

**NORTH LONDON COST SHOP
TRUSTEES' REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Venitt and Greaves
Chartered Accountants
115 Craven Park Road
South Tottenham
London
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NORTH LONDON COST SHOP

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NORTH LONDON COST SHOP

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2023**

TRUSTEES	P Benedikt S Blonder A Bar-Horin
PRINCIPAL ADDRESS	249-251 WEST GREEN ROAD London N15 5ED
REGISTERED CHARITY NUMBER	1188028
INDEPENDENT AUDITORS	Venitt and Greaves Chartered Accountants 115 Craven Park Road South Tottenham London N15 6BL
BANKERS	Lloyds Bank plc 25 Gresham Street London EC2V7HN
SOLICITORS	Bude Nathan Iwanier LLP 1-2 Temple Fortune Parade, Bridge Lane, London, NW11 0QN

NORTH LONDON COST SHOP
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives for which the charity was formed are the relief of financial hardship for the public benefit by the provision of household goods and food products at wholesale prices to people who might otherwise not be able to afford them, and such other purposes as are charitable according to English Law. In order to achieve the charitable objectives, the charity is operating a low cost shop in North London.

Significant activities

The purpose of the North London Cost Shop is to ease the financial burden on families adhering to orthodox Jewish dietary laws (kashrus). Because the market for these products is dominated by a small number of companies, and consumers do not have the option to buy other products that are not permitted according to kashrus, prices are significantly higher than typical for equivalent products in the UK, and this represents a particularly heavy burden on orthodox families with many children. The North London Cost Shop tackles this problem in three ways.

1. All-year-round cost-price provision

The Cost Shop provides the full range of kosher food products to strictly orthodox consumers throughout the year at a price significantly lower than any other outlet. It achieves this in two ways. First, because it operates as a non-profit, the prices paid by consumers include only the warehouse cost of the products plus a small amount to cover the Cost Shops overheads. Secondly, the Cost Shop is able to use its position as the largest single vendor of kosher products to negotiate special deals with producers, and all of these savings are passed on to the consumers.

2. Assistance for vulnerable families

In addition to providing low prices for all consumers, the Cost Shop also supports families in chronic financial distress by providing them with pre-paid credit accounts at the Cost Shop which they can use to pay for the meat, fish, fruit and vegetables they need to eat decently. The beneficiaries of these accounts are single-parent families with many children, as well those in which one or both parents are unable to work because of physical or mental health problems. These accounts are crucial in allowing these families to control costs and maintain a dignified existence for their children. Because prices at the Cost Shop are low, the accounts go further than cash payments would.

3. Special Assistance for festivals

In addition to the families that are supported on an ongoing basis through credit accounts, the Cost Shop also supports a larger number of families at particular times of year when Jewish festivals fall. The cost of these festivals is high, especially for families with large numbers of children, and there is a risk that families which are otherwise solvent may fall into a cycle of debt at these annual financial stress points. The Cost Shop assists families at these times of year by issuing vouchers that can be redeemed for meat, fish, fruit and vegetables. Since the Cost Shop prices are lower than those in any other shops, these vouchers go a long way and help families negotiate the festival seasons with their household budget intact.

During the year the charity continued to work towards its charitable objectives. Demand for the goods and services provided by the shop increased, further supporting the community.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the charity's future activities. The aims of the charity for the public benefit are detailed in the Objectives and Activities section of the report.

Grantmaking

The charity provides donations to various institutions and individuals whose objectives align closely with its own.

NORTH LONDON COST SHOP
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the charity generated total shop sales of £9,019,392 (2022: £7,182,164) and a surplus of £825,567 (2022: £115,276) which will be spent in its entirety to further the charities objectives and support the running of the shop.

FINANCIAL REVIEW

Principal funding sources

The charity is mainly funded by its main charitable activity of running a low cost shop. The shop operates as a non-profit, the prices paid by consumers include only the product cost and a small mark up to cover the Cost Shops overheads.

Key Performance Indicators

The trustees monitor the entities performance against its charitable objectives on a regular basis. Performance is assessed against the objectives and expectations using financial and non-financial indicators. The key financial performance indicators used by the charity are income from charitable activities, expenditure on charitable activities and net income.

The trustees are satisfied with the results and activities of the charity for the financial year.

Reserves policy

It is the policy of the charity to try and maintain unrestricted funds at a level which the trustees think appropriate after considering the future commitments of the charity, unplanned emergency expenditure and the likely administrative costs of the charity for the next year.

As at 31.03.2023 the charity's unrestricted funds were £1,095,151 (2022: £269,584)

Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue operational existence for the foreseeable future. For this reason, the charity has adopted the going concern basis of accounting in preparing the annual financial statements.

