

LREH CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

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 2019**

DIRECTORS

Dave Morris (Chair)
Sue Jameson (Secretary)
Glynis Kirkwood-Warren (Treasurer)
Joan Curtis
Christine Denn
Issy Harvey
Nefertiti Marriot
Sandra Sutherland

REGISTERED OFFICE

EcoHub
Lordship Rec
Higham Road
Tottenham
London
N17 6NU

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 2019**

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**LREH CO-OPERATIVE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019**

The directors present their report and the financial statements of the company for the year ended 31 October 2019.

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.

Finance Report

Chair's statement

Another amazing, busy, satisfying, crazy, inspirational, exhausting year for the Hub!

A big thank you to all our users and customers, our hard-working staff and volunteers (including our board members), our members and hirers. All of us together make the Hub the vibrant and beneficial community hub it should be and is - for the benefit of all park users and our surrounding communities.

This has been the 6th year that the Hub Co-operative of local people have been running the place, and one in which we finally signed a 25 year lease to secure its future. But we mustn't get complacent and underestimate just how much commitment we will need in the coming months and years if we are to continue to improve and flourish - to that end we welcome everyone's usage, input and involvement.

Dave Morris, Acting Chair of Lordship Hub Co-op

**LREH CO-OPERATIVE LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

Directors

The directors who served during the year were as follows:

Joan Curtis
Christine Denn
Issy Harvey
Sue Jameson (Secretary)
Glynis Kirkwood-Warren (Treasurer)
Nefertiti Marriot
Dave Morris (Chair)
Sandra Sutherland

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 March 2020 and signed on their behalf.

Dave Morris, 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 2019**

We report to the members on the unaudited financial statements for the year ended 31 October 2019 set out on pages 4 to 11 .

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

March 2020

**LREH CO-OPERATIVE LIMITED
REVENUE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Note	2019 £	£	2018 £	£
Cafe sales			133,406		126,564
Cost of sales:					
Stock at 31 October 2018		3,388		3,573	
Purchases		49,163		54,372	
Stock at 31 October 2019		(1,772)		(3,388)	
			50,779		54,557
Gross profit			82,627		72,007
Room hire			54,586		51,527
Events and activities			1,970		2,772
Desk rental			10,833		-
Donations received			3,883		13,641
Catering			2,254		2,804
Grants receivable			52,150		9,610
Fundraising income from Marathon			2,819		-
			211,122		152,361
Less:					
Cafe costs	5	22,051		10,139	
Event costs	6	273		2,946	
Administration costs	7	127,807		127,857	
Depreciation	8	9,001		1,111	
			159,132		142,053
Surplus for the year including grant funding of £41,895			51,990		10,308
Retained losses brought forward			(19,875)		(30,183)
Carried forward			£ 32,115		£ (19,875)
The carried forward balance comprises					
Grant and other income to be released against depreciation in future years			34,962		-
Grants given for capital but not yet spent			1,610		3,110
Grants given for volunteering not yet spent			8,433		-
			45,005		3,110
Net deficit on activities to 31 October 2019			(12,890)		(22,985)
			£ 32,115		£ (19,875)

The notes on pages 6-11 form part of these financial statements

LREH CO-OPERATIVE LIMITED

Registered number: 32216R

BALANCE SHEET AT 31 OCTOBER 2019

	Note	2019 £	£	2018 £
FIXED ASSETS				
Tangible assets	9		31,816	<u>161</u>
CURRENT ASSETS				
Stock	10	1,772		3,388
Debtors	11	8,395		4,955
Cash at bank and in hand		26,509		15,802
			<u>36,676</u>	<u>24,145</u>
CREDITORS: Amounts falling due within one year	12	(24,876)		<u>(32,680)</u>
NET CURRENT ASSETS/(LIABILITIES)			<u>11,800</u>	<u>(8,535)</u>
NET ASSETS/(LIABILITIES)			<u>£ 43,616</u>	<u>£ (8,374)</u>
CAPITAL AND RESERVES				
Revenue account		(12,890)		(22,985)
Grants account		45,005		3,110
			<u>32,115</u>	<u>(19,875)</u>
Share capital	13		<u>11,501</u>	<u>11,501</u>
SHAREHOLDERS FUNDS			<u>£ 43,616</u>	<u>£ (8,374)</u>

The accounts were approved by the board of directors on **March 2020**

Glynis Kirkwood-Warren, Treasurer

The notes on pages 6-11 form part of these financial statements

**LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

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. Preparation of the accounts on a going concern basis

LREH Co-operative Limited has reported a loss of £(51,990) for the year. The organisation has been successful in raising funds to make changes to the building which will improve the efficiency and hence profitability of the cafe. The directors are continuing to review systems and improvements. They are of the view that the immediate future of the organisation for the next 12 to 18 months is secure and that on this basis it is a going concern.

1c. 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%
Kitchen and building works	Straight line 20%

1d. 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.

1e. Taxation

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

**LREH CO-OPERATIVE LIMITED
 NOTES TO THE ACCOUNTS (CONTINUED)
 FOR THE YEAR ENDED 31 OCTOBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)

1f. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year.

