

Candover Valley Community Store Limited
Unaudited Financial Statements
30 June 2020

Candover Valley Community Store Limited

Financial Statements

Year ended 30 June 2020

Contents	Page
Management committee report	1
Independent accountant's report to the society	4
Income statement	5
Statement of financial position	6
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed income statement	13
Notes to the detailed income statement	14

Candover Valley Community Store Limited

Management Committee Report

Year ended 30 June 2020

The members present their report and the unaudited financial statements of the society for the year ended 30 June 2020.

Principal activities

The principal activity of the society is to run a village community store and post office.

Business Review

This set of accounts covers the period 1 July 2019 to 30 June 2020, the first full year of trading of the Candover Valley Community Store. From the outset, the store has traded above the targets set out in the CVCS business plan. There was steady, if slightly fluctuating, growth from September 2019 through to December 2019 and satisfactory levels of sales were maintained during January and February 2020 (which can traditionally be lean months for community stores). From March 2020, with the outbreak of the Coronavirus pandemic and the nationwide lock-down, the store experienced a very sudden increase in weekly turnover, and a significant increase in the number and value of weekly transactions. Following a nationwide trend, it would appear that customers (during the months of March, April, May and June 2020) preferred to shop more locally.

The Candover Valley Community Store remained open throughout the lock-down with only slightly reduced hours. Garry Green, our resourceful store manager, worked tirelessly to source new suppliers of fresh fruit, vegetables, fish, meat and all manner of grocery products to increase the store's offering and ensure continuity of supply. A home delivery service for our more vulnerable customers was established and at the height of the lock-down an average of 12 home deliveries were made each week. We are grateful to Anne Frome and Rebecca Jackson for coordinating this service.

The post office

In the twelve months since opening, the post office has become increasingly well used. Thousands of letters, parcels, cash withdrawals, cheque deposits, foreign currency transactions and stamp sales have passed across the post office counter. We are pleased that our efforts have been recognised by increased levels of PO commission and a rural PO support grant. As well as four members of paid staff who run the post office, the CVCS has an additional 4 unpaid volunteers who are also post office assistants. During the Coronavirus lock-down, we are proud that we were able to keep the post office open (with only slightly reduced hours) to serve our local community.

Coffee area

In pre-Covid-19 times, the coffee area within the store and on the deck outside was well used by customers and local visitors, and proved popular with parents dropping off their children before or after school or pre-school, or watching their children on the nearby tennis courts. In the first nine months of trading, the coffee area was used for several social gatherings; for product tastings from local producers and for a Macmillan coffee morning. The coffee area was closed on 23 March 2020 to

Candover Valley Community Store Limited

Management Committee Report *(continued)*

Year ended 30 June 2020

comply with Government guidelines. Takeaway drinks were still served and to enable customers to have somewhere to consume their drinks off the premises, two outdoor picnic tables were purchased by the CVCS and placed well apart in the surrounding field with the approval of the landowner.

Staffing

Since the Coronavirus crisis, volunteers aged 70 or over or those with underlying health conditions have stood down and two senior assistants were appointed to help run the post office and support the manager and assistant manager.

Grants and share income

CVCS received two grants during this accounting period 2019/2020. The Community Business Trade Up programme (CBTU) /School Social Entrepreneurs grant (10k) was awarded to help the business in the next phase of trading. We were able to spend the funds on more paid hours for our salaried staff; the refillable products we now stock; the shelving area to house this; new equipment and some of the store's running costs. A further CBTU /School of Social Entrepreneurs Financial Support grant (£750) was spent on a second till system. A further £1000 was gained from the sale of shares and the total number of shareholders stood at 254 on 30 June 2020.

Social responsibility

As a community store, we are committed to serving our local community. But any profits generated by the business in our first years of trading have first to be ploughed back into the enterprise to build up a necessary reserve and contingency fund (before we can support any community initiatives). While building our reserves this year, we have found ways of paying back something to the community by funding the partial resurfacing and repair of the Village Hall car park (which is also used for parking by the store and by the school) and by setting aside a sum for hiring a room in the Village Hall for additional stock storage.