FUTURE PLANS

There are no current plans to change the activities or modus operandi of the charity for the foreseeable future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a constitution and constitutes a Charitable Incorporated Organisation (CIO)

Recruitment and appointment of new trustees

It is not currently the intention of the trustees of the charity to appoint new trustees. Should this situation change in the future, the trustees will apply suitable recruitment and training procedures.

Organisational structure

There are three trustees as stated. They meet on a regular basis to discuss the affairs of the charity. All decisions are based on a majority decision of the trustees but in almost all cases the votes are unanimous.

Related parties

Related party transactions and balances are disclosed in the notes to the financial statements where required.

NORTH LONDON COST SHOP
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The trustees pay particular attention to the financial sustainability. The trustees regularly review the available funding sources to ensure that the charity has sufficient liquid funds to meet its short term working capital needs and sustainable funding sources to meet its mid to long term obligations.

The principle risks are financial including items such as a decrease in shop income.

Approved by order of the board of trustees on 26 January 2024 and signed on its behalf by:

S Blonder - Trustee

NORTH LONDON COST SHOP

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2023

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF NORTH LONDON COST SHOP

Qualified opinion

We have audited the financial statements of NORTH LONDON COST SHOP (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st March 2023 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for qualified opinion

For the period ending 31 March 2022, due to the lack of a sufficient stock system, limited stock tracking and no year end inventory count taking place at the end of that year, appropriate audit testing was not able to be performed over the year end stock balance and sufficient audit evidence was not obtained. The limitation of scope covered the completeness, existence, accuracy, valuation and cut-off of stock as without a year end stock take or year end stock list we were required to perform alternative procedures to gain reasonable assurance over these assertions. However, due to the insufficient stock system and limited reports available most of the alternative procedures were not possible. In addition, the limited alternative procedures we were able to perform did not provide reasonable assurance over any of the assertions listed. Consequently, we were unable to determine whether any adjustment to the stock balance of £263,876 as at 31 March 2022 was necessary or whether there was any consequential effect on the cost of goods sold for the year ended 31 March 2023.

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 charity 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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

Key audit matters

Except for the matter described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our report.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF NORTH LONDON COST SHOP

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £263,876 held at 31 March 2022 or whether there was any consequential effect on the cost of goods sold for the year ended 31 March 2023. We have therefore concluded that where the other information refers to the inventory balance or related balances such as cost of goods sold and surplus, it may be materially misstated for the same reason.

Matters on which we are required to report by exception

Arising solely from the limitation of scope of our work relating to inventory referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- the charity's financial statements are not in agreement with the accounting records and returns.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF NORTH LONDON COST SHOP

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity through discussion with the trustees and identified financial reporting legislation and charity legislation as being most significant to these financial statements. These included FRS 102, Charities Act 2011 and Health & Safety laws.
- We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the trustees the policies and procedures regarding compliance with these legal and regulatory frameworks.
- We assessed the susceptibility of the charity's financial statements to material misstatement due to non-compliance with legal and regulatory frameworks, including how fraud might occur, by enquiry with the trustees during the planning and finalisation stages of our audit. Specific areas identified were the completeness of income and going concern.
- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory frameworks, which were part of our procedures on the related financial statement items. We performed appropriate audit testing on the recognition and completeness of income and managements assessment of going concern.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

M A Venitt (Senior Statutory Auditor)

for and on behalf of Venitt and Greaves
Chartered Accountants
115 Craven Park Road
South Tottenham
London
N15 6BL

Date signed: 26 January 2024

NORTH LONDON COST SHOP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted fund £	Restricted fund £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM	Notes				
Donations and legacies	2	8,000	-	8,000	-
Charitable activities	3				
Charitable activities		<u>9,019,392</u>	<u>-</u>	<u>9,019,392</u>	<u>7,182,164</u>
Total		<u>9,027,392</u>	<u>-</u>	<u>9,027,392</u>	<u>7,182,164</u>
EXPENDITURE ON					
Charitable activities	4				
Charitable activities		8,191,795	-	8,191,795	7,057,382
Governance costs		8,000	-	8,000	8,000
Other		<u>2,030</u>	<u>-</u>	<u>2,030</u>	<u>1,506</u>
Total		<u>8,201,825</u>	<u>-</u>	<u>8,201,825</u>	<u>7,066,888</u>
NET INCOME		825,567	-	825,567	115,276
RECONCILIATION OF FUNDS					
Total funds brought forward		269,584	-	269,584	154,308
TOTAL FUNDS CARRIED FORWARD		<u>1,095,151</u>	<u>-</u>	<u>1,095,151</u>	<u>269,584</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