2. OPERATING PROFIT

	2019	2018
	£	£
Profit is stated after charging:		
Depreciation - Tangible assets	9,001	1,111
Staff costs (note 3)	97,797	98,189
	<u> </u>	<u> </u>

3. EMPLOYMENT COSTS

	2019	2018
	£	£
Employee costs during the year amounted to:		
Salaries	93,378	92,689
Social security costs	2,192	4,059
Pension costs	2,227	1,441
	<u> </u>	<u> </u>
	£ 97,797	£ 98,189
	<u> </u>	<u> </u>

4. TAX ON PROFIT

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

LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

5. CAFÉ COSTS

	£	£
Cleaning	1,247	1,050
Consumables	1,695	1,782
Small items of equipment	472	1,456
Equipment hire	1,153	937
Equipment repairs & maintenace	1,528	1,635
Laundry	2,577	2,186
Contractors	13,119	1,093
	<u>£ 21,791</u>	<u>£ 10,139</u>

6. PROJECT COSTS

	£	£
Events, activities and equipment	273	2,946
	<u>£ 273</u>	<u>£ 2,946</u>

7. ADMINISTRATION COSTS

	£	£
Salaries	93,378	92,689
Employer's NI	2,192	4,059
Pension contributions	2,227	1,441
Staff travel	12	58
Recruitment & training	463	1,043
Insurance	1,899	1,850
Light and heat	810	741
Repairs & renewals	3,119	2,120
Printing, postage and stationery	2,464	2,035
Landline and mobile phone	745	528
Computer costs	544	618
Cleaning	12,235	11,269
Legal and professional fees	375	584
Bookkeeping costs	817	2,306
Payroll running costs	898	504
Accountancy	1,400	1,690
Licences	1,320	168
Bank charges	2,292	1,726
Sundry expenses	122	1,778
	<u>£ 127,312</u>	<u>£ 127,207</u>

LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

8. DEPRECIATION

	£	£
Depreciation of café furniture and equipment	161	665
Depreciation of office equipment	1,775	446
	<u>£ 1,936</u>	<u>£ 1,111</u>

9. TANGIBLE FIXED ASSETS

	Kitchen and building works £	Path £	Café Furniture & Equipment £	Office Equipment £	Total £
Cost					
At 1 November 2018	-	464	6,495	2,274	9,233
Additions	35,329	-	-	5,327	40,656
At 31 October 2019	<u>35,329</u>	<u>464</u>	<u>6,495</u>	<u>7,601</u>	<u>49,889</u>
Depreciation					
At 1 November 2018	-	464	6,334	2,274	9,072
For the year	7,065	-	161	1,775	9,001
At 31 October 2019	<u>7,065</u>	<u>464</u>	<u>6,495</u>	<u>4,049</u>	<u>18,073</u>
Net Book Amounts					
At 31 October 2019	<u>£ 28,264</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 3,552</u>	<u>£ 31,816</u>
At 31 October 2018	<u>£ -</u>	<u>£ -</u>	<u>£ 161</u>	<u>£ -</u>	<u>£ 161</u>

10. STOCK

	2019 £	2018 £
Stock comprises:		
Food and beverages	1,772	3,388
	<u>£ 1,772</u>	<u>£ 3,388</u>

LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

11. DEBTORS	2019	2018
	£	£
Trade debtors	5,046	2,631
Other debtors and prepayments	3,349	2,324
	<u>£ 8,395</u>	<u>£ 4,955</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
	£	£
Trade creditors	3,600	4,792
Other taxes and social security	1,876	9,576
Other creditors	13,493	14,350
Accruals and deferred income	5,907	3,962
	<u>£ 24,876</u>	<u>£ 32,680</u>

13. SHARE CAPITAL	2019	2018
	£	£
Allotted, issued and fully paid:		
Ordinary shares	<u>£ 11,501</u>	<u>£ 11,501</u>

The directors approached the share holders after the year end to request their shares be converted into donations. This was confirmed and will be shown in the 2019 accounts. There were some historical donations contained in the share capital account which were found to be donations rather than shares. The adjustment for these has been made in these accounts.

**LREH CO-OPERATIVE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

14. LEASE COMMITMENTS

In March 2019 LREH Co-operative Limited signed a 25 year lease with Haringey Council for the community building at the rec. The annual rentals are £25,000 per annum. Rent is to be offset against services provided to the community (public toilets, volunteering and training, free usage for park user groups) to the same value.

The company continues to lease a coffee machine.

The minimum annual rentals under this agreement are as follows:

	2019	2018
	£	£
- within 1 year	£ 1,152	£ 1,152

15. RELATED PARTY TRANSACTIONS

Glynis Kirkwood-Warren is a director and was a paid employee of the society until 12 September 2018.

The director, Joan Curtis loaned the society £5,000 during 2014. Further funds have been loaned and the balance is £6,987 at 31 October 2019 (2018 - £6,987). This loan is interest free and repayable on demand.

The former director, Alyson Bradley, loaned the society £5,000 during 2014 LREH Co-operative Limited has been repaying the loan and the balance is £1,667 at 31 October 2019. (2018 - £4,167). This loan is interest free and repayable on demand.

Andrew Warren is the partner of the director, Glynis Kirkwood-Warren, and he trades as Wood, Wire and Words. During the year he hired space from LREH Co-operative Limited to run workshops. He was invoiced £1,025 during the year and there was a balance of £115 due to LREH Co-operative Limited at 31 October 2019.