

Registered Company No: SC0 81390

Registered Charity No: SC0 06281

**QUEENS CROSS WORKSPACE LIMITED**

**(A company limited by guarantee)**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

Draft - 5111109

**QUEENS CROSS WORKSPACE LIMITED**  
**(A company limited by guarantee)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

<b>CONTENTS</b>	<b>PAGE</b>
Legal and Administrative information	1
Trustees' Report	2 - 5
Auditors' Report	6 - 7
Consolidated statement of Financial Activities	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Notes to the Financial Statements	11 - 25

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Charity Name:** Queens Cross Workspace Limited

**Registered Office and Operational Address:** Suite 12  
Firhill Business Centre  
74-76 Firhill Road  
Glasgow  
G20 7BA

**Charity Registration Number:** SCO 06821

**Company Registration Number:** SCO 81390

**Trustees:** Margaret Dillon  
Mary Russell (Chair)  
Eileen McDade (Vice Chair)  
Derek Iggo  
Eric Jacobs

**Secretary:** Emily Devers (07/04/09 – 21/07/09)  
Derek Iggo (from 21/07/09)

**Senior Management Team:** Neil Manley (Director)  
Donalda Hogg (Head of Business Services)

**Auditors:** Wylie & Bisset LLP  
168 Bath Street  
Glasgow  
G2 4TP

**Bankers:** Clydesdale Bank plc  
St George's Cross Branch  
1 Woodside Crescent  
Glasgow  
G3 7UL

**Solicitors:** Brechin Tindal Oatts  
48 St Vincent Street  
Glasgow  
G2 5HS

## **QUEENS CROSS WORKSPACE LIMITED**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2009**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2009. The legal and administrative information on page one forms part of this report.

#### **Directors and Trustees**

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year-end, unless otherwise stated, were as follows:

Mary Russell (Chair) (Appointed 4/12/08)  
Eileen McDade (Vice Chair)  
Derek Iggo  
Eric Jacobs  
Margaret Dillon

#### **Structure, Governance and Management**

- Governing Document

Queens Cross Workspace Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11<sup>th</sup> October 1982 and amended to allow for current governance arrangements on 1<sup>st</sup> December 2004. It is a registered Scottish Charity. Anyone over the age of 18 living or working in the company's area of operation can become a member. Membership is also open to organisations and corporate bodies. There are currently 432 members.

- Recruitment and Appointment of Trustees

As set out in the Articles of Association, Queens Cross Workspace writes to all members in advance of the AGM requesting nominations for the Board of Directors. When considering co-opting trustees, the Board takes into consideration any specialist skills required to complement those of the existing Board.

- Trustee Induction and Training

New Board members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board of Directors and the decision-making processes, the business plan and the recent financial performance of the charity. Directors are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role and in-house training is arranged at regular intervals.

- Risk Management

Risks are identified as part of the business planning and budget process and managed as part of an ongoing review process. Policies and procedures are in place for all aspects of the day to day running of the Charity. A detail risk register is currently lying developed.

- Organisational Structure

The Board of Directors, which can have up to 9 members, administers the charity. The Board meets on a quarterly basis. A senior staff member manages the day-to-day operations of the charity and has responsibility for operational matters including finance, employment and operational activities.

**QUEENS CROSS WORKSPACE LIMITED**  
**(A company limited by guarantee)**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2009**

- Related Parties

The charity has links with Queens Cross Housing Association, a charity which operates within the same geographical area and provides housing and services to those in greatest need. Queens Cross Workspace and Queens Cross Housing Association have two joint venture companies – the Garscube Community Foundation, which aims to provide funding to local groups, and the Q-Space Ltd, a development company, which aims to carry out development work to assist in the regeneration of the local area.

Queens Cross Workspace has two wholly-owned subsidiary trading companies, Queens Cross Elmwood Ltd, a property company, and QC Consultants & Project Managers Ltd, a company which was developed to provide property advice to the voluntary sector. Both companies covenant profits to the Charity.

