

REGISTRATION NUMBER: 32295R

Ilmington Community Shop
Unaudited Financial Statements
30 September 2022

Ilmington Community Shop

Financial Statements

Year ended 30 September 2022

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Ilmington Community Shop

Management Committee Report

Year ended 30 September 2022

The members present their report and the unaudited financial statements of the society for the year ended 30 September 2022.

Principal activities

The principal activity of the society during the year was the provision of a community shop and cafe.

Members

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

Fiona Dakin
Mike Tremellen
Sarah Tremellen
Deborah Sarjant
Julie Jones
Rebecca Harvey

(Appointed 24 March 2022)

Overview

The year saw the financial stabilisation of the business following the spectacular results which had been experienced during the last 2 years as an effect of the coronavirus pandemic. The net profit before tax was significantly lower than the previous year but well ahead of pre pandemic levels. The results are in line with expectations for the year reporting a net profit of £13041 before tax for the business, compared with £38930 in the previous year a reduction of £25889.

Both the café and the shop were open during the whole year. The business also used the café space to develop a range of events for village residents. These included a number of evening meals / pop up wine bars and several BBQs'. Plans for this financial year are to extend and develop these events further.

The business continues to invest in the future with capital expenditure in the year of £9117 on a new freezer, vegetable chiller and storage shed. (Capital expenditure previous year £10811).

Bank and cash balances increased during the year by £7343 to £110779.

Financial Results

Overall, the shop and café revenue were down 5% on the previous year with the shop reducing by 10% and the café increasing by 93%. The increase in the café revenue was due to the café being open the whole year compared with the previous year when it was open just under 6 months. The shop revenue is over 50% higher than pre pandemic levels of 2019. The café revenue is down about 33% from pre pandemic levels in 2019 but this results from the plan to move away from paid staff to volunteers in the café, which has improved the overall profitability of the café.

The gross margin, after credit card charges, from trading for the year of £109283 was down 3% on the previous year due to decreased revenue. However the mix between the shop and café significantly changed with the café margin increase offsetting most of the reduction in the shop. The % margin to revenue of 29.74% compared favourably with the previous year of 29.15%

Administrative expenses were significantly higher this year than last at £99797 an increase of £22832. Most of this increase was due to increased salaries with the effect of the full year cost of the deputy manager and the cost-of-living increases. There are now 2 permanent employees who work across the whole business. Other overheads increased by about £2126.

Depreciation was also higher in the year due to the increased level of capital expenditure.

Ilmington Community Shop
Management Committee Report *(continued)*
Year ended 30 September 2022

This report was approved by the management committee on 20 February 2023 and signed on behalf of the board by:

Mike Tremellen
Chair and Company Secretary

Fiona Dakin
Treasurer

Sarah Tremellen
Committee Member

Registered office:
The Old Church
Upper Green
Ilmington
Shipston-on-Stour
Warwickshire
CV36 4LE

Ilmington Community Shop

Independent Accountant's Report to Ilmington Community Shop

Year ended 30 September 2022

We report on the financial statements of the society for the year ended 30 September 2022 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

Ilmington Community Shop

Income Statement

Year ended 30 September 2022

	Note	2022 £	2021 £
Turnover		367,421	385,451
Cost of sales		<u>258,138</u>	<u>273,113</u>
Gross profit		109,283	112,338
Administrative expenses		99,797	76,965
Other operating income		3,555	3,557
Operating profit		13,041	38,930
Profit before taxation	4	<u>13,041</u>	<u>38,930</u>
Tax on profit		<u>–</u>	<u>(4,639)</u>
Profit for the financial year		<u>13,041</u>	<u>43,569</u>

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

Ilmington Community Shop

Statement of Financial Position

30 September 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible assets	5		264,670	273,651
Current assets				
Stocks		21,262		16,115
Debtors	6	4,795		7,818
Cash at bank and in hand		110,779		103,436
		136,836		127,369
Creditors: amounts falling due within one year	7	24,772		34,201
Net current assets			112,064	93,168
Total assets less current liabilities			376,734	366,819
Creditors: amounts falling due after more than one year	8		7,539	11,125
Net assets			369,195	355,694
Capital and reserves				
Called up share capital			221,940	221,480
Profit and loss account			147,255	134,214
Members funds			369,195	355,694

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.

