

LREH CO-OPERATIVE LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

LREH CO-OPERATIVE LIMITED

REGISTERED SOCIETY INFORMATION

Directors	R Keeling	
	D Selby	
	D Morris	
	S Jameson	
	J Curtis	
	I Harvey	
	S Sutherland	
	Y Richards	
	R Slavcheva	
	S Hazlehurst	
	R Modu	(Appointed 18 May 2024)
	N Otis	(Appointed 18 May 2024)
Secretary	S Hazlehurst	
Registered number	32216R	
Registered office	Eco Hub Lordship Rec Higham Road Tottenham London N17 6NU	
Accountants	Barcant Beardon Limited Chartered Accountants 8 Blackstock Mews Islington London N4 2BT	

LREH CO-OPERATIVE LIMITED

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LREH CO-OPERATIVE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024

The directors present their annual report and financial statements for the year ended 31 October 2024.

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.

Chair's Statement

Thanks to the hard work of all our volunteers and staff, plus the generosity of the community who donated more than £8000 this year, the Hub made a small surplus of £4,040 in the previous financial year.

Previous to that, we had made a loss two years running, and making a loss was beginning to feel like the new normal. Everyone has worked very hard to reverse that trend – through fundraising, volunteering, running special events and necessary but difficult decisions including reducing staff hours and increasing some prices. Importantly and happily, we have been able to generate a small surplus while also increasing our costs by becoming a London Living Wage employer.

Improving the financial literacy of staff and volunteers has helped make a difference to our financial position - we all feel more able to interrogate our monthly accounts and identify where we need to adapt our approach across different lines of spend and income. We also refreshed our governance structures, creating working groups to support the cooperative board, including a group dedicated to making sure we are financially sustainable.

A goal for this financial year is to become a more data driven organisation in other areas of our work. Having the data to evidence the impact we have on the community should help us win more grant funding in future years, as well as tell us where we are succeeding and where we need to invest more time and money.

Ruth Keeling, Chair of the Board

Finance Report

The Lordship Hub has made good progress towards financial sustainability this year. Revenue has grown, and we have returned to profitability, reflecting the hard work of our team and the continued support of our community.

We have taken steps to strengthen our financial position, ensuring we can continue delivering our valuable services to the community. We remain mindful of rising costs, particularly as the cost of living continues to increase in London. However, we are focused on balancing our financial stability and making responsible decisions that support our long-term sustainability. A key priority of which is securing ongoing funding to support our community initiatives.

We are grateful for the dedication of our staff, volunteers, and board members, whose efforts have made this progress possible. With continued focus and community support, we are confident in The Hub's future.

David Selby FCA, Treasurer

LREH CO-OPERATIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R Keeling

D Selby

D Morris

S Jameson

J Curtis

I Harvey

S Sutherland

Y Richards

R Slavcheva

A Bailly

(Resigned 15 May 2024)

S Hazlehurst

R Modu

(Appointed 18 May 2024)

N Otis

(Appointed 18 May 2024)

Status

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

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board

.....

S Hazlehurst

Secretary

Date:

LREH CO-OPERATIVE LIMITED

INDEPENDENT REPORTING ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED FINANCIAL STATEMENTS OF LREH CO-OPERATIVE LIMITED FOR THE YEAR ENDED 31 OCTOBER 2024

We report on the unaudited financial statements for the year ended 31 October 2024 set out on pages 4 to 11.

Respective responsibilities of the directors and the independent reporting accountant

The society's directors are responsible for the preparation of the accounts, and they consider that the society is exempt from 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 their 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 procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue account and balance sheet for the year ended 31 October 2024 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 31 October 2024 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

Barcant Beardon Limited

Independent Reporting Accountants

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Chartered Accountants
8 Blackstock Mews
Islington
London
N4 2BT

LREH CO-OPERATIVE LIMITED**PROFIT AND LOSS ACCOUNT*****FOR THE YEAR ENDED 31 OCTOBER 2024***

	Notes	2024 £	2023 £
Turnover		153,949	136,996
Cost of sales		(42,472)	(49,041)
Gross profit		111,477	87,955
Distribution costs		(23,678)	(32,756)
Administrative expenses		(162,883)	(156,150)
Other operating income		79,124	85,003
Operating profit/(loss)		4,040	(15,948)
Interest payable and similar expenses		-	(1)
Profit/(loss) before taxation		4,040	(15,949)
Tax on profit/(loss)		-	237
Profit/(loss) for the financial year		4,040	(15,712)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LREH CO-OPERATIVE LIMITED**BALANCE SHEET*****AS AT 31 OCTOBER 2024***

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	4		8,361		10,987
Current assets					
Stocks	5	3,401		2,721	
Debtors	6	18,069		4,301	
Cash at bank and in hand		33,202		44,325	
		<u>54,672</u>		<u>51,347</u>	
Creditors: amounts falling due within one year	7	<u>(26,258)</u>		<u>(29,599)</u>	
Net current assets			28,414		21,748
Net assets			<u>36,775</u>		<u>32,735</u>
Capital and reserves					
Called up share capital	8		11,501		11,501
Grants account			26,571		29,392
Profit and loss reserves			<u>(1,297)</u>		<u>(8,158)</u>
Total equity			<u>36,775</u>		<u>32,735</u>

The society is satisfied that it is entitled to exemption from the requirement to obtain an audit under Section 84 of the Co-operative and Community Benefit Societies Act 2014.

The members have not required the society to obtain an audit of its financial statements for the year in question in accordance with the Act.