**Objectives and Activities**

The Charity has the general aim of contributing to the quality of life of the people of Queens Cross by providing a range of services and improving local amenities.

The main objective of the Charity as prescribed in its Memorandum and Articles is the relief of poverty and distress by the alleviation of unemployment and the improvement of community facilities. In addition, the Charity also aims to assist in the provision of training opportunities for local residents with a view to teaching specific skills, which will assist them in finding work.

The Charity achieves its objectives by a strategy of attracting businesses to the local area through the provision of quality affordable premises to let. This encourages a local economic infrastructure, which generates employment and wealth in the local area.

**Achievements and Performance**

During the year we have attracted two new companies into the local area, a painting wholesale outlet and an environmental air conditioning company. This has brought an additional seven full-time and two part-time jobs to the area.

The demand for properties in the rest of our portfolio remains high despite the adverse economic climate thus maintaining a sustainable job pool in our local community.

We currently have 34 separate companies in our properties, which range in size from sole traders to multi-nationals. Our tenants carry out a variety of trades and professions – building trades, charities and retail outlets to name but a few. In addition to bringing jobs to the area, our tenants also contribute to the sustainability of our area by increasing the level of local economic activity.

The charity owns a community centre, the Courtyard, which is run by Queens Cross Housing Association, and the facility continues to contribute to the local community through the provision of community facilities, employment, training opportunities and childcare provision. In addition, we work in conjunction with Queens Cross Housing Association to provide subsidised accommodation for the Queens Cross Volunteer Project. The Volunteer Project carries out a range of activities, all of which aim to improve the quality of life for residents of the Queens Cross area.

In terms of future endeavours, our board have held strategic planning sessions to determine how we can best achieve our objective of bringing economic activity to the Queens Cross area. Planning is currently in its very early stages and any activities will be in addition to our core business of providing affordable accommodation to the organisations in the local area.

## **QUEENS CROSS WORKSPACE LIMITED**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2009**

#### **Financial Review**

Queens Cross Workspace Ltd was established in 1985. It operates within the geographical area of Queens Cross in Glasgow, an area traditionally acknowledged as having high level of unemployment and poverty and an unlikely target for property development.

By investing our reserves and accessing grant funding, the Charity has built over 100,000 sq ft of property, facilitating job creation and training opportunities for local people.

The principal revenue source is commercial rent however the Charity has been successful over the years in obtaining grants towards the building costs of its developments. The most recent development, McCafferty House, has received funding through European Regional Development Funds.

In March 2006, funding from the Scottish Executive for our First Steps to Empower Project came to an end. We were able to gain a further six months funding from Glasgow City Council which allowed the work of the project to continue till the end of September 2006.

#### **Reserves policy**

The Trustees reviewed their reserves policy during the year taking into account funding streams, expenditure commitments, contractual obligations and the needs of the charity. Ideally the Trustees would wish to hold three months operating costs in reserve within the general fund which they believe would be a realistic target. At 31 March 2009, the charity had general reserves of £57,598, which falls just below the target reserve level. The Trustees will review the reserves policy annually.

#### **Plans for Future Periods**

Over the coming year, our priority is to maintain our current properties to the highest level as well as marketing any vacant units. Longer term we would like to focus on identifying and developing specific projects possibly with partnership agencies, which will continue to generate local employment and improve local amenities.

## **QUEENS CROSS WORKSPACE LIMITED**

**(A company limited by guarantee)**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED**

**31 MARCH 2009**

#### **Trustees' Responsibilities**

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements the Trustees are required to: -

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1895. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement to Auditors**

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditors**

A resolution to reappoint Wylie & Bisset LLP as auditor to the company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Trustees and signed on their behalf by:

Name: Derek Iggo

Date: 19 November 2009

# **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF QUEENS CROSS WORKSPACE LIMITED**

## **FOR THE YEAR ENDED 31 MARCH 2009**

We have audited the group and parent company financial statements of Queens Cross Workspace Limited for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. The financial statements have been prepared under the accounting policies set out therein.

