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# Lower Broadheath Community Shop Ltd

## Report & Financial Statements

For the year ended 30 September 2022

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## REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee has pleasure in presenting its report and the financial statements of the Society for the year ended 30 September 2022. The financial statements are unaudited but have been reviewed by independent accountants David Cadwallader & Co Limited. Their report is shown on page 4.

### 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 (Resigned 24 November 2022)
- Mark Glossop
- Graham Hill
- Victoria Howells
- Monica Longley
- Stephen Smith – Treasurer

Trish Yarwood was appointed on 15 November 2022.

This report was approved by the Management Committee on 20 February 2023 and signed on behalf of the Committee by:

**Rachel Tedesco**  
Chair & Secretary

**Stephen Smith**  
Treasurer

**Victoria Howells**  
Committee Member

### Registered Office:

Little Paddock  
Crown East Lane  
Lower Broadheath  
Worcester

## INDEPENDENT ACCOUNTANT'S REPORT

We report on the financial statements of the Society for the year ended 30 September 2022 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

	Note	2022 £	2021 £
<b>Turnover</b>		<b>131,206</b>	111,006
Cost of sales		<b>(98,803)</b>	(84,068)
<b>Gross profit</b>		<b>32,403</b>	26,938
Administrative expenses		<b>(40,983)</b>	(41,469)
Other operating income		<b>12,941</b>	14,371
<b>Operating profit</b>	<b>5</b>	<b>4,361</b>	(160)
Net interest and similar income		<b>14</b>	55
<b>Profit before taxation</b>		<b>4,375</b>	(105)
Tax on profit		-	-
<b>Profit for the year</b>	<b>11</b>	<b>4,375</b>	(105)

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

The notes on pages 8 to 12 form an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

	Note	2022 £	2021 £
<b>Fixed Assets</b>			
Tangible assets	6	3,134	10,557
<b>Current assets</b>			
Stock		8,292	6,808
Debtors	7	805	1,675
Cash and cash equivalents		51,926	49,159
		<u>61,023</u>	<u>57,642</u>
<b>Creditors - amounts falling due within one year</b>	8	<b>(5,848)</b>	(12,814)
<b>Net current assets</b>		<u>55,175</u>	<u>44,828</u>
<b>Total assets less current liabilities</b>		<u>58,309</u>	<u>55,385</u>
Creditors - amounts falling due after more than one year	9	-	(1,451)
<b>Net assets</b>		<u>58,309</u>	<u>53,934</u>
<b>Capital and reserves</b>			
Called up share capital	10	39,990	39,990
Other reserves		-	-
Profit and loss account	11	18,319	13,944
<b>Members' funds</b>		<u>58,309</u>	<u>53,934</u>

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 8 to 12 form an integral part of these financial statements.

The financial statements were approved by the Management Committee and authorised for issue on 20 February 2023, and are signed on their behalf by:

**Rachel Tedesco**  
Chair & Secretary

**Stephen Smith**  
Treasurer

**Victoria Howells**  
Committee Member

## 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 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.

**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.

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 was 2 (2021: 2)

#### 5. Operating profit

Operating profit is stated after charging:

	2022 £	2021 £
Depreciation	<u>8,338</u>	<u>10,932</u>

#### 6. Tangible assets

	Land and Buildings £	Fixtures, Fittings and Equipment £	Total £
<b>Cost</b>			
At 1 October 2021	16,049	23,120	<b>39,169</b>
Additions	-	1,299	<b>1,299</b>
Disposals	-	(1,155)	<b>(1,155)</b>
<b>At 30 September 2022</b>	<u><u>16,049</u></u>	<u><u>23,264</u></u>	<u><u>39,313</u></u>
<b>Accumulated depreciation</b>			
At 1 October 2021	11,092	17,520	<b>28,612</b>
Charge for the year	3,966	4,372	<b>8,338</b>
Disposals	-	(771)	<b>(771)</b>
<b>At 30 September 2022</b>	<u><u>15,058</u></u>	<u><u>21,121</u></u>	<u><u>36,179</u></u>
<b>Net book amount at 30 September 2022</b>	<u><u>991</u></u>	<u><u>2,143</u></u>	<u><u>3,134</u></u>
Net book amount at 30 September 2021	<u><u>4,957</u></u>	<u><u>5,600</u></u>	<u><u>10,557</u></u>

## 7. Debtors

	2022	2021
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	395	13
Prepayments	192	99
Tax and social security costs receivable	218	1,563
	<u>805</u>	<u>1,675</u>

## 8. Creditors

	2022	2021
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade creditors	49	143
Accruals	3,492	2,036
Taxation and social security payable	606	3,386
Short term loan	250	-
Deferred income	1,451	7,249
	<u>5,848</u>	<u>12,814</u>

## 9. Creditors

	2022	2021
<b>Amounts falling due after more than one year:</b>	<b>£</b>	<b>£</b>
Deferred income	-	1,451
	<u>-</u>	<u>1,451</u>

## 10. Share capital

	2022	2021
	<b>£</b>	<b>£</b>
At 1 October 2021	39,990	39,960
Issued for cash in the year	-	30
	<u>39,990</u>	<u>39,990</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

	2022	2021
	£	£
At 1 October 2021	13,944	14,049
Profit for the year	4,375	(105)
	<u>18,319</u>	<u>13,944</u>
At 30 September 2022	<u>18,319</u>	<u>13,944</u>

## 12. Related party transaction

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.

During the year under review two members of the management committee had employment contracts as shop managers. They received £16,108 in salary and reimbursement of expenses on terms that are considered to be in line with other community shops.