

**BROCKWEIR AND HEWELSFIELD VILLAGE SHOP ASSOCIATION
LIMITED**

Registered under the Industrial and Provident Societies Acts 1965 - 2002

Registered Number: 29285R

ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2010**

BROCKWEIR AND HEWELSFIELD VILLAGE SHOP ASSOCIATION LIMITED

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INDEPENDENT ACCOUNTANTS' REPORT UNDER S9A OF THE FRIENDLY AND INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1968

We report to the members on the unaudited accounts for the year ended 31 December 2010 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 are in agreement with the accounting records kept by the society under s1 of the Friendly and Industrial and Provident Societies Act 1968;
- (b) having regard only to, and on the basis of, the information contained in those accounting records the accounts have been drawn up in a manner consistent with the accounting requirements of the Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965; and
- (c) the society satisfied the conditions for exemption from an audit of the accounts for the year specified in s4A(1) of the Act and did not, at any time within that year, fall within any of the categories of societies not entitled to the exemption specified in s4A(3).

This report has not been signed

Crowe Clark Whitehill LLP

Chartered Accountants
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

BROCKWEIR AND HEWELSFIELD VILLAGE SHOP ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2010

| | Note | 2010 | | 2009 | |
|---------------------------------|------|--------|---------------------|--------|---------------------|
| | | £ | £ | £ | £ |
| Turnover | 2 | | 235,038 | | 221,099 |
| Cost of sales | 3 | | (177,689) | | (168,813) |
| | | | <u>57,349</u> | | <u>52,286</u> |
| Other income | 4 | | 5,729 | | 11,924 |
| | | | <u>63,078</u> | | <u>64,210</u> |
| LESS: EXPENSES | | | | | |
| Employee costs | 5 | 29,706 | | 30,190 | |
| Premises costs | 6 | 17,878 | | 13,776 | |
| Administration expenses | 7 | 7,646 | | 9,086 | |
| Finance expenses | 8 | 3,803 | | 2,914 | |
| | | | <u>59,033</u> | | <u>55,966</u> |
| NET SURPLUS FOR THE YEAR | | | <u><u>4,045</u></u> | | <u><u>8,244</u></u> |

The notes on pages 4 to 8 form part of these accounts.

BROCKWEIR AND HEWELSFIELD VILLAGE SHOP ASSOCIATION LIMITED

BALANCE SHEET
As at 31 December 2010

| | Note | 2010 | | 2009 | |
|--|------|-----------------|------------------|-----------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 9 | | 237,772 | | 240,206 |
| CURRENT ASSETS | | | | | |
| Stock | | 22,800 | | 21,300 | |
| Debtors | 10 | 5,849 | | 6,318 | |
| Cash at bank and in hand | | 22,348 | | 22,791 | |
| | | <u>50,997</u> | | <u>50,409</u> | |
| CREDITORS DUE WITHIN ONE YEAR | 11 | <u>(22,971)</u> | | <u>(15,945)</u> | |
| | | | <u>28,026</u> | | <u>34,464</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>265,798</u> | | <u>274,670</u> |
| CREDITORS DUE IN MORE THAN ONE YEAR | 12 | | <u>(228,615)</u> | | <u>(241,532)</u> |
| NET ASSETS | | | <u>37,183</u> | | <u>33,138</u> |
| RESERVES | | | | | |
| At 1 January 2010 | | | 33,138 | | 24,894 |
| Surplus | | | 4,045 | | 8,244 |
| | | | <u>37,183</u> | | <u>33,138</u> |
| At 31 December 2010 | | | <u>37,183</u> | | <u>33,138</u> |

These accounts were approved and authorised for issue by the committee on behalf by:

and signed on its

J Craven
Chairman

V Mackey
Secretary

The notes on pages 4 to 8 form part of these accounts.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

The accounts have been prepared under the historical cost convention.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-----------------------------------|---|---------------------------|
| Property | - | 2% straight line |
| Furniture, fittings and equipment | - | 20 - 33% reducing balance |

Depreciation is offset against the original government grant received to build the shop.

