

Company no.
05670633

The Co-operative Loan Fund Limited
Report and Audited Financial Statements
31 December 2023

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The Co-operative Loan Fund Limited

Reference and administrative details

For the year ended 31 December 2023

Status	The organisation is a company limited by guarantee, incorporated on 10 January 2006.	
Company number	05670633	
Registered office	c/o Co-operative and Community Finance 1 - 3 Gloucester Road Bristol BS7 8AA	
Directors	P Dubois P Gregory A Gudgeon F Moxon L Notley E Powell J Powell D Van Sertima V Woodell	resigned 12 July 2023 appointed 12 July 2023 resigned 22 January 2024 resigned 12 July 2023
Company secretary	A Demontoux	
Auditors	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 2023

Registered company number: 05670633

The directors present their report and the audited financial statements for the year ended 31 December 2023.

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 2023

Directors

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

P Dubois	resigned 12 July 2023
P Gregory	appointed 12 July 2023
A Gudgeon	resigned 22 January 2024
F Moxon	
L Notley	resigned 12 July 2023
E Powell	
J Powell	
D Van Sertima	
V Woodell	

Auditors

The auditors, Godfrey Wilson Limited, are deemed to be re-appointed under section 487(2) of the Companies Act 2006. The company plans to retender to prospective auditors in 2024.

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

Frank Moxon

F Moxon
Director

Approved by the board: 16 April 2024

Independent auditors' report

To the members of

The Co-operative Loan Fund Limited

Opinion

We have audited the financial statements of The Co-operative Loan Fund Limited (the 'company') for the year ended 31 December 2023 which comprise the income and expenditure 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 2023 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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the company operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the company's policies and procedures in relation to:
 - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
 - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of director meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
- (7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
 - Testing the appropriateness of journal entries;
 - Assessing judgements and accounting estimates for potential bias;
 - Reviewing related party transactions; and
 - Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

To the members of

The Co-operative Loan Fund Limited

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. 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.

Rob Wilson

Date: 16 April 2024

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 2023

	Note	Restricted loan funds £	General reserve £	2023 £	2022 £
Income					
Turnover	2	-	70,168	70,168	53,450
Interest received		-	9,657	9,657	3,714
Total income		-	79,825	79,825	57,164
Expenditure					
General administrative expenses		-	4,566	4,566	4,982
Legal and professional costs:					
Auditors' remuneration		-	2,520	2,520	2,340
Management fees payable		-	48,422	48,422	45,675
Provision for loan losses		13,432	77	13,509	-
Legal fees		-	1,195	1,195	43
Advertising		-	7,800	7,800	9,000
Total expenditure		13,432	64,580	78,012	62,040
Net incoming / (outgoing) resources before tax	3	(13,432)	15,245	1,813	(4,876)
Tax on profits of general reserve	5	-	(2,244)	(2,244)	274
Net incoming / (outgoing) resources after tax		(13,432)	13,001	(431)	(4,602)
Total reserve at 1 January 2023		1,271,412	138,764	1,410,176	1,414,778
Total reserve at 31 December 2023		1,257,980	151,765	1,409,745	1,410,176

The Co-operative Loan Fund Limited

Balance sheet

As at 31 December 2023

			2023	2022
	Note	£	£	£
Fixed assets				
Investments	6		139,899	169,899
Current assets				
Debtors due within one year	7	75,740		88,934
Debtors due after one year	7	822,786		714,666
Current asset investment	8	130,000		-
Cash at bank and in hand		248,034		441,267
		1,276,560		1,244,867
Creditors: amounts due within 1 year	9	(6,714)		(4,590)
Net current assets			1,269,846	1,240,277
Net assets			1,409,745	1,410,176
Capital and reserves	10			
Restricted loan funds			1,257,980	1,271,412
General reserve			151,765	138,764
			1,409,745	1,410,176

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 16 April 2024 and signed on their behalf by

Frank Moxon

F Moxon
Director

The Co-operative Loan Fund Limited

Notes to the financial statements

For the year ended 31 December 2023

1. Accounting policies

a) 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.

b) Going concern

The accounts have been prepared on the assumption that the company is able to continue as a going concern. The directors have considered the ongoing impact of the coronavirus pandemic as well as the impact of the cost-of-living crisis on the company's current and future financial position. The company held general reserves of £151,765 and a cash balance of £248,034 at 31 December 2023, 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.

c) Fixed asset investments

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

d) 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.

e) 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.

f) Current asset investments

Current asset investments comprise bonds or cash or cash equivalents with a maturity date in excess of 30 days and less than one year.

g) 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.

h) 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 2023

1. Accounting policies (continued)

h) 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.

i) 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 Bank of England base rate rising throughout 2023, various loan recipients were repaying higher levels of loan interest and reduced capital throughout 2023. The loan book was re-profiled in October 2023 to ensure that capital will be repaid within original loan terms.

