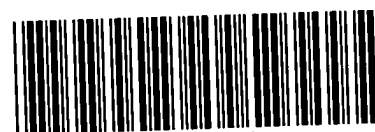


Company no.  
05670633

**The Co-operative Loan Fund Limited**  
**Report and Audited Financial Statements**  
**31 December 2020**

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# **The Co-operative Loan Fund Limited**

## **Reference and administrative details**

**For the year ended 31 December 2020**

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<b>Status</b>	The organisation is a company limited by guarantee, incorporated on 10 January 2006.
<b>Company number</b>	05670633
<b>Registered office and operational address</b>	Brunswick Court Brunswick Square Bristol BS2 8PE
<b>Directors</b>	S Birmingham J De Le Vingne P Dubois A Gudgeon C McCreesh F Moxon E Powell V Woodell
<b>Company secretary</b>	I Rothwell
<b>Auditors</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

## **The Co-operative Loan Fund Limited**

### **Report of the directors**

**For the year ended 31 December 2020**

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**Registered company number: 05670633**

The directors present their report and the audited financial statements for the year ended 31 December 2020.

#### **Statement of director's responsibilities**

The directors are responsible for preparing the directors' 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 the affairs of the company and of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that 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 prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Statement of disclosure of information to auditors**

The directors of the company who held office at the date of approval of this directors report confirm that:

- So far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**The Co-operative Loan Fund Limited**

**Report of the directors**

**For the year ended 31 December 2020**

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**Directors**

The directors who served during the year and up to date of this report were as follows:

S Birmingham  
J Cook                      resigned 28 January 2021  
J De Le Vingne  
P Dubois  
A Gudgeon  
C McCreesh  
F Moxon                    appointed 29 April 2021  
E Powell  
V Woodell

**Auditors**

The auditors, Godfrey Wilson Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions relating to the small companies regime as set out in Part 15 of the Companies Act 2006.

Signed on behalf of the board of directors

*P Dubois*

P Dubois  
Director

Approved by the board: 29 April 2021

## **Independent auditors' report**

**To the members of**

**The Co-operative Loan Fund Limited**

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### **Opinion**

We have audited the financial statements of The Co-operative Loan Fund Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, balance sheet and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Independent auditors' report**

### **To the members of**

#### **The Co-operative Loan Fund Limited**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not obtained all the information and explanations necessary for the purposes of our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditors' report**

**To the members of**

### **The Co-operative Loan Fund Limited**

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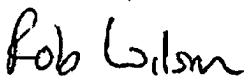
#### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Date: 29 April 2021**

**Rob Wilson FCA**  
**(Senior statutory auditor)**

For and on behalf of:  
**Godfrey Wilson Limited**  
Chartered accountants and statutory auditors  
5th Floor Mariner House  
62 Prince Street  
Bristol  
BS1 4QD

**The Co-operative Loan Fund Limited**

**Income and expenditure account**

**For the year ended 31 December 2020**

	Note	Restricted loan funds £	General reserve £	2020 £	2019 £
<b>Income</b>					
Turnover	2	-	70,976	<b>70,976</b>	71,390
Dividends received		-	1,912	<b>1,912</b>	1,331
Effective loan interest		-	-	-	4,043
<b>Total income</b>		-	<b>72,888</b>	<b>72,888</b>	76,764
<b>Expenditure</b>					
Specific provisions for loan losses		-	847	<b>847</b>	114
Bad debt written off		36,246	-	<b>36,246</b>	-
Loan interest written off		-	238	<b>238</b>	534
General administrative expenses		-	2,493	<b>2,493</b>	4,341
Legal and professional costs:					
Auditors' remuneration		-	2,160	<b>2,160</b>	2,100
Management fees payable		-	47,173	<b>47,173</b>	57,283
Legal fees		-	43	<b>43</b>	58
Advertising		-	9,000	<b>9,000</b>	9,114
<b>Total expenditure</b>		<b>36,246</b>	<b>61,954</b>	<b>98,200</b>	73,544
<b>Net incoming / (outgoing) resources before tax</b>	3	(36,246)	10,934	<b>(25,312)</b>	3,220
Tax on profits of general reserve	5	-	(1,921)	<b>(1,921)</b>	9
<b>Net incoming / (outgoing) resources after tax</b>		<b>(36,246)</b>	<b>9,013</b>	<b>(27,233)</b>	3,229
<b>Total reserve at 1 January 2020</b>		<b>1,307,658</b>	<b>133,187</b>	<b>1,440,845</b>	1,437,616
<b>Total reserve at 31 December 2020</b>		<b>1,271,412</b>	<b>142,200</b>	<b>1,413,612</b>	1,440,845



