

Bledington Community Shop Limited
Unaudited Financial Statements
31 March 2021

Bledington Community Shop Limited

Financial Statements

Year ended 31 March 2021

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Bledington Community Shop Limited

Co-Chairs Statement

Year ended 31 March 2021

Chairmans' Report

Following the opening of the Shop and Café in November 2019, the shop had a hesitant start as the new manager and volunteers got to grips with the reality of stocking and operating the business. Our first manager resigned shortly afterwards and for a period the shop was run solely by volunteers.

In March 2020, just before the start of our reporting year, we appointed a new manager, Joanne Shaw, whose experience and personality quickly enabled the shop to stabilise. However, weeks later the country was placed into lockdown and the business plan, in which the café was an important element, had to be abandoned.

With many commuters now working from home and shoppers reluctant to visit larger stores, the shop's turnover increased very quickly. The closure of restaurants forced suppliers to find new markets and our range of fresh produce improved. The manager was also able to draw on local connections to improve our offering. We removed the café seating, increased our grocery display and began to offer other locally sourced items.

One downside for us was that we lost our core older volunteers who were self-isolating, but with villagers on furlough and others who were discovering that they married their partners for life, but not for lunch, a new cohort of volunteers emerged.

We soon became aware that by expanding our range of fresh food, and particularly fruit and vegetables, we were attracting more custom and that people were beginning to visit us from outlying villages. Our volunteer model was allowing us to price these items competitively, and still does.

By now we were having difficulty with the small size of the shop and the café area was overwhelmed with greengroceries. Lockdown had eased and we were able to sell coffees again, but we needed somewhere for people to sit in shelter. We hired a marquee and some screening from a business in Churchill whose activity had collapsed because of the ban on weddings and festivals and moved the fruit and vegetable display outside. This had the extra benefit of freeing up more sales space and allowed us to create seasonal displays and offer locally made gifts and, of course, Bledington Gin.

The location of the shop and café has proven to be convenient, not just for villagers but also for visitors. We have a growing reputation amongst walkers and cyclists and, with easy access and parking, also amongst residents of nearby villages. Apart from the local pubs, there is little local competition for coffee and snacks, which is the most profitable part of our business.

Robin and Michael McCulloch, who led the fundraising, construction and launch of the business, stepped down in September. The Committee and the whole village owe them a huge debt of gratitude. Without Robin's persistence in approaching grant-making bodies the business would never have been launched. Perhaps the best tribute to their success is the £2,000 grant we were able to make to Bledington School for new computers after just nine months of trading.

Our financial year ended on 31st March 2021 and preliminary results show a turnover of £338,452 against our original expectation of £198,000. Our sales peaked at over £10,500 in Christmas week, but have dropped to just £5,300 in some very quiet weeks. We achieved a trading surplus of £24,528 over the year and this has allowed us to make provision for further £5,000 gift to our linked charity, Bledington and Foscot Community Association (BaFCA), for distribution to worthy causes in addition to the £2,000 for Bledington School which we announced in September.

Since the end of the financial year, we have been able to re-open some limited indoor seating and rebuild the café service. However, our ability to scale up still depends on volunteer support. We currently have just under thirty regular volunteers and there are another thirty who have registered as volunteers but are inactive. The constant worry over staffing is one reason why the manager's job can be quite stressful, and a full café service requires even more support.

Bledington Community Shop Limited

Co-Chairs Statement *(continued)*

Year ended 31 March 2021

With lockdown coming to an end, we are aware that people are returning to supermarkets and we still have uncertain knowledge of what "normal" trading for our community shop looks like. However, in due course we hope to be able to expand the building by filling in the fourth bay and, if all goes well, we will do this in 2023.

At the end of the year, Jo Shaw, decided to take a break from full-time employment. We have been fortunate to recruit a new manager, Stephen Packman, who has extensive experience in the grocery business and has worked in the voluntary sector and has managed cafés.

This being the first full year of trading, 53 (2019-20: 50) volunteers have worked shifts in the shop during the year covering 3,990 hours (2019-20: 1,400) while 10 (2019-20: 40) other volunteers worked behind the scenes.