Going forward

At the Annual General Meeting in November 2019, the chair's report predicted a slender profit if trading continued at the levels experienced in the first six months of operations. The CVCS Ltd business plan indicated a slight profit of £1,906 could be achieved given high demand and growth in the first year of trading. But who could have predicted the levels of trading experienced in the 4 months of 2020 from March to June 2020? As a result of the increased Covid-19-related turnover, the resulting profits outlined in this report of £45,984 are exceptional. In our first year of trading, CVCS has been able to build substantial reserves and set aside a sum for a community projects fund. Such exceptional trading circumstances may not recur in following years. It is anticipated that demand will slacken off as the Coronavirus crisis abates and life returns to some form of normality. But despite the uncertain times, the CVCS management committee is setting cautiously optimistic targets for the future, in the knowledge that many more customers in the locality are now aware of the location and offering of the store and recognise just how useful it can be.

Thanks

The CVCS management committee would like to extend their heartfelt thanks to Garry Green (store manager); Emma Simpson (assistant manager); Sean Ennis and Rebecca Jackson (senior assistants); Carolyn Dawnay and Lucy Muncey (duty managers); Chris Smith (treasurer) and all the CVS volunteers for their incredibly hard work keeping the store and post office open and so well stocked during the unpredictable first months of the Coronavirus crisis and the first full year of trading.

Candover Valley Community Store Limited

Management Committee Report *(continued)*

Year ended 30 June 2020

Members

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

J Ballard	
C Dawnay	
A Ellett	
L Muncey	
J Laws	
C Smith	(Appointed 1 November 2019)
J Rogerson	(Appointed 1 June 2020)
N Wilson	(Resigned 30 June 2020)
C Bradshaw	(Resigned 31 October 2019)
R Saunders	(Resigned 31 October 2019)

This report was approved by the management committee on10/11/20..... and signed on behalf of the board by:

J Laws
Chair



C Smith
Treasurer



L Muncey
Secretary



Registered office:
Candover Valley Store
Alresford Road
Preston Candover
Hampshire
RG25 2EE

Candover Valley Community Store Limited

Independent Accountant's Report to Candover Valley Community Store Limited

Year ended 30 June 2020

We report on the financial statements of the society for the year ended 30 June 2020 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 Ltd

DAVID CADWALLADER & CO LIMITED
Chartered Certified Accountants

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

11 November 2020

Candover Valley Community Store Limited

Income Statement

Year ended 30 June 2020

	Note	2020 £	2019 £
Turnover		336,727	13,757
Cost of sales		244,006	7,176
Gross profit		<u>92,721</u>	<u>6,581</u>
Administrative expenses		68,058	32,719
Other operating income		21,289	7,570
Operating profit/(loss)		45,952	(18,568)
Other interest receivable and similar income		32	—
Profit/(loss) before taxation	4	45,984	(18,568)
Tax on profit/(loss)		—	—
Profit/(loss) for the financial year		<u>45,984</u>	<u>(18,568)</u>

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 8 to 11 form part of these financial statements.

Candover Valley Community Store Limited

Statement of Financial Position

30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	170,308	169,157
Current assets			
Stocks		14,583	7,159
Debtors	6	9,625	3,636
Cash at bank and in hand		69,294	21,294
		<u>93,502</u>	<u>32,089</u>
Creditors: amounts falling due within one year	7	121,993	106,473
Net current liabilities		<u>28,491</u>	<u>74,384</u>
Total assets less current liabilities		<u>141,817</u>	<u>94,773</u>
Net assets		<u>141,817</u>	<u>94,773</u>
Capital and reserves			
Called up share capital		50,880	49,820
Profit and loss account		90,937	44,953
Members funds		<u>141,817</u>	<u>94,773</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 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 8 to 11 form part of these financial statements.

Candover Valley Community Store Limited

Statement of Financial Position *(continued)*

30 June 2020

These financial statements were approved by the management committee and authorised for issue on 10/11/20, and are signed on their behalf by:

J Laws
Chair



C Smith
Treasurer



L Muncey
Secretary



Registration number: 32413R

The notes on pages 8 to 11 form part of these financial statements.

