

REGISTRATION NUMBER: IP31287R

Bledington Community Shop Limited
Unaudited Financial Statements
31 March 2022

Bledington Community Shop Limited

Financial Statements

Year ended 31 March 2022

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Bledington Community Shop Limited

Chairman's Report

Year ended 31 March 2022

Chairmans' Report

The shop and café have continued to trade profitably during our second complete financial year ending March 2022, but margins have been reduced. We have achieved an income of just under £340,000 and will be able to transfer approximately £10,500 to reserves. We propose to continue to follow our policy of donating 10% of our surplus to village charities. I would like to say that trading has settled down following the pandemic disruption, but we are now entering a period of high inflation and supply shortages and we are having to keep a very close eye on the situation.

The most significant change over the past twelve months has been the realisation that we need the presence of a professional manager seven days a week. We have been very fortunate in having the support of a small group of volunteers who are capable of managing the business by themselves, but we couldn't expect them to commit to this responsibility indefinitely. We now employ two full-time staff, and the consequence can be seen in our reduced profitability.

Steve Packman, a former Sainsbury store manager, ran the business during this period and was very popular with customers. He was joined by Sarah Newton in October, and she has now taken overall responsibility. There are three critical aspects to this role: customer relations, merchandising, and back office administration. Each has to be executed well for the business to succeed. We conducted a customer survey in March and received 119 responses. From these we learn that our customers like our professional and friendly service, the welcome they get, the "local" atmosphere in the shop and café, and our range of fresh produce. Our customers were less happy with our frozen lines, alcohol, and meat range. As a result, we have refreshed our frozen food range and reorganised our wine display. The butcher will now join the greengrocer and dairy in delivering every working day.

It is clear that the display and range of items has a big impact on shop performance. We try to cater for two types of customers: village residents and visitors. Visitors, including weekenders, often purchase premium products with a local connection, and the margin we make on these helps to sustain the business for village residents.

Our year-end stock take resulted in a substantial correction to our stock levels and demonstrated how important it is to keep the administration of the business up to date, especially as overall margins are thin. One of the attractions of our shop is the wide range of products which are stocked despite the small retail space. We are still getting to grips with the time it takes to monitor and replenish all these lines.

The margin we make in the café is critical to the viability of the enterprise. This is another area where catering to visitors, including walkers and cyclists, is important. We are fortunate to be located in an area with little competition and we offer good access and space externally for people to relax. Other community shops without these advantages have had difficulty maintaining a viable business.

We have just submitted a planning application to extend the shop and café. This is partially to replace the temporary marquee which has allowed us to trade through much of the pandemic, but also to increase the internal space to meet our original plan before it was cut back by restricted funds. This will allow a small increase in the café food production area and more internal seating. We also need to increase the back-office storage area. With high inflation and shortages, it is sensible for us to hold more stock and less cash in the bank than hitherto. Once permission has been granted, we will embark on a fund-raising campaign. Preliminary contacts with donors suggest that our business model will be well received now that we have two full years of results and have accrued some reserves.

We currently have about 25 active volunteers each month and they contribute just under 200 hours in total. A year ago we had a slightly larger volunteer base, but a far greater commitment from them at over 300 hours per month. It is our understanding that all voluntary organisations have experienced a drop in commitment as a result of the pandemic, initially due to infection fears and more recently due to the opening up of society. We are adapting all the time to these changes, but it places strains on

Bledington Community Shop Limited

Chairman's Report *(continued)*

Year ended 31 March 2022

our staff team and the management committee. Those who do volunteer really enjoy the interaction with people they might otherwise not come in contact with, even in a small village like ours.

The overall labour market is now very tight, causing supplier problems. Our bakers, for example, are reducing their product range due to lack of staff, and other suppliers are facing difficulties. Our recent recruitment of an assistant manager resulted in a very small number of applicants, so we were delighted to be able to appoint Maura Knight from Milton who has just started.

Michael Lear, who very sadly passed away recently, was the first chairman when the shop group was formed in 2006 after Paul and Morven Bell suddenly closed the old shop. Michael worked steadfastly to keep the committee together and positive as the years went by. Several plans were considered and then discounted before the Old Orchard site was secured. He also oversaw our setting up as a Society for the benefit of the community, the associated charity structure and the first share issue before retiring from the Management Committee in 2013. Subsequently he remained a keen advocate for the project as a trustee of BaFCA, the village charity associated with the shop. Michael was one of the people without whose tireless efforts the village wouldn't have a shop and cafe today. For this we are indebted to him. On behalf of everyone associated with the shop we send our condolences to Angela and the rest of Michael's family.

We would like to thank our staff, volunteers and customers for their support, and I would particularly like to thank my fellow management committee members for their advice and commitment.



