

**Report of the Committee and
Unaudited Financial Statements for the Year Ended 31 December 2019
for
Houghton & Wyton Community Shop Ltd**

**Contents of the Financial Statements
for the Year Ended 31 December 2019**

	Page
Company Information	1
Report of the Committee	2
Income Statement	3
Balance Sheet	4
Notes to the Financial Statements	5
Chartered Accountants' Report	8
Trading and Profit and Loss Account	9

Houghton & Wyton Community Shop Ltd

**Company Information
for the Year Ended 31 December 2019**

MANAGEMENT COMMITTEE: Helen Boothman – Chair
Anthony Garside – Vice Chair
Paul Boothman – Treasurer until 30.09.2019
Ann Utley – Treasurer from 01.10.2019
John Mills – Secretary from 14.04.2019
Bill Skinner
John Stanger
Lesley Craig – Appointed 14.04.2019
Alan Williams – Appointed 14.04.2019 and Resigned
13.06.2019
Angela Passant – Resigned 14.04.2019
Jane Jest – Resigned 14.04.2019
Rosy Waddingham – Resigned 20.06.2019
Margaret Campbell – Resigned 20.06.2019

REGISTERED OFFICE: Houghton & Wyton Community Shop Ltd
The Green
Houghton
Cambridgeshire
PE28 2AX

REGISTERED NUMBER: 7390

ACCOUNTANTS: George Hay Partnership LLP
Chartered Accountants
St George's House
George Street
Huntingdon
Cambridgeshire
PE29 3GH

Houghton & Wyton Community Shop Ltd

Report of the Committee for the Year Ended 31 December 2019

The committee presents the report with the financial statements of the company for the year ended 31 December 2019, in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

FINANCIAL REVIEW

In our third year of operation it is really encouraging to be able to report that we have consolidated earlier sales growth by achieving a further 9.6% increase in annual sales and a 2.2% improvement in gross profit to 21.6%. On the recommendation of our accountants, we invested in a new accounting system and progressed our use of EPOS (Electronic Point of Sale) which we implemented towards the end of 2018. Our continued development of the use of these systems will provide detailed analysis to enable us to tailor our offerings to meet customer requirements thereby driving future sales growth and ultimately profits. The same systems will also drive future improvements to our working capital management and the freeing up of cash to fund ongoing investment in Our Shop.

Year on year profit has increased despite a small tax charge and prior year adjustments including £3.5k for heat and light and £1.5k for marketing. Another major success this year was the improvement in net current assets from (£1k) last year to £8.5k and to the total net assets which have increased by approximately £40k.

During the year we achieved recognition at a national level when we were mentioned in the House of Lords as well as being acknowledged as one of the top ten performing community shops in the country. Customers tell us that they very much appreciate the improved shop environment which, when combined with new product ranges and a warm welcome, has driven up both the number of daily transactions and the value of the average spend. This has however necessitated an increased investment in stock.

Our Shop's two other business elements have continued to perform well. The rental from the flat has continued to provide a steady income and the Post Office achieved the planned break even despite the many challenges including falling commission rates as a result of statutory changes.

Our plan for 2019 was to consolidate previous investments and expand the product ranges to attract new customers, which we have done. We have also moved forward with our goal to deliver on initiatives to reduce our environmental footprint. We have reduced plastic bag purchases, increased our sourcing from local suppliers by 35%, introduced glass milk bottles as well as recycling AA batteries, crisp packets, spectacles and ink cartridges. We have also continued to focus attention on increasing our interaction with the community, maintaining a pool of volunteers to support our staff and establishing the Community corner as a village meeting place.

As we move into 2020 we can see the sales growth trend is continuing. We have been able to make our first donation to the Houghton and Wyton Community Fund of £1.8k and also committed to distributing our first interest payment to shareholders, all in line with our initial 3 year plan. Our new rolling share offer will be launched in April 2020 and we plan to establish a specific fund to support share withdrawals later in the year.

As we present this annual summary it is important to record that none of Our Shop's collective achievements would be possible without the much appreciated energy, skills and commitment of our excellent staff, our wonderful volunteers, and the continued support we have from all our customers.

