

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS:

Joshua Schwieso
Richard Lee
Bridget McWilliam
Catherine Macadam
Simon Haswell
Patricia Edwards
Sian Sedgwick-Wilde
Mandy Deeks
Melanie Hall
Sally Foxhall
Sonia Hulejczuk

REGISTERED OFFICE:

Spaxton Community Stores
High Street
Spaxton
Somerset
TA5 1BS

REGISTERED NUMBER:

IP031164 (England and Wales)

ACCOUNTANTS:

Complete Professional Guidance Limited
Chartered Certified Accountants
42 Weirfield Green
Taunton
Somerset
TA1 1AZ

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of establishing and trading as a village shop for the benefit of the community.

REVIEW OF BUSINESS

The Spaxton Community Shop Society Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014, first registered on 20 January 2011. The registered society is governed by Rules of The Spaxton Community Shop Society Limited.

The Society is committed to trading for the benefit of the community, and not for anyone's private benefit and to retaining profits and applying them to achieve its purpose. Any surpluses held by the society shall, at the discretion of the management committee, be applied to a general reserve for the continuation and development of the society and/or for social or charitable purposes compatible with the objects of the society.

After completion of the building structure in the third quarter of 2014, two months of further investment followed finalising the purchase and installation of fixtures and fittings and the initial stocking of the shop. The building project was completed within budget in January 2015.

The society obtained a seven year lease from Spaxton Village Hall on 22 January 2015 and the shop opened to the general public for trading with a Grand Opening on 7 February 2015. Staffed throughout by a loyal team of local volunteers, the Community Stores additionally appointed its first employee, a Shop Manager in October 2015.

Following a successful application process, during the first quarter of 2016, a Post Office Local counter was opened inside the shop, marking the completion of the Management Committee's original plans for the Spaxton Community Stores.

The attached accounts show the financial position of the society at 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

Joshua Schwieso
Richard Lee
Bridget McWilliam
Catherine Macadam
Simon Haswell
Patricia Edwards
Sian Sedgwick-Wilde
Mandy Deeks
Melanie Hall
Sally Foxhall

Other changes in directors holding office are as follows:

Vernon Hughes - resigned 20 April 2016
Carol Smith - resigned 28 March 2016
Sonia Hulejczuk - appointed 20 April 2016

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Simon Haswell - Director

21 March 2017

**CHARTERED CERTIFIED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

Independent Accountants' Report under Section 85 of the Co-operative and Community Benefit Societies Act 2014

We report to the members on the unaudited accounts for the year ended 31 December 2016 set out on pages 2 to 8.

RESPECTIVE RESPONSIBILITIES OF OFFICERS AND REPORTING ACCOUNTANTS

The society's officers are responsible for the preparation of the accounts, and they consider that the society is entitled to opt out of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

This report is made to the society's members, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the society's members that we have done so, and state those matters that we have agreed to state to them in this 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 and the society's members, as a body, for our work or for this report.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the society, and making such limited enquiries of the officers of the society as we considered necessary for the purposes of this report. These procedures provide the only assurance expressed in our opinion.

OPINION

In our opinion:

- (a) The accounts, including the revenue account and balance sheet, are in agreement with the accounting records kept by the society under s75 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 revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- (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.

Complete Professional Guidance Limited
Chartered Certified Accountants
42 Weirfield Green
Taunton
Somerset
TA1 1AZ

21 March 2017

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
TURNOVER		178,056	152,244
Cost of sales		140,697	119,325
GROSS PROFIT		37,359	32,919
Administrative expenses		43,078	24,513
		(5,719)	8,406
Other operating income		23,944	18,853
OPERATING PROFIT	4	18,225	27,259
Interest receivable and similar income		168	137
		18,393	27,396
Interest payable and similar expenses		391	940
PROFIT BEFORE TAXATION		18,002	26,456
Tax on profit		1,106	-
PROFIT FOR THE FINANCIAL YEAR		16,896	26,456

The notes form part of these financial statements

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED (REGISTERED NUMBER: IP031164)**