Graeme Ferrero
Chairman
Bledington Community Shop Limited.
May 2022

Bledington Community Shop Limited

Management Committee Report

Year ended 31 March 2022

The officers present their report and the unaudited financial statements of the society for the year ended 31 March 2022.

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	
Graeme Ferrero	
Simon Algar	
Valerie Berman	(Appointed 26 June 2021)
Sandra Ziles	(Appointed 12 August 2021)
Alan Turner	(Appointed 26 June 2021)
Jo Radcliffe	(Resigned 7 July 2021)

Membership Report

Membership at the end of 2021-22 financial year stood at 346. Two people joined during the year while sadly two members have died. In addition, two members moved away from the village and resigned their shares while three additional people joined when their shares were transferred from the estate of someone who died last year.

We have lost touch with a forty members who have moved away from the village. We will try to contact them and if we are unable, we may remove them from the membership list during the year, as provided in our rules.

As a registered community benefit society we have limited scope for offering special terms to our members. Members received a January discount voucher again this year and this offer was taken up by 30 members, which helped stimulate trade during the quiet post-Christmas month.

Bledington Community Shop Limited

Management Committee Report *(continued)*

Year ended 31 March 2022

Financial Report

At the end of last year the Shop was at something of a crossroads. A new manager had arrived and it was unclear if the Coronavirus pandemic was behind us. Plus ça change! As a result, it is reassuring to see that the increase in sales to £338,452 we saw in 2020-21 was sustained in the reporting year to March 2022 and turnover reached £340,724. Underlying what has been essentially a steady level of sales, there were some significant changes in the importance of different departments. The Café grew from 9% to 15% of sales and overall gross margin rose by £3,355. Other departments (with the exception of tobacco) shrank slightly as customers became more confident about shopping in larger stores.

As the pandemic persisted, it became clear that the original staffing model of one full time member of staff supported by a team of 30-40 volunteers was not working. Too much load was being placed on the manager and remaining volunteers, especially at weekends. The solution adopted by the Committee has been to employ an additional full-time member of staff. This is affordable with the current levels of sales and margin, but increased staff costs by almost £18,000. Nevertheless, net profit remained healthy at £10,499 and is well in excess of the levels originally forecast.

Keeping on top of back-office administration was a challenge throughout the year, and this was evidenced by difficulties experienced with stock-takes. Ultimately a successful count was completed at year end and errors accumulated over the year (most during the last quarter due to an Epos mix up) were recognised and written off. Turning to the Balance Sheet, the Society has increased its members' funds to a little under £100,000 and cash reserves are equally sound as the Society continues to benefit from its £44,548 remaining "bounce back" loan.

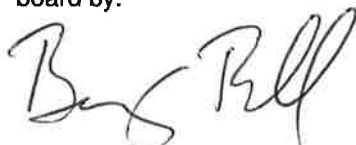
The Society plans to further develop the building and a planning application has been made. The Committee considers that to maintain (let alone increase) trade at current levels, a shop of the size originally envisaged will be needed once the marquee has been removed and fruit and vegetables are brought inside. This will make an improved café service possible, particularly during the winter months. Preliminary approaches have been made to potential grant funders and positive feedback has been received. Finally, and in accordance with the Society's policy, 10% of this year's surplus has been earmarked for donation to the Bledington and Foscot Community Association, the village charity associated with the Shop.

Bledington Community Shop Limited

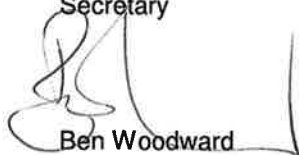
Management Committee Report *(continued)*

Year ended 31 March 2022

This report was approved by the management committee on 9 June 2022 and signed on behalf of the board by:



Benjamin Ball
Secretary



Ben Woodward
Treasurer

Graeme Ferrero
Chairman



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 2022

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

DAVID CADWALLADER & CO LIMITED
Chartered Certified Accountants

Suite 3 Bignell Park Barns
Chesterton
Nr Bicester
Oxon
OX26 1TD

22 June 2022

Bledington Community Shop Limited

Income Statement

Year ended 31 March 2022

	Note	2022 £	2021 £
Turnover		340,724	338,452
Cost of sales		<u>245,460</u>	<u>246,543</u>
Gross profit		95,264	91,909
Distribution costs		73	110
Administrative expenses		85,816	67,271
Other operating income		<u>1,885</u>	<u>5,242</u>
Operating profit		11,260	29,770
Other interest receivable and similar income		<u>(761)</u>	<u>—</u>
Profit before taxation	4	10,499	29,770
Tax on profit		<u>—</u>	<u>—</u>
Profit for the financial year		<u>10,499</u>	<u>29,770</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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	84,773	90,440
Current assets			
Stocks		21,199	19,567
Debtors	6	970	1,318
Cash at bank and in hand		102,809	91,965
		<u>124,978</u>	<u>112,850</u>
Creditors: amounts falling due within one year	7	45,610	81,909
Net current assets		<u>79,368</u>	<u>30,941</u>
Total assets less current liabilities		164,141	121,381
Creditors: amounts falling due after more than one year	8	65,939	33,924
Net assets		<u>98,202</u>	<u>87,457</u>
Capital and reserves			
Called up share capital		84,399	84,153
Profit and loss account		13,803	3,304
Members funds		<u>98,202</u>	<u>87,457</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.

