
Comprehensive income for the year			
Profit for the year (as restated) Note 24	-	3,133,193	3,133,193
Surplus on revaluation of other fixed assets	1,811,804	-	1,811,804
Tax on surplus on revaluation of other fixed assets	-	(272,874)	(272,874)
At 31 March 2016 (as restated)	3,712,513	25,737,665	29,450,178

The notes on pages 11 to 23 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 March 2017

	2017 £	As restated 2016 £
Cash flows from operating activities		
Profit for the financial year	3,937,949	3,133,193
Adjustments for:		
Depreciation of tangible assets	167,211	290,903
Revaluation gain on investment property	(3,012,368)	(2,051,932)
Interest paid	361,926	414,979
Interest received	(524)	(607)
Taxation	567,116	460,970
Increase in debtors	884,015	195,241
Increase in creditors	(263,040)	(187,222)
Corporation tax	(321,916)	(214,482)
Net cash generated from operating activities	<u>2,320,369</u>	<u>2,041,043</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(198,334)	(442,287)
Interest received	524	607
Net cash from investing activities	<u>(197,810)</u>	<u>(441,680)</u>
Cash flows from financing activities		
Repayment of loans	(1,000,308)	(1,020,241)
Interest paid	(361,926)	(414,979)
Net cash used in financing activities	<u>(1,362,234)</u>	<u>(1,435,220)</u>
Net increase in cash and cash equivalents	<u>760,325</u>	<u>164,143</u>
Cash and cash equivalents at beginning of year	1,191,752	1,027,609
Cash and cash equivalents at the end of year	<u><u>1,952,077</u></u>	<u><u>1,191,752</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,952,077	1,191,752
	<u><u>1,952,077</u></u>	<u><u>1,191,752</u></u>

The notes on pages 11 to 23 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. General information

Coin Street Community Builders Limited is a private limited company, limited by guarantee and is incorporated in England. The registered office is Coin Street neighbourhood centre, 108 Stamford Street, London, SE1 9NH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in Sterling (£) which is the functional currency of the entity.

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Turnover

Turnover is measured at the transaction price, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services.

Turnover from the rendering of services is recognised according to the period in which the service was provided or the period to which the service relates.

Rent receivable and service charge income is invoiced in advance depending on contract terms. Invoices for a future period are deferred until the date of that period. Deferred turnover is reflected as a current liability.

Site hire income is invoiced upon booking. The income is deferred and released to the period in which the event takes place.

Car park income is invoiced on a monthly basis.

Nursery fee income is invoiced in advance and recognised in the month that it is earned.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible assets are measured at cost or valuation less accumulated depreciation and any accumulated depreciation impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than Investment Properties and Property in the course of construction, over their expected useful lives, using the straight-line method. The rates applicable are:

Owner occupied property	-	50 years
Temporary buildings	-	5 years
Other fixed assets	-	4 years

In accordance with FRS 102 Section 16 'Investment Property', such assets are held for long term investment and are included in the statement of financial position at their open market values (as disclosed in Note 11). The surplus or deficit on revaluation of such properties is recognised in the statement of comprehensive income.

Certain investment properties (in the course of construction) have not been revalued as required by FRS 102. The Members of the Council of Management ('the directors') consider that a professional valuation would not be reliable until negotiations concerning the 'Rights of Light' and removal of restrictive covenants in these properties are concluded. These specific properties continue to be carried in these financial statements as at their 1995 valuation. These specific properties will be professionally revalued once the company's long term interest has been clarified.

Other freehold property held for own use has been accounted for under the revaluation model. The cumulative unrealised valuation movement is recognised within the revaluation reserve with movement going through other comprehensive income.

2.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.6 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.7 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or prior reporting periods, using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences.

2.8 Employee benefits

Short-term employee benefits and contributions to defined contribution pension plans are recognised as an expense in the period in which they are incurred.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.10 Debtors and creditors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Interest-bearing and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the statement of comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.15 Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

The company recognised a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next financial year. The provision is measured at the salary cost payable for the period of absence.

