

MEZZANINE 2 LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2013

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MEZZANINE 2 LIMITED
(A company limited by guarantee)

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MEZZANINE 2 LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
for the year ended 31 March 2013

Trustees

Robin Pauley, Chair
Alistair Fraser, Trustee
Judith Miara, Trustee
Matthew Stevenson-Dodd, Trustee (appointed 9 July 2013)
Helen Taylor-Thompson, Trustee (appointed 9 July 2013)
Olu Olasode, Trustee (resigned 1 April 2013)
Leo Shapland, Trustee (resigned 19 October 2012)

Company registered number

5081333

Charity registered number

1104911

Registered office

49-51 East Road
London
N1 6AH

Principal operating office

32-36 Loman Street
Southwark
London
SE1 0EE

Company secretary

Leah Cook

Independent auditors

Goodman Jones LLP
29/30 Fitzroy Square
London
W1T 6LQ

Bankers

Barclays Bank Plc
Level 27
1 Churchill Place
London
E14 5HP

MEZZANINE 2 LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
for the year ended 31 March 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Mezzanine 2 Limited for the year ended 31 March 2013. The Trustees confirm that the Annual report and financial statements of the company with the current statutory requirements, the requirements of the company governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005

Trustees

The following Trustees, who are also directors for the purpose of company law, have held office since 1 April 2012.

Robin Pauley	(Chair of Trustees)
Alistair Fraser	
Judith Miara	
Matthew Stevenson-Dodd	(appointed 9 July 2013)
Helen Taylor-Thompson	(appointed 9 July 2013)
Olu Olasode	(resigned 1 April 2013)
Leo Shapland	(resigned 19 October 2012)

None of the Trustees received any remuneration from the charity during the current or prior years

Structure, Governance and Management

Mezzanine 2 Limited is a charitable company limited by guarantee and was established in 2004. It is governed by its Memorandum and Articles of Association, adopted in 2004 and last amended on 12 June 2006. Mezzanine 2 Ltd operates exclusively in the London Borough of Southwark under the name of CAN Mezzanine

The Board of Trustees control and manage the affairs of the charity, working closely with its sole member Bright Red Dot Foundation Limited. Robin Pauley, Alistair Fraser, Judith Miara, Matthew Stevenson-Dodd and Helen Taylor-Thompson are also Trustees of Bright Red Dot Foundation Limited.

Trustees are given a comprehensive induction when they join CAN Mezzanine. Recruitment involves interviews with the Chair and existing Trustees

During the year Leo Shapland resigned as Trustee following his relocation to the United States. His commitment and contributions to CAN have been invaluable and the Trustees wish him every success in his new location. In July 2013 Matthew Stevenson-Dodd, Chief Executive of Street League, and Helen Taylor Thompson, a Trustee of Bright Red Dot Foundation since inception, were appointed to the Board. These appointments further strengthen the Board, giving CAN Mezzanine Board representation and fresh insights from a sector organisation as well as further support from an experienced Trustee with a deep understanding of CAN Mezzanine's operations and mission.

Leadership and operational management of CAN Mezzanine are devolved to the senior management team

Senior Management Team

Andrew Croft	Chief Executive
Kate Markey	MD CAN Invest, Deputising for CE
Hazel Dodd	Finance Director

The Board of Trustees hold the senior management team to account on key performance indicators as agreed between both parties as well as monitoring the strategic direction

MEZZANINE 2 LIMITED

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TRUSTEES' REPORT (continued) for the year ended 31 March 2013

Risk Management

The Trustees have assessed the major risks to which the company and the group is exposed, in particular those related to the operations and finances of CAN Mezzanine, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks

Principal Activities and Objectives

CAN Mezzanine's vision is of an economy buoyed by a thriving Civil Society. Our Mission is to help charities, social entrepreneurs and social ventures achieve it. To build sustainable organisations charities need high quality premises, peer experience, funds and business support.

CAN Mezzanine is a fully self sustaining charity, that provides high-quality collaborative office space and builds communities of social interest for Third Sector organisations in Southwark, London. The current building at Loman Street houses 44 organisations in over 25,000 square foot of office space. Customers include established bodies such as World Wildlife Foundation, Women for Women International, Policy Connect, Transparency International UK and the international water and sanitation charity, Pump Aid.

