

Benenden Community Shop Limited
Unaudited Financial Statements
31 March 2019

Benenden Community Shop Limited

Financial Statements

Year ended 31 March 2019

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Benenden Community Shop Limited

Management Committee Report

Year ended 31 March 2019

The members present their report and the unaudited financial statements of the society for the year ended 31 March 2019.

Members

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

Martin Pexton
Paul Tolhurst
Deborah Jenkins
Nancy Tolhurst
Grant Matthews
Ken Anderson
Bev Beveridge
Sally-Ann Marks
Peter Ellis

(Appointed 21 June 2018)

(Appointed 21 June 2018)

This report was approved by the management committee on 7 June 2019 and signed on behalf of the board by:



Martin Pexton
Treasurer



Paul Tolhurst
Chairman



Deborah Jenkins
Secretary

Registered office:
Benenden Community Shop & Post Office
The Street
Benenden
Cranbrook
Kent
TN17 4DB

Benenden Community Shop Limited

Independent Accountant's Report to Benenden Community Shop Limited

Year ended 31 March 2019

We report on the financial statements of the society for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity 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

10 June 2019

Benenden Community Shop Limited

Statement of Comprehensive Income

Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover		445,071	433,550
Cost of sales		<u>301,063</u>	<u>297,294</u>
Gross profit		144,008	136,256
Administrative expenses		144,568	126,522
Other operating income		15,106	14,623
Operating profit		14,546	24,357
Interest payable and similar expenses		<u>1,029</u>	<u>950</u>
Profit before taxation	5	13,517	23,407
Tax on profit		<u>-</u>	<u>-</u>
Profit for the financial year and total comprehensive income		13,517	23,407

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 9 form part of these financial statements.

Benenden Community Shop Limited

Statement of Financial Position

31 March 2019

	Note	2019 £	£	2018 £
Fixed assets				
Tangible assets	6		71,798	68,750
Current assets				
Stocks		23,273		20,472
Debtors	7	1,973		1,812
Cash at bank and in hand		55,584		57,076
		<u>80,830</u>		<u>79,360</u>
Creditors: amounts falling due within one year	8	<u>39,888</u>		<u>49,187</u>
Net current assets			<u>40,942</u>	<u>30,173</u>
Total assets less current liabilities			<u>112,740</u>	<u>98,923</u>
Net assets			<u>112,740</u>	<u>98,923</u>
Capital and reserves				
Called up share capital			86,160	85,860
Profit and loss account			26,580	13,063
Members funds			<u>112,740</u>	<u>98,923</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 9 form part of these financial statements.

Benenden Community Shop Limited

Statement of Financial Position *(continued)*

31 March 2019

These financial statements were approved by the management committee and authorised for issue on 7 June 2019, and are signed on their behalf by:



Martin Pexton
Treasurer



Paul Tolhurst
Chairman



Deborah Jenkins
Secretary

Registration number: RS007086

The notes on pages 7 to 9 form part of these financial statements.

Benenden Community Shop Limited

Statement of Changes in Equity

Year ended 31 March 2019

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2017	85,860	(10,344)	75,516
Profit for the year	—	23,407	23,407
Total comprehensive income for the year	—	23,407	23,407
At 31 March 2018	85,860	13,063	98,923
Profit for the year	—	13,517	13,517
Total comprehensive income for the year	—	13,517	13,517
Issue of shares	300	—	300
Total investments by and distributions to owners	300	—	300
At 31 March 2019	<u>86,160</u>	<u>26,580</u>	<u>112,740</u>

The notes on pages 7 to 9 form part of these financial statements.

Benenden Community Shop Limited

Notes to the Financial Statements

Year ended 31 March 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 Benenden Community Shop & Post Office, The Street, Benenden, Cranbrook, Kent, TN17 4DB.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Revenue recognition

Turnover represents monies received (excluding value added tax) from shop and café sales.

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:

Leasehold improvements	-	10% straight line
Fixtures, fittings and equipment	-	10% - 25% Straight Line
Computer Equipment	-	25% straight line

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.

Benenden Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the society during the year amounted to 7 (2018: 6).

5. Profit before taxation

Profit before taxation is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	<u>17,544</u>	<u>16,163</u>

Benenden Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

6. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2018	54,842	37,792	12,605	105,239
Additions	5,535	15,057	—	20,592
At 31 March 2019	<u>60,377</u>	<u>52,849</u>	<u>12,605</u>	<u>125,831</u>
Depreciation				
At 1 April 2018	12,025	17,529	6,935	36,489
Charge for the year	5,819	8,606	3,119	17,544
At 31 March 2019	<u>17,844</u>	<u>26,135</u>	<u>10,054</u>	<u>54,033</u>
Carrying amount				
At 31 March 2019	<u>42,533</u>	<u>26,714</u>	<u>2,551</u>	<u>71,798</u>
At 31 March 2018	<u>42,817</u>	<u>20,263</u>	<u>5,670</u>	<u>68,750</u>

7. Debtors

	2019 £	2018 £
Trade debtors	960	841
Other debtors	1,013	971
	<u>1,973</u>	<u>1,812</u>

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	13,020	9,603
Social security and other taxes	5,590	7,226
Loan	—	6,861
Other creditors	21,278	25,497
	<u>39,888</u>	<u>49,187</u>

9. Related party transactions

The management committee purchase items from the shop. All transactions are at open market value.

No other transactions with related parties were undertaken such as required to be disclosed under FRS 102.

Benenden Community Shop Limited

Management Information

Year ended 31 March 2019

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

Benenden Community Shop Limited

Detailed Income Statement

Year ended 31 March 2019

	2019 £	2018 £
Turnover	445,071	433,550
Cost of sales		
Opening stock - raw materials	20,472	16,621
Purchases	303,865	301,145
	324,337	317,766
Closing stock - resale	23,274	20,472
	301,063	297,294
Gross profit	144,008	136,256
Overheads		
Administrative expenses	144,568	126,522
(Loss)/profit on society trading	(560)	9,734
Capital grant released	7,834	7,084
Other income	294	—
Post Office commission	6,978	7,539
	15,106	14,623
Operating profit	14,546	24,357
Interest payable and similar expenses	(1,029)	(950)
Profit before taxation	13,517	23,407

Benenden Community Shop Limited

Notes to the Detailed Income Statement

Year ended 31 March 2019

	2019 £	2018 £
Administrative expenses		
Wages and salaries	85,530	78,930
Staff pension contributions - defined contribution	—	1,063
Rent, rates and water	5,655	5,720
Light and heat	8,771	7,000
Insurance	1,742	1,659
Repairs and maintenance (allowable)	2,472	1,440
Cleaning costs	2,853	2,869
Cafe and shop consumables	1,544	—
Equipment leasing charges	1,200	1,200
Telephone	2,293	2,359
Computer expenses	1,138	1,326
Printing postage and stationery	573	493
Sundry expenses	1,988	1,669
Charitable donations (allowable)	5,247	—
Advertising	1,238	477
Entertaining	199	177
Accountancy fees	870	930
Depreciation of tangible assets	17,544	16,163
Bank and credit card charges	3,711	3,047
	<u>144,568</u>	<u>126,522</u>
Interest payable and similar expenses		
Loan interest	<u>1,029</u>	<u>950</u>