The report is made exclusively to the members, as a body, in accordance with section 235 of the Companies Act 1985, and to the charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 1985 and report to you in accordance with those Acts.

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, the Charity and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and whether the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit 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 significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF  
QUEENS CROSS WORKSPACE LIMITED (continued)**

**FOR THE YEAR ENDED 31 MARCH 2009**

**Qualified Opinion arising from non-compliance with recognised accounting treatment by a subsidiary undertaking**

When capital grants are received by the subsidiary undertaking, Queens Cross Elmwood Limited, they are credited to reserves. This treatment does not comply with Statement of Standard Accountancy Practice No. 4.

Except for this departure in our opinion:

- The group financial statements give a true and fair view, in accordance with United Kingdom Generally accepted Practice, of the state of group's affairs at 31 March 2009, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The parent charitable company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent charitable company's affairs as at 31<sup>st</sup> March 2009
- The financial statements have been properly prepared in accordance with the Companies Act 1985, the Charity and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006; and
- The information given in the Trustees' Annual report is consistent with the financial statements.

Wylie & Bisset LLP  
Eligible to act as an auditor in terms of section 25 of the Companies Act 1989  
168 Bath Street  
Glasgow  
G2 4TP

Date: 19 November 2009

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

(including Income and Expenditure Account)

**FOR THE YEAR ENDING 31 MARCH 2009**

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
<b>Incoming Resources</b>				
Incoming resources from voluntary funds				
Voluntary income	5	-	-	35,988
Activities for generating funds	6	101,593	101,593	110,321
Investment income	7	2,319	2,319	8,664
Incoming resources from charitable activities	8	589,447	589,447	540,001
Other incoming resources	9	41,328	41,328	32,601
<b>Total Incoming Resources</b>	<u>734,687</u>	<u>-</u>	<u>734,687</u>	<u>727,575</u>
<b>Resources expended</b>				
Costs of generating voluntary income	10	80,568	80,568	75,648
Charitable activities	11	554,597	554,597	516,474
Governance costs	12	20,521	20,521	15,785
<b>Total Resources Expended</b>	<u>655,686</u>	<u>-</u>	<u>655,686</u>	<u>607,907</u>
<b>Net incoming resources before transfers and exceptional items</b>				
	79,001	-	79,001	119,668
<b>Exceptional item</b>	15	-	-	(200,000)
<b>Transfers</b>	-	-	-	-
<b>Net income / (expenditure) for the year after exceptional item</b>	<u>79,001</u>	<u>-</u>	<u>79,001</u>	<u>(80,332)</u>
<b>Other recognised gains and losses</b>				
Loss on revaluation of assets	18	(105,000)	(105,000)	-
<b>Reconciliation of Funds</b>				
Total funds brought forward	25, 26	2,460,940	4,767,463	7,228,403
Total funds carried forward	25, 26	<u>2,434,941</u>	<u>4,767,463</u>	<u>7,228,403</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**QUEENS CROSS WORKSPACE LIMITED****(A company limited by guarantee)****CONSOLIDATED BALANCE SHEET AT 31 MARCH 2009**

