

Farmborough Community Shop Limited
Unaudited Financial Statements
30 September 2021

Farmborough Community Shop Limited

Financial Statements

Year ended 30 September 2021

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Farmborough Community Shop Limited

Management Committee Report

Year ended 30 September 2021

The members present their report and the unaudited financial statements of the society for the year ended 30 September 2021.

Members

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

Mark Swabey
Sam Ross
Phil Gray
Valery Webster
Jackie Gregory-Stevens
Michael Woods
Roger Sirett
Robert Perry
Catherine Taylor

This report was approved by the management committee on 27/05/22 and signed on behalf of the board by:



Mark Swabey
Chairman



Phil Gray
Treasurer



Sam Ross
Secretary

Registered office:
64 The Batch
Farmborough
Bath
BA2 0AJ

Farmborough Community Shop Limited

Independent Accountant's Report to Farmborough Community Shop Limited

Year ended 30 September 2021

We report on the financial statements of the society for the year ended 30 September 2021 which comprise the statement of comprehensive income, 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 2022

Farmborough Community Shop Limited

Statement of Comprehensive Income

Year ended 30 September 2021

	Note	2021 £	2020 £
Turnover		118,520	128,391
Cost of sales		<u>85,223</u>	<u>109,166</u>
Gross profit		33,297	19,225
Distribution costs		411	242
Administrative expenses		42,009	42,695
Other operating income		<u>11,849</u>	<u>31,041</u>
Operating profit		2,726	7,329
Other interest receivable and similar income		<u>1</u>	<u>-</u>
Profit before taxation	5	2,727	7,329
Tax on profit		<u>-</u>	<u>-</u>
Profit for the financial year and total comprehensive income		<u>2,727</u>	<u>7,329</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 10 form part of these financial statements.

Farmborough Community Shop Limited

Statement of Financial Position

30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	121,868	129,179
Current assets			
Stocks		10,185	8,594
Debtors	7	–	945
Cash at bank and in hand		13,740	11,758
		<u>23,925</u>	<u>21,297</u>
Creditors: amounts falling due within one year	8	<u>108,797</u>	<u>117,657</u>
Net current liabilities		<u>84,872</u>	<u>96,360</u>
Total assets less current liabilities		<u>36,996</u>	<u>32,819</u>
Creditors: amounts falling due after more than one year	9	<u>14,500</u>	<u>14,500</u>
Net assets		<u>22,496</u>	<u>18,319</u>
Capital and reserves			
Called up share capital		33,655	32,205
Profit and loss account		<u>(11,159)</u>	<u>(13,886)</u>
Members funds		<u>22,496</u>	<u>18,319</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 10 form part of these financial statements.

Farnborough Community Shop Limited

Statement of Financial Position *(continued)*

30 September 2021

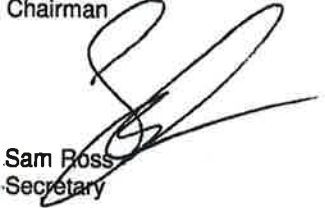
These financial statements were approved by the management committee and authorised for issue on ~~27/05/22~~ and are signed on their behalf by:



Mark Swabey
Chairman



Phil Gray
Treasurer



Sam Ross
Secretary

Registration number: 32203R

The notes on pages 6 to 10 form part of these financial statements.

Farmborough Community Shop Limited

Notes to the Financial Statements

Year ended 30 September 2021

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is 64 The Batch, Farmborough, Bath, BA2 0AJ.

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

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.

Farmborough Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. 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:

Freehold property	-	4% straight line
Plant and machinery	-	15% straight line
Fixtures and fittings	-	20% reducing balance
Equipment	-	20% 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

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the society will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the society recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Farmborough Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Government grants *(continued)*

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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.

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.

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.

Farmborough Community Shop Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2021

3. Accounting policies (continued)

Defined contribution plans (continued)

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 1 (2020: 1).

5. Profit before taxation

Profit before taxation is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	9,150	9,184

6. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 October 2020	126,110	5,841	22,153	2,548	156,652
Additions	–	125	1,306	408	1,839
At 30 September 2021	<u>126,110</u>	<u>5,966</u>	<u>23,459</u>	<u>2,956</u>	<u>158,491</u>
Depreciation					
At 1 October 2020	15,102	875	10,265	1,231	27,473
Charge for the year	5,034	893	2,636	587	9,150
At 30 September 2021	<u>20,136</u>	<u>1,768</u>	<u>12,901</u>	<u>1,818</u>	<u>36,623</u>
Carrying amount					
At 30 September 2021	<u>105,974</u>	<u>4,198</u>	<u>10,558</u>	<u>1,138</u>	<u>121,868</u>
At 30 September 2020	<u>111,008</u>	<u>4,966</u>	<u>11,888</u>	<u>1,317</u>	<u>129,179</u>

7. Debtors

	2021	2020
	£	£
Other debtors	–	945

Farmborough Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	3,541	4,509
Social security and other taxes	794	255
Other creditors	104,462	112,893
	<u>108,797</u>	<u>117,657</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	<u>14,500</u>	<u>14,500</u>

Farnborough Community Shop Limited

Management Information

Year ended 30 September 2021

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

Farmborough Community Shop Limited

Detailed Income Statement

Year ended 30 September 2021

	2021 £	2020 £
Turnover		
Sales	118,520	128,391
Cost of sales		
Purchases	85,223	109,166
Gross profit	<u>33,297</u>	<u>19,225</u>
Overheads		
Distribution costs	411	242
Administrative expenses	<u>42,009</u>	<u>42,695</u>
	42,420	42,937
Other operating income		
Sundry income	193	200
Loss on society trading	<u>(8,930)</u>	<u>(23,512)</u>
Donations	503	7,188
Grant income	11,153	13,653
Government grants recognised directly in income	—	10,000
	<u>11,656</u>	<u>30,841</u>
Operating profit	<u>2,726</u>	<u>7,329</u>
Other interest receivable and similar income	1	—
Profit before taxation	<u>2,727</u>	<u>7,329</u>

Farmborough Community Shop Limited

Notes to the Detailed Income Statement

Year ended 30 September 2021

	2021	2020
	£	£
Distribution costs		
Advertising	411	242
	<u>411</u>	<u>242</u>
Administrative expenses		
Wages and salaries	22,713	21,927
Staff pension contributions - defined contribution	681	658
Rent rates and water	120	770
Light and heat	1,630	2,187
Insurance	849	515
Repairs and maintenance (allowable)	598	348
Telephone	7	279
Printing postage and stationery	102	203
Sundry expenses	287	480
General expenses (allowable)	-	151
Membership and subscriptions	1,272	1,540
Accountancy fees	2,069	1,800
Depreciation of tangible assets	9,150	9,184
(Gain)/loss on disposal of tangible assets	-	914
Bank charges	2,531	1,739
	<u>42,009</u>	<u>42,695</u>
Other interest receivable and similar income		
Interest on loans and receivables	<u>1</u>	<u>-</u>