Candover Valley Community Store Limited

Notes to the Financial Statements

Year ended 30 June 2020

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is Candover Valley Store, Alresford Road, Preston Candover, Hampshire, RG25 2EE.

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 is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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.

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:

Long leasehold property	- 5% straight line
Equipment	- 20% reducing balance

Candover Valley Community Store Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

2. Accounting policies *(continued)*

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.

Financial instruments

A financial asset or a financial liability is recognised only when the society becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Candover Valley Community Store Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

2. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3. Employee numbers

The average number of persons employed by the society during the year amounted to 2 (2019: 1).

4. Profit before taxation

Profit/(loss) before taxation is stated after charging:

	2020 £	2019 £
Depreciation of tangible assets	<u>14,535</u>	<u>3,964</u>

5. Tangible assets

	Long leasehold property £	Equipment £	Total £
Cost			
At 1 July 2019	146,610	26,511	173,121
Additions	<u>8,166</u>	<u>7,520</u>	<u>15,686</u>
At 30 June 2020	<u>154,776</u>	<u>34,031</u>	<u>188,807</u>
Depreciation			
At 1 July 2019	2,573	1,391	3,964
Charge for the year	<u>7,729</u>	<u>6,806</u>	<u>14,535</u>
At 30 June 2020	<u>10,302</u>	<u>8,197</u>	<u>18,499</u>
Carrying amount			
At 30 June 2020	<u>144,474</u>	<u>25,834</u>	<u>170,308</u>
At 30 June 2019	<u>144,037</u>	<u>25,120</u>	<u>169,157</u>

Candover Valley Community Store Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

6. Debtors

	2020	2019
	£	£
Trade debtors	6,700	2,237
Other debtors	2,925	1,399
	<u>9,625</u>	<u>3,636</u>

7. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	9,428	—
Social security and other taxes	1,582	988
Other creditors	110,983	105,485
	<u>121,993</u>	<u>106,473</u>

8. Related party transactions

During the year to 30 June 2019 the Society received an interest-free loan from a member of the management committee.

The loan amount advanced to the society was £30,000, of which £22,500 was outstanding at 1 July 2019. The loan has now been fully repaid.

Candover Valley Community Store Limited

Management Information

Year ended 30 June 2020

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

Candover Valley Community Store Limited

Detailed Income Statement

Year ended 30 June 2020

	2020 £	2019 £
Turnover		
Sales	336,727	13,757
Cost of sales		
Opening stock - raw materials	7,159	—
Purchases	249,914	14,208
Discrepancies in Year	1,057	—
Direct costs	459	127
	<u>258,589</u>	<u>14,335</u>
Closing stock	14,583	7,159
	<u>244,006</u>	<u>7,176</u>
Gross profit	<u>92,721</u>	<u>6,581</u>
Overheads		
Administrative expenses	68,058	32,719
Profit/(loss) on society trading	<u>24,663</u>	<u>(26,138)</u>
Donations	(60)	5,744
Capital grant income	4,701	1,721
Post Office commission	6,798	105
Revenue grant income	9,850	—
	<u>21,289</u>	<u>7,570</u>
Operating profit/(loss)	<u>45,952</u>	<u>(18,568)</u>
Other interest receivable and similar income	32	—
Profit/(loss) before taxation	<u>45,984</u>	<u>(18,568)</u>

Candover Valley Community Store Limited

Notes to the Detailed Income Statement

Year ended 30 June 2020

	2020 £	2019 £
Administrative expenses		
Wages and salaries	36,596	5,137
Light and heat	3,783	2,738
Insurance	351	427
Repairs and maintenance (allowable)	132	1,412
Waste Disposal	1,261	—
Cleaning costs	298	17
Hire costs	—	3,400
Telephone	553	43
IT software and consumables	1,863	101
Printing postage and stationery	89	191
Staff training	30	—
Sundry expenses	1,071	1,205
Charitable donations (allowable)	6	—
Community giving	4,275	—
Advertising	—	27
Entertaining	119	157
Legal and professional fees (allowable)	303	13,109
Accountancy fees	1,095	745
Depreciation of tangible assets	14,535	3,964
Bank charges	1,698	46
	<u>68,058</u>	<u>32,719</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>32</u>	<u>—</u>