Coronavirus restrictions were in force to a greater or lesser extent throughout the financial year which limited our opportunity to hold member or volunteer events. Volunteers were invited to an event to say farewell to Jo Shaw and a reception was held during national Volunteers Week. Once restrictions have eased, we intend to hold more frequent volunteer events.

I would like to thank all those who have contributed to this successful year. In addition to the volunteers who serve over the counter we have other volunteers who maintain the plants, launder the aprons and tea towels, promote the shop on social media, look after the building and provide back-office support. All have contributed to a stressful but successful year.



Graeme Ferrero
Chairman
Bledington Community Shop Limited.
May 2021

Bledington Community Shop Limited

Management Committee Report

Year ended 31 March 2021

The officers present their report and the unaudited financial statements of the society for the year ended 31 March 2021.

Principal activities

The principal aim of the Society is to operate a village shop and cafe.

Officers

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

Rebecca Allen	
Benjamin Ball	
Andrew Packe	
Heather Pearson	
Ben Woodward	
Christopher Gaskell	(Appointed 19 June 2020)
Graeme Ferrero	(Appointed 19 June 2020)
Valerie Berman	
Jo Radcliffe	
Simon Algar	
Michael McCulloch	(Resigned 19 September 2020)
Robin McCulloch	(Resigned 11 June 2020)

Membership Report

Membership at the end of the 2020-21 financial year stood at 344. 4 people joined during the year. While sadly, 8 Members have died. The shares of deceased Members may be withdrawn by their personal representatives and we are attempting to contact them.

Rule 3.7 of the Society makes provision for membership to cease if the Society is unable to contact a Member. We attempted in December 2020 to make contact with Members who have moved away from the village and have not informed us of their new address. Our policy is to terminate such memberships after twelve months with no contact. In the event that a person is removed from the Register of Members in accordance with the Rules, shares held by them become a loan, repayable by the Society. Our policy is to write off such loans after two years.

Members should also be aware that they may withdraw their shares once they have been held for three years. The total number of shares that may be withdrawn each year may be limited by the Management Committee, but so far it has not set a limit. A Member must continue to hold at least one share.

As we are a registered community benefit society, we are limited in our ability to offer special terms to Members. Members were sent a Christmas card with a January discount voucher: this offer was taken up by 63 Members and stimulated trade in the normally quiet post-Christmas period. We hope to hold members' events again once restrictions have eased.

Bledington Community Shop Limited

Management Committee Report *(continued)*

Year ended 31 March 2021

Financial Report

Over the course of 2020, due to the Coronavirus pandemic, the Shop became firmly embedded in the community, much helped by the appointment of Jo Shaw as our "Pandemic Manager". Now that Jo has moved on to spend more time with her family in the UK and overseas, she has passed the baton on to Steve Packman who arrived with a wealth of retail, café and volunteer experience to extend the Shop's purpose in the village even further.

Customers discovered the range and freshness of produce available when they were hunting for flour and loo roll in the first lockdown and sales rocketed. Headline turnover for the year was £338,000 yet for much of the year the Café was either closed or operating a takeaway only service. Overall performance of the Shop alone was even more remarkable, the original budget for the Shop predicted sales of £156,934, actual Shop sales for the first full year of operation were £318,749, more than double expectations.

At the time Jo joined in early March 2020 the indomitable Cobra Crew and every shop system was stretched to near breaking point, Jo immediately brought much needed calm and rigour to the operation. Improvement in back-office systems provided more timely and accurate management data for decision making. Better data also allows more colourful reporting: In the year to March 2021, you bought over 2,000 punnets of strawberries, over 3,000 boxes of eggs and nearly two tonnes of bananas, that's an awful lot of fritters! This was all washed down with hundreds of bottles of Bledington's unique Old Orchard Gin. As if Jo hadn't been busy enough during the year, Old Orchard Gin was conceived in November and on the shelves in December thanks to the hard work of a small team of volunteers to whom the shop is indebted. The gin became our biggest selling line for the full year and was only on sale for four months!

