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

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**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED  
31 MARCH 2005**



A77  
COMPANIES HOUSE  
0168  
23/09/05  
\*AH7R18XC\*  
A45  
COMPANIES HOUSE  
0447  
23/09/05  
\*A1T608X3\*

Incorporated 1862

**ONE HUNDRED AND FORTY THIRD ANNUAL REPORT  
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005**

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NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND FORTY THIRD ANNUAL GENERAL MEETING of shareholders will be held at 19 Croxted Road, West Dulwich, London SE21 8TA on 21st September 2005 at 2.00 pm for the following purposes:

- To receive and adopt the accounts for the year ended 31 March 2005 and the reports of the Directors and Auditors thereon.
- To declare a final dividend on the ordinary shares payable to the shareholders on the register on 31 July 2005.
- To re-elect the Directors and fix their remuneration.
- To authorise the Directors to fix the remuneration of the Auditors.
- To re-elect Smith Pearman as Auditors.
- To transact any other ordinary business of the Company.
- To propose the following Ordinary Resolution:

That the authorised share capital of the company be increased from £2,052,000 to £4,104,000 by the creation of 205,200 Ordinary shares of £10 each.

That it is desirable to capitalise the sum of £2,052,000 being part of the sum standing to the credit of the revaluation reserve in the books of the company and accordingly that the directors be and are hereby authorised and directed to appropriate the said sum of £2,052,000 to the members holding ordinary shares at the close of business on 1 August 2005 in proportion to the number of shares held by them, one new share for every existing share held, and to apply such sum on their behalf in paying up in full 205,200 ordinary shares of £10 each to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid and such new shares issued will rank pari passu with the existing shares in issue.

**BY ORDER OF THE BOARD**

**P.F. FRYER**  
Secretary

**19 Croxted Road  
West Dulwich  
London  
SE21 8TA  
22nd August 2005**

A member entitled to vote may appoint a proxy or proxies to attend and vote on his behalf.

A proxy need not be a member of the Company

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

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

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

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We have examined the abbreviated accounts of The Lower Norwood Co-operative Building Company Limited for the year ended 31 March 2005 set out on pages 4 to 6, together with the financial statements of the company for the year ended 31 March 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with s.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 and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### **BASIS OF AUDIT OPINION**

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### **OPINION**

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 6 are properly prepared in accordance with those provisions.

### **OTHER INFORMATION**

On 26 May 2005 we reported as auditors to the members of 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 2005 set out on pages 6 to 11. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on 8.

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 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 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**

As described in the Statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly

# THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED

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

Under section 247B of the Companies Act 1985

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prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the company 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 AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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.

### QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT

Freehold 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 June 2002) 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 2003. We were unable to quantify the financial effect of this departure, which may understate the value of investment property and revaluation reserves in the 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 of the state of the company's affairs at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Smith Pearman**

Chartered Accountants  
Registered Auditors

Hurst House  
High Street  
Ripley  
Surrey  
GU23 6AY

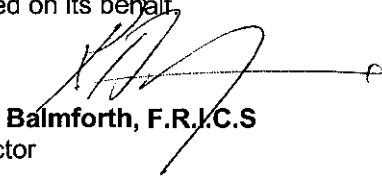
26 May 2005

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

**ABBREVIATED BALANCE SHEET**  
As at 31 March 2005

	Note	2005	2004
		£	£
<b>FIXED ASSETS</b>			
Investments	2	12,422,432	10,579,536
<b>CURRENT ASSETS</b>			
Debtors		22,814	39,673
Cash at bank		113,385	209,693
		<u>136,199</u>	<u>249,366</u>
<b>CREDITORS:</b> amounts falling due within one year		<u>(658,759)</u>	<u>(364,778)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(522,560)</u>	<u>(115,412)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,899,872</u>	<u>10,464,124</u>
<b>CREDITORS:</b> amounts falling due after more than one year	3	<u>(2,393,957)</u>	<u>(1,121,160)</u>
<b>NET ASSETS</b>		<u><u>£ 9,505,915</u></u>	<u><u>£ 9,342,964</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	2,052,000	2,052,000
Revaluation reserve		5,484,209	5,484,209
Profit and loss account		1,969,706	1,806,755
<b>SHAREHOLDERS' FUNDS</b>		<u><u>£ 9,505,915</u></u>	<u><u>£ 9,342,964</u></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 by the board on 26 May 2005 and signed on its behalf.

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

  
**M.R.L. Long, A.R.I.C.S. Registered Architect**  
Director

The notes on pages 5 to 6 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 2005

### 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 June 2002).

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 June 2002).

#### 1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

#### 1.4 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

#### 1.5 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.

#### 1.6 Investment properties

The company's investment properties have been included in the balance sheet at open market value at 31st March 2003. The directors revalue the investment properties every three years.

### 2. FIXED ASSET INVESTMENTS

	£
<b>At valuation</b>	
At 1 April 2004	10,579,536
Additions	1,842,896
At 31 March 2005	<u>£12,422,432</u>

THE LOWER NORWOOD CO-OPERATIVE BUILDING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
For the year ended 31 March 2005

2. **FIXED ASSET INVESTMENTS (continued)**

Investment properties were revalued by R.M. Balmforth. F.R.I.C.S. of Stapleton Long at 31st March 2003 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 £12,422,432 was £6,938,223 (2004 £5,095,327).

3. **CREDITORS**

Creditors include amounts not wholly repayable within 5 years as follows:

	2005 £	2004 £
Repayable by instalments	<u>£ 1,786,070</u>	<u>£ 647,733</u>

The bank loans are secured on the freehold properties and are repayable over 10 and 15 years. Interest is charged at 1.5% - 2% over the bank base rate.

4. **SHARE CAPITAL**

	2005 £	2004 £
<b>Authorised, allotted, called up and fully paid</b>		
205,200 Ordinary shares of £10 each	<u>£ 2,052,000</u>	<u>£ 2,052,000</u>