

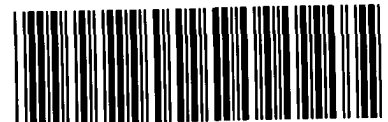
COMPANY REGISTRATION NUMBER: 00002793

**The Lower Norwood Co-operative Building Company
Limited**

Filleted Financial Statements

31 March 2018

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The Lower Norwood Co-operative Building Company Limited

Statement of Financial Position

31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	7	26,079,070	26,379,829
Current assets			
Debtors	9	181,810	58,524
Cash at bank and in hand		28,023	58,445
		<u>209,833</u>	<u>116,969</u>
Creditors: amounts falling due within one year	10	644,039	674,472
Net current liabilities		<u>434,206</u>	<u>557,503</u>
Total assets less current liabilities		<u>25,644,864</u>	<u>25,822,326</u>
Creditors: amounts falling due after more than one year	11	3,558,665	3,423,230
Provisions			
Taxation including deferred tax		2,274,524	2,375,847
Net assets		<u>19,811,675</u>	<u>20,023,249</u>
Capital and reserves			
Called up share capital		4,104,000	4,104,000
Profit and loss account	14	15,707,675	15,919,249
Shareholders funds		<u>19,811,675</u>	<u>20,023,249</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 3.9.2018, and are signed on behalf of the board by:



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



M A P Fryer B.A.(Hons), A.C.M.A., C.G.M.A.
Director

Company registration number: 00002793

The notes on pages 2 to 6 form part of these financial statements.

The Lower Norwood Co-operative Building Company Limited

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 501 Norwood Road, West Norwood, London, SE27 9DJ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Revenue recognition

Turnover represents the total amount receivable by the company in the ordinary course of business from the rental of property.

Rental income is accrued on a time basis, by reference to the agreements entered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Lower Norwood Co-operative Building Company Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office equipment	- 33% straight line
Computer software	- 33% straight line

Investment property

Investment properties are initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment properties are revalued to their fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are recognised at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 5 (2017: 5).

The Lower Norwood Co-operative Building Company Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

5. Tax on (loss)/profit

Major components of tax (income)/expense

	2018 £	2017 £
Current tax:		
UK current tax expense	87,831	91,485
Deferred tax:		
Origination and reversal of timing differences	(101,323)	(82,822)
Tax on (loss)/profit	(13,492)	8,663

6. Dividends

	2018 £	2017 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	184,680	184,680

The directors propose a final dividend in respect of the financial year ending 31 March 2018 of 30p per share which will absorb £123,120 of shareholders' funds. This will be paid to shareholders who are on the register of members at 31 August 2018.

7. Tangible assets

	Investment property £	Office equipment £	Computer software £	Total £
Cost/Valuation				
At 1 April 2017	26,379,149	1,120	1,566	26,381,835
Additions	202,105	—	—	202,105
Revaluations	(502,524)	—	—	(502,524)
At 31 March 2018	26,078,730	1,120	1,566	26,081,416
Depreciation				
At 1 April 2017	—	1,120	886	2,006
Charge for the year	—	—	340	340
At 31 March 2018	—	1,120	1,226	2,346
Carrying amount				
At 31 March 2018	26,078,730	—	340	26,079,070
At 31 March 2017	26,379,149	—	680	26,379,829

The historical cost of the investment properties included above at a valuation of £26,078,730 was £9,901,603 (2017: £9,612,395).

The Lower Norwood Co-operative Building Company Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

8. Investment in subsidiary

The company has a 100% shareholding in the company The South London Co-operative Building Company Limited. The company did not trade during the year and the value of the investment was considered to be £nil.

9. Debtors

	2018 £	2017 £
Trade debtors	123,113	56,467
Other debtors	58,697	2,057
	<u>181,810</u>	<u>58,524</u>

10. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	351,947	297,138
Corporation tax	87,832	91,485
Social security and other taxes	19,091	18,571
Other creditors	185,169	267,278
	<u>644,039</u>	<u>674,472</u>

11. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	<u>3,558,665</u>	<u>3,423,230</u>

The bank loans payable in 5 years plus is £1,428,598 (2017: £2,286,751)

The bank loans and overdraft are secured over the freehold investment properties. The bank loans are repayable over 10, 15 and 20 years. There was also a fixed loan arranged in the prior year. The loan is secured over certain properties. The total loan is repayable within 20 years.

12. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018 £	2017 £
Included in provisions	<u>2,274,524</u>	<u>2,375,847</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Fair value adjustment of investment property	<u>2,274,524</u>	<u>2,375,847</u>

The Lower Norwood Co-operative Building Company Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

13. Prior period reclassification

In the previous period, two balances that made up a loan from a related party were included within trade debtors and trade creditors. A balance of £295,776 from trade debtors and £366,315 from trade creditors was transferred to other creditors creating a creditor of £70,540. There was no effect on net assets or the profit for the year.

14. Reserves

The total amount of distributable reserves as at 31 March 2018 was £4,172,800 (2017: £4,605,697).

The total amount of non - distributable reserves as at 31 March 2018 was £11,534,875 (2017: £11,313,552).

15. Summary audit opinion

The auditor's report for the year dated *16/10/2018* was unqualified.

The senior statutory auditor was Tim Hardy, for and on behalf of Shipleys LLP.

16. Related party transactions

The directors have provided personal guarantees of £5,000 each to a total of £20,000 in respect of the loan facility.