Despite being closed or only offering a takeaway service for much of the year, the Café also exceeded budgeted sales. As a consequence, total gross margin for the year was £91,908 vs £51,051 in the first year's budget. Overheads did increase when new volunteers, on furlough from their usual jobs, went back to work and, late in the summer, two able assistants for Jo were recruited: Heather Pearson and Rosie Pawley. Their great contribution added to that of Jo and our continuing volunteers mean the shop traded very profitably to the end of the financial year. The operational trading surplus before the government's covid grant (£10,000 less accrued covid costs of £5,000), donations made (£7,000), and any maintenance reserve transfer, was £31,770 against a budgeted £6,523.

As a result of this remarkable performance the Committee agreed a further £5,000 donation to Bledington and Foscot Community Association (BaFCA) in addition to the £2,000 announced last year, which ultimately enabled the school to buy 15 new laptops, taking total charitable donations to £7,000. BaFCA has recently announced a grant program and the trustees will report on which good causes will be supported later in the year.

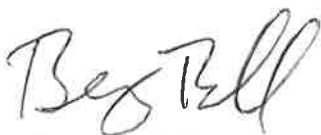
The exceptional trading performance has also enabled BCSL to further strengthen its financial position. As a consequence the Society's cash balances increased by £60,802 to £91,965. The increased sales required investment in stock which grew by £8,567, a significant component of the increase being stock of Old Orchard Gin. Overall creditors increased. The £30,000 of short term loans remaining after construction were repaid to BaFCA and the Committee agreed to take advantage of the government's "bounce back" loan and borrow £50,000 which if it is not repaid in August will attract interest at 2.5% over a 5 year term, the remaining £9,675 of increase in Creditors is accounted for by two £5,000 accruals for further covid related costs in 2021/22 and the donation to BaFCA.

Bledington Community Shop Limited

Management Committee Report *(continued)*

Year ended 31 March 2021

This report was approved by the management committee on 13 May 2021 and signed on behalf of the board by:



Benjamin Ball
Secretary



Graeme Ferrero
Chairman



Ben Woodward
Treasurer

Registered office:
Bledington Community Shop
Church Lane
Bledington
OX7 6XB

Bledington Community Shop Limited

Independent Accountant's Report to Bledington Community Shop Limited

Year ended 31 March 2021

We report on the financial statements of the society for the year ended 31 March 2021 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

11 June 2021

Bledington Community Shop Limited

Income Statement

Year ended 31 March 2021

	Note	2021 £	2020 £
Turnover		338,452	71,889
Cost of sales		<u>246,543</u>	<u>52,856</u>
Gross profit		91,909	19,033
Distribution costs		110	515
Administrative expenses		67,271	31,161
Other operating income		<u>5,242</u>	<u>5,627</u>
Operating profit/(loss)		29,770	(7,016)
Loss on financial assets at fair value through profit or loss		—	(182,855)
Profit/(loss) before taxation	4	<u>29,770</u>	<u>(189,871)</u>
Tax on profit/(loss)		—	—
Profit/(loss) for the financial year		<u>29,770</u>	<u>(189,871)</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 10 to 13 form part of these financial statements.

Bledington Community Shop Limited

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	90,440	94,127
Current assets			
Stocks		19,567	11,000
Debtors	6	1,318	7,555
Cash at bank and in hand		91,965	31,163
		<u>112,850</u>	<u>49,718</u>
Creditors: amounts falling due within one year	7	81,909	54,253
Net current assets/(liabilities)		<u>30,941</u>	<u>(4,535)</u>
Total assets less current liabilities		121,381	89,592
Creditors: amounts falling due after more than one year	8	33,924	31,905
Net assets		<u>87,457</u>	<u>57,687</u>
Capital and reserves			
Called up share capital		84,153	84,153
Profit and loss account		3,304	(26,466)
Members funds		<u>87,457</u>	<u>57,687</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 officers 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 10 to 13 form part of these financial statements.

Bledington Community Shop Limited

Statement of Financial Position *(continued)*

31 March 2021

These financial statements were approved by the management committee and authorised for issue on 13 May 2021, and are signed on their behalf by:



Ben Woodward
Treasurer



Graeme Ferrero
Chairman



Benjamin Ball
Secretary

Registration number: IP31287R

The notes on pages 10 to 13 form part of these financial statements.