NORTH LONDON COST SHOP

STATEMENT OF FINANCIAL POSITION 31 MARCH 2023

	Notes	Unrestricted fund £	Restricted fund £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	9	83,728	-	83,728	117,613
CURRENT ASSETS					
Stocks	10	541,975	-	541,975	263,876
Debtors	11	1,084,095	-	1,084,095	387,779
Cash in hand		<u>850,584</u>	<u>-</u>	<u>850,584</u>	<u>557,206</u>
		2,476,654	-	2,476,654	1,208,861
CREDITORS					
Amounts falling due within one year	12	(1,428,841)	-	(1,428,841)	(1,004,525)
		<u>1,047,813</u>	<u>-</u>	<u>1,047,813</u>	<u>204,336</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES		1,131,541	-	1,131,541	321,949
CREDITORS					
Amounts falling due after more than one year	13	(36,390)	-	(36,390)	(52,365)
		<u>1,095,151</u>	<u>-</u>	<u>1,095,151</u>	<u>269,584</u>
NET ASSETS/(LIABILITIES)					
FUNDS	16				
Unrestricted funds:					
General fund				<u>1,095,151</u>	<u>269,584</u>
TOTAL FUNDS				<u>1,095,151</u>	<u>269,584</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26 January 2024 and were signed on its behalf by:

S Blonder - Trustee

A Bar-Horin - Trustee

P Benedikt - Trustee

The notes form part of these financial statements

NORTH LONDON COST SHOP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	312,665	97,622
Interest paid		<u>(2,030)</u>	<u>(1,506)</u>
Net cash provided by operating activities		<u>310,635</u>	<u>96,116</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(1,435)</u>	<u>(28,455)</u>
Net cash used in investing activities		<u>(1,435)</u>	<u>(28,455)</u>
Cash flows from financing activities			
Loan repayments in year		(9,989)	(7,485)
Capital repayments in year		<u>(5,833)</u>	<u>25,763</u>
Net cash (used in)/provided by financing activities		<u>(15,822)</u>	<u>18,278</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		293,378	85,939
Cash and cash equivalents at the beginning of the reporting period		<u>557,206</u>	<u>471,267</u>
Cash and cash equivalents at the end of the reporting period		<u>850,584</u>	<u>557,206</u>

The notes form part of these financial statements

NORTH LONDON COST SHOP

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23	31.3.22
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	825,567	115,276
Adjustments for:		
Depreciation charges	35,320	32,333
Interest paid	2,030	1,506
Increase in stocks	(278,099)	(84,948)
Increase in debtors	(696,316)	(268,314)
Increase in creditors	<u>424,163</u>	<u>301,769</u>
Net cash provided by operations	<u><u>312,665</u></u>	<u><u>97,622</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	<u>557,206</u>	<u>293,378</u>	<u>850,584</u>
	<u>557,206</u>	<u>293,378</u>	<u>850,584</u>
Debt			
Finance leases	(25,763)	5,833	(19,930)
Debts falling due within 1 year	(61,567)	(153)	(61,720)
Debts falling due after 1 year	<u>(32,435)</u>	<u>10,142</u>	<u>(22,293)</u>
	<u>(119,765)</u>	<u>15,822</u>	<u>(103,943)</u>
Total	<u><u>437,441</u></u>	<u><u>309,200</u></u>	<u><u>746,641</u></u>

The notes form part of these financial statements

NORTH LONDON COST SHOP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

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

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

- income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably;
- income from the sales of goods is recognised at the point of sale and is measured at the fair value of the consideration received for goods supplied, net of returns, discounts and value added tax.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs are associated with the governance arrangements of the charity and relate to the general running of the charity. These costs include audit, legal advice for Trustees and costs associated with meeting constitutional and statutory requirements such as the costs of Trustee meetings and the preparation of the statutory accounts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- Plant and machinery - 20% on cost
- Fixtures and fittings - 20% on cost
- Computer equipment - 20% on cost
- Motor vehicle - 20% on cost

All categories of fixed assets are held on the balance sheet at historic cost less accumulated depreciation. If an event occurs which indicates a material reduction in a fixed asset's carrying value, an impairment review will be carried out. Any impairment charge is recognised in the statement of financial activities.

NORTH LONDON COST SHOP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Donations	<u>8,000</u>	<u>-</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	31.3.23	31.3.22
	£	£
Sale of goods	<u>9,019,392</u>	<u>7,182,164</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Charitable activities	8,191,795	-	8,191,795
Governance costs	<u>-</u>	<u>8,000</u>	<u>8,000</u>
	<u>8,191,795</u>	<u>8,000</u>	<u>8,199,795</u>

NORTH LONDON COST SHOP

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2023**

5. SUPPORT COSTS

	Governance costs
	£
Governance costs	<u>8,000</u>

Support costs, included in the above, are as follows:

	31.3.23	31.3.22
	Governance costs	Total activities
	£	£
Auditors' remuneration	<u>8,000</u>	<u>8,000</u>

6. AUDITORS' REMUNERATION

Fees payable to the charity's auditors for the audit and creation of the charity's financial statements are £8,000 plus VAT.

