

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

Unaudited Financial Statements

30 September 2019

The Hinton St George & Locality Rural Community Services Limited

Financial Statements

Year ended 30 September 2019

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The Hinton St George & Locality Rural Community Services Limited

Management Committee Report

Year ended 30 September 2019

The members present their report and the unaudited financial statements of the society for the year ended 30 September 2019.

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.

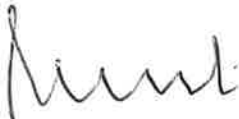

Members

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

David Clements
Andrew Norton
David Wheeler
Jeremy Rook
Keith Hurse
Les Farris
Roberts Jean
Judy Craig
Salle Wroblewski
Jackie Bristow
Mike Shaw
Kirby Nick

(Appointed 15 February 2019)
(Resigned 22 November 2018)

This report was approved by the management committee on 16 January 2020 and signed on behalf of the board by:


Mr D Clements
Chairman


Mr D Wheeler
Secretary



Mr J Rook
Treasurer

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 2019

We report on the financial statements of the society for the year ended 30 September 2019 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

31 January 2020

The Hinton St George & Locality Rural Community Services Limited

Income Statement

Year ended 30 September 2019

	Note	2019 £	2018 £
Turnover		256,872	243,011
Cost of sales		<u>180,792</u>	<u>169,498</u>
Gross profit		76,080	73,513
Administrative expenses		68,389	65,472
Other operating income		<u>3,675</u>	<u>4,599</u>
Operating profit		11,366	12,640
Other interest receivable and similar income		95	102
Interest payable and similar expenses		<u>4,272</u>	<u>4,715</u>
Profit before taxation	4	7,189	8,027
Tax on profit		<u>1,471</u>	<u>1,270</u>
Profit for the financial year		<u>5,718</u>	<u>6,757</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 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	397,790	400,975
Current assets			
Stocks		19,849	21,647
Debtors	6	2,283	2,205
Cash at bank and in hand		28,612	26,478
		<u>50,744</u>	<u>50,330</u>
Creditors: amounts falling due within one year	7	<u>34,006</u>	<u>34,256</u>
Net current assets		<u>16,738</u>	<u>16,074</u>
Total assets less current liabilities		414,528	417,049
Creditors: amounts falling due after more than one year	8	<u>153,954</u>	<u>162,213</u>
Net assets		<u>260,574</u>	<u>254,836</u>
Capital and reserves			
Called up share capital		64,565	64,545
Profit and loss account		196,009	190,291
Members funds		<u>260,574</u>	<u>254,836</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 9 form part of these financial statements.

The Hinton St George & Locality Rural Community Services Limited

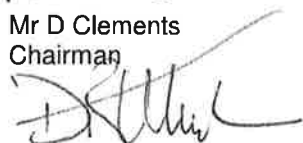
Statement of Financial Position *(continued)*

30 September 2019

These financial statements were approved by the management committee and authorised for issue on 16 January 2020, and are signed on their behalf by:



Mr D Clements
Chairman



Mr D Wheeler
Secretary



Mr J Rook
Treasurer

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 2019

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.

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.

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.

The Hinton St George & Locality Rural Community Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

2. Accounting policies *(continued)*

Tangible assets *(continued)*

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 2019

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 Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Income Statement. 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 (2018: 8).

4. Profit before taxation

Profit before taxation is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	<u>4,960</u>	<u>4,585</u>

5. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 October 2018	380,594	42,427	7,107	430,128
Additions	—	—	1,775	1,775
At 30 September 2019	<u>380,594</u>	<u>42,427</u>	<u>8,882</u>	<u>431,903</u>
Depreciation				
At 1 October 2018	—	23,239	5,914	29,153
Charge for the year	—	2,878	2,082	4,960
At 30 September 2019	<u>—</u>	<u>26,117</u>	<u>7,996</u>	<u>34,113</u>
Carrying amount				
At 30 September 2019	<u>380,594</u>	<u>16,310</u>	<u>886</u>	<u>397,790</u>
At 30 September 2018	<u>380,594</u>	<u>19,188</u>	<u>1,193</u>	<u>400,975</u>

The Hinton St George & Locality Rural Community Services Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

6. Debtors

	2019	2018
	£	£
Trade debtors	<u>2,283</u>	<u>2,205</u>

7. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	8,260	8,035
Trade creditors	9,153	10,188
Corporation tax	1,471	1,270
Social security and other taxes	1,745	2,753
Other creditors	<u>13,377</u>	<u>12,010</u>
	<u>34,006</u>	<u>34,256</u>

During the year the Society received £3,000 from Somerset Community Foundation. In accordance with the grant provisions the Society has used these funds to purchase assets. An amount of £450 has been released to the profit and loss account for the year leaving a deferred income creditor of £2,550 at the balance sheet date.

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

	2019	2018
	£	£
Bank loans and overdrafts	144,524	152,783
Community loans	<u>9,430</u>	<u>9,430</u>
	<u>153,954</u>	<u>162,213</u>

9. Related party transactions

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

The wife of one of the Committee members sells jams & chutneys to the shop. The total for was £543 for the year and all transactions are on a normal commercial basis.

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 2019

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 2019

	2019 £	2018 £
Turnover		
Sales	233,671	220,417
Post Office income	12,556	12,111
Rental income	10,448	10,309
Other income	197	174
	<u>256,872</u>	<u>243,011</u>
Cost of sales		
Opening stock - finished goods	21,647	18,000
Purchases	176,921	171,275
Newspaper delivery	2,073	1,870
	<u>200,641</u>	<u>191,145</u>
Closing stock - resale	19,849	21,647
	<u>180,792</u>	<u>169,498</u>
Gross profit	<u>76,080</u>	<u>73,513</u>
Overheads		
Administrative expenses	68,389	65,472
Profit on society trading	<u>7,691</u>	<u>8,041</u>
Grant income	1,615	1,371
Donations and fundraising	2,060	3,228
	<u>3,675</u>	<u>4,599</u>
Operating profit	<u>11,366</u>	<u>12,640</u>
Other interest receivable and similar income	95	102
Interest payable and similar expenses	(4,272)	(4,715)
Profit before taxation	<u>7,189</u>	<u>8,027</u>

The Hinton St George & Locality Rural Community Services Limited

Notes to the Detailed Income Statement

Year ended 30 September 2019

	2019 £	2018 £
Administrative expenses		
Wages and salaries	45,844	44,010
Rates and water	390	647
Light and heat	4,928	5,353
Insurance	1,369	1,143
Repairs and maintenance (allowable)	1,660	2,283
Waste disposal	532	480
Travel and subsistence	55	28
Telephone	1,593	1,427
Printing postage and stationery	445	433
Cleaning	1,206	1,095
General expenses (allowable)	522	538
Statutory fees	270	733
IT expenses	2,162	790
Advertising	141	197
Card terminal and merchant fees	1,514	1,145
Accountancy fees	645	585
Depreciation of tangible assets	4,960	4,585
Bad debts written off	153	—
	<u>68,389</u>	<u>65,472</u>
 Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>95</u>	<u>102</u>
 Interest payable and similar expenses		
Other interest payable and similar charges	<u>4,272</u>	<u>4,715</u>