

Candover Valley Community Store Limited
Unaudited Financial Statements
30 June 2019

Candover Valley Community Store Limited

Financial Statements

Year ended 30 June 2019

Contents	Page
Management committee report	1
Independent accountant's report to the society	3
Income statement	4
Statement of financial position	5
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed income statement	12
Notes to the detailed income statement	13

Candover Valley Community Store Limited

Management Committee Report

Year ended 30 June 2019

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

Principal activities

The principal activity of the society during the year was the construction, fit out, stocking and operation of a village store and post office.

Business review

This set of accounts for 1 July 2018 to 30 June 2019 covers the period before the store opened when the committee continued to seek the necessary funding for the project, receiving £116,713.75 in grant awards. Some of these were received into our account during this accounting period and some subsequently. We also received further funding by way of donations of £5,744 during this accounting period and by continuing to offer shares in the society, we raised an additional £14,160. By October 2018 we had secured the funding required for the construction of the store and agreed a 25 year lease for the land, so having selected our chosen builder after a formal tender process, CPM construction started on site on 5 November 2018. The formal handover of the store from the builder to the committee was achieved in mid-April, on budget taking into consideration the additional works required. During the construction process, many set-up activities took place with a successful recruitment campaign leading to the appointment of our manager (Garry Green) and assistant manager (Emma Simpson) who both started their employment in April. We continued to seek volunteers ready for when the store opened and were most grateful to Jane and Rob Marks for allowing some volunteers to gain experience of post office and counter work in Canterton Stores. We spent time researching and costing the fit out of the store and coffee area, selecting fridges, freezers, tables, chairs, shelving, display crates, point of sale till, card reader and a state-of-the-art coffee machine and developing a supplier and stock list. We wrote policies and procedures necessary for the smooth running and operation of the store. We took out appropriate insurance cover and applied for the required alcohol licences and approvals. After the handover of the store in mid-April, a stalwart band of volunteers then continued the fit out of the store, painting, decorating and plumbing, installing refrigeration equipment and shelving. The committee was in negotiation with the Post Office from November 2018 to replace the old post office in Canterton Stores (which was set to close as the new store opened) with a new post office 'local' as part of the new store. After a hectic period of fitting out and stocking in late May, installation of the equipment and training by the post office in the first week of June, the store opened for trading on Monday 10 June and the post office opened on Tuesday 11 June. These accounts therefore also cover the first three very successful weeks of trading.

Candover Valley Community Store Limited

Management Committee Report *(continued)*

Year ended 30 June 2019

Members

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

C Wilson
J Ballard
C Bradshaw
C Dawnay
A Ellett
L Muncey
R Saunders
J Laws
R Walker (Resigned 28 February 2019)

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

R Saunders
Member

J Laws
Chair

C Wilson
Secretary

Registered office:
Tulls House
Preston Candover
Hampshire
RG25 2EN

Candover Valley Community Store Limited

Independent Accountant's Report to Candover Valley Community Store Limited

Year ended 30 June 2019

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

Candover Valley Community Store Limited

Income Statement

Year ended 30 June 2019

	Note	2019 £	2018 £
Turnover		13,757	–
Cost of sales		<u>7,176</u>	<u>–</u>
Gross profit		6,581	–
Administrative expenses		32,719	9,212
Other operating income		<u>7,570</u>	<u>67,488</u>
Operating (loss)/profit		(18,568)	58,276
(Loss)/profit before taxation	4	<u>(18,568)</u>	<u>58,276</u>
Tax on (loss)/profit		<u>–</u>	<u>–</u>
(Loss)/profit for the financial year		<u>(18,568)</u>	<u>58,276</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 7 to 10 form part of these financial statements.