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

8. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	165,004	251,200
Social security costs	<u>7,694</u>	<u>15,642</u>
	<u>172,698</u>	<u>266,842</u>

The average monthly number of employees during the year was as follows:

	31.3.23	31.3.22
Staff involved in charitable activities	<u>12</u>	<u>17</u>

No employees received emoluments in excess of £60,000.

NORTH LONDON COST SHOP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2022	4,165	123,150	28,002	20,570	175,887
Additions	<u>-</u>	<u>200</u>	<u>-</u>	<u>1,235</u>	<u>1,435</u>
At 31 March 2023	<u>4,165</u>	<u>123,350</u>	<u>28,002</u>	<u>21,805</u>	<u>177,322</u>
DEPRECIATION					
At 1 April 2022	1,629	45,917	2,801	7,927	58,274
Charge for year	<u>833</u>	<u>24,650</u>	<u>5,600</u>	<u>4,237</u>	<u>35,320</u>
At 31 March 2023	<u>2,462</u>	<u>70,567</u>	<u>8,401</u>	<u>12,164</u>	<u>93,594</u>
NET BOOK VALUE					
At 31 March 2023	<u>1,703</u>	<u>52,783</u>	<u>19,601</u>	<u>9,641</u>	<u>83,728</u>
At 31 March 2022	<u>2,536</u>	<u>77,233</u>	<u>25,201</u>	<u>12,643</u>	<u>117,613</u>

10. STOCKS

	31.3.23 £	31.3.22 £
Finished goods	<u>541,975</u>	<u>263,876</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Trade debtors	1,056,921	344,231
VAT	27,174	19,160
Prepayments and accrued income	<u>-</u>	<u>24,388</u>
	<u>1,084,095</u>	<u>387,779</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Bank loans and overdrafts (see note 14)	10,133	9,980
Finance leases (see note 15)	5,833	5,833
Trade creditors	1,333,368	911,039
Other creditors	<u>79,507</u>	<u>77,673</u>
	<u>1,428,841</u>	<u>1,004,525</u>

NORTH LONDON COST SHOP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.23	31.3.22
	£	£
Bank loans (see note 14)	22,293	32,435
Finance leases (see note 15)	<u>14,097</u>	<u>19,930</u>
	<u><u>36,390</u></u>	<u><u>52,365</u></u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.3.23	31.3.22
	£	£
Amounts falling due within one year on demand:		
Bank loans	10,133	9,980
Other loans	<u>51,587</u>	<u>51,587</u>
	<u><u>61,720</u></u>	<u><u>61,567</u></u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>10,133</u>	<u>9,980</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u><u>12,160</u></u>	<u><u>22,455</u></u>

Creditors include a Bounceback loan totalling £32,426. The loan is unsecured, interest is capped at 2.5% and the loan is 100% guaranteed by the Government.

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	31.3.23	31.3.22
	£	£
Within one year	5,833	5,833
Between one and five years	<u>14,097</u>	<u>19,930</u>
	<u><u>19,930</u></u>	<u><u>25,763</u></u>
	Non-cancellable operating leases	
	31.3.23	31.3.22
	£	£
Within one year	105,000	105,000
Between one and five years	<u>170,481</u>	<u>275,481</u>
	<u><u>275,481</u></u>	<u><u>380,481</u></u>

NORTH LONDON COST SHOP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

16. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	269,584	825,567	1,095,151
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>269,584</u>	<u>825,567</u>	<u>1,095,151</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	9,027,392	(8,201,825)	825,567
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>9,027,392</u>	<u>(8,201,825)</u>	<u>825,567</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	154,308	115,276	269,584
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>154,308</u>	<u>115,276</u>	<u>269,584</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	7,182,164	(7,066,888)	115,276
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>7,182,164</u>	<u>(7,066,888)</u>	<u>115,276</u>

NORTH LONDON COST SHOP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	154,308	940,843	1,095,151
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>154,308</u>	<u>940,843</u>	<u>1,095,151</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	16,209,556	(15,268,713)	940,843
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>16,209,556</u>	<u>(15,268,713)</u>	<u>940,843</u>

NORTH LONDON COST SHOP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

17. RELATED PARTY DISCLOSURES

As at 31st March 2023 Mr S Blonder (Trustee) is owed £51,587 from the North London Cost Shop (2022: £51,587).

In addition the brother of Mr S Blonder (Trustee) was employed by the North London Cost Shop throughout the period.

No other related party transactions have been noted during the period ended 31 March 2023.