CAN Mezzanine's objectives are

- To promote and improve the efficiency and effectiveness of charities and voluntary groups, community groups and not-for-profit organisations in the London borough of Southwark by the provision and management for such organisations of office accommodation, conferences, training and other facilities, services and support
- To improve the efficiency of the administration of charities in direct pursuit of their objects by the provision of training and information, particularly in the field of information technology
- Such other exclusively charitable purposes as the Trustees shall from time to time determine

Its principal activity is to provide high-quality, affordable office space in central locations to third sector organisations. Stability of tenure remains a significant hurdle to growth for third sector bodies.

By providing serviced office space and additional value-added support, CAN Mezzanine allows organisations to concentrate resources on maximising their social or environmental impact.

By creating communities of social interest within the buildings, CAN Mezzanine aims to encourage collaboration, innovation and growth amongst Third Sector organisations.

Achievements and Performance Review of the Year

Despite a still challenging economic environment CAN Mezzanine continues to benefit from strong customer loyalty, retention and minimal churn which, along with a strong requirement for our services, has helped improve occupancy. This is testament to CAN Mezzanine's sales and operations teams in targeted and tactical sales acquisitions combined with maintaining excellent customer relations. The overall strength of our customer base has enabled us to provide support to those organisations that are struggling more than others, thereby strengthening our position as a community of social interest. Where we have lost customers they have predominantly moved to premises as part of a sponsor arrangement. We are unable to compete against such offers in the short term, however we believe this is a reflection of the current economic climate and our commitment and differentiation is to offer long-term support services and a peer community to our customers. We are seeing increased demand for our services in London as the property market hardens and our value proposition to the sector increases further.

MEZZANINE 2 LIMITED
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TRUSTEES' REPORT (continued)
for the year ended 31 March 2013

As a charity-based social enterprise our desire for growth must always be matched by our commitment to grow our social impact and public benefit. Our most recent customer satisfaction survey shows over 87% of our beneficiaries are interacting with other CAN Mezzanine customers, 77% learn something new on a regular basis from other organisations in the Mezzanine community and over 35% have established business relationships, generated revenue or secured new contracts within the Mezzanine to enhance their social impact. 91% of customers state they benefit from direct information flow from Mezzanine. Whilst we continue to focus on customer impact it is clear CAN Mezzanine has been able to further develop as a genuine social venture marketplace.

Performance against specific objectives for the year was as follows:

- **Continue to raise awareness of technological advances through products and forums that can reduce cost and increase social impact:** CAN Mezzanine hosts the Salesforce user group forum and disseminates updates and developments of benefit to the sector.
- **Maintain or increase occupancy and manage churn:** during the period CAN Mezzanine Loman St hit its targeted occupancy figure and subsequent to the year end is nearly at full capacity.
- **Increase our positive impact on customers and ultimately their beneficiaries through further developing our offering:** our service now extends to registered office with voicemail service and a special package allowing some desk and meeting room usage for smaller organisations, widening further our impact.
- **Further understand the finance and business needs of our customers and develop products to support them and maximise the opportunities in the emerging social investment climate:** CAN Invest has developed services to help Mezzanine customers access grants for investment and contract readiness support. We continue to help organisations within our Mezzanine community and beyond to measure their impact, creating a greater understanding of beneficiary requirements and most valued interventions while allowing them to prove and demonstrate efficacy and value to funders. We continued to deliver our service offering to the CAN Mezzanine constituency, including offering training on a variety of areas such as investment, Financial and Business Modelling in addition to our CAN Impact consulting work. In conjunction with our corporate partnerships, which includes PA Consulting, we were able to offer further skilled training focussed on sustainability, impact and growth.
- **Obtain expansion space in the locality:** significant efforts have been made to secure further space within Southwark, however due to high prices in the area it has not been possible to find space that CAN Mezzanine's potential future customers could afford or be willing to pay. Our efforts continue.

