







-  [lowerbroadheathshop](https://www.facebook.com/lowerbroadheathshop)
-  [@broadheathshop](https://twitter.com/broadheathshop)
-  info@lowerbroadheathshop.com
-  www.lowerbroadheathshop.com

Lower Broadheath Community Shop Ltd

Report & Financial Statements

For the year ended 30 September 2023

CONTENTS

Report of the Management Committee	3
Independent accountant's report	4
Income statement	5
Statement of financial position	6 - 7
Notes to the financial statements	8 - 12

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 2023. 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
- Trevor Price (Appointed 15 May 2023)
- Stephen Smith – Treasurer
- Jude Woolvin (Appointed 15 May 2023)
- Trish Yarwood (Appointed 15 November 2022)

This report was approved by the Management Committee on 22 January 2024 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
WR2 6RH

INDEPENDENT ACCOUNTANT'S REPORT

We report on the financial statements of the Society for the year ended 30 September 2023 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 2023

	Note	2023 £	2022 £
Turnover		156,754	131,206
Cost of sales		(119,038)	(98,803)
Gross profit		37,716	32,403
Administrative expenses		(35,003)	(40,983)
Other operating income		6,521	12,941
Operating profit	5	9,234	4,361
Net interest and similar income		266	14
Profit before taxation		9,500	4,375
Tax on profit		-	-
Profit for the year	10	9,500	4,375

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

AS AT 30 SEPTEMBER 2023

	Note	2023 £	2022 £
Fixed Assets			
Tangible assets	6	2,462	3,134
Current assets			
Stock		9,502	8,292
Debtors	7	1,330	805
Cash and cash equivalents		60,951	51,926
		<u>71,783</u>	<u>61,023</u>
Creditors - amounts falling due within one year	8	(6,426)	(5,848)
Net current assets		<u>65,357</u>	<u>55,175</u>
Total assets less current liabilities		<u>67,819</u>	<u>58,309</u>
Creditors - amounts falling due after more than one year		-	-
Net assets		<u>67,819</u>	<u>58,309</u>
Capital and reserves			
Called up share capital	9	40,000	39,990
Other reserves		-	-
Profit and loss account	10	27,819	18,319
Members' funds		<u>67,819</u>	<u>58,309</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 members 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 22 January 2024, 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 significant 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.

f) Depreciation

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

Land and Buildings	-	20% straight line
Fixtures, Fittings and Equipment	-	33.3%-50% straight line

h) Stocks

Stocks are measured at the lower of cost and estimated selling prices. Cost includes all costs of purchase 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.

4. Employee numbers

The average number of persons employed by the Society during the year was 2 (2022: 2).

5. Operating profit

Operating profit is stated after charging:

	2023	2022
	£	£
Depreciation	<u>2,635</u>	<u>8,338</u>

6. Tangible assets

	Land and Buildings £	Fixtures, Fittings and Equipment £	Total £
Cost			
At 1 October 2022	16,049	23,264	39,313
Additions	984	979	1,963
Disposals	-	-	-
At 30 September 2023	<u>17,033</u>	<u>24,243</u>	<u>41,276</u>
Accumulated depreciation			
At 1 October 2022	15,058	21,121	36,179
Charge for the year	1,139	1,496	2,635
Disposals	-	-	-
At 30 September 2023	<u>16,197</u>	<u>22,617</u>	<u>38,814</u>
Net book amount at 30 September 2023	<u>836</u>	<u>1,626</u>	<u>2,462</u>
Net book amount at 30 September 2022	<u>991</u>	<u>2,143</u>	<u>3,134</u>

7. Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	686	395
Prepayments	426	192
Tax and social security costs receivable	218	218
	<u>1,330</u>	<u>805</u>

8. Creditors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade creditors	33	49
Accruals	5,856	3,492
Taxation and social security payable	287	606
Short term loan	250	250
Deferred income	-	1,451
	<u>6,426</u>	<u>5,848</u>

9. Share capital

	2023	2022
	£	£
At 1 October 2022	39,990	39,990
Issued for cash in the year	10	-
	<u>40,000</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.

10. Profit and loss account

	2023	2022
	£	£
At 1 October 2022	18,319	13,944
Profit for the year	9,500	4,375
	<hr/>	<hr/>
At 30 September 2023	27,819	18,319
	<hr/> <hr/>	<hr/> <hr/>

11. 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.

During the year under review two members of the Management Committee had employment contracts as shop managers. They received £18,946 (2022: £16,108) in salary and reimbursement of expenses on terms that are considered to be in line with those offered by other community shops.

During the year under review the Society purchased merchandise from a person connected with a member of the Management Committee to the value of £605. These purchases were on terms more favourable to the Society than alternatives readily available at the time.