**The Co-operative Loan Fund Limited**

**Balance sheet**

**As at 31 December 2020**

	Note	£	2020 £	2019 £
<b>Fixed assets</b>				
Investments	6		146,206	145,180
<b>Current assets</b>				
Debtors due within one year	7	135,482		175,266
Debtors due after one year	7	789,248		806,555
Cash at bank and in hand		<u>349,007</u>		<u>318,395</u>
		1,273,737		1,300,216
<b>Creditors: amounts due within 1 year</b>	8	<u>(6,331)</u>		<u>(4,551)</u>
<b>Net current assets</b>			<u>1,267,406</u>	<u>1,295,665</u>
<b>Net assets</b>			<u>1,413,612</u>	<u>1,440,845</u>
<b>Capital and reserves</b>	9			
Restricted loan funds			1,271,412	1,307,658
General reserve			<u>142,200</u>	<u>133,187</u>
			<u>1,413,612</u>	<u>1,440,845</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the directors on 29 April 2021 and signed on their behalf by

*P Dubois*

P Dubois  
Director

## **The Co-operative Loan Fund Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2020**

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#### **1. Accounting policies**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

##### **Going concern**

The accounts have been prepared on the assumption that the company is able to continue as a going concern. However, the COVID-19 pandemic has had a profound impact on the global economy. The directors have considered the impact of this issue on the company's current and future financial position. The company held general reserves of £144,121 and a cash balance of £349,007 at 31 December 2020, and the directors consider that the company has sufficient reserves and cash to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

##### **Fixed asset investments**

Fixed asset investments comprise investments in co-operative share capital and are stated at historic cost, less impairment.

##### **Funds accounting**

The restricted loan funds are available for lending purposes only and have arisen from historic capital grants received to further lending activities. General funds are available for general use by the company.

##### **Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad or doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad or doubtful debts.

##### **Trade and other creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

##### **Taxation**

Taxation represents the sum of tax currently payable and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## **The Co-operative Loan Fund Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2020**

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#### **1. Accounting policies (continued)**

##### **Taxation (continued)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset released, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

##### **Accounting estimates and key judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

##### **(i) Debtors due within one year - Forecast capital repayments**

As a result of the COVID-19 pandemic, there remains significant uncertainty about the level and duration of the restrictions that are currently in place and any future restrictions that may be introduced. This has a significant impact on loan recipients' ability to maintain their capital repayments.

During 2020, capital holidays were offered to loan recipients and some were still on a capital holiday at the year end. In determining the split of capital expected to be repaid in the next 12 months, the company has had to make an assumption about the number of loan recipients who will make capital repayments in 2021. This is based on historical experience, discussions with the loan recipients and the level of repayments received in 2020. However, actual results may differ.

There are no other key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

#### **2. Turnover**

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

Turnover attributable to geographical markets outside the United Kingdom amounted to 0% (2019 - 0%).