Plans for the Future

The ongoing training for commissioners involved in the implementation of the Social Value Act could herald a new dawn for social organisations contracting in the local and central government marketplace and we will do all we can to promote this agenda and its influence on society at large. We plan to expand our Mezzanine community with at least one new building and a new product aimed at a different market beneficiary group or segment.

CAN's objectives for the forthcoming financial year are as follows:

- Conduct a review of costs using external appraisal
- Conduct a review of social credentials of suppliers, seeking to increase social organisations in supply chain
- Continue to improve occupancy and constituency
- Undertake in depth customer profiling to establish market segmentation demand and social impact of offering different Mezzanine spaces and helping an additional beneficiary group
- Continue to seek expansion space in the locality

Our Thanks to

- Our CAN Mezzanine customers and wider social venture network
- Our many supporters
- Our loyal and immensely hard working team who drive and deliver our mission

MEZZANINE 2 LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued) for the year ended 31 March 2013

Financial Results

Mezzanine 2 Ltd recorded an unrestricted surplus of £40,131, a reduction from prior year which had included a £195k release from the dilapidation liability provision relating to the former CAN Mezzanine space at 1 London Bridge. The negotiations regarding the dilapidations were concluded very satisfactorily with the initial claim in excess of £400k reduced to £44k including costs. The remaining £56k of provision was released during the year.

A one-off unrestricted grant of £155,854 was made by Mezzanine 2 Ltd to its sole member Bright Red Dot Foundation Ltd, representing the balance of funds remaining in respect of the 1 London Bridge property.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Reserves Policy

The Trustees approved a Reserves Policy in 2007 and agreed to aim to maintain consolidated free reserves of £460,000 in cash or assets that are easily converted into cash. At 31 March 2013, the company's free reserves were £475,661 (2012: £517,064). The reserves policy will be reviewed in the forthcoming year now that the dilapidation liabilities are settled following the closure of the London Bridge site. The required free reserves are likely to be reduced to reflect a smaller operating base.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Mezzanine 2 Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEZZANINE 2 LIMITED

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**TRUSTEES' REPORT (continued)
for the year ended 31 March 2013**

Auditors

The auditors, Goodman Jones, have indicated their willingness to continue in office

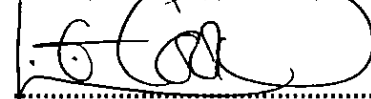
Statement of Disclosure to Auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 1 October 2013 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'L Cook', written over a horizontal dotted line.

**L Cook
Company Secretary**

MEZZANINE 2 LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEZZANINE 2 LIMITED

We have audited the financial statements of Mezzanine 2 Limited for the year ended 31 March 2013 set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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

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 the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MEZZANINE 2 LIMITED

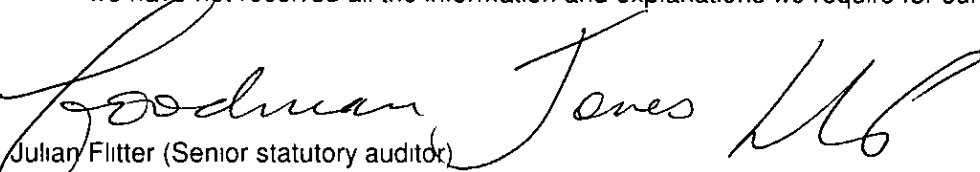
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEZZANINE 2 LIMITED

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 trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Julian Flitter (Senior statutory auditor)

for and on behalf of

Goodman Jones LLP

Statutory Auditors

29/30 Fitzroy Square

London

W1T 6LQ

2 October 2013

MEZZANINE 2 LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and expenditure account)
for the year ended 31 March 2013

	Note	Total funds 2013 £	Total funds 2012 £
Incoming resources			
Incoming resources from generated funds			
Interest receivable	2	11,751	6,491
Incoming resources from charitable activities	3	1,278,720	1,267,034
		<hr/>	<hr/>
Total Incoming resources		1,290,471	1,273,525
		<hr/>	<hr/>
Resources expended			
Charitable activities	5	1,245,340	923,681
Governance costs	8	5,000	5,000
		<hr/>	<hr/>
Total resources expended		1,250,340	928,681
		<hr/>	<hr/>
Movement in total funds for the year - Net Income for the year		40,131	344,844
		<hr/>	<hr/>
Total funds at 1 April 2012		520,708	175,864
		<hr/>	<hr/>
Total funds at 31 March 2013		560,839	520,708
		<hr/>	<hr/>

All activities relate to continuing operations

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 11 to 18 form part of these financial statements.