ON BEHALF OF THE COMMITTEE:

Helen Boothman
Chair

Ann Utley
Treasurer

John Mills
Secretary

Date: 9th March 2020

Date: 9th March 2020

Date: 9th March 2020

Houghton & Wyton Community Shop Ltd

**Income Statement
for the Year Ended 31 December 2019**

	Notes	2019 £	2018 £
TURNOVER		576,268	534,810
Cost of sales		<u>432,309</u>	<u>413,970</u>
GROSS PROFIT		143,959	120,840
Administrative expenses		<u>141,812</u>	<u>119,842</u>
		2,147	998
Other operating income		<u>43,655</u>	<u>42,844</u>
OPERATING PROFIT	4	45,802	43,842
Interest payable and similar expenses		<u>4,971</u>	<u>5,059</u>
PROFIT BEFORE TAXATION		40,831	38,783
Tax on profit		<u>1,330</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>39,501</u></u>	<u><u>38,783</u></u>

The notes form part of these financial statements

Houghton & Wyton Community Shop Ltd

Balance Sheet 31 December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	5	50,750	57,750
Tangible assets	6	<u>664,357</u>	<u>673,925</u>
		715,107	731,675
CURRENT ASSETS			
Stocks		36,747	28,403
Debtors	7	4,980	-
Cash at bank and in hand		<u>27,636</u>	<u>35,090</u>
		69,363	63,493
CREDITORS			
Amounts falling due within one year	8	<u>60,834</u>	<u>64,523</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>8,529</u>	<u>(1,030)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		723,636	730,645
CREDITORS			
Amounts falling due after more than one year	9	<u>314,180</u>	<u>360,690</u>
NET ASSETS		<u>409,456</u>	<u>369,955</u>
CAPITAL AND RESERVES			
Called up share capital	10	341,400	341,400
Retained earnings		<u>68,056</u>	<u>28,555</u>
SHAREHOLDERS' FUNDS		<u>409,456</u>	<u>369,955</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and Co-operative and Community Benefit Societies Act 2014 part 7.

The financial statements were approved by the committee on 9th March 2020 and were signed by:

Helen Boothman
Chair

Ann Utley
Treasurer

John Mills
Secretary

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

Houghton & Wyton Community Shop Ltd is a private company, limited by shares, registered in England and Wales and is regulated by the FCA and Co-operative and Community Benefit Societies Act 2014. 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" 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.

Other Income

Rent relates to the letting of the flat above the shop and is measured at the fair value of the consideration receivable.

Grant income is measured by releasing the total grant received over the period in which the conditions can be imposed by the grant provider or the usual life of the asset in which the grant was received for.

Intangible assets

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of ten years.

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Land and buildings	- 1% on cost
Plant and machinery etc	- 25% 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.

Taxation

Taxation for the period which it relates to is recognised in the Income Statement and is not discounted.

Grant income from Power to Change which is being released to the profit and loss at £30,000 a year is not taxable therefore is added back when computing taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases for the CCTV, EPOS till system and Rijo coffee machine are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Houghton & Wyton Community Shop Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 8 (2018 - 9).

4. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	9,568	9,127
Goodwill amortisation	<u>7,000</u>	<u>7,000</u>

5. INTANGIBLE FIXED ASSETS

COST

At 1 January 2019
and 31 December 2019

Goodwill
£

70,000

AMORTISATION

At 1 January 2019
Charge for year

12,250
7,000

At 31 December 2019

19,250

NET BOOK VALUE

At 31 December 2019

50,750

At 31 December 2018

57,750

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST At 1 January 2019 and 31 December 2019	<u>614,454</u>	<u>73,270</u>	<u>687,724</u>
DEPRECIATION At 1 January 2019 Charge for year	2,151 <u>1,229</u>	11,648 <u>8,339</u>	13,799 <u>9,568</u>
At 31 December 2019	<u>3,380</u>	<u>19,987</u>	<u>23,367</u>
NET BOOK VALUE At 31 December 2019	<u>611,074</u>	<u>53,283</u>	<u>664,357</u>
At 31 December 2018	<u>612,303</u>	<u>61,622</u>	<u>673,925</u>