**The Co-operative Loan Fund Limited**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**3. Operating profit / (loss)**

This is stated after charging:

	2020 £	2019 £
Directors' remuneration	-	-
Auditors' remuneration	<u>2,160</u>	<u>2,100</u>

**4. Employees**

The average number of staff employed by the company during the year amounted to:

	2020 No.	2019 No.
Administrative staff	<u>-</u>	<u>-</u>

**5. Taxation**

	2020 £	2019 £
UK corporation tax based on results for the period	<u>1,921</u>	<u>(9)</u>
Factors affecting current tax charge:		
Profit / (loss) on ordinary activities by rate of tax	(4,809)	612
Adjustment in respect of loan capital written off	6,886	-
Deduct effective finance income	-	(768)
Adjustment in respect of prior period	-	(9)
Losses brought forward	(156)	-
Losses carried forward	<u>-</u>	<u>156</u>
<b>Total current tax charge / (credit)</b>	<u><b>1,921</b></u>	<u><b>(9)</b></u>

**6. Investments**

	£
At 1 January 2020	145,180
Additions	1,026
Impairment charge	<u>-</u>
At 31 December 2020	<u>146,206</u>
<b>Net book value</b>	
<b>At 31 December 2020</b>	<u><b>146,206</b></u>
At 31 December 2019	<u>145,180</u>

**The Co-operative Loan Fund Limited**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**7. Debtors**

	2020 £	2019 £
Trade debtors	919,170	972,883
Other debtors	<u>5,560</u>	<u>8,938</u>
	<u>924,730</u>	<u>981,821</u>
Amount due after more than one year included above	<u>789,248</u>	<u>806,555</u>

**8. Creditors : amounts due within 1 year**

	2020 £	2019 £
Accruals	2,160	2,100
Corporation tax	1,921	-
Other creditors	<u>2,250</u>	<u>2,451</u>
	<u>6,331</u>	<u>4,551</u>

**9. Reserves**

	Restricted loan funds £	General reserve £	Total £
At 1 January 2020	1,307,658	133,187	1,440,845
Net income / (expenditure) in the year	<u>(36,246)</u>	<u>9,013</u>	<u>(27,233)</u>
At 31 December 2020	<u>1,271,412</u>	<u>142,200</u>	<u>1,413,612</u>

## **The Co-operative Loan Fund Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2020**

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##### **10. Related party transactions**

The Co-operative Loan Fund Limited shares common key management with Industrial Common Ownership Finance Limited.

During the year The Co-operative Loan Fund Limited was charged a management fee of £47,173 (2019: £57,283) by Industrial Common Ownership Finance Limited. These charges were made on normal commercial terms.

During the year The Co-operative Loan Fund Limited received nil (2019: £700) of dividends from an investment of £20,000 in the Chelmsford Star Co-op made in 2014. The company is related by way of Stephen Birmingham who was a director of both entities during the year. These dividends were paid on normal commercial terms.

During the year The Co-operative Loan Fund Limited received £1,028 (2019: £568) of interest from an investment in the Midcounties Co-operative. The company is related by way of Peter Dubois, who is the Chief Financial Officer of Midcounties Co-operative and Vivian Woodell, who is a director of Midcounties Co-operative. This interest was received on normal commercial terms.

**The Co-operative Loan Fund Limited**

**Company trading profit and loss account**

**For the year ended 31 December 2020**

	2020	2019
	£	£
<b>Turnover</b>		
Turnover	70,976	71,390
Dividends received	1,912	1,331
Effective loan interest	-	4,043
	<u>72,888</u>	<u>76,764</u>
<b>Administrative expenses</b>		
Specific provisions for loan losses	847	114
Bad debt written off	36,246	-
Loan interest written off	238	534
General administrative expenses	2,493	4,341
Auditors' remuneration	2,160	2,100
Management fees payable	47,173	57,283
Legal fees	43	58
Advertising	9,000	9,114
	<u>(98,200)</u>	<u>(73,544)</u>
<b>Profit / (loss) before tax</b>	<u><u>(25,312)</u></u>	<u><u>3,220</u></u>