	Notes	£	2009 £	2008 £
<b>FIXED ASSETS</b>				
Tangible Assets	18		13,286,159	13,385,260
Investments	19		-	-
			<u>13,286,159</u>	<u>13,385,260</u>
<b>CURRENT ASSETS</b>				
Debtors	20	187,211		201,183
Cash at bank and in hand		<u>215,193</u>		<u>161,768</u>
		402,404		362,951
Creditors: amounts falling due within one year	21	<u>(625,724)</u>		<u>(496,426)</u>
<b>NET CURRENT ASSETS</b>			(223,320)	(133,475)
Creditors: amounts falling due after more than one year	22		(4,749,856)	(4,912,803)
Deferred Capital Grants	24		(1,110,579)	(1,110,579)
<b>NET ASSETS</b>			<u>7,202,404</u>	<u>7,228,403</u>
<b>Unrestricted Funds</b>				
Revaluation Reserve	26	536,041		641,041
General Funds	26	<u>1,898,900</u>		<u>1,819,899</u>
			2,434,941	2,460,940
<b>Restricted Funds</b>	25		4,767,463	4,767,463
<b>TOTAL FUNDS</b>			<u>7,202,404</u>	<u>7,228,403</u>

These Accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Trustees and signed on their behalf.

Name: Margaret Dillon

Name: Mary Russell

Date: 19 November 2009

**QUEENS CROSS WORKSPACE LIMITED****(A company limited by guarantee)****COMPANY BALANCE SHEET AT 31 MARCH 2009**

	Notes	£	2009 £	2008 £
<b>FIXED ASSETS</b>				
Tangible Assets	18		11,549,857	11,543,958
Investments	19		<u>10,002</u>	<u>10,002</u>
			11,559,859	11,553,960
<b>CURRENT ASSETS</b>				
Debtors	20	571,495		443,413
Cash at bank and in hand		<u>156,069</u>		<u>118,837</u>
		727,564		562,250
Creditors: amounts falling due within one year	21	<u>(577,332)</u>		<u>(439,615)</u>
<b>NET CURRENT ASSETS</b>			150,232	122,635
Creditors: amounts falling due after more than one year	22		(4,662,527)	(4,702,347)
<b>NET ASSETS</b>			<u>7,047,564</u>	<u>6,974,248</u>
<b>Unrestricted Funds</b>				
Revaluation Reserve	26	-		-
General Funds	26	<u>2,280,101</u>		<u>2,206,785</u>
			2,280,101	2,206,785
<b>Restricted Funds</b>	25		4,767,463	4,767,463
<b>TOTAL FUNDS</b>			<u>7,047,564</u>	<u>6,974,248</u>

These Accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Trustees and signed on their behalf.

Name: Margaret Dillon

Name: Mary Russell

Date: 19 November 2009

## QUEENS CROSS WORKSPACE LIMITED

(A company limited by guarantee)

### NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2009

#### 1. Accounting Policies

a) **Basis of preparation**

The financial statements have been prepared under the historic cost convention, with the exception of properties which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The joint venture company Q – Space Limited is excluded from the consolidation on the grounds that it is immaterial to the group. A separate Statement of Financial Activities and Income and Expenditure account are not presented for the charity itself as permitted by Section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

b) **Fund accounting**

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of properties at a market value.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

c) **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

# QUEENS CROSS WORKSPACE LIMITED

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2009

### 1. Accounting Policies (continued)

Income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in Note 13.

#### e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £200 are capitalised including any incidental expenses of acquisition.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Land and buildings	-	No depreciation charge
Office Equipment	-	25 % Reducing balance
Fixtures and fittings	-	25 % Reducing balance
Motor vehicles	-	25 % Reducing balance

No depreciation is provided on freehold land.

Investment properties owned by subsidiary companies are included in the Balance Sheet at their market value. Depreciation is provided only on those investment properties which are leasehold and which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

**QUEENS CROSS WORKSPACE LIMITED**

**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**f) Investments**

Investments in subsidiary undertakings and joint ventures are included at historical cost at the Balance Sheet date.

**g) Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities. The obligation to pay future rentals on operating leases is shown by way of a note to the Accounts.

**h) Taxation**

The company is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

**2. Legal Status**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**3. Financial Activities of the charity**

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiaries Queens Cross Elmwood Limited and QC Consultants and Project Managers Limited.