**BALANCE SHEET
31 DECEMBER 2016**

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		93,571		110,010
CURRENT ASSETS					
Stocks		11,909		10,634	
Debtors	6	1,054		641	
Cash at bank and in hand		36,799		27,012	
		<u>49,762</u>		<u>38,287</u>	
CREDITORS					
Amounts falling due within one year	7	10,863		13,671	
NET CURRENT ASSETS			<u>38,899</u>		<u>24,616</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			132,470		134,626
CREDITORS					
Amounts falling due after more than one year	8		-		(1,161)
ACCRUALS AND DEFERRED INCOME			<u>(66,134)</u>		<u>(84,050)</u>
NET ASSETS			<u><u>66,336</u></u>		<u><u>49,415</u></u>
CAPITAL AND RESERVES					
Called up share capital			30,520		30,495
Retained earnings			35,816		18,920
SHAREHOLDERS' FUNDS			<u><u>66,336</u></u>		<u><u>49,415</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED (REGISTERED NUMBER: IP031164)**

**BALANCE SHEET - continued
31 DECEMBER 2016**

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 21 March 2017 and were signed on its behalf by:

Joshua Schwieso - Director

Richard Lee - Director

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	29,765	(7,536)	22,229
Changes in equity			
Issue of share capital	730	-	730
Total comprehensive income	-	26,456	26,456
Balance at 31 December 2015	<u>30,495</u>	<u>18,920</u>	<u>49,415</u>
Changes in equity			
Issue of share capital	25	-	25
Total comprehensive income	-	16,896	16,896
Balance at 31 December 2016	<u><u>30,520</u></u>	<u><u>35,816</u></u>	<u><u>66,336</u></u>

The notes form part of these financial statements

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATUTORY INFORMATION

The Spaxton Community Shop Society Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- in accordance with the property
Plant and machinery	- 33% on reducing balance
Fixtures and fittings	- 15% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated on a first in, first out basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES - continued

Grants and donations

Grants and donations are credited to deferred income. Grants and donations towards non-depreciable capital expenditure are netted off of the cost of that asset. Grants towards depreciable capital expenditure are released to the income and expenditure over the expected useful life of the assets. Grants and donations towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.

Taxation

The society does not have charitable status and is therefore liable to corporation tax. An estimate of the corporation tax liability due in respect of the taxable surplus for a financial year is included in the statement of financial activities and carried as a creditor until agreed with HM Revenue & Customs and is paid. Once the actual liability is paid any under or over provisioning is charged in or written back through the statement of financial activities.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 1.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation - owned assets	20,853	18,680

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2016	102,892	17,213	8,799	128,904
Additions	-	705	3,709	4,414
At 31 December 2016	102,892	17,918	12,508	133,318
DEPRECIATION				
At 1 January 2016	14,477	3,074	1,343	18,894
Charge for year	14,699	4,357	1,797	20,853
At 31 December 2016	29,176	7,431	3,140	39,747
NET BOOK VALUE				
At 31 December 2016	73,716	10,487	9,368	93,571
At 31 December 2015	88,415	14,139	7,456	110,010

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Other debtors	540	-
VAT	-	203
Prepayments and accrued income	514	438
	<u>1,054</u>	<u>641</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	624	6,595
Trade creditors	7,555	5,998
Tax	1,106	-
Social security and other taxes	282	78
VAT	296	-
Accrued expenses	1,000	1,000
	<u>10,863</u>	<u>13,671</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans - 1-2 years	-	1,161
	<u>-</u>	<u>1,161</u>

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**RECONCILIATION OF EQUITY
1 JANUARY 2015
(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		109,273	-	109,273
CURRENT ASSETS				
Debtors		2,059	-	2,059
Cash at bank and in hand		31,586	-	31,586
		<u>33,645</u>	<u>-</u>	<u>33,645</u>
CREDITORS				
Amounts falling due within one year		(10,209)	-	(10,209)
NET CURRENT ASSETS				
		<u>23,436</u>	<u>-</u>	<u>23,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		132,709	-	132,709
CREDITORS				
Amounts falling due after more than one year		(7,750)	-	(7,750)
ACCRUALS AND DEFERRED INCOME				
		(102,730)	-	(102,730)
NET ASSETS				
		<u>22,229</u>	<u>-</u>	<u>22,229</u>
CAPITAL AND RESERVES				
Called up share capital		29,765	-	29,765
Retained earnings		(7,536)	-	(7,536)
SHAREHOLDERS' FUNDS				
		<u>22,229</u>	<u>-</u>	<u>22,229</u>