2.16 Revenue grants received

Revenue grants are recognised according to the performance model. Revenue grants are reflected as income in the period performance conditions of the grant is met. Revenue grants received in advance are deferred until the performance conditions are met. Deferred grants are reflected as a current liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Other than matters disclosed in Note 11, Tangible fixed assets, there are no material judgments or estimates in preparation of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

4. Turnover

	2017 £	2016 £
Rent Receivable	3,324,863	3,092,448
Car Parking Income	563,457	630,132
Service Charges	642,359	621,743
Other Income	388,585	380,233
Site Hire	2,613,611	2,718,041
Nursery Fee Income	858,005	874,861
Housing and Landlord Fees	152,371	156,788
	<u>8,543,251</u>	<u>8,474,246</u>

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

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	167,211	290,903
Auditor's remuneration, audit work	31,000	34,000
Auditor's remuneration, taxation	9,430	9,996
Defined contribution pension cost	<u>238,323</u>	<u>239,874</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	2,544,174	2,620,621
Social security costs	230,553	240,596
Cost of defined contribution scheme	238,323	214,873
	<u>3,013,050</u>	<u>3,076,090</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Number of administrative staff	86	82
Directors	2	2
	<u>88</u>	<u>84</u>

Remuneration attributable to those deemed key management have been disclosed within Note 23.

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	134,884	134,884
Company contributions to defined contribution pension schemes	9,000	9,000
	<u>143,884</u>	<u>143,884</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

8. Interest receivable

	2017 £	2016 £
Other interest receivable	<u>524</u>	<u>607</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	361,926	414,951
Other interest payable	-	28
	<u>361,926</u>	<u>414,979</u>

10. Taxation

	2017 £	As restated 2016 £
Corporation tax		
UK corporation tax charge on profit for the year	299,953	321,916
Total current tax	<u>299,953</u>	<u>321,916</u>
Deferred tax		
Origination and reversal of timing differences	503,695	638,919
Effect of tax rates change on opening balance	(141,992)	(226,991)
Recognised through other comprehensive income	(94,540)	(272,874)
Total deferred tax	<u>267,163</u>	<u>139,054</u>
Taxation on profit on ordinary activities	<u>567,116</u>	<u>460,970</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20.0% (2016 - 20.0%). The differences are explained below:

	2017 £	As restated 2016 £
Profit on ordinary activities before tax	4,505,065	3,594,163
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2016 - 20.0%)	901,013	718,833
Effects of:		
Fixed asset differences	28,677	51,199
Expenses not deductible for tax purposes	-	491
Income not taxable for tax purposes	(602,474)	(410,386)
Chargeable gains/(losses)	565,319	671,691
Adjust closing deferred tax to average rate of 20%	(514,862)	(283,983)
Adjust opening deferred tax to average rate of 20%	283,983	-
Deferred tax not recognised	-	(13,999)
Recognised through other comprehensive income	(94,540)	(272,876)
Total tax charge for the year	567,116	460,970
	2017 £	2016 £
Deferred tax		
Recognised through other comprehensive income	94,540	272,874
Recognised through profit and loss	267,163	139,054
	361,703	411,928

Notes to the Financial Statements

For the Year Ended 31 March 2017

11. Tangible fixed assets

	Freehold investment property £	Property in course of construction £	Owner occupied property £	Market and temporary buildings £	Other fixed assets £	Total £
Cost or valuation						
At 1 April 2016	34,005,840	2,416,660	7,811,160	955,382	1,228,257	46,417,299
Additions	-	198,334	-	-	-	198,334
Revaluations	3,012,368	-	887,632	-	-	3,900,000
At 31 March 2017	37,018,208	2,614,994	8,698,792	955,382	1,228,257	50,515,633
Depreciation						
At 1 April 2016	-	-	-	248,050	1,170,787	1,418,837
Charge for the period	-	-	-	141,465	25,746	167,211
At 31 March 2017	-	-	-	389,515	1,196,533	1,586,048
Net book value						
At 31 March 2017	37,018,208	2,614,994	8,698,792	565,867	31,724	48,929,585
At 31 March 2016	34,005,840	2,416,660	7,811,160	707,332	57,470	44,998,462

The freehold properties shown above are treated as investment properties in accordance with FRS 102.

In accordance with FRS 102, Section 16 'Investment Properties', investment properties should be included at their open market value.

An external desktop valuation, dated 3 August 2017, was carried out for the 31 March 2017 year end by the directors of the company and the company's property advisors Montagu Evans, chartered surveyors, on the majority of the company's properties which refers to an open market carrying value of £43,600,000. The directors of the company believe this best represents the property valuation at the year end. Previous formal valuation was carried out in 2016 by Montagu Evans, Chartered Surveyors.

