

Bretforton Community Shop
Unaudited Financial Statements
31 March 2019

Bretforton Community Shop

Financial Statements

Period from 1 August 2018 to 31 March 2019

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Bretforton Community Shop

Management Committee Report

Period from 1 August 2018 to 31 March 2019

The members present their report and the unaudited financial statements of the society for the period ended 31 March 2019.

Principal activities

Bretforton Community Shop Limited was formed as an Industrial and Provident Society which registered in May 2013. It is a voluntary organisation run by a Management team of twelve volunteers for the benefit of the community. Its primary function is to provide a Community based retail shop not just as a replacement for the lost village store and post office in April 2013, but as a social hub for local villagers to meet up and socialise.

Management committee

The members who served on the management committee during the period were as follows:

Chris Buckham
Heather London
John Cleveland
Lynette Williams
Kate Buckham
David Miskin
Kim Carter
Mike Cook
Leeann Bibby (Resigned in period)
Pat Watson (Resigned in period)

This report was approved by the management committee on 23 September 2019 and signed on behalf of the board by:

Chris Buckham
Chair

Heather London
Treasurer

Lynette Williams
Secretary

Registered office:
39 New Street
Bretforton
Evesham
Worcs
WR11 7HY

Bretforton Community Shop

Independent Accountant's Report to Bretforton Community Shop

Period from 1 August 2018 to 31 March 2019

We report on the financial statements of the society for the period ended 31 March 2019 which comprise the income statement, statement of financial position and the related notes.

Our work has been undertaken so that we might state to the society those matters we are required to state to it in an accountant'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 society for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the management committee and independent accountant

The management committee is responsible for the preparation of the financial statements and they consider that an audit is not required for this period and that an independent accountant's report is needed.

It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis for opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants. Our procedures included a review of the accounting records kept by the society and a comparison of the financial statements presented with those records. It also included consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the management committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required for an audit, and consequently we do not express an audit opinion on the view given by the financial statements.

Opinion

In our opinion:

- a) the financial statements are in agreement with the accounting records kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014.
- b) having regard only to, and on the basis of, the information contained in those accounting records, the financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.
- c) for the preceding period of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the period.

DAVID CADWALLADER & CO LIMITED
Chartered Certified Accountants

Suite 3 Bignell Park Barns
Chesterton
Nr Bicester
Oxon
OX26 1TD

Bretforton Community Shop

Income Statement

Period from 1 August 2018 to 31 March 2019

	Note	Period from 1 Aug 18 to 31 Mar 19 £	Year to 31 Jul 18 £
Turnover		115,137	212,419
Cost of sales		88,502	165,114
Gross profit		26,635	47,305
Administrative expenses		34,877	48,318
Other operating income		1,425	1,531
Operating (loss)/profit		(6,817)	518
(Loss)/profit before taxation	4	(6,817)	518
Tax on (loss)/profit		(314)	969
Loss for the financial period		(6,503)	(451)

The society has no other recognised items of income and expenses other than the results for the period as set out above.

The notes on pages 6 to 8 form part of these financial statements.

Bretforton Community Shop

Statement of Financial Position

31 March 2019

	Note	31 Mar 19 £	£	31 Jul 18 £
Fixed assets				
Tangible assets	5		22,057	27,375
Current assets				
Stocks		10,701		10,704
Cash at bank and in hand		21,769		19,369
		<u>32,470</u>		<u>30,073</u>
Creditors: amounts falling due within one year	6	<u>13,866</u>		<u>10,294</u>
Net current assets			<u>18,604</u>	<u>19,779</u>
Total assets less current liabilities			<u>40,661</u>	<u>47,154</u>
Net assets			<u>40,661</u>	<u>47,154</u>
Capital and reserves				
Called up share capital			37,680	37,670
Profit and loss account			<u>2,981</u>	<u>9,484</u>
Members funds			<u>40,661</u>	<u>47,154</u>

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

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

The members acknowledge their responsibilities for:

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

These financial statements have been prepared in accordance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The statement of financial position
continues on the following page.

The notes on pages 6 to 8 form part of these financial statements.

Bretforton Community Shop

Statement of Financial Position *(continued)*

31 March 2019

These financial statements were approved by the management committee and authorised for issue on 23 September 2019, and are signed on their behalf by:

Chris Buckham
Chair

Heather London
Treasurer

Lynette Williams
Secretary

Registration number: 32135R

The notes on pages 6 to 8 form part of these financial statements.