The notes form part of these financial statements

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**RECONCILIATION OF EQUITY - continued
31 DECEMBER 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		110,010	-	110,010
CURRENT ASSETS				
Stocks		10,634	-	10,634
Debtors		641	-	641
Cash at bank and in hand		27,012	-	27,012
		<u>38,287</u>	-	<u>38,287</u>
CREDITORS				
Amounts falling due within one year		(13,671)	-	(13,671)
NET CURRENT ASSETS				
		<u>24,616</u>	-	<u>24,616</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		134,626	-	134,626
CREDITORS				
Amounts falling due after more than one year		(1,161)	-	(1,161)
ACCRUALS AND DEFERRED INCOME				
		<u>(84,050)</u>	-	<u>(84,050)</u>
NET ASSETS				
		<u>49,415</u>	-	<u>49,415</u>
CAPITAL AND RESERVES				
Called up share capital		30,495	-	30,495
Retained earnings		18,920	-	18,920
SHAREHOLDERS' FUNDS				
		<u>49,415</u>	-	<u>49,415</u>

The notes form part of these financial statements

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	152,244	-	152,244
Cost of sales	(119,325)	-	(119,325)
	<hr/>	<hr/>	<hr/>
GROSS PROFIT	32,919	-	32,919
Administrative expenses	(24,513)	-	(24,513)
Other operating income	18,853	-	18,853
	<hr/>	<hr/>	<hr/>
OPERATING PROFIT	27,259	-	27,259
Interest receivable and similar income	137	-	137
Interest payable and similar expenses	(940)	-	(940)
	<hr/>	<hr/>	<hr/>
PROFIT BEFORE TAXATION	26,456	-	26,456
Tax on profit	-	-	-
	<hr/>	<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	<u>26,456</u>	<u>-</u>	<u>26,456</u>

The notes form part of these financial statements

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016		2015	
	£	£	£	£
Sales		178,056		152,244
Cost of sales				
Opening stock	10,634		-	
Purchases	141,972		129,959	
	<u>152,606</u>		<u>129,959</u>	
Closing stock	(11,909)		(10,634)	
		<u>140,697</u>		<u>119,325</u>
GROSS PROFIT		37,359		32,919
Other income				
Sundry receipts	3,092		-	
Donations	7,939		10,514	
Grants	12,913		8,339	
Deposit account interest	168		137	
	<u>24,112</u>		<u>18,990</u>	
		61,471		51,909
Expenditure				
Hire of plant and machinery	172		129	
Rent	100		100	
Rates and water	95		33	
Light and heat	2,209		2,203	
Wages	14,487		2,420	
Telephone	599		461	
Post and stationery	346		74	
Advertising	9		87	
Licences and insurance	412		442	
Repairs and renewals	74		-	
Household and cleaning	134		25	
Meeting costs	97		189	
Regulatory fees	195		120	
Sundry expenses	981		442	
Accountancy	1,000		1,000	
Legal and professional fees	380		(2,680)	
Subscriptions	156		21	
	<u>21,446</u>		<u>5,066</u>	
		40,025		46,843
Finance costs				
Bank charges	779		767	
Bank loan interest	391		940	
	<u>1,170</u>		<u>1,707</u>	
Carried forward		38,855		45,136

This page does not form part of the statutory financial statements

**THE SPAXTON COMMUNITY SHOP SOCIETY
LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016		2015	
	£	£	£	£
Brought forward		38,855		45,136
Depreciation				
Short leasehold	14,699		14,477	
Plant and machinery	4,357		2,958	
Fixtures and fittings	1,797		1,245	
	<u> </u>	20,853	<u> </u>	18,680
NET PROFIT		<u>18,002</u>		<u>26,456</u>