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 reliable until negotiations concerning the 'Rights of Light' and removal of restrictive covenants in these properties are concluded. The directors consider that the current value of these properties is not less than their carrying value within the statement of financial position. These specific properties therefore continue to be carried in these financial statements as at their 1995 valuation. These specific properties will be professionally revalued once the company's long term interest has been clarified.

Freehold property and Owner occupied property of £45,717,000 includes:

- Properties valued as at 1 September 2017 £43,600,000
- Properties included at their 1995 valuation £2,117,000

Notes to the Financial Statements

For the Year Ended 31 March 2017

11. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	13,038,815	13,038,815
Accumulated depreciation	(547,806)	(391,583)
Net book value	<u>12,491,009</u>	<u>12,647,232</u>

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	4
At 31 March 2017	<u>4</u>
Net book value	
At 31 March 2017	<u>4</u>
At 31 March 2016	<u>4</u>

13. Debtors

	2017 £	2016 £
Trade debtors	703,485	1,195,851
Other debtors	8,599	349,432
Prepayments and accrued income	90,826	141,642
	<u>802,910</u>	<u>1,686,925</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,952,077	1,191,752

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	1,000,308	1,000,308
Trade creditors	578,998	678,954
Pensions contribution payable	19,987	536
Corporation tax	299,953	321,916
Taxation and social security	120,783	230,732
Other creditors	277,117	341,348
Accruals and deferred income	1,258,733	1,267,088
	3,555,879	3,840,882

16. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	11,029,928	12,030,236

The company has two outstanding loans at the reporting date. A total of £11,501,986 is owed to Nationwide Building Society and £528,250 to Lloyds Bank.

The Nationwide Building Society loan is secured by a fixed charge on the following assets: Oxo Tower Wharf, Barge House Street London SE1 9GY, The Mulberry Bush Public House, 89 Upper Ground, London SE1 9PP, Site B Underground Car Park, London SE1 9PP, Stamford Street neighbourhood centre, 108 Stamford Street, London SE1 9NH, 2 Coin Street; and 62 Cornwall Road, London SE1 9NS. The company has also granted Nationwide a floating charge over all other assets.

The portions of the loans repayable in the 12 months to 31 March 2017 have been included within creditors falling due within one year.

Notes to the Financial Statements

For the Year Ended 31 March 2017

17. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	37,018,208	34,005,840
	<u>37,018,208</u>	<u>34,005,840</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(14,585,807)	(15,871,118)
	<u>(14,585,807)</u>	<u>(15,871,118)</u>

18. Deferred taxation

	2017 £	As restated 2016 £
At beginning of year restated	(2,555,847)	(2,143,919)
Charged to profit or loss (2016 restated)	(361,703)	(411,928)
At end of year	<u>(2,917,550)</u>	<u>(2,555,847)</u>

The provision for deferred taxation is made up as follows:

	2017 £	As restated 2016 £
Excess of depreciation over taxation allowances	(276,278)	(272,519)
Other short term timing differences	-	4,526
Tax losses available	118,989	125,989
Capital gains	(2,760,261)	(2,413,843)
	<u>(2,917,550)</u>	<u>(2,555,847)</u>

19. Company limited by guarantee

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

Notes to the Financial Statements

For the Year Ended 31 March 2017

20. Reserves

Revaluation reserve

Represents the cumulative unrealised valuation movement on property, plant and equipment held under the revaluation model, which is transferred from profit and loss account, net of any deferred tax.

Profit & loss account

Includes all current and prior period retained profit and losses.

21. 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.

22. Capital commitments

At 31 March 2017 and 31 March 2016 the company had no capital commitments.

23. Related party transactions

Key management personnel

All directors and the senior management team who have the authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration (including pension contributions) in respect of these individuals is £750,396 (2016: £867,781).

24. Prior year adjustment

No deferred tax liability has previously been recognised in relation to the valuation uplifts recorded on the company's freehold investment property. This recognition should have taken place in the prior year upon transition to FRS 102.

	Profit and loss account as previously stated £	Restatement £	Profit and loss account restated £
At 1 April 2015	24,901,701	(2,024,355)	22,877,346
Profit for the year	3,389,783	(256,590)	3,133,193
Tax on surplus on revaluation of other fixed assets	-	(272,874)	(272,874)
At 31 March 2016	28,291,484	(2,553,819)	25,737,665