A summary of the financial activities undertaken by the charity is set out below:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Gross incoming resources</b>	648,434	646,592
Total expenditure on charitable activities	(554,597)	(516,474)
Governance costs	(20,521)	(15,785)
<b>Net incoming resources</b>	<u>73,316</u>	<u>114,333</u>
Exceptional item	-	(200,000)
Total funds brought forward	<u>6,974,248</u>	<u>7,059,915</u>
<b>Total funds carried forward</b>	<u><u>7,047,564</u></u>	<u><u>6,974,248</u></u>
<b>Represented by:</b>		
Restricted income funds	4,767,463	4,767,463
Unrestricted income funds	<u>2,280,101</u>	<u>2,206,785</u>
	<u><u>7,047,564</u></u>	<u><u>6,974,248</u></u>

# QUEENS CROSS WORKSPACE LIMITED

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2009

### 4. Incoming resources from activities for generating funds

The wholly owned trading subsidiary QC Consultants and Project Managers Limited, which is incorporated in Scotland, pays all but a small proportion of its profits to the charity by gift aid. The profit retained by the subsidiary is £5,685 (2008: £5,334). QC Consultants and Project Managers Limited offer consultancy and advisory services to the voluntary/public sector and are involved in all aspects of property development deemed by the company to be of social benefit. The charity owns the entire share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below:

QC Consultants and Project Managers Limited	2009 Total £	2008 Total £
<b>Administration expenses</b>	(37,925)	(36,421)
Other operating income	51,041	51,534
Interest receivable	438	291
Interest payable	<u>(6,358)</u>	<u>(8,736)</u>
<b>Net profit</b>	<u>7,196</u>	<u>6,668</u>
Tax on profit on ordinary activities	(1,511)	(1,334)
<b>Profit on ordinary activities after tax</b>	<u>5,685</u>	<u>5,334</u>
Unrealised surplus on revaluation of properties	-	-
<b>Total recognised gains and losses relating to the year</b>	<u>5,685</u>	<u>5,334</u>
<b>The assets and liabilities of the subsidiary were:</b>		
Fixed Assets	1,256,302	1,256,302
Current Assets	36,079	33,156
Current Liabilities	(46,919)	(47,731)
Long term creditors	(106,513)	(108,463)
Deferred Capital Grants	(1,110,579)	(1,110,579)
	<u>28,370</u>	<u>22,685</u>
Aggregate share capital and reserves	<u>28,370</u>	<u>22,685</u>

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**4. Incoming resources from activities for generating funds (continued)**

The charity has a second wholly owned trading subsidiary Queens Cross Elmwood Limited, which is incorporated in Scotland. The profit retained by the subsidiary is £nil (2008: nil). Queens Cross Elmwood Limited holds investment properties and manages all such commercial activities. The charity owns the entire share capital of 10,000 ordinary shares of £1 each. A summary of the trading results is shown below:

<b>Queens Cross Elmwood Limited</b>	<b>2009 Total £</b>	<b>2008 Total £</b>
<b>Turnover</b>	50,550	59,264
Administration expenses	(43,562)	(49,335)
Interest payable	<u>(6,988)</u>	<u>(9,929)</u>
<b>Net profit</b>	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	-	-
<b>Profit on ordinary activities after tax</b>	<u>-</u>	<u>-</u>
Unrealised loss on revaluation of properties	(105,000)	-
<b>Total recognised gains and losses relating to the year</b>	<u><u>(105,000)</u></u>	<u><u>-</u></u>

**The assets and liabilities of the subsidiary were:**

Fixed Assets	480,000	585,000
Current Assets	31,365	22,550
Current Liabilities	(20,914)	(44,998)
Long term creditors	(353,839)	(321,080)
	<u>136,612</u>	<u>241,472</u>
Aggregate share capital and reserves	<u>136,612</u>	<u>241,472</u>

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**5. Voluntary Income**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2009 Total £</b>	<b>2008 Total £</b>
EDRF grants	-	-	-	35,988
	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,988</u>

