

LREH CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

ALISON WARD ACCOUNTANTS
CHARTERED CERTIFIED ACCOUNTANTS

28 HILLS ROAD
BUCKHURST HILL
ESSEX IG9 5RS

**LREH CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

DIRECTORS

Karen Ahmed
Alyson Brewer (Chair)
Joan Curtis
Asher Jacobsberg (Treasurer)
Glynis Kirkwood
Dörte Mang
Nefertiti Marriot
Dave Morris
Sandra Sutherland

SECRETARY

Asher Jacobsberg

REGISTERED OFFICE

320 Mount Pleasant Road
Tottenham
London N17 6HA

COMPANY REGISTERED NUMBER

32216R

ACCOUNTANTS

Alison Ward Accountants
Chartered Certified Accountants
28 Hills Road
Buckhurst Hill
Essex IG9 5RS

**LREH CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

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**LREH CO-OPERATIVE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2016**

The directors present their report and the financial statements of the company for the year ended 31 October 2016.

Objects

The objects of the society are to carry on the business as a co-operative and to carry on any other trade, business or service and in particular to support the improvement and conservation of Lordship Rec so that it can be freely enjoyed as a place of beauty, rest, recreation and interest for the community.

Status

The society is registered with the Financial Conduct Authority (no. 32216R) under the Co-operative and Community Benefit Societies Act 2014.

Chair's statement

I would like to thank all our members, customers and users for their continued support over the past year, and staff and Board members for all their hard work.

Over the past year we have had both successes and setbacks, but overall the co-operative has continued to grow, to extend our activities and to listen to feedback. Together we have moved several steps closer to our shared vision of "community building in every sense". However, we have now reached a critical stage in our growth. During the last quarter of 2016, our turnover reached the point at which we had to start paying VAT. We now need urgently to raise additional funds to tide us over this period until further growth in business compensates for the amount that we are now having to outlay on VAT. We need all our members' support with donations and encouraging friends and relatives to buy further shares in the co-operative, to ensure that we both survive and continue to grow over the coming year.

Alyson Brewer, Chair of LREH Co-operative

Directors

The directors who served during the year were as follows:

Karen Ahmed	
Alyson Bradley	resigned 31 January 2016
Alyson Brewer (Chair)	
Joan Curtis	
Louis Fisher	resigned 10 September 2016
Asher Jacobsberg (Treasurer)	
Glynis Kirkwood-Warren	
Dörte Mang	appointed 13 November 2016
Nefertiti Marriot	appointed 31 January 2016
Dave Morris	
Sandra Sutherland	appointed 13 November 2016

**LREH CO-OPERATIVE LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016**

Director's Responsibilities Statement

The Board of Directors is responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Financial Reporting Standards and applicable law). Under company law the directors 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 society and the surplus or deficit of the society for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Reporting 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 society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 12 May 2017 and signed on their behalf.

Alyson Brewer, Chair

**INDEPENDENT ACCOUNTANTS' REPORT TO THE MEMBERS OF
LREH CO-OPERATIVE LIMITED
UNDER SECTION 85 OF THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES
ACT 2014
FOR THE YEAR ENDED 31 OCTOBER 2016**

We report to the members on the unaudited financial statements for the year ended 31 October 2016 set out on pages 4 to 10 .

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

The society's directors are responsible for the preparation of the accounts, and they consider that the society is entitled to opt out of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

This report is made to the society's members, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the society's members that we have done so, and state those matters that we have agreed to state to them in this 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 society and the society's members, as a body, for our work or for this report.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the society, and making such limited enquiries of the directors of the society as we considered necessary for the purposes of this report. These procedures provide the only assurance expressed in our opinion.

OPINION

In our opinion:

- (a) The accounts, including the revenue account and balance sheet, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014;
- (b) Having regard only to, and on the basis of, the information contained in those accounting records the revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- (c) For the preceding year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.

Alison Ward Accountants
Chartered Certified Accountants

28 Hills Road
Buckhurst Hill
Essex IG9 5RS

12 May 2017

**LREH CO-OPERATIVE LIMITED
REVENUE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Note	2016 £	£	2015 £	£
Cafe sales			111,781		94,425
Cost of sales:					
Stock at 31 October 2015		3,000		1,404	
Purchases		43,707		44,851	
Other direct expenses		-		120	
Stock at 31 October 2016		(2,264)		(3,000)	
			44,443		43,375
Gross profit			67,338		51,050
Room hire			27,474		11,875
Events and activities			2,392		10,566
Miscellaneous income			597		1,253
Donations received			6,441		77
Catering			2,372		1,206
Big Lottery Fund grant			16,918		-
Bank interest receivable			-		20
			123,532		76,047
Less:					
Selling and marketing costs	4	516		2,176	
Monies spent re BLF project & SpaceHive	6	9,905		3,215	
Administration costs	6	116,071		83,383	
Depreciation	7	2,919		1,966	
			129,411		90,740
Deficit for the year before and after taxation			(5,879)		(14,693)
Retained losses brought forward			(17,205)		(2,512)
Retained losses carried forward			£ (23,084)		£ (17,205)