Houghton & Wyton Community Shop Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		2019	2018
		£	£
Trade debtors		20	-
Other debtors		<u>4,960</u>	<u>-</u>
		<u>4,980</u>	<u>-</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		2019	2018
		£	£
Trade creditors		7,759	14,600
Taxation and social security		4,132	986
Other creditors		<u>48,943</u>	<u>48,937</u>
		<u>60,834</u>	<u>64,523</u>
9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
		2019	2018
		£	£
Triodos bank loan		115,087	127,892
Deferred grant income		199,093	232,798
		<u>314,180</u>	<u>360,690</u>
10. CALLED UP SHARE CAPITAL			
Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
34,140	Ordinary	£10	
			2019
			2018
			£
			£
			<u>341,400</u>
			<u>341,400</u>

11. RELATED PARTY TRANSACTIONS

The members serving on the Management Committee use the village shop operated by the company. All transactions are at full market price.

**Chartered Accountants' Report to the Director
on the Unaudited Financial Statements of
Houghton & Wyton Community Shop Ltd**

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the financial statements of Houghton & Wyton Community Shop Ltd for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the committee of Houghton & Wyton Community Shop Ltd in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Houghton & Wyton Community Shop Ltd and state those matters that we have agreed to state to the committee of Houghton & Wyton Community Shop Ltd in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Houghton & Wyton Community Shop Ltd and its committee for our work or for this report.

It is your duty to ensure that Houghton & Wyton Community Shop Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Houghton & Wyton Community Shop Ltd. You consider that Houghton & Wyton Community Shop Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Houghton & Wyton Community Shop Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

George Hay Partnership LLP
Chartered Accountants
St George's House
George Street
Huntingdon
Cambridgeshire
PE29 3GH

Date: 10th March 2020

Houghton & Wyton Community Shop Ltd

**Trading and Profit and Loss Account
for the Year Ended 31 December 2019**

	2019		2018	
	£	£	£	£
Turnover				
Shop sales	551,245		509,620	
Post Office sales	<u>25,023</u>		<u>25,190</u>	
		576,268		534,810
Cost of sales				
Opening stock	28,403		27,549	
Purchases	<u>440,653</u>		<u>414,824</u>	
	469,056		442,373	
Closing stock	<u>(36,747)</u>		<u>(28,403)</u>	
		<u>432,309</u>		<u>413,970</u>
GROSS PROFIT		143,959		120,840
Other income				
Rents received	9,834		11,400	
Sundry receipts	115		-	
Grant income	<u>33,706</u>		<u>31,444</u>	
		<u>43,655</u>		<u>42,844</u>
		187,614		163,684
Expenditure				
Hire of plant and machinery	6,631		3,299	
Rates, water and waste collection	2,371		1,269	
Insurance	1,361		1,152	
Light and heat	10,032		3,725	
Repairs to shop	4,218		6,897	
Repairs to flat	665		1,989	
Wages	83,712		76,846	
Social security	644		-	
Pensions	869		763	
Telephone and internet	1,471		779	
Post and stationery	2,104		1,324	
Advertising	2,043		125	
Sundry expenses	1,154		1,384	
Accountancy and payroll management	2,983		2,373	
Letting fees	400		-	
Legal & Professional	625		191	
Auditors remuneration	-		100	
		<u>121,283</u>		<u>102,216</u>
		66,331		61,468
Finance costs				
Credit card	3,961		1,499	
Loan interest	<u>4,971</u>		<u>5,059</u>	
		<u>8,932</u>		<u>6,558</u>
Carried forward		57,399		54,910

This page does not form part of the statutory financial statements

Houghton & Wyton Community Shop Ltd

**Trading and Profit and Loss Account
for the Year Ended 31 December 2019**

	2019		2018	
	£	£	£	£
Brought forward		57,399		54,910
Depreciation				
Goodwill amortisation	7,000		7,000	
Freehold property	1,229		1,229	
Fixtures and fittings	<u>8,339</u>		<u>7,898</u>	
		<u>16,568</u>		<u>16,127</u>
NET PROFIT		<u>40,831</u>		<u>38,783</u>