**6. Activities for generating funds**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2009 Total £</b>	<b>2008 Total £</b>
Activities of subsidiary undertakings	101,593	-	101,593	110,321
	<u>101,593</u>	<u>-</u>	<u>101,593</u>	<u>110,321</u>

**7. Investment Income**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2009 Total £</b>	<b>2008 Total £</b>
Bank Interest	2,319	-	2,319	8,664
	<u>2,319</u>	<u>-</u>	<u>2,319</u>	<u>8,664</u>

**8. Incoming Resources from Charitable Activities**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>Total £</b>	<b>Total £</b>
Rental Activities	589,447	-	589,447	540,001
	<u>589,447</u>	<u>-</u>	<u>589,447</u>	<u>540,001</u>

**QUEENS CROSS WORKSPACE LIMITED****(A company limited by guarantee)****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2009****9. Other Incoming Resources**

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
Management Fees	35,722	-	35,722	32,601
Miscellaneous income	5,606	-	5,606	-
	<u>41,328</u>	<u>-</u>	<u>41,328</u>	<u>32,601</u>

**10. Costs of generating voluntary income**

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
Subsidiary running costs	80,568	-	80,568	75,648
	<u>80,568</u>	<u>-</u>	<u>80,568</u>	<u>75,648</u>

**11. Resources Expended- Charitable Activities**

	Direct Costs £	Support Costs £	2009 Total £	2008 Total £
Rental Activities	431,744	122,014	553,758	516,474
Other charitable projects; Garfield Weston	839	-	839	-
	<u>432,583</u>	<u>122,014</u>	<u>554,597</u>	<u>516,474</u>

Included within direct costs is bank loan interest totalling £276,138.

**12. Resources Expended – Governance Costs**

	Direct Costs £	Support Costs £	2009 Total £	2008 Total £
Auditors' Remuneration	12,535	-	12,535	12,535
Staff time	-	7,986	7,986	3,250
	<u>12,535</u>	<u>7,986</u>	<u>20,521</u>	<u>15,785</u>

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**13. Support Costs – Breakdown by Activities**

	<b>Fundraising £</b>	<b>Rental Activities £</b>	<b>Governance</b>	<b>Basis of Allocation</b>
Management salary	-	122,014	7,986	Time spent
	<u>-</u>	<u>122,014</u>	<u>7,986</u>	

**14. Net Incoming Resources for the Year**

This is stated after charging:

	<b>2009 £</b>	<b>2008 £</b>
Depreciation	1,915	1,799
Auditors' Remuneration- Audit Fees	12,535	12,535

**QUEENS CROSS WORKSPACE LIMITED**

**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**15. Staff Costs and Numbers**

In 2008 all employees became employees of Queens Cross Housing Association and Queens Cross Workspace were charged for secondment costs, though 3 staff still worked in the business.

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Secondment Costs	130,000	65,000
Total	<u>130,000</u>	<u>65,000</u>

No employee received emoluments of more than £60,000

**16. Trustees' Remuneration and Related Party Transactions**

No Trustees received any remuneration during the year. No expenses were reimbursed to Trustees.

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**17. Tangible Fixed Assets – Group**

	<b>Land and Buildings Community Services £</b>	<b>Freehold Land and Buildings £</b>	<b>Fixtures and Fittings £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 April 2008	3,117,534	10,262,332	91,455	33,517	13,504,838
Additions	-	5,556	1,350	908	7,814
Disposals	-	-	-	-	-
Revaluation of assets	-	(105,000)	-	-	(105,000)
At 31 March 2009	<u>3,117,534</u>	<u>10,162,888</u>	<u>92,805</u>	<u>34,425</u>	<u>13,407,652</u>
<b>Depreciation</b>					
At 1 April 2008	-	-	88,278	31,300	119,578
On disposals	-	-	-	-	-
Charge for the year	-	-	1,132	783	1,915
At 31 March 2009	<u>-</u>	<u>-</u>	<u>89,410</u>	<u>32,083</u>	<u>121,493</u>
<b>Net book values</b>					
At 31 March 2009	<u>3,117,534</u>	<u>10,162,888</u>	<u>3,395</u>	<u>2,342</u>	<u>13,286,159</u>
At 1 April 2008	<u>3,117,534</u>	<u>10,262,332</u>	<u>3,177</u>	<u>2,217</u>	<u>13,385,260</u>
<b>At Cost</b>					
	<u>3,117,534</u>	<u>8,421,030</u>	<u>4,236</u>	<u>2,957</u>	<u>11,545,757</u>
<b>At Valuation</b>					
	<u>-</u>	<u>1,841,302</u>	<u>-</u>	<u>-</u>	<u>1,841,302</u>