The members acknowledge their responsibilities for:

- ensuring that the society keeps proper accounting records which comply with section 75 of the Co-operative and Community Benefit Societies Act 2014 (the Act);
- establishing and maintaining a satisfactory system of its books of accounts, its cash holdings and all its receipts and remittances in order to comply with section 75 of the Act; and
- preparing financial statements which give a true and fair view of the state of affairs of the society as at the end of the financial year and of its income and expenditure for the financial year in accordance with the requirements of sections 79 and 80, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the society.

LREH CO-OPERATIVE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2024

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

.....

R Keeling

Chair

.....

D Selby

Director

Registration number 32216R

LREH CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2024

1 Accounting policies

Society information

LREH Co-Operative Limited is a Co-operative Society registered under the Co-operative and Community Benefit Societies Act 2014. The registered office is Eco Hub, Lordship Rec, Higham Road, Tottenham, London, N17 6NU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the society. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors are continuing to review operations, systems and improvements. They are of the view that the organisation's current reserves are healthy, 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.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Kitchen and building works	From 20% to 33% per annum on a straight line basis
Path	33% per annum on a straight line basis
Cafe furniture and equipment	33% per annum on a straight line basis
Office equipment	20% per annum on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

LREH CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the society's balance sheet when the company becomes party to the contractual provisions of the instrument..

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the society after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the society are recorded at the proceeds received, net of transaction costs.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

LREH CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The society's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the society's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

LREH CO-OPERATIVE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 OCTOBER 2024****3 Employees**

The average monthly number of persons employed by the society during the year was:

	2024	2023
	Number	Number
Total	9	6
	<u> </u>	<u> </u>

4 Tangible fixed assets

	Kitchen and building works	Path	Cafe furniture and equipment	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 November 2023	54,237	2,634	6,495	8,851	72,217
Additions	869	-	-	167	1,036
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 October 2024	55,106	2,634	6,495	9,018	73,253
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment					
At 1 November 2023	43,494	2,634	6,495	8,607	61,230
Depreciation charged in the year	3,343	-	-	319	3,662
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 October 2024	46,837	2,634	6,495	8,926	64,892
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount					
At 31 October 2024	8,269	-	-	92	8,361
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 October 2023	10,743	-	-	244	10,987
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Stock

	2024	2023
	£	£
Stock comprises:		
Food and beverages	3,401	2,721
	<u> </u>	<u> </u>

6 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	8,061	2,272
Corporation tax recoverable	194	1,091
Other debtors	9,814	938
	<u> </u>	<u> </u>
	18,069	4,301
	<u> </u>	<u> </u>

LREH CO-OPERATIVE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*****FOR THE YEAR ENDED 31 OCTOBER 2024*****7 Creditors: amounts falling due within one year**

	2024	2023
	£	£
Trade creditors	12,343	10,434
Taxation and social security	4,215	6,225
Other creditors	9,700	12,940
	<u>26,258</u>	<u>29,599</u>

8 Called up share capital

	2024	2023
	£	£
Issued and fully paid		
Ordinary shares	11,501	11,501
	<u>11,501</u>	<u>11,501</u>

9 Operating lease commitments**Lessee**

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.

10 Related party transactions**Transactions with related parties**

The director, Sandra Sutherland, was paid to provide staff cover from August 2021 onwards. She invoiced £617 (2023: £4,028) to the society during the year. At the year end date, there was balance of £nil (2023: £315) owed to her.

LREH CO-OPERATIVE LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2024

LREH CO-OPERATIVE LIMITED**DETAILED PROFIT AND LOSS ACCOUNT*****FOR THE YEAR ENDED 31 OCTOBER 2024***

	2024 £	2024 £	2023 £	2023 £
Turnover				
Cafe sales		153,949		136,996
Cost of sales		(42,472)		(49,041)
Gross profit	72.41%	111,477	64.20%	87,955
Other operating income				
Room hire	68,736		57,655	
Events and activities	1,052		11,455	
Donations received	8,775		3,701	
Catering	561		392	
Grants receivable	-		11,800	
		79,124		85,003
Cafe and project costs		(23,678)		(32,756)
Administrative expenses		(162,883)		(156,150)
Operating profit/(loss)		4,040		(15,948)
Interest payable and similar expenses				
Interest on overdue taxation		-		(1)
Profit/(loss) before taxation	2.62%	4,040	11.64%	(15,949)

LREH CO-OPERATIVE LIMITED**SCHEDULES TO THE PROFIT AND LOSS ACCOUNT*****FOR THE YEAR ENDED 31 OCTOBER 2024***

	2024	2023
	£	£
Cost of sales		
Opening stock	2,721	2,558
Purchases	43,152	49,204
Closing stock	(3,401)	(2,721)
Total cost of sales	42,472	49,041
Cafe and project costs		
Subcontract labour	4,633	16,511
Cleaning	7,326	3,534
Consumables	6,200	5,909
Small items of equipment	354	1,266
Laundry	1,348	1,122
Equipment repairs and maintenance	1,009	1,133
Hire of equipment	1,160	1,160
Events, activities and equipment	1,648	2,121
	23,678	32,756
Administrative expenses		
Wages and salaries	115,300	99,380
Social security costs	(2,181)	4,114
Other payments to staff	749	541
Staff recruitment and training costs	2,735	784
Staff pension costs defined contribution	1,671	1,763
Cleaning	7,294	9,108
Power, light and heat	2,763	1,193
Property repairs and maintenance	1,298	2,984
Equipment repairs	135	208
Computer running costs	1,697	1,260
Printing, postage and stationery	1,994	3,311
Professional subscriptions	686	2,348
Legal and professional fees	209	40
Accountancy	13,860	9,805
Bank charges	3,221	2,897
Insurances (not premises)	3,945	2,616
Licences	1,647	1,396
Advertising	32	-
Telecommunications	2,166	55
Depreciation	3,662	12,347
	162,883	156,150