

---

**THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED**

---

**ABBREVIATED ACCOUNTS**

**For the year ended 31 March 2007**

WEDNESDAY



\*ADGVKT3E\*

A45

19/09/2007

537

COMPANIES HOUSE

---

## **THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED**

---

### **INDEPENDENT AUDITORS' REPORT TO THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED**

**Under section 247B of the Companies Act 1985**

---

We have examined the abbreviated accounts of The Lower Norwood Co-Operative Building Company Limited for the year ended 31 March 2007 set out on pages 4 to 7, together with the financial statements of the company for the year ended 31 March 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 company, for our work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

#### **BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 7 have been properly prepared in accordance with those provisions.

#### **OTHER INFORMATION**

"On 7 June 2007 we reported as auditors to the company on the financial statements prepared under section 226 of the Companies Act 1985 and our audit report was as follows:

We have audited the financial statements of The Lower Norwood Co-Operative Building Company Limited for the year ended 31 March 2007 set out on pages 6 to 13. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing 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 Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory

---

## THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED Under section 247B of the Companies Act 1985

---

requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

#### **BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.
- In common with many other businesses of this size and nature, the company uses our firm to provide tax advice and to represent it, as necessary, at tax tribunals.

---

**THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE LOWER NORWOOD CO-OPERATIVE BUILDING  
COMPANY LIMITED**  
**Under section 247B of the Companies Act 1985**

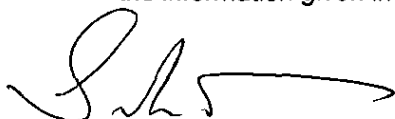
---

**QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT**

Land and buildings owned by the company for investment purposes are revalued at their open market value every three years. This is not in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) which requires investment properties to be included at open market value at the balance sheet date every year. The latest valuation was at 31st March 2006. We were unable to quantify the financial effect of this departure, which may understate the value of investment property and revaluation reserves in the current year balance sheet.

Except for the method of accounting for investment properties as stated above, in our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



**SMITH PEARMAN**  
Chartered Accountants  
Registered Auditor  
Hurst House  
High Street  
Ripley  
Surrey  
GU23 6AY

7 June 2007

**THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED**

**ABBREVIATED BALANCE SHEET**  
As at 31 March 2007

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	2		1,195		1,013
Fixed asset investments	3		14,936,608		14,522,000
			<u>14,937,803</u>		<u>14,523,013</u>
<b>CURRENT ASSETS</b>					
Debtors		156,784		228,810	
Cash at bank and in hand		12,335		124,983	
		<u>169,119</u>		<u>353,793</u>	
<b>CREDITORS:</b> amounts falling due within one year		<u>(402,184)</u>		<u>(438,846)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(233,065)</u>		<u>(85,053)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>14,704,738</u>		<u>14,437,960</u>
<b>CREDITORS:</b> amounts falling due after more than one year			<u>(2,667,510)</u>		<u>(2,473,320)</u>
<b>NET ASSETS</b>			<u>12,037,228</u>		<u>11,964,640</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	4		4,104,000		4,104,000
Revaluation reserve			5,566,959		5,566,959
Profit and loss account			2,366,269		2,293,681
<b>SHAREHOLDERS' FUNDS</b>			<u>12,037,228</u>		<u>11,964,640</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf on 7 June 2007

  
**R.M. Balmforth, F.R.I.C.S.**  
Director

The notes on pages 5 to 7 form part of these financial statements

---

## THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED

---

### NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2007

---

#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 CASH FLOW

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005)

##### 1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### 1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Office equipment	-	33 33% straight line
Software	-	33 33% straight line

##### 1.5 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

---

THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED

---

NOTES TO THE ABBREVIATED ACCOUNTS  
For the year ended 31 March 2007

---

1 ACCOUNTING POLICIES (continued)

1.6 PENSIONS

The company pays an amount into personal pension funds and the pension charge represents the amounts payable by the company to the funds in respect of the year

1.7 INVESTMENT PROPERTIES

The company's investment properties have been included in the balance sheet at open market value at 31st March 2006. The directors revalue the investment properties every three years

2. TANGIBLE FIXED ASSETS

	£
<b>COST</b>	
At 1 April 2006	1,520
Additions	1,033
	<hr/>
At 31 March 2007	2,553
	<hr/>
<b>DEPRECIATION</b>	
At 1 April 2006	507
Charge for the year	851
	<hr/>
At 31 March 2007	1,358
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 March 2007	1,195
	<hr/>
At 31 March 2006	1,013
	<hr/>

3. FIXED ASSET INVESTMENTS

	£
<b>AT VALUATION</b>	
At 1 April 2006	14,522,000
Additions	414,608
	<hr/>
At 31 March 2007	14,936,608
	<hr/>

Investment properties were revalued by R M Balmforth, F R I C S of Stapleton Long at 31st March 2006 on the basis of open market value. He is also a director of this company.

The historical cost of investment property included above at a valuation of £14,936,608 was £6,292,295 (2006 £5,877,687)

---

**THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED**

---

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 March 2007**

---

**4. SHARE CAPITAL**

	2007 £	2006 £
<b>AUTHORISED</b>		
410,400 Ordinary shares of £10 each	<b>4,104,000</b>	<b>4,104,400</b>
	<u>                    </u>	<u>                    </u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
410,400 Ordinary shares of £10 each	<b>4,104,000</b>	<b>4,104,000</b>
	<u>                    </u>	<u>                    </u>

**5. RELATED PARTY TRANSACTIONS**

Mr R M Balmforth is a partner in Stapleton Long, Chartered Surveyors, who act as the company's agents in connection with the collection and administration of rental income and expenditure. Commission charges were £83,941 (2006 £72,152). Other charges for services rendered were £20,395 (2006 £34,433).

**6. PRINCIPAL SUBSIDIARIES**

Company name	Country	Percentage Shareholding	Description
South London Co-operative Building Company Limited	England	100	Dormant company