

East Budleigh Community Shop
Unaudited Financial Statements
30 September 2019

East Budleigh Community Shop

Financial Statements

Year ended 30 September 2019

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East Budleigh Community Shop

Management Committee Report

Year ended 30 September 2019

The members present their report and the unaudited financial statements of the society for the year ended 30 September 2019.

Principal activities

The principal activity of the society during the year was the operation of a village shop.

Members

The members who served the society during the year were as follows:

Judith Venning
John Tresidder
Paul Smith
Charles Abram
David Conner
Andrew Canning
Lesley Wensley

This report was approved by the management committee on 18 February 2020 and signed on behalf of the board by:

Paul Smith
Chair

David Conner
Treasurer

John Tresidder
Secretary

Registered office:
Raleigh House
Middletown Lane
East Budleigh
Devon
EX9 7EQ

East Budleigh Community Shop

Independent Accountant's Report to East Budleigh Community Shop

Year ended 30 September 2019

We report on the financial statements of the society for the year ended 30 September 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 year 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 year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.

DAVID CADWALLADER & CO LIMITED
Chartered Certified Accountants

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

East Budleigh Community Shop

Income Statement

Year ended 30 September 2019

	Note	2019 £	2018 £
Turnover		218,557	200,077
Cost of sales		175,029	160,839
Gross profit		43,528	39,238
Administrative expenses		34,741	37,013
Operating profit		8,787	2,225
Other interest receivable and similar income		77	23
Profit before taxation	4	8,864	2,248
Tax on profit		1,891	656
Profit for the financial year		6,973	1,592

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

The notes on pages 6 to 9 form part of these financial statements.

East Budleigh Community Shop

Statement of Financial Position

30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	47,015	50,566
Current assets			
Stocks		11,977	11,133
Debtors	6	3,119	858
Cash at bank and in hand		28,703	22,756
		43,799	34,747
Creditors: amounts falling due within one year	7	5,862	6,963
Net current assets		37,937	27,784
Total assets less current liabilities		84,952	78,350
Creditors: amounts falling due after more than one year	8	3,300	3,300
Provisions			
Taxation including deferred tax		(1,564)	(1,935)
Net assets		80,088	73,115
Capital and reserves			
Called up share capital		1,815	1,815
Profit and loss account		78,273	71,300
Members funds		80,088	73,115

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 year 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 year and of its income and expenditure for the year 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 9 form part of these financial statements.

East Budleigh Community Shop

Statement of Financial Position *(continued)*

30 September 2019

These financial statements were approved by the management committee and authorised for issue on 18 February 2020, and are signed on their behalf by:

Paul Smith
Chair

David Conner
Treasurer

John Tresidder
Secretary

Registration number: 30475R

The notes on pages 6 to 9 form part of these financial statements.

East Budleigh Community Shop

Notes to the Financial Statements

Year ended 30 September 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 Raleigh House, Middletown Lane, East Budleigh, Devon, EX9 7EQ.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover represents monies received (excluding value added tax) from shop sales and other activities.

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.

East Budleigh Community Shop

Notes to the Financial Statements *(continued)*

Year ended 30 September 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 & buildings	- 2% straight line
Plant & machinery	- 12% straight line
Equipment	- 12% 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 measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

East Budleigh Community Shop

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

2. Accounting policies *(continued)*

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.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the . Finance costs and gains or losses relating to financial liabilities are included in the . Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

3. Employee numbers

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

4. Profit before taxation

Profit before taxation is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	<u>3,551</u>	<u>3,552</u>

5. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 October 2018 and 30 September 2019	<u>44,029</u>	<u>31,913</u>	<u>5,033</u>	<u>80,975</u>
Depreciation				
At 1 October 2018	6,462	21,197	2,750	30,409
Charge for the year	<u>1,101</u>	<u>1,821</u>	<u>629</u>	<u>3,551</u>
At 30 September 2019	<u>7,563</u>	<u>23,018</u>	<u>3,379</u>	<u>33,960</u>
Carrying amount				
At 30 September 2019	<u>36,466</u>	<u>8,895</u>	<u>1,654</u>	<u>47,015</u>
At 30 September 2018	<u>37,567</u>	<u>10,716</u>	<u>2,283</u>	<u>50,566</u>

East Budleigh Community Shop

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

6. Debtors

	2019 £	2018 £
Trade debtors	2,595	—
Other debtors	524	858
	<u>3,119</u>	<u>858</u>

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Corporation tax	2,263	984
Social security and other taxes	292	259
Other creditors	3,307	5,720
	<u>5,862</u>	<u>6,963</u>

8. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bondholder loans	<u>3,300</u>	<u>3,300</u>

9. Related party transactions

The members of the management committee purchase items from the shop. All transactions are at openmarket value.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS102.

East Budleigh Community Shop

Management Information

Year ended 30 September 2019

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

East Budleigh Community Shop

Detailed Income Statement

Year ended 30 September 2019

	2019 £	2018 £
Turnover	218,557	200,077
Cost of sales		
Opening stock - raw materials	11,133	9,958
Purchases	<u>175,873</u>	<u>162,014</u>
	187,006	171,972
Closing stock - resale	<u>11,977</u>	<u>11,133</u>
	175,029	160,839
Gross profit	43,528	39,238
Overheads		
Administrative expenses	34,741	37,013
Profit on society trading	8,787	2,225
Operating profit	8,787	2,225
Other interest receivable and similar income	77	23
Profit before taxation	8,864	2,248

East Budleigh Community Shop

Notes to the Detailed Income Statement

Year ended 30 September 2019

	2019	2018
	£	£
Administrative expenses		
Wages and salaries	16,140	17,998
Rates and water	—	180
Light and heat	5,391	4,327
Insurance	438	425
Repairs and maintenance (allowable)	1,049	1,133
Waste disposal	834	826
Telephone	464	393
Computer & software	432	40
Printing	64	—
Staff training	—	451
Sundry expenses	548	1,652
Charitable donations (allowable)	—	117
Office supplies	1,128	2,649
Advertising	230	220
Legal and professional fees (allowable)	129	1,013
Accountancy fees	1,918	770
Depreciation on buildings	3,551	3,552
Card charges	2,450	1,267
Bank charges	(25)	—
	<u>34,741</u>	<u>37,013</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>77</u>	<u>23</u>

Notes to the Detailed Income Statement