

**The Hinton St George & Locality Rural Community Services
Limited**

Unaudited Financial Statements

30 September 2017

The Hinton St George & Locality Rural Community Services Limited

Financial Statements

Year ended 30 September 2017

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The Hinton St George & Locality Rural Community Services Limited

Management Committee Report

Year ended 30 September 2017

The member presents his report and the unaudited financial statements of the society for the year ended 30 September 2017.

Principal activities

HRCS exists in order to carry on business for the social, economic and environmental benefit of the community it is established to serve. The principal activities for the period under review were:-

- Trading as a convenience store and Post Office serving the village of Hinton St. George and its locality;
- Creating and letting a self-contained 2 bedroomed flat and garage.

Member

The member who served the society during the year was as follows:

David Clements - Chairman
Andrew Norton - Deputy Chairman
David Wheeler - Secretary
Jeremy Rook - Treasurer
Patricia Heelis (Resigned 7 January 2017)
Keith Hurse
Nick Kirby
Les Farris
Jean Roberts & Judy Craig (Joint Minutes Secretaries)
Salle Wroblewski
Jackie Bristow (Elected 27 January 2017)

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

Mr D Clements
Chairman

Mr J Rook
Treasurer

Mr D Wheeler
Secretary

Registered office:
47 High Street
Hinton St George
Somerset
TA17 8SE

The Hinton St George & Locality Rural Community Services Limited

Independent Accountant's Report to the Hinton St George & Locality Rural Community Services Limited

Year ended 30 September 2017

We report on the financial statements of the society for the year ended 30 September 2017 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

The Hinton St George & Locality Rural Community Services Limited

Income Statement

Year ended 30 September 2017

	Note	2017 £	2016 £
Turnover		232,136	216,222
Cost of sales		<u>162,790</u>	<u>150,451</u>
Gross profit		69,346	65,771
Administrative expenses		59,089	55,558
Other operating income		1,918	2,370
Operating profit		12,175	12,583
Other interest receivable and similar income		45	160
Interest payable and similar expenses		<u>5,100</u>	<u>5,897</u>
Profit before taxation	4	7,120	6,846
Tax on profit		<u>1,156</u>	<u>895</u>
Profit for the financial year		<u>5,964</u>	<u>5,951</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 9 form part of these financial statements.

The Hinton St George & Locality Rural Community Services Limited

Statement of Financial Position

30 September 2017

	Note	2017 £	£	2016 £
Fixed assets				
Tangible assets	5		402,212	394,127
Current assets				
Stocks		18,000		16,000
Debtors	6	14,603		1,500
Cash at bank and in hand		27,092		40,163
		59,695		57,663
Creditors: amounts falling due within one year	7	33,351		20,222
Net current assets			26,344	37,441
Total assets less current liabilities			428,556	431,568
Creditors: amounts falling due after more than one year	8		180,567	189,553
Net assets			247,989	242,015
Capital and reserves				
Called up share capital			64,455	64,445
Profit and loss account			183,534	177,570
Members funds			247,989	242,015

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 member acknowledges 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 9 form part of these financial statements.

The Hinton St George & Locality Rural Community Services Limited

Statement of Financial Position *(continued)*

30 September 2017

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

Mr D Clements
Chairman

Mr J Rook
Treasurer

Mr D Wheeler
Secretary

Registration number: 31154R

The notes on pages 6 to 9 form part of these financial statements.

The Hinton St George & Locality Rural Community Services Limited

Notes to the Financial Statements

Year ended 30 September 2017

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is 47 High Street, Hinton St George, Somerset, TA17 8SE.

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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2015.

Revenue recognition

Turnover represents net invoiced sales of goods and services provided, excluding value added tax.

Grants

Grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate.

Donations

Income from donations are included in the profit and loss when:

- The Society becomes entitled to the donation and any conditions of receipt are met
- The members are reasonably certain they will receive it
- The members are reasonably certain the value can be measured

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.

The Hinton St George & Locality Rural Community Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

2. Accounting policies *(continued)*

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:

Fixtures and fittings	-	15% reducing balance
Computer equipment	-	50% 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.