On a historical cost basis the assets held at valuation would have been included at an original cost of £1,842,027 (2008 £1,654,510)

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**18. Tangible Fixed Assets – Company**

	Land and Buildings Community Services £	Freehold Land and Buildings £	Fixtures and Fittings £	Office Equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2008	3,117,534	8,421,030	48,259	33,517	11,620,340
Additions	-	5,556	1,350	908	7,814
Disposals	-	-	-	-	-
At 31 March 2009	<u>3,117,534</u>	<u>8,426,586</u>	<u>49,609</u>	<u>34,425</u>	<u>11,628,154</u>
<b>Depreciation</b>					
At 1 April 2008	-	-	45,082	31,300	76,382
On disposals	-	-	-	-	-
Charge for the year	-	-	1,132	783	1,914
At 31 March 2009	<u>-</u>	<u>-</u>	<u>46,214</u>	<u>32,083</u>	<u>78,296</u>
<b>Net book values</b>					
At 31 March 2009	<u>3,117,534</u>	<u>8,426,586</u>	<u>3,395</u>	<u>2,342</u>	<u>11,549,857</u>
At 1 April 2008	<u>3,117,534</u>	<u>8,421,030</u>	<u>3,177</u>	<u>2,217</u>	<u>11,543,958</u>

Freehold land and buildings were last revalued in 2000. Following the implementation of FRS 15 “Tangible Fixed Assets”, the Company adopted a policy of not revaluing tangible fixed assets. The carrying amounts of tangible fixed assets previously revalued have been retained at their book value in accordance with the transitional provisions of FRS 15.

**19. Fixed Asset Investments**

	Company		Group	
	2009 £	2008 £	2009 £	2008 £
Cost at 1st April 2008 and 31 March 2009	10,002	10,002	-	-

Queens Cross Workspace Limited has two wholly owned subsidiaries. The charity owns two shares at £1 each in QC Consultants and Project Managers Limited, a company incorporated in Scotland. For the year ending 31 March 2009, the company had made a profit of £5,685 (2008 £5,334) and had closing reserves of £28,370 (2008 £22,685). The other subsidiary is Queens Cross Elmwood Limited, a company incorporated in Scotland. The charity owns £10,000 shares at £1 each. At 31 March 2009, this company had made a profit of £nil (2008 £nil) and had closing reserves of £136,612 (2008 £241,472).

Queens Cross Workspace Limited also owns 50% of joint venture company Q Space Limited, which was dormant during the year.

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**20. Debtors**

	<b>Company</b>		<b>Group</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	22,556	17,801	30,355	30,449
Accrued income and other debtors	134,538	148,810	135,059	148,937
Group debtors	414,401	276,802	21,797	21,797
	<u>571,495</u>	<u>443,413</u>	<u>187,211</u>	<u>201,183</u>

**21. Creditors: Amounts falling due within one year**

	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loans	160,178	165,480	167,856	190,323
Trade creditors	8,714	3,129	29,383	15,615
Taxation and social security	-	-	1,515	1,926
Other creditors	408,440	271,006	426,970	288,562
	<u>577,332</u>	<u>439,615</u>	<u>625,724</u>	<u>496,426</u>

**22. Creditors: Amounts falling due after more than one year**

	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loan	4,384,417	4,424,237	4,471,746	4,634,693
GDA Development Grants repayable	278,110	278,110	278,110	278,110
	<u>4,662,527</u>	<u>4,702,347</u>	<u>4,749,856</u>	<u>4,912,803</u>

The charity's loan with Lloyds TSB is secured over the property at Firhill Road Business Centre.