MEZZANINE 2 LIMITED
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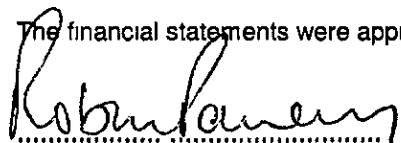
Registered number: 5081333

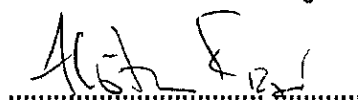
BALANCE SHEET
as at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	11		85,178		103,644
Current assets					
Debtors	12	49,531		68,030	
Cash at bank		1,066,331		1,037,298	
		<u>1,115,862</u>		<u>1,105,328</u>	
Creditors: amounts falling due within one year	13	(640,201)		(588,264)	
Net current assets			475,661		517,064
Total assets less current liabilities			<u>560,839</u>		<u>620,708</u>
Provisions for liabilities					
Other provisions	14		-		(100,000)
Net assets			<u>560,839</u>		<u>520,708</u>
Charity Funds					
Unrestricted funds	15		<u>560,839</u>		<u>520,708</u>
Total funds			<u>560,839</u>		<u>520,708</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Trustees on 1 October 2013 and signed on their behalf, by:


Robin Pauley, Chair


Alistair Fraser

The notes on pages 11 to 18 form part of these financial statements.

MEZZANINE 2 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Incoming recognition

All incoming resources are included in the Statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income is stated after other sales taxes and net of VAT, where applicable.

1.3 Tangible fixed assets and depreciation

Excluding computers, all assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	Over the term of the lease
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

1.4 Grants and donations

Revenue grants and donations include all income receivable in the period. Where the income covers costs already incurred and are committed, but not yet received, this income has been accrued. The element of such grants and donations received for specific projects which are not expended at the period end is carried forward as restricted funds.

Capital grants and donations received towards capital expenditure are analysed between restricted or unrestricted income in the statement of financial activities on receipt. On expenditure being incurred, fixed assets are capitalised in the appropriate fund.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MEZZANINE 2 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

1. Accounting policies (continued)

1.6 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.7 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out by head office staff. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.8 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Dilapidation provision

Provisions for dilapidations are recognised on a lease by lease basis and are based on the company's best estimate of the likely committed cash outflow.

1.11 Pensions

The company contributes to personal pension plans on behalf of employees and the pension charge represents the amounts payable by the Charity to personal pension plans in respect of the year.

MEZZANINE 2 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

2. Investment Income

	Total funds 2013 £	Total funds 2012 £
Investment income	11,751	6,491

3. Incoming resources from charitable activities

	Total funds 2013 £	Total funds 2012 £
Serviced office space	1,278,720	1,267,034

4. Grants to institutions

	Total funds 2013 £	Total funds 2012 £
Bright Red Dot Foundation Limited	155,854	-

MEZZANINE 2 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

5. Resources expended on charitable activities

Summary by activity

	Activities undertaken directly 2013 £	Grant funding of activities 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Serviced office space	1,025,549	-	63,937	1,089,486	923,681
Grant	-	155,854	-	155,854	-
	<u>1,025,549</u>	<u>155,854</u>	<u>63,937</u>	<u>1,245,340</u>	<u>923,681</u>

Summary by expenditure type

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Serviced office space	162,751	32,594	894,141	1,089,486	923,681
Grant	-	-	155,854	155,854	-
	<u>162,751</u>	<u>32,594</u>	<u>1,049,995</u>	<u>1,245,340</u>	<u>923,681</u>

