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Lower Broadheath Community Shop Ltd

Report & Financial Statements

For the year ended 30 September 2021



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Report of the Management Committee **For the financial year ended 30 September 2021**

The Management Committee has pleasure in presenting its report and the financial statements of the Society for the year ended 30 September 2021. The financial statements are unaudited but have been reviewed by independent accountants David Cadwallader & Co Limited. Their report is shown on page 2.

Principal activities

The principal activity of the Society during the year was the provision of a community shop.

Management Committee

The following Members served on the Management Committee during the year:

- Rachel Tedesco – Chair and Secretary
- Anthony Bedborough
- Mark Glossop
- Graham Hill
- Victoria Howells
- Monica Longley
- Jessica Ronan
- Stephen Smith – Treasurer (from 26 January 2021)

The report was approved by the Management Committee on 31 January 2022 and signed on behalf of the Committee by:

Rachel Tedesco
Chair & Secretary

Stephen Smith
Treasurer

Victoria Howells

Registered office:
Little Paddock
Crown East Lane
Lower Broadheath
Worcester
WR2 6RH



Independent Accountant's Report to Lower Broadheath Community Shop Limited Year ended 30 September 2021

We report on the financial statements of the Society for the year ended 30 September 2021 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 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



INCOME STATEMENT

for the year ended 30 September 2021

		2021	2020
	Note	£	£
Turnover		111,006	121,743
Cost of sales		(84,068)	(90,783)
Gross profit		26,938	30,960
Administrative expenses		(41,469)	(37,669)
Other operating income		14,371	18,107
Operating loss	5	(160)	11,398
Net interest and similar expense		55	79
Loss before taxation		(105)	11,477
Tax on loss		-	-
Loss for the year	11	(105)	11,477

The Society has no recognised items of income and expense other than the results for the year set out above.

The notes on pages 6 to 10 form an integral part of these financial statements.



STATEMENT OF FINANCIAL POSITION

as at 30 September 2021

		2021	2020
	Note	£	£
Fixed assets			
Tangible assets	6	10,557	20,899
Current assets			
Stock		6,808	7,620
Debtors	7	1,675	488
Cash and cash equivalents		49,159	40,260
		<u>57,642</u>	<u>48,368</u>
Creditors - amounts falling due within one year	8	<u>(12,814)</u>	<u>(9,031)</u>
Net current assets		<u>44,828</u>	<u>39,337</u>
Total assets less current liabilities		<u>55,385</u>	<u>60,236</u>
Creditors - amounts falling due after more than one year	9	<u>(1,451)</u>	<u>(6,227)</u>
Net assets		<u>53,934</u>	<u>54,009</u>
Capital and reserves			
Called up share capital	10	39,990	39,960
Other reserves		-	-
Profit and loss account	11	13,944	14,049
Members' funds		<u>53,934</u>	<u>54,009</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 Act).

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 officers of the Management Committee acknowledge their responsibilities for:

- ensuring that the Society keeps proper accounting records which comply with section 75 of the Act;
- establishing and maintaining a satisfactory system of control 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 of the Act, 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 notes on pages 6 to 10 form an integral part of these financial statements.

The financial statements were approved by the Management Committee and authorised for issue on 31 January 2022, and are signed on their behalf by:

Rachel Tedesco

Stephen Smith

Victoria Howells

Chair & Secretary

Treasurer



NOTES TO THE FINANCIAL STATEMENTS

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is Little Paddock, Crown East Lane, Lower Broadheath, Worcester, WR2 6RH

2. Statement of compliance

The financial statements have been prepared on the going concern basis and in compliance with Generally Accepted Accounting Practice in the United Kingdom, including Financial Reporting Standard 102, "The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Co-operative and Community Benefit Societies Act 2014.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently during the financial year.

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value in accordance with the Co-operative and Community Benefit Societies Act 2014 and applicable accounting standards.

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

b) Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Society will continue in operational existence for the foreseeable future.

c) Turnover and revenue recognition

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

d) Grant income

Revenue grant income is recognised at full value in the profit and loss account upon receipt and the fulfilment of any attached conditions. Capital grants received are initially deferred until the purchase of the related capital item and then released to the profit and loss account over the life of the asset to which they relate.

e) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciated 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 depreciated and subsequent accumulated impairment losses.

3. Summary of significant accounting policies (continued)

e) Tangible assets (continued)

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.

f) 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	-	20% straight line
Equipment (including IT Equipment)	-	33.3%-50% straight line

g) 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.

h) Stocks

Stocks are measured at the lower of cost and estimated selling prices 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.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

j) Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

3. Summary of significant accounting policies (continued)

j) Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

4. Employee numbers

The average number of persons employed by the society during the year amounted to 2 (2020: 2).

5. Operating profit

	2021	2020
	£	£
Operating profit is stated after charging:		
Depreciation	10,932	10,469

6. Tangible assets

	Land and Buildings	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
At 1 October 2020	16,049	22,546	38,595
Additions	-	619	619
Disposals	-	(45)	(45)
At 30 September 2021	16,049	23,120	39,169
Accumulated depreciation			
At 1 October 2020	7,127	10,569	17,696
Charge for the year	3,965	6,967	10,932
Disposals	-	(16)	(16)
At 30 September 2021	11,092	17,520	28,612
Net book amount at 30 September 2021	4,957	5,600	10,557
Net book amount at 30 September 2020	8,922	11,977	20,899

7. Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	13	279
Prepayments	99	-
Tax and social security costs receivable	1,563	209
	<u>1,675</u>	<u>488</u>

8. Creditors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade creditors	143	989
Accruals	2,036	1,216
Taxation and social security payable	3,386	-
Deferred income	7,249	6,826
	<u>12,814</u>	<u>9,031</u>

9. Creditors

	2021	2020
	£	£
Amounts falling due after more than one year:		
Deferred income	<u>1,451</u>	<u>6,227</u>

10. Share capital

	2021	2020
	£	£
At 1 October	39,960	39,960
Issued for cash in the year	30	-
At 30 September	<u>39,990</u>	<u>39,960</u>

There is only one class of share in issue, each of which has a nominal value of £10. Shares are not transferable except on death or bankruptcy and can be withdrawn at the sole discretion of the Management Committee in accordance with the rules of the Society. They do not bear income except at the sole discretion of the Management Committee having regard to the long term interests of the Society.



11. Profit and loss account

	2021 £	2020 £
At 1 October	14,049	2,572
Loss for the year	(105)	11,477
At 30 September	<u>13,944</u>	<u>14,049</u>

12. Related party transactions

The members of the Management Committee use the village shop operated by the Society. All transactions are on the same terms as available to the general public.