The charity has two loans with RBS which are secured over the property at Unit 3, 1 Sawmillfield Street and Units 788-804 and 806-830 Garscube Road.

**23. Loan Maturity**

	<b>Company</b>		<b>Group</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due:				
Within one year	160,178	165,480	167,856	190,325
one to two years	160,178	165,480	167,856	190,325
In two to five years	480,535	496,440	570,975	570,975
After 5 years	3,743,704	3,762,316	4,011,025	4,151,501
	<u>4,544,595</u>	<u>4,589,716</u>	<u>4,917,712</u>	<u>5,103,126</u>

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**24. Deferred Capital Grants**

	<b>Company</b>		<b>Group</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred Capital Grants	-	-	1,110,579	1,110,579
	<u>-</u>	<u>-</u>	<u>1,110,579</u>	<u>1,110,579</u>

The capital grants were received to fund the refurbishment costs of the investment properties owned by the subsidiary companies. In the event of the sale of the related buildings or various other occurrences they are potentially repayable to the funders in full or part, over a ten or twenty five year period expiring in 2027. The funders have standard security over the buildings concerned in the event of a repayment of the grants being triggered.

**25. Restricted Funds - Group**

	<b>Movement in funds</b>				
	<b>Balance at</b>	<b>Incoming</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>01-Apr-08</b>	<b>resources</b>	<b>(gains)/losses</b>	<b>£</b>	<b>31-Mar-09</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
EDRF Funding	4,767,463	-	-	-	4,767,463
	<u>4,767,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,767,463</u>

EDRF funding are grants received for capital projects.

**26. Unrestricted Funds – Group**

	<b>Movement in funds</b>					
	<b>Balance at</b>	<b>Incoming</b>	<b>Expenditure</b>	<b>Gains/</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>01-Apr-08</b>	<b>resources</b>	<b>£</b>	<b>(Losses)</b>	<b>£</b>	<b>31-Mar-09</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General charitable funds	(21,403)	734,687	655,686	-	-	57,598
Designated funds:						
Revaluation reserve	641,041	-	-	(105,000)	-	536,041
Subsidiaries Property	1,841,302	-	-	-	-	1,841,302
	<u>2,460,940</u>	<u>734,687</u>	<u>655,686</u>	<u>(105,000)</u>	<u>-</u>	<u>2,434,941</u>

**Designated funds;**

The revaluation reserve relates to unrealised gains on the revaluation of properties. These funds cannot be spent unless the properties are sold.

The Subsidiaries property fund reflects the net book value of properties owned by the charity's subsidiary companies.

**QUEENS CROSS WORKSPACE LIMITED**

(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**27. Analysis of Net Assets between Funds - Group**

	<b>Tangible Fixed Assets £</b>	<b>Net current assets £</b>	<b>Long term liabilities £</b>	<b>Total £</b>
<b>Restricted funds</b>	4,767,463	-	-	4,767,463
<b>Unrestricted funds</b>	8,518,696	402,404	(6,486,159)	2,434,941
<b>Total funds</b>	<u>13,286,159</u>	<u>402,404</u>	<u>(6,486,159)</u>	<u>7,202,404</u>

**28 Post Balance Sheet Events**

During the current financial year the trade, assets and liabilities of Queens Cross Elmwood Limited, a wholly owned subsidiary of Queens Cross Workspace Limited, will be transferred to Queens Cross Workspace Limited. Queens Cross Elmwood Limited will cease trading.