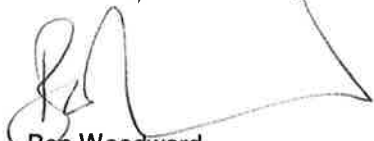
The notes on pages 10 to 13 form part of these financial statements.

Bledington Community Shop Limited

Statement of Financial Position *(continued)*

31 March 2022

These financial statements were approved by the management committee and authorised for issue on 9 June 2022, 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 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 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; 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 2022

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 2022

3. Employee numbers

The average number of persons employed by the society during the year amounted to 2 (2021: 1).

4. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	<u>6,381</u>	<u>5,059</u>

5. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 April 2021	248,673	32,453	3,194	284,320
Additions	—	714	—	714
At 31 March 2022	<u>248,673</u>	<u>33,167</u>	<u>3,194</u>	<u>285,034</u>
Depreciation				
At 1 April 2021	188,602	4,365	913	193,880
Charge for the year	1,848	3,894	639	6,381
At 31 March 2022	<u>190,450</u>	<u>8,259</u>	<u>1,552</u>	<u>200,261</u>
Carrying amount				
At 31 March 2022	<u>58,223</u>	<u>24,908</u>	<u>1,642</u>	<u>84,773</u>
At 31 March 2021	<u>60,071</u>	<u>28,088</u>	<u>2,281</u>	<u>90,440</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

	2022	2021
	£	£
Other debtors	<u>970</u>	<u>1,318</u>

Bledington Community Shop Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

7. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	14,542	7,675
Social security and other taxes	5,925	4,645
Loan	10,649	50,000
Other creditors	14,494	19,589
	<u>45,610</u>	<u>81,909</u>

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

	2022	2021
	£	£
Bank loans and overdrafts	33,900	—
Other creditors	32,039	33,924
	<u>65,939</u>	<u>33,924</u>

Bledington Community Shop Limited

Management Information

Year ended 31 March 2022

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

Bledington Community Shop Limited

Detailed Income Statement

Year ended 31 March 2022

	2022	2021
	£	£
Turnover		
Sales	340,724	338,452
Cost of sales		
Purchases	266,659	266,110
Closing stock - resale	21,199	19,567
	<u>245,460</u>	<u>246,543</u>
Gross profit	<u>95,264</u>	<u>91,909</u>
Overheads		
Distribution costs	73	110
Administrative expenses	85,816	67,271
	<u>85,889</u>	<u>67,381</u>
Profit on society trading	<u>9,375</u>	<u>24,528</u>
Donations - unrestricted	-	32
Grants	1,885	2,210
Charitable donations	-	(7,000)
Government grants recognised directly in income	-	10,000
	<u>1,885</u>	<u>5,242</u>
Operating profit	<u>11,260</u>	<u>29,770</u>
Other interest receivable and similar income	(761)	-
Profit before taxation	<u>10,499</u>	<u>29,770</u>

Bledington Community Shop Limited

Notes to the Detailed Income Statement

Year ended 31 March 2022

	2022	2021
	£	£
Distribution costs		
Advertising	<u>73</u>	<u>110</u>
Administrative expenses		
Wages and salaries	48,569	34,550
Staff national insurance contributions	3,455	—
Staff pension contributions - defined contribution	865	605
Rent rates and water	449	70
Light and heat	4,317	3,050
Insurance	1,385	966
Repairs and maintenance (allowable)	4,474	3,055
Accrued expenditure to be covered by COVID grant	—	5,000
Cleaning costs	2,826	2,966
Telephone	735	691
Printing postage and stationery	604	772
Volunteer expenses and training	1,000	578
Sundry expenses	2,843	2,658
Card processing charges and POS support	4,339	4,037
Overs/unders till	(58)	29
Subscriptions	1,521	967
Legal and professional fees (allowable)	1,260	1,200
Accountancy fees	815	920
Depreciation of tangible assets	6,381	5,059
Bank charges	36	98
	<u>85,816</u>	<u>67,271</u>
Other interest receivable and similar income		
Interest on loans and receivables	<u>(761)</u>	<u>—</u>
