

THE CO-OPERATIVE LOAN
FUND LIMITED

(Registered no 05670633)

Report and Financial Statements

Year ended 31 December 2012

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The Co-operative Loan Fund Limited
Report and Financial Statements
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The Co-operative Loan Fund Limited
Company Information

Directors	S Hindle	
	C Owens	(resigned 04/01/2012)
	J Pendle	
	L Ward	
	D Pownall	
	B Hodgson	
	L Gardner	
Secretary	I Rothwell	
Auditors	MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ	
Fund managers	Co-operative & Community Finance Brunswick Court Brunswick Square Bristol BS2 8PE	
Registered office	c/o Co-operative & Community Finance Brunswick Court Brunswick Square Bristol BS2 8PE	
Registered number	05670633	

The Co-operative Loan Fund Limited

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities

The company's principal activity during the year continued to be the provision of loans to common ownership companies and co-operatives and also to be a vehicle for channelling loans from public funds to such enterprises

Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

Directors

The following persons served as directors during the year

S Hindle
C Owens (resigned 04/01/2012)
J Pendle
L Ward
D Pownall
B Hodgson
L Gardner

Responsibilities of Directors

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law 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 Generally Accepted Accounting Practice (United Kingdom Accounting 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 company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis (unless it is inappropriate to presume that the company will continue in operation).

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The directors have confirmed that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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The Co-operative Loan Fund Limited
Directors' Report
(Continued)

Auditors

The auditors, MHA MacIntyre Hudson, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006

Small company special provisions

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006

This report was approved, and authorised for issue, by the directors on 25 April 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Ian Rothwell', is written over the printed name and title.

Ian Rothwell
Secretary

**Independent Auditors' Report to the Shareholders of
The Co-operative Loan Fund Limited (registered company no. 05670633)**

We have audited the financial statements of The Co-operative Loan Fund Limited for the year ended 31 December 2012 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 explained more fully in the Responsibilities Statement of the Directors, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: evidence whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012, and of its profit/(loss) for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.


/Continued

**Independent auditors' report to
The Co-operative Loan Fund Limited
(Continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all of the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Report of the Directors in accordance with the small companies regime



James Gare (Senior Statutory Auditor)
For and on behalf of
MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ

Date 20/05/13

The Co-operative Loan Fund Limited
Income and Expenditure account
Year ended 31 December 2012

	Note	Restricted Loan Funds 2012 £	General Reserve 2012 £	Total Funds 2012 £	Total Funds 2011 £
Income					
Turnover		-	64,752	64,752	65,515
Capital grants for lending activities	2	30,000	-	30,000	315,000
Interest receivable		-	2,864	2,864	1,876
Total income		30,000	67,616	97,616	382,391
Expenditure					
Specific provisions for loan losses		-	-	-	17,743
General provisions for loan losses		(164)	-	(164)	23,078
General administrative expenses		-	3,907	3,907	3,114
Legal and professional costs		-	-	-	-
Auditors' remuneration		-	2,400	2,400	480
Previous auditors' fees		-	-	-	-
Management fees payable		-	52,573	52,573	52,169
Advertising		-	7,386	7,386	6,364
Total expenditure		(164)	66,266	66,102	102,948
Net income/(expenditure) before tax and transfers		30,164	1,350	31,514	279,443
Tax on profit on ordinary activities	5	-	-	-	-
Total reserves at 1 January 2012		1,501,310	60,134	1,561,444	1,282,001
Total reserves at 31 December 2012		£ 1,531,474	£ 61,484	£ 1,592,958	£ 1,561,444

The annexed notes form part of these financial statements

The Co-operative Loan Fund Limited
Balance Sheet
as at 31 December 2012

	Notes	£	2012 £	£	2011 £
Current assets					
Debtors under one year	6	295,429		157,817	
Debtors over one year	6	614,780		739,574	
Cash at bank and in hand		<u>685,149</u>		<u>664,978</u>	
		1,595,358		1,562,369	
Creditors: amounts falling due within one year	7	(2,400)		(925)	
Net current assets			<u>1,592,958</u>		<u>1,561,444</u>
Net assets			<u>£ 1,592,958</u>		<u>£ 1,561,444</u>
Capital and reserves					
Restricted Loan Funds	8	1,531,474		1,501,310	
General Reserve	8	61,484		60,134	
			<u>£ 1,592,958</u>		<u>£ 1,561,444</u>

The financial statements have been prepared in accordance with of section 415A of the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008)



John Pendle
Chairman

Approved and authorised for issue by the directors on 25 April 2013

The annexed notes form part of these financial statements

The Co-operative Loan Fund Limited
Notes to the Financial Statements
Year ended 31 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies are set out below.

Turnover

Turnover represents the amount derived from interest and fees on loans falling within the company.

Restricted fund

The restricted loan funds are available for lending purposes only. During the year to 31 December 2012, the company received additional donated funds of £30,000, available for lending purposes only (see Note 2).

Taxation

The tax charge is based on the results for the year.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

2 Capital grants for lending activities

	2012 £	2011 £
Co-operative Group	-	250,000
Chelmsford Star Co-operative Society	15,000	15,000
East of England Capital	15,000	-
The Midcounties Co-operative	-	50,000
	<u>£ 30,000</u>	<u>£ 315,000</u>

3 Operating profit

	2012 £	2011 £
This is stated after charging		
Auditors' remuneration		
Audit fee	<u>2,400</u>	<u>480</u>

4. Directors' emoluments

No emoluments were paid to the directors during the year (2011 - £nil)

The Co-operative Loan Fund Limited
Notes to the Financial Statements
Year ended 31 December 2012

5 Taxation	2012	2011
	£	£
UK corporation tax	<u>-</u>	<u>-</u>

Tax losses of £63,484 can be carried forward and offset against future payments. However a deferred tax asset has not been recognised as future profits are uncertain.

6 Debtors	2012	2011
	£	£
Trade debtors	909,802	897,032
Other debtors	407	359
	<u>£ 910,209</u>	<u>£ 897,391</u>
Amounts due after more than one year included above	<u>£ 614,780</u>	<u>£ 739,574</u>

7 Creditors: amounts falling due within one year	2012	2011
	£	£
Trade creditors	-	445
Accruals	2,400	480
	<u>£ 2,400</u>	<u>£ 925</u>

8 Reserves	Restricted loan funds	General reserve	Total
	£	£	£
At 1 January	1,501,310	60,134	1,561,444
Net income/(expenditure) in the year	30,164	1,350	31,514
At 31 December	<u>£ 1,531,474</u>	<u>£ 61,484</u>	<u>£ 1,592,958</u>

Restricted loan funds are restricted and are available for lending purposes only. During the year to 31 December 2012, the company received additional donated funds of £30,000, available for lending purposes only (see Note 2). Provisions for loan losses totalling £164 were offset against this fund.