Candover Valley Community Store Limited

Statement of Financial Position

30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	169,157	–
Current assets			
Stocks		7,159	–
Debtors	6	3,636	–
Cash at bank and in hand		21,294	100,831
		<u>32,089</u>	<u>100,831</u>
Creditors: amounts falling due within one year	7	<u>106,473</u>	<u>1,650</u>
Net current (liabilities)/assets		<u>(74,384)</u>	<u>99,181</u>
Total assets less current liabilities		<u>94,773</u>	<u>99,181</u>
Net assets		<u>94,773</u>	<u>99,181</u>
Capital and reserves			
Called up share capital		49,820	35,660
Profit and loss account		44,953	63,521
Members funds		<u>94,773</u>	<u>99,181</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 7 to 10 form part of these financial statements.

Candover Valley Community Store Limited

Statement of Financial Position *(continued)*

30 June 2019

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

R Saunders
Member

J Laws
Chair

C Wilson
Secretary

Registration number: 32413R

The notes on pages 7 to 10 form part of these financial statements.

Candover Valley Community Store Limited

Notes to the Financial Statements

Year ended 30 June 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 Tulls House, Preston Candover, Hampshire, RG25 2EN.

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 2019

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 2019

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 1 (2018: Nil).

4. Profit before taxation

(Loss)/profit before taxation is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	<u>3,964</u>	<u>–</u>

5. Tangible assets

	Long leasehold property £	Equipment £	Total £
Cost			
At 1 July 2018	–	–	–
Additions	<u>146,610</u>	<u>26,511</u>	<u>173,121</u>
At 30 June 2019	<u>146,610</u>	<u>26,511</u>	<u>173,121</u>
Depreciation			
At 1 July 2018	–	–	–
Charge for the year	<u>2,573</u>	<u>1,391</u>	<u>3,964</u>
At 30 June 2019	<u>2,573</u>	<u>1,391</u>	<u>3,964</u>
Carrying amount			
At 30 June 2019	<u>144,037</u>	<u>25,120</u>	<u>169,157</u>
At 30 June 2018	<u>–</u>	<u>–</u>	<u>–</u>

Candover Valley Community Store Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

6. Debtors

	2019	2018
	£	£
Trade debtors	2,237	–
Other debtors	1,399	–
	<u>3,636</u>	<u>–</u>

7. Creditors: amounts falling due within one year

	2019	2018
	£	£
Social security and other taxes	988	–
Other creditors	105,485	1,650
	<u>106,473</u>	<u>1,650</u>

8. Related party transactions

During the year the Society received a loan from a member of the management committee.

The loan amount advanced to the society was £30,000 and as at the year end the outstanding balance of this loan was £22,500.

The loan was provided interest free and is due for repayment no later than 31 January 2020.

Candover Valley Community Store Limited

Management Information

Year ended 30 June 2019

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

Candover Valley Community Store Limited

Detailed Income Statement

Year ended 30 June 2019

	2019 £	2018 £
Turnover		
Sales	13,757	–
Cost of sales		
Purchases	14,208	–
Direct costs	127	–
	<u>14,335</u>	<u>–</u>
Closing stock	7,159	–
	<u>7,176</u>	<u>–</u>
Gross profit	6,581	–
Overheads		
Administrative expenses	32,719	9,212
Loss on society trading	(26,138)	(9,212)
Donations	5,744	69,200
Grant income	1,721	(1,712)
Post Office commission	105	–
	<u>7,570</u>	<u>67,488</u>
Operating (loss)/profit	(18,568)	58,276
(Loss)/profit before taxation	<u>(18,568)</u>	<u>58,276</u>

Candover Valley Community Store Limited

Notes to the Detailed Income Statement

Year ended 30 June 2019

	2019 £	2018 £
Administrative expenses		
Wages and salaries	5,137	–
Light and heat	2,738	–
Insurance	427	–
Repairs and maintenance (allowable)	1,412	–
Cleaning costs	17	–
Hire costs	3,400	–
Telephone	43	–
IT software and consumables	101	–
Printing postage and stationery	191	917
Sundry expenses	1,205	305
Advertising	27	–
Entertaining	157	300
Legal and professional fees (allowable)	13,109	7,690
Accountancy fees	745	–
Depreciation of tangible assets	3,964	–
Bank charges	46	–
	<u>32,719</u>	<u>9,212</u>