Bledington Community Shop Limited

Notes to the Financial Statements

Year ended 31 March 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 Bledington Community Shop, Church Lane, Bledington, OX7 6XB.

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 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.

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	-	2% straight line
Plant and machinery	-	12% straight line
Fixtures and fittings	-	20% straight line

Bledington Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

2. Accounting policies *(continued)*

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.

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.

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 entity becomes a party to the contractual provisions of the instrument.

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.

Bledington Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Employee numbers

The average number of persons employed by the society during the year amounted to 1 (2020: 1).

4. Profit before taxation

Profit before taxation is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	<u>5,059</u>	<u>5,966</u>

5. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 April 2020	248,673	31,286	2,989	282,948
Additions	–	1,167	205	1,372
At 31 March 2021	<u>248,673</u>	<u>32,453</u>	<u>3,194</u>	<u>284,320</u>
Depreciation				
At 1 April 2020	186,755	1,792	274	188,821
Charge for the year	1,847	2,573	639	5,059
At 31 March 2021	<u>188,602</u>	<u>4,365</u>	<u>913</u>	<u>193,880</u>
Carrying amount				
At 31 March 2021	<u>60,071</u>	<u>28,088</u>	<u>2,281</u>	<u>90,440</u>
At 31 March 2020	<u>61,918</u>	<u>29,494</u>	<u>2,715</u>	<u>94,127</u>

Tangible assets held at valuation

The accumulated depreciation/impairment brought forward includes an impairment loss of £182,855 in the year to 31 March 2020.

6. Debtors

	2021	2020
	£	£
Other debtors	<u>1,318</u>	<u>7,555</u>

Bledington Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

7. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	7,675	11,012
Social security and other taxes	4,645	1,274
Loan	50,000	30,000
Other creditors	19,589	11,967
	<u>81,909</u>	<u>54,253</u>

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

	2021	2020
	£	£
Other creditors	<u>33,924</u>	<u>31,905</u>

Bledington Community Shop Limited

Management Information

Year ended 31 March 2021

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

Bledington Community Shop Limited

Detailed Income Statement

Year ended 31 March 2021

	2021 £	2020 £
Turnover		
Sales	338,452	71,889
Cost of sales		
Purchases	266,110	63,856
Closing stock - resale	19,567	11,000
	<u>246,543</u>	<u>52,856</u>
Gross profit	<u>91,909</u>	<u>19,033</u>
Overheads		
Distribution costs	110	515
Administrative expenses	67,271	31,161
	<u>67,381</u>	<u>31,676</u>
Profit/(loss) on society trading	<u>24,528</u>	<u>(12,643)</u>
Donations - unrestricted	32	2,410
Grants	2,210	3,217
Charitable donations	(7,000)	-
Government grants recognised directly in income	10,000	-
	<u>5,242</u>	<u>5,627</u>
Operating profit/(loss)	<u>29,770</u>	<u>(7,016)</u>
Loss on financial assets at fair value through profit or loss	-	(182,855)
Profit/(loss) before taxation	<u>29,770</u>	<u>(189,871)</u>

Bledington Community Shop Limited

Notes to the Detailed Income Statement

Year ended 31 March 2021

	2021	2020
	£	£
Distribution costs		
Advertising	110	515
Administrative expenses		
Wages and salaries	34,550	10,092
Staff pension contributions - defined contribution	605	34
Rent rates and water	70	28
Light and heat	3,050	1,544
Insurance	966	529
Repairs and maintenance (allowable)	3,055	741
Accrued expenditure to be covered by COVID grant	5,000	-
Cleaning costs	2,966	-
Telephone	691	344
Printing postage and stationery	772	616
Volunteer expenses and training	578	3,219
Sundry expenses	2,658	2,266
Card processing charges and POS support	4,037	1,207
Overs/unders till	29	361
Subscriptions	967	200
Legal and professional fees (allowable)	1,200	3,162
Accountancy fees	920	745
Depreciation of tangible assets	5,059	5,966
Bank charges	98	107
	<u>67,271</u>	<u>31,161</u>
