

Benenden Community Shop Limited
Unaudited Financial Statements
31 March 2020

Benenden Community Shop Limited

Financial Statements

Year ended 31 March 2020

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Benenden Community Shop Limited

Management Committee Report

Year ended 31 March 2020

The members present their report and the unaudited financial statements of the society for the year ended 31 March 2020.

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

This report was approved by the management committee on 1 June 2020 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 2020

We report on the financial statements of the society for the year ended 31 March 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

9 June 2020

Benenden Community Shop Limited

Income Statement

Year ended 31 March 2020

	Note	2020 £	2019 £
Turnover		456,031	445,071
Cost of sales		<u>306,904</u>	<u>301,063</u>
Gross profit		149,127	144,008
Administrative expenses		160,030	144,568
Other operating income		<u>17,102</u>	<u>15,106</u>
Operating profit		6,199	14,546
Interest payable and similar expenses		—	1,029
Profit before taxation	4	6,199	13,517
Tax on profit		<u>2,301</u>	—
Profit for the financial year		<u>3,898</u>	<u>13,517</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 6 to 8 form part of these financial statements.

Benenden Community Shop Limited

Statement of Financial Position

31 March 2020

	Note	2020 £	£	2019 £
Fixed assets				
Tangible assets	5		56,151	71,798
Current assets				
Stocks		23,273		23,273
Debtors	6	1,358		1,973
Cash at bank and in hand		65,500		55,584
		<u>90,131</u>		<u>80,830</u>
Creditors: amounts falling due within one year	7	<u>29,644</u>		<u>39,888</u>
Net current assets			<u>60,487</u>	<u>40,942</u>
Total assets less current liabilities			<u>116,638</u>	<u>112,740</u>
Net assets			<u>116,638</u>	<u>112,740</u>
Capital and reserves				
Called up share capital			86,160	86,160
Profit and loss account			30,478	26,580
Members funds			<u>116,638</u>	<u>112,740</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 6 to 8 form part of these financial statements.

Benenden Community Shop Limited

Statement of Financial Position *(continued)*

31 March 2020

These financial statements were approved by the management committee and authorised for issue on 1 June 2020, and are signed on their behalf by:



Martin Pexton
Treasurer



Paul Tolhurst
Chairman



Deborah Jenkins
Secretary

Registration number: RS007086

The notes on pages 6 to 8 form part of these financial statements.

Benenden Community Shop Limited

Notes to the Financial Statements

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

2. 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.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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.

Benenden Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

2. Accounting policies *(continued)*

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.

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.

3. Employee numbers

The average number of persons employed by the society during the year amounted to 7 (2019: 7).

4. Profit before taxation

Profit before taxation is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	<u>17,785</u>	<u>17,544</u>

Benenden Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

5. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2019	60,377	52,849	12,605	125,831
Additions	—	2,797	460	3,257
Disposals	(783)	(7,053)	—	(7,836)
At 31 March 2020	<u>59,594</u>	<u>48,593</u>	<u>13,065</u>	<u>121,252</u>
Depreciation				
At 1 April 2019	17,844	26,135	10,054	54,033
Charge for the year	5,949	9,841	1,995	17,785
Disposals	(783)	(5,934)	—	(6,717)
At 31 March 2020	<u>23,010</u>	<u>30,042</u>	<u>12,049</u>	<u>65,101</u>
Carrying amount				
At 31 March 2020	<u>36,584</u>	<u>18,551</u>	<u>1,016</u>	<u>56,151</u>
At 31 March 2019	<u>42,533</u>	<u>26,714</u>	<u>2,551</u>	<u>71,798</u>

6. Debtors

	2020 £	2019 £
Trade debtors	515	960
Other debtors	843	1,013
	<u>1,358</u>	<u>1,973</u>

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	9,690	13,020
Corporation tax	2,301	—
Social security and other taxes	4,202	5,590
Other creditors	13,451	21,278
	<u>29,644</u>	<u>39,888</u>

8. 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 2020

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

Benenden Community Shop Limited

Detailed Income Statement

Year ended 31 March 2020

	2020 £	2019 £
Turnover	456,031	445,071
Cost of sales		
Opening stock - raw materials	23,274	20,472
Purchases	<u>306,903</u>	<u>303,865</u>
	330,177	324,337
Closing stock - resale	<u>23,273</u>	<u>23,274</u>
	306,904	301,063
Gross profit	149,127	144,008
Overheads		
Administrative expenses	<u>160,030</u>	<u>144,568</u>
Loss on society trading	(10,903)	(560)
Capital grant released	7,842	7,834
Other income	174	294
Post Office commission	<u>9,086</u>	<u>6,978</u>
	17,102	15,106
Operating profit	6,199	14,546
Interest payable and similar expenses	-	<u>(1,029)</u>
Profit before taxation	6,199	13,517

Benenden Community Shop Limited

Notes to the Detailed Income Statement

Year ended 31 March 2020

	2020 £	2019 £
Administrative expenses		
Wages and salaries	84,667	85,530
Rent, rates and water	5,456	5,655
Light and heat	8,174	8,771
Insurance	1,591	1,742
Repairs and maintenance (allowable)	2,443	2,472
Cleaning costs	3,406	2,853
Cafe and shop consumables	2,934	1,544
Equipment leasing charges	1,167	1,200
Telephone	2,822	2,293
Computer expenses	1,165	1,138
Printing postage and stationery	381	573
Sundry expenses	1,131	1,988
Charitable donations (allowable)	20,000	5,247
Advertising	121	1,238
Entertaining	320	199
Accountancy fees	885	870
Depreciation of tangible assets	17,785	17,544
Bank and credit card charges	5,582	3,711
	<u>160,030</u>	<u>144,568</u>
interest payable and simiiar expenses		
Loan interest	<u>-</u>	<u>1,029</u>