

COMPANY REGISTRATION NUMBER: 00002793

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

**Filleted Unaudited Financial Statements**

**31 March 2021**

# The Lower Norwood Co-operative Building Company Limited

## Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	8	26,912,402	26,388,797
<b>Current assets</b>			
Debtors	10	317,047	316,156
Cash at bank and in hand		175,395	120,871
		<u>492,442</u>	<u>437,027</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>764,307</u>	<u>730,319</u>
<b>Net current liabilities</b>		<b>271,865</b>	<b>293,292</b>
<b>Total assets less current liabilities</b>		<b>26,640,537</b>	<b>26,095,505</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<b>3,877,774</b>	<b>3,618,431</b>
<b>Provisions</b>			
Taxation including deferred tax		<u>2,369,739</u>	<u>2,369,739</u>
<b>Net assets</b>		<b>20,393,024</b>	<b>20,107,335</b>
<b>Capital and reserves</b>			
Called up share capital		<b>4,104,000</b>	4,104,000
Profit and loss account	14	<b>16,289,024</b>	16,003,335
<b>Shareholders funds</b>		<b>20,393,024</b>	<b>20,107,335</b>

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 Section 1A of 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 income and retained earnings has not been delivered.

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

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

## **Statement of Financial Position** *(continued)*

**31 March 2021**

These financial statements were approved by the board of directors and authorised for issue on 13 September 2021 , and are signed on behalf of the board by:

M J Renshaw B.Sc.(Hons), M.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 Lower Norwood Co-operative Building Company Limited**

## **Notes to the Financial Statements**

### **Year ended 31 March 2021**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 20 Arundel Gate, Sheffield, S1 2PP.

#### **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.

**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. Operating profit is stated after charging:

	2021	2020
	£	£
Depreciation	375	364
Auditors remuneration		8,346
Pension Costs	4,785	4,785
Directors' remuneration	124,000	124,000

### 5. Employee numbers

The average number of persons employed by the company during the year amounted to 5 (2020: 5 ).

### 6. Tax on profit

#### Major components of tax expense

	2021	2020
	£	£
<b>Current tax:</b>		
UK current tax expense	167,030	85,364
<b>Deferred tax:</b>		
Origination and reversal of timing differences	—	274,749
<b>Tax on profit</b>	<b>167,030</b>	<b>360,113</b>

### 7. Dividends

	2021	2020
	£	£
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 2020 of 45p per share which will absorb £184,680 of shareholders' funds. This will be paid to shareholders who are on the register of members at 31 August 2020 .

## 8. Tangible assets

	Investment property £	Office equipment £	Computer software £	Total £
<b>Cost/Valuation</b>				
At 1 April 2020	26,388,422	2,223	1,566	<b>26,392,211</b>
Additions	796,980	—	—	<b>796,980</b>
Disposals	( 273,000)	—	—	<b>( 273,000)</b>
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<b>At 31 March 2021</b>	<b>26,912,402</b>	<b>2,223</b>	<b>1,566</b>	<b>26,916,191</b>
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<b>Depreciation</b>				
At 1 April 2020 and 31 March 2021	—	2,223	1,566	<b>3,789</b>
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<b>Carrying amount</b>				
<b>At 31 March 2021</b>	<b>26,912,402</b>	<b>—</b>	<b>—</b>	<b>26,912,402</b>
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At 31 March 2020	26,388,422	—	—	26,388,422
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The historical cost of the investment properties included above at a valuation of £26,388,422 was £10,617,329 (2020: £10,619,378).

## 9. 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.

## 10. Debtors

	2021 £	2020 £
Trade debtors	<b>40,186</b>	167,809
Other debtors	<b>276,861</b>	148,347
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	<b>317,047</b>	316,156
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## 11. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	<b>392,460</b>	363,971
Corporation tax	<b>167,193</b>	85,364
Social security and other taxes	<b>5,196</b>	22,862
Other creditors	<b>199,458</b>	258,122
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	<b>764,307</b>	730,319
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## 12. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	<b>3,877,774</b>	3,618,431
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The bank loans payable in 5 years plus is £989,814 (2020: £1,069,494) The bank loans and overdraft are secured over the freehold investment properties. The bank loans are repayable over 10, 15 and 20 years.

### 13. Deferred tax

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

	2021	2020
	£	£
Included in provisions	<b>2,369,739</b>	2,369,739

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

	2021	2020
	£	£
Fair value adjustment of investment property	—	2,369,739

### 14. Reserves

The total amount of distributable reserves as at 31 March 2021 was £5,143,877 (2020: £4,587,2377). The total amount of non - distributable reserves as at 31 March 2021 was £11,145,147 (2020: £11,416,098).

### 15. 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.



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