The Hinton St George & Locality Rural Community Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

2. Accounting policies *(continued)*

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.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the . Finance costs and gains or losses relating to financial liabilities are included in the . Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

3. Employee numbers

The average number of persons employed by the society during the year amounted to 8 (2016: 8).

4. Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	<u>3,815</u>	<u>2,327</u>

5. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 October 2016	380,594	29,567	4,719	414,880
Additions	—	11,900	—	11,900
At 30 September 2017	<u>380,594</u>	<u>41,467</u>	<u>4,719</u>	<u>426,780</u>
Depreciation				
At 1 October 2016	—	16,034	4,719	20,753
Charge for the year	—	3,815	—	3,815
At 30 September 2017	<u>—</u>	<u>19,849</u>	<u>4,719</u>	<u>24,568</u>
Carrying amount				
At 30 September 2017	<u>380,594</u>	<u>21,618</u>	<u>—</u>	<u>402,212</u>
At 30 September 2016	<u>380,594</u>	<u>13,533</u>	<u>—</u>	<u>394,127</u>

The Hinton St George & Locality Rural Community Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

6. Debtors

	2017	2016
	£	£
Trade debtors	<u>14,603</u>	<u>1,500</u>

7. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	7,338	5,692
Trade creditors	9,395	10,158
Corporation tax	1,156	895
Social security and other taxes	2,852	1,309
Other creditors	<u>12,610</u>	<u>2,168</u>
	<u>33,351</u>	<u>20,222</u>

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

	2017	2016
	£	£
Bank loans and overdrafts	171,137	180,123
Community loans	<u>9,430</u>	<u>9,430</u>
	<u>180,567</u>	<u>189,553</u>

9. Related party transactions

The management committee purchase items from the shop. All transactions are at open market value.

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

The Hinton St George & Locality Rural Community Services Limited

Management Information

Year ended 30 September 2017

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

The Hinton St George & Locality Rural Community Services Limited

Detailed Income Statement

Year ended 30 September 2017

	2017 £	2016 £
Turnover		
Sales	210,232	195,633
Post Office income	12,094	12,345
Flat rental income	9,610	8,054
Other income	200	190
	<u>232,136</u>	<u>216,222</u>
Cost of sales		
Opening stock - finished goods	16,000	15,057
Purchases	162,880	149,521
Newspaper delivery	1,910	1,873
	<u>180,790</u>	<u>166,451</u>
Closing stock - resale	18,000	16,000
	<u>162,790</u>	<u>150,451</u>
Gross profit	<u>69,346</u>	<u>65,771</u>
Overheads		
Administrative expenses	59,089	55,558
	<u>59,089</u>	<u>55,558</u>
Profit on society trading	<u>10,257</u>	<u>10,213</u>
Grant income	1,613	–
Donations and fundraising	305	2,370
	<u>1,918</u>	<u>2,370</u>
Operating profit	<u>12,175</u>	<u>12,583</u>
Other interest receivable and similar income	45	160
Interest payable and similar expenses	(5,100)	(5,897)
	<u>45</u>	<u>160</u>
Profit before taxation	<u>7,120</u>	<u>6,846</u>

The Hinton St George & Locality Rural Community Services Limited

Notes to the Detailed Income Statement

Year ended 30 September 2017

	2017	2016
	£	£
Administrative expenses		
Wages and salaries	40,327	38,443
Rates and water	136	362
Light and heat	3,796	3,527
Insurance	1,046	994
Repairs and maintenance (allowable)	3,166	986
Waste disposal	523	492
Telephone	1,274	1,216
Printing postage and stationery	656	375
Cleaning	404	807
General expenses (allowable)	579	772
Statutory fees	344	683
IT expenses	888	511
Advertising	209	57
Card terminal and merchant fees	1,065	750
Legal and professional fees	265	2,636
Accountancy fees	595	620
Depreciation of tangible assets	3,815	2,327
Bank charges	1	—
	<u>59,089</u>	<u>55,558</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>45</u>	<u>160</u>
Interest payable and similar expenses		
Other interest payable and similar charges	<u>5,100</u>	<u>5,897</u>