Ilmington Community Shop

Statement of Financial Position *(continued)*

30 September 2022

These financial statements were approved by the management committee and authorised for issue on 20 February 2023, and are signed on their behalf by:

Mike Tremellen
Chair and Company Secretary

Fiona Dakin
Treasurer

Sarah Tremellen
Committee Member

Registration number: 32295R

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

Ilmington Community Shop
Notes to the Financial Statements
Year ended 30 September 2022

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is The Old Church, Upper Green, Ilmington, Shipston-on-Stour, Warwickshire, CV36 4LE.

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 represents monies received (excluding value added tax) from shop sales and other activities.

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.

Ilmington Community Shop

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

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:

Land and Buildings	-	depreciated at rates of between 2-10% at the committees discretion
Plant and machinery	-	25% straight line
Fixtures and fittings	-	25% straight line
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.

Government grants

Capital grants are deferred where the grant relates to a capital asset that is being depreciated. Where a capital grant is received against for a non-depreciating asset the grant income is set against the cost of the initial addition.

Revenue grants are recognised when the conditions for receipt have been met.

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.

Ilmington Community Shop

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

2. Accounting policies *(continued)*

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.

3. Employee numbers

The average number of persons employed by the society during the year amounted to 2 (2021: 2).

4. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	<u>18,098</u>	<u>14,026</u>

5. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 October 2021	329,908	37,253	24,411	8,587	400,159
Additions	–	4,893	4,224	–	9,117
Disposals	–	(2,000)	–	–	(2,000)
At 30 September 2022	<u>329,908</u>	<u>40,146</u>	<u>28,635</u>	<u>8,587</u>	<u>407,276</u>
Depreciation					
At 1 October 2021	68,733	26,659	23,690	7,426	126,508
Charge for the year	12,093	3,942	1,613	450	18,098
Disposals	–	(2,000)	–	–	(2,000)
At 30 September 2022	<u>80,826</u>	<u>28,601</u>	<u>25,303</u>	<u>7,876</u>	<u>142,606</u>
Carrying amount					
At 30 September 2022	<u>249,082</u>	<u>11,545</u>	<u>3,332</u>	<u>711</u>	<u>264,670</u>
At 30 September 2021	<u>261,175</u>	<u>10,594</u>	<u>721</u>	<u>1,161</u>	<u>273,651</u>

Ilmington Community Shop

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

6. Debtors

	2022	2021
	£	£
Trade debtors	3,293	5,097
Other debtors	1,502	2,721
	<u>4,795</u>	<u>7,818</u>

7. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	17,096	28,661
Social security and other taxes	1,642	335
Other creditors	6,034	5,205
	<u>24,772</u>	<u>34,201</u>

8. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	7,539	11,125

Creditors consists of deferred grant income in relation to grants received for depreciating assets.

9. Share capital and other reserves

Contained within other reserves brought forward was £135,000, which relates to a grant received from the Social Investment Business (SIB) that was used to help fund the purchase and repair of the freehold property. In accordance with the original provisions of the grant this has been transferred to general profit and loss reserves in the year.

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.

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

Ilmington Community Shop

Management Information

Year ended 30 September 2022

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

Ilmington Community Shop

Detailed Income Statement

Year ended 30 September 2022

	2022 £	2021 £
Turnover	367,421	385,451
Cost of sales		
Opening stock - raw materials	16,115	14,283
Purchases	263,285	274,945
	279,400	289,228
Closing stock - resale	21,262	16,115
	258,138	273,113
Gross profit	109,283	112,338
Overheads		
Administrative expenses	99,797	76,965
Profit on society trading	9,486	35,373
Other income	587	200
Donations	95	–
Capital Grants	2,873	2,160
Government grants recognised directly in income	–	1,197
	3,555	3,557
Operating profit	13,041	38,930
Profit before taxation	13,041	38,930

Ilmington Community Shop
Notes to the Detailed Income Statement
Year ended 30 September 2022

	2022 £	2021 £
Administrative expenses		
Wages and salaries	39,145	23,362
Staff pension contributions - defined contribution	6,209	5,453
Rates and water	436	171
Light and heat	9,930	7,239
Insurance	2,559	2,356
Repairs and maintenance (allowable)	3,206	4,819
Waste disposal	1,271	1,196
Cleaning costs	320	90
Hire costs (Coffee machine)	1,429	1,413
Telephone	645	820
Office expenses	2,698	2,532
Printing postage and stationery	1,203	1,191
Staff training	330	-
Sundry expenses	2,197	644
General expenses (allowable)	751	1,128
Advertising	536	306
Legal and professional fees (allowable)	1,589	2,769
Accountancy fees	690	1,075
Depreciation of tangible assets	18,098	14,026
Bad debts written off	(6)	-
Bank charges	6,561	6,375
	<u>99,797</u>	<u>76,965</u>