The notes on pages 6-10 form part of these financial statements

LREH CO-OPERATIVE LIMITED

Registered number: 32216R

BALANCE SHEET AT 31 OCTOBER 2016

	Note	2016 £	£	2015 £
FIXED ASSETS				
Tangible assets	8		2,470	<u>2,531</u>
CURRENT ASSETS				
Stock	9	2,264		3,000
Debtors	10	3,871		6,477
Cash at bank and in hand		18,285		8,473
		<u>24,420</u>		<u>17,950</u>
CREDITORS: Amounts falling due within one year	11	(28,776)		<u>(18,826)</u>
NET CURRENT LIABILITIES			(4,356)	<u>(876)</u>
NET (LIABILITIES)/ASSETS			£ (1,886)	<u>£ 1,655</u>
CAPITAL AND RESERVES				
Share capital	12	21,198		18,860
Revenue account		(23,084)		<u>(17,205)</u>
SHAREHOLDERS FUNDS			£ (1,886)	<u>£ 1,655</u>

The accounts were approved by the board of directors on 12 May 2017

Asher Jacobsberg, Treasurer

The notes on pages 6-10 form part of these financial statements

**LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the FRS105 - The Financial Reporting Standard applicable to the micro-entities regime (effective January 2016).

1b. Tangible fixed assets

Fixed assets costing in excess of £200 are capitalised and shown at historical cost.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	Straight line 33%
Equipment	Straight line 33%

1c. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis, including transport.

1d. Taxation

Corporation tax payable is provided on a taxable surplus at the current rate.

2. OPERATING LOSS

	2016	2015
	£	£
Loss is stated after charging:		
Depreciation - Tangible assets	2,919	1,966

**LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016**

3. TAX ON LOSS

There is no taxation liability as the society incurred a deficit for the period under review.

4. SELLING AND MARKETING COSTS

	£	£
Advertising	243	886
Theft	-	1,290
	<u>£ 243</u>	<u>£ 2,176</u>

5. PROJECT COSTS

	£	£
Big Lottery Fund expenditure	9,378	-
SpaceHive expenditure	427	-
Easter holiday drama workshop	100	-
Events and activities	-	3,215
	<u>£ 9,905</u>	<u>£ 3,215</u>

LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016

6. ADMINISTRATION COSTS

	£	£
Salaries	86,370	54,888
NIC employer	2,957	896
Fees paid to interim workers	7,305	5,215
Staff travel	13	-
Recruitment & training	300	3,285
Insurance	1,121	583
Light and heat	295	934
Repairs & renewals	1,656	4,320
Printing, postage and stationery	415	435
Landline and mobile phone	241	125
Broadband internet and fax	732	601
Equipment rental	1,670	1,382
Computer costs	404	120
Cleaning	9,453	7,125
Legal costs	(240)	1,260
Payroll running costs	489	318
Accountancy	1,200	1,006
TV licence	146	146
Subscriptions	79	-
Bank charges	997	396
Sundry expenses	468	348
	<u>£ 116,071</u>	<u>£ 83,383</u>

7. DEPRECIATION

	£	£
Depreciation of café furniture and equipment	2,006	1,499
Depreciation of office equipment	758	312
Depreciation of path	155	155
	<u>£ 2,919</u>	<u>£ 1,966</u>

LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016

8. TANGIBLE FIXED ASSETS

	Path £	Café Furniture & Equipment £	Office Equipment £	Total £
Cost				
At 1 November 2015	464	4,498	936	5,898
Additions	-	1,520	1,338	2,858
At 31 October 2016	464	6,018	2,274	8,756
Depreciation				
At 1 November 2015	155	2,748	464	3,367
For the year	155	2,006	758	2,919
At 31 October 2016	310	4,754	1,222	6,286
Net Book Amounts				
At 31 October 2016	£ 154	£ 1,264	£ 1,052	£ 2,470
At 31 October 2015	£ 309	£ 1,750	£ 472	£ 2,531

9. STOCK

	2016 £	2015 £
Stock comprises:		
Food and beverages	2,264	3,000
	£ 2,264	£ 3,000

10. DEBTORS

	2016 £	2015 £
Trade debtors	2,123	5,434
Other debtors and prepayments	1,748	1,043
	£ 3,871	£ 6,477

**LREH CO-OPERATIVE LIMITED
 NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 OCTOBER 2016**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	626	2,355
Other taxes and social security	9,349	-
Other creditors	16,499	15,421
Accruals and deferred income	2,302	1,050
	<u>£ 28,776</u>	<u>£ 18,826</u>

12. SHARE CAPITAL

	2016	2015
	£	£
Allotted, issued and fully paid:		
Ordinary shares	<u>£ 21,198</u>	<u>£ 18,860</u>

13. LEASE COMMITMENTS

The company has entered into a lease agreement in respect of a coffee machine.

The minimum annual rentals under the leases are as follows:

	2016	2015
	£	£
- within 1 year	<u>£ 1,152</u>	<u>£ 1,382</u>

14. RELATED PARTY TRANSACTIONS

Glynis Kirkwood-Warren is a director and a paid employee of the society.

Alyson Bradley and Joan Curtis each loaned the society £5,000 during 2014. Joan Curtis loaned a further £600 during the year under review. These loans are interest free and repayable on demand. They remain outstanding at 31 October 2016.