6. Direct costs

	Serviced office space 2013 £	Total 2012 £
Rent and rates	561,488	488,223
Dilapidation provision	(55,854)	(195,334)
Premises expenses	197,337	185,907
Communication services	84,554	97,364
Marketing and promotion	12,130	3,407
Professional fees	917	(14,814)
Financial costs	28,456	27,457
Other staff costs	-	829
Other costs	1,176	825
Wages and salaries	147,748	139,662
National insurance	9,297	8,736
Pension cost	5,706	4,126
Depreciation	32,594	51,072
	<u>1,025,549</u>	<u>797,460</u>

MEZZANINE 2 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

7. Support costs

	Basis of Allocation	Serviced office space £	Total 2013 £	Total 2012 £
Management fees	Turnover	63,937	63,937	126,221

Support costs relate to management fees charged by the company's sole member Bright Red Dot Foundation Limited

8. Governance costs

	Total funds 2013 £	Total funds 2012 £
Governance Auditors' remuneration	5,000	5,000

9. Net incoming resources

This is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets	32,594	51,072
Auditors' remuneration	5,000	5,000
Other operating leases	509,134	446,583

MEZZANINE 2 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

10. Staff costs

Staff costs were as follows

	2013	2012
	£	£
Wages and salaries	147,748	139,662
Social security costs	9,297	8,736
Other pension costs	5,706	4,126
	<u>162,751</u>	<u>152,524</u>

The average monthly number of employees during the year was as follows

	2013	2012
	No.	No.
Administration and management	<u>5</u>	<u>4</u>

No employee received remuneration in excess of £60,000 and no emoluments were paid to the Trustees during the year. There were no outstanding or prepaid contributions to the pension scheme at 31 March 2013.

11. Tangible fixed assets

	Leasehold	Fixtures and	Computer	Total
	Impr'mts	fittings	equipment	£
	£	£	£	
Cost				
At 1 April 2012	82,259	192,209	77,841	352,309
Additions	9,096	2,876	2,156	14,128
Disposals	-	(98,351)	-	(98,351)
At 31 March 2013	<u>91,355</u>	<u>96,734</u>	<u>79,997</u>	<u>268,086</u>
Depreciation				
At 1 April 2012	26,722	165,582	56,361	248,665
Charge for the year	9,296	14,347	8,951	32,594
On disposals	-	(98,351)	-	(98,351)
At 31 March 2013	<u>36,018</u>	<u>81,578</u>	<u>65,312</u>	<u>182,908</u>
Net book value				
At 31 March 2013	<u>55,337</u>	<u>15,156</u>	<u>14,685</u>	<u>85,178</u>
At 31 March 2012	<u>55,537</u>	<u>26,627</u>	<u>21,480</u>	<u>103,644</u>

MEZZANINE 2 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

12. Debtors

	2013	2012
	£	£
Trade debtors	34,527	44,568
Other debtors	1,186	417
Prepayments and accrued income	12,894	20,326
Taxes and social security costs	924	2,719
	<u>49,531</u>	<u>68,030</u>

13. Creditors:
Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	19,602	29,419
Amounts owed to group undertakings	61,336	10,708
Other taxation and social security	3,863	2,676
Other creditors	260,608	250,969
Accruals and deferred income	294,792	294,492
	<u>640,201</u>	<u>588,264</u>

Mezzanine 2 Limited's sole member Bright Red Dot Foundation Limited holds loans secured over freehold property, with cross guarantees from Mezzanine 2 Limited. The balance of these loans at 31 March 2013 was £16.1 million.

14. Provisions

	Dilapidations
	£
At 1 April 2012	100,000
Amounts used	(44,146)
Amounts reversed	(55,854)
At 31 March 2013	<u>-</u>

Dilapidations

During the year the company settled its dilapidation commitments in relation to the lease at 1 London Bridge.

MEZZANINE 2 LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

15. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Unrestricted funds	520,708	1,290,471	(1,250,340)	560,839
	<u>520,708</u>	<u>1,290,471</u>	<u>(1,250,340)</u>	<u>560,839</u>

16. Operating lease commitments

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	2012 £
Expiry date:		
After more than 5 years	509,134	509,134
	<u>509,134</u>	<u>509,134</u>

There were no capital commitments as at 31 March 2013

17. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

18. Ultimate parent undertaking and controlling party

The company's ultimate parent company is Bright Red Dot Foundation Limited, also incorporated in the United Kingdom