Bretforton Community Shop

Notes to the Financial Statements

Period from 1 August 2018 to 31 March 2019

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is 39 New Street, Bretforton, Evesham, Worcs, WR11 7HY.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Donations are recognised as income upon receipt.

Grant income is subject to deferral where the grant period exceeds 12 months.

Revenue recognition

Turnover represents amounts derived from the provision of goods and services falling within the company's ordinary activities after deduction of value added tax.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Bretforton Community Shop

Notes to the Financial Statements *(continued)*

Period from 1 August 2018 to 31 March 2019

2. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	10% straight line
Fixtures and fittings	-	10% straight line
Equipment	-	10% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the society are assigned to those units.

Stocks

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

Financial instruments

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

3. Employee numbers

The average number of persons employed by the society during the period amounted to 3 (2018: 3).

Bretforton Community Shop

Notes to the Financial Statements *(continued)*

Period from 1 August 2018 to 31 March 2019

4. Profit before taxation

Loss before taxation is stated after charging:

	Period from 1 Aug 18 to 31 Mar 19	Year to 31 Jul 18
	£	£
Depreciation of tangible assets	<u>5,318</u>	<u>5,318</u>

5. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 August 2018 and 31 March 2019	<u>35,207</u>	<u>10,474</u>	<u>7,619</u>	<u>53,300</u>
Depreciation				
At 1 August 2018	17,884	4,086	3,955	25,925
Charge for the period	3,517	1,043	758	5,318
At 31 March 2019	<u>21,401</u>	<u>5,129</u>	<u>4,713</u>	<u>31,243</u>
Carrying amount				
At 31 March 2019	<u>13,806</u>	<u>5,345</u>	<u>2,906</u>	<u>22,057</u>
At 31 July 2018	<u>17,323</u>	<u>6,388</u>	<u>3,664</u>	<u>27,375</u>

6. Creditors: amounts falling due within one year

	31 Mar 19	31 Jul 18
	£	£
Trade creditors	6,957	7,592
Corporation tax	674	988
Social security and other taxes	294	722
Other creditors	<u>5,941</u>	<u>992</u>
	<u>13,866</u>	<u>10,294</u>

7. Related party transactions

The management committee purchase items from the shop. All transactions are at open market value. No other transactions with related parties were undertaken such as required to be disclosed under FRS 102.

Bretforton Community Shop

Management Information

Period from 1 August 2018 to 31 March 2019

The following pages do not form part of the financial statements.

Bretforton Community Shop

Detailed Income Statement

Period from 1 August 2018 to 31 March 2019

	Period from 1 Aug 18 to 31 Mar 19 £	Year to 31 Jul 18 £
Turnover	115,137	212,419
Cost of sales		
Opening stock - raw materials	10,704	11,614
Purchases	88,434	163,947
Event costs	65	257
	<u>99,203</u>	<u>175,818</u>
Closing stock - resale	10,701	10,704
	<u>88,502</u>	<u>165,114</u>
Gross profit	26,635	47,305
Overheads		
Administrative expenses	34,877	48,318
Loss on society trading	(8,242)	(1,013)
Events income	1,127	1,399
Donations	247	80
Capital grant released	51	52
	<u>1,425</u>	<u>1,531</u>
Operating (loss)/profit	(6,817)	518
(Loss)/profit before taxation	(6,817)	518

Bretforton Community Shop

Notes to the Detailed Income Statement

Period from 1 August 2018 to 31 March 2019

	Period from 1 Aug 18 to 31 Mar 19 £	Year to 31 Jul 18 £
Administrative expenses		
Wages and salaries	19,376	30,010
Rent rates and water	1,600	2,396
Light and heat	2,134	2,799
Insurance	428	732
Repairs and maintenance	919	644
Waste collection	418	582
Telephone	274	418
Printing postage and stationery	181	335
Subscriptions & licenses	414	497
Sundry expenses	1,334	1,682
Charitable donations	–	100
Advertising	900	51
Legal and professional fees	101	–
Accountancy fees	655	625
Depreciation of tangible assets	5,318	5,318
Bank charges	825	2,129
	<u>34,877</u>	<u>48,318</u>