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# Lower Broadheath Community Shop Ltd

## Report & Financial Statements

For the period ended 30 September 2019  
Published March 2020



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**Report of the management committee**  
**For the financial period ended 30 September 2019**

The Management Committee has pleasure in presenting its report and unaudited financial statements of the society for the period ended 30 September 2019.

**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:

- Mark Glossop – Chairman
- Victoria Howells – Treasurer
- Rachel Tedesco – Secretary
- Sue Rogers (resigned 13 March 2019)
- Ian Davies (resigned 13 March 2019)
- Jayne Edwards (resigned 13 March 2019)
- Jessica Ronan
- Antony Bedborough
- Graham Hill
- Monica Longley (appointed 13 March 2019)

The report was approved by the management committee on 11/03/2020 and signed on behalf of the board by:

Mark Glossop  
Chairman

Victoria Howells  
Treasurer

Rachel Tedesco  
Secretary

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



## Financial statements for the period ended 30 September 2019

### PROFIT AND LOSS ACCOUNT

for the period ended 30 September 2019

		2019	2018
	Note	£	£
Turnover		59,323	-
Cost of sales		<u>(44,123)</u>	-
Gross profit		15,200	-
Administrative expenses		(24,135)	(2,114)
Other operating income		<u>7,146</u>	7,499
Operating profit	5	(1,789)	5,385
Net interest and similar expense		<u>-</u>	-
Profit before taxation		(1,789)	5,385
Tax on profit		-	(1,023)
Profit for the financial year		<u><u>(1,789)</u></u>	4,362

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

The notes on pages 5 to 8 form an integral part of these financial statements.



## STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
<b>Tangible assets</b>	6	<b>29,078</b>	-
<b>Current assets</b>			
<b>Stock</b>		<b>4,815</b>	-
<b>Debtors</b>	7	<b>1,962</b>	14,263
<b>Cash and cash equivalents</b>		<b>23,195</b>	57,889
		<b>29,972</b>	72,152
<b>Creditors - amounts falling due within one year</b>	8	<b>(6,638)</b>	(19,663)
<b>Net current assets</b>		<b>23,333</b>	52,489
<b>Total assets less current liabilities</b>		<b>52,441</b>	52,489
<b>Creditors - amounts falling due after more than one year</b>	9	<b>(9,879)</b>	(8,167)
<b>Net assets</b>		<b>42,532</b>	44,322
<b>Capital and reserves</b>			
<b>Called up share capital</b>		<b>39,960</b>	39,960
<b>Other reserves</b>		-	-
<b>Profit and loss account</b>		<b>2,572</b>	4,362
<b>Member funds</b>		<b>42,532</b>	44,322

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 officers of the management committee 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 notes on pages 5 to 8 form an integral part of these financial statements.

The financial statements were approved by the management committee and authorised for issue on 11/03/2020 and are signed on their behalf by:

Mark Glossop  
Chairman

Victoria Howells  
Treasurer

Rachel Tedesco  
Secretary



## **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 entity.

### **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 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 (incl 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 1 (2018: 0).

#### 5 Operating profit

	2019	2018
	£	£
<b>Operating profit is stated after charging:</b>		
<b>Depreciation</b>	<b>7,227</b>	<b>-</b>

#### 6 Tangible assets

	Land and Buildings	Fixtures, Fittings and Equipment	Total
	£	£	£
<b>Cost</b>			
At 1 October 2018	-	-	-
Additions	16,049	20,256	<b>36,305</b>
Disposals	-	-	-
<b>At 30 September 2019</b>	<b>16,049</b>	<b>20,256</b>	<b>36,305</b>
<b>Accumulated depreciation</b>			
At 1 October 2018	-	-	-
Charge for the year	3,161	4,066	<b>7,227</b>
Disposals	-	-	-
<b>At 30 September 2019</b>	<b>3,161</b>	<b>4,066</b>	<b>7,227</b>
<b>Net book amount</b>			
<b>At 30 September 2019</b>	<b>12,888</b>	<b>16,190</b>	<b>29,078</b>
Net book amount At 30 September 2018	-	-	-

## 7 Debtors

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Trade Debtors	1,288	-
Other Debtors	674	14,263
	<u>1,962</u>	<u>14,263</u>

## 8 Creditors

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Trade creditors	(1,161)	(6,807)
Tax accrual		(1,023)
Deferred income	(5,478)	(11,833)
	<u>(6,639)</u>	<u>(19,663)</u>

## 9 Creditors

	2019	2018
	£	£
<b>Amounts falling due after more than one year:</b>		
Deferred income	<u>(9,879)</u>	<u>(8,167)</u>

## 10 Related party transactions

The members serving on the Management Committee use the village shop operated by the society. All transactions are at full market price.