In determining the split of capital expected to be repaid in the next 12 months, the directors have had to make an assumption about the number of loan recipients who will make capital repayments in 2024. This is based on historical experience, discussions with the loan recipients and the level of repayments received in 2023. 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% (2022 - 0%).

The Co-operative Loan Fund Limited

Notes to the financial statements

For the year ended 31 December 2023

3. Operating profit / (loss)

This is stated after charging:

	2023 £	2022 £
Directors' remuneration	-	-
Auditors' remuneration (excl. VAT)	<u>2,100</u>	<u>1,950</u>

4. Employees

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

	2023 No.	2022 No.
Administrative staff	<u>-</u>	<u>-</u>

5. Taxation

	2023 £	2022 £
UK corporation tax based on results for the period	<u>2,244</u>	<u>(274)</u>
Factors affecting current tax charge:		
Profit / (loss) on ordinary activities by rate of tax	344	(926)
Adjustment for loan capital provision	2,552	-
Losses brought forward	(652)	-
Losses carried forward	<u>-</u>	<u>652</u>
Total current tax charge / (credit)	<u>2,244</u>	<u>(274)</u>

6. Investments

	£
At 1 January 2023	169,899
Transfer to current asset investments (note 8)	<u>(30,000)</u>
At 31 December 2023	<u>139,899</u>
Net book value	
At 31 December 2023	<u>139,899</u>
At 31 December 2022	<u>169,899</u>

The Co-operative Loan Fund Limited

Notes to the financial statements

For the year ended 31 December 2023

7. Debtors

	2023 £	2022 £
Trade debtors	884,717	798,438
Accrued income	6,049	-
Other debtors	<u>7,760</u>	<u>5,162</u>
	<u>898,526</u>	<u>803,600</u>
Amount due after more than one year included above	<u>822,786</u>	<u>714,666</u>

8. Current asset investments

	2023 £	2022 £
Market value at 1 January 2023	-	-
Additions	100,000	-
Transfer from fixed asset investments (note 6)	<u>30,000</u>	<u>-</u>
Market value at 31 December 2023	<u>130,000</u>	<u>-</u>
Represented by:		
Short term investments	<u>130,000</u>	<u>-</u>

9. Creditors: amounts due within 1 year

	2023 £	2022 £
Accruals	2,520	2,340
Corporation tax	2,244	-
Other creditors	<u>1,950</u>	<u>2,250</u>
	<u>6,714</u>	<u>4,590</u>

10. Reserves

	Restricted loan funds £	General reserve £	Total £
At 1 January 2023	1,271,412	138,764	1,410,176
Net income / (expenditure) in the year	<u>(13,432)</u>	<u>13,001</u>	<u>(431)</u>
At 31 December 2023	<u>1,257,980</u>	<u>151,765</u>	<u>1,409,745</u>

The Co-operative Loan Fund Limited

Notes to the financial statements

For the year ended 31 December 2023

11. 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 £48,422 (2022: £45,675) by Industrial Common Ownership Finance Limited. These charges were made on normal commercial terms.

The Co-operative Loan Fund Limited

Company trading profit and loss account

For the year ended 31 December 2023

	2023	2022
	£	£
Turnover		
Turnover	70,168	53,450
Interest received	<u>9,657</u>	<u>3,714</u>
	79,825	57,164
Administrative expenses		
General administrative expenses	4,566	4,982
Auditors' remuneration	2,520	2,340
Provision for loan losses	13,509	-
Management fees payable	48,422	45,675
Legal fees	1,195	43
Advertising	<u>7,800</u>	<u>9,000</u>
	<u>(78,012)</u>	<u>(62,040)</u>
Profit / (loss) before tax	<u><u>1,813</u></u>	<u><u>(4,876)</u></u>