1.3 Bonds

This money can be used to assist the build and setting up of the village shop, with the intention to repay the individual Bondholders as a priority as soon as financial circumstances allow. Some bonds have been repaid or donated back to the shop during the year.

1.4 Income and expenditure

Income and expenditure are disclosed net of VAT.

1.5 Grants

Grants received towards the original build of the Shop are included on the balance sheet. The annual depreciation charge is offset against this each year.

1.6 Going concern

The Association depends on its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate that the Association expects to be able to operate within these facilities for the whole of the foreseeable future. These facilities are renewed annually and are not guaranteed for the period covered by the going concern review. The Association is not aware, however, of any circumstances that may adversely affect the renewal of these facilities. Accordingly, the Association believes it is appropriate to prepare the financial statements on the going concern basis.

2. TURNOVER

| | 2010 | 2009 |
|-------------------------|---------|---------|
| | £ | £ |
| Shop income | 232,673 | 216,574 |
| IT Suite | 1,430 | 3,436 |
| Association memberships | 935 | 1,089 |
| | 235,038 | 221,099 |

BROCKWEIR AND HEWELSFIELD VILLAGE SHOP ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

3. COST OF SALES

| | 2010 | 2009 |
|-------------------|-----------------|-----------------|
| | £ | £ |
| Opening stocks | 21,300 | <i>21,000</i> |
| Purchases | 179,189 | <i>169,236</i> |
| Closing stocks | (22,800) | <i>(21,300)</i> |
| Discounts allowed | - | <i>(123)</i> |
| | 177,689 | <i>168,813</i> |

4. OTHER INCOME

| | 2010 | 2009 |
|--------------------------|--------------|---------------|
| | £ | £ |
| Bond income | 600 | <i>6,785</i> |
| Other income | 2,000 | <i>75</i> |
| Rent receivable | 3,120 | <i>4,400</i> |
| Bank interest receivable | 9 | <i>664</i> |
| | 5,729 | <i>11,924</i> |

5. EMPLOYEE COSTS

| | 2010 | 2009 |
|-------------------|---------------|---------------|
| | £ | £ |
| Staff salaries | 29,561 | <i>29,309</i> |
| Staff training | 47 | <i>881</i> |
| Recruitment costs | 98 | <i>-</i> |
| | 29,706 | <i>30,190</i> |

6. PREMISES COSTS

| | 2010 | 2009 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Mackenzie Hall lease | 616 | <i>636</i> |
| Rates | 996 | <i>1,478</i> |
| Light and heat | 7,166 | <i>5,056</i> |
| Insurances | 3,074 | <i>2,977</i> |
| Repairs and maintenance | 4,826 | <i>3,629</i> |
| Rent deposit repaid | 1,200 | <i>-</i> |
| | 17,878 | <i>13,776</i> |

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

7. ADMINISTRATION EXPENSES

| | 2010 | 2009 |
|-------------------------|--------------|--------------|
| | £ | £ |
| Printing and stationery | 311 | 451 |
| Telephone and fax | 1,729 | 1,290 |
| Equipment leasing | 1,507 | 1,369 |
| Consumables | 1,620 | 1,874 |
| Donations | 98 | - |
| Motor running costs | - | 125 |
| Advertising | 216 | 404 |
| Subscriptions | 380 | 180 |
| Legal and professional | 270 | 233 |
| Accountancy fees | 1,515 | 3,059 |
| Bad debts | - | 101 |
| | <u>7,646</u> | <u>9,086</u> |

8. FINANCE EXPENSES

| | 2010 | 2009 |
|---------------------------------------|--------------|--------------|
| | £ | £ |
| Charity bank fee and interest | 189 | 447 |
| Bonds interest paid | 1,428 | 1,509 |
| Bank charges | 1,174 | 994 |
| Corporation tax paid | - | 864 |
| Loss/(profit) on sale of fixed assets | 1,012 | (900) |
| | <u>3,803</u> | <u>2,914</u> |

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

9. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Furniture fittings and equipment £ | Total £ |
|----------------------------|----------------------------|---|------------|
| Cost | | | |
| At 1 January 2010 | 257,051 | 54,810 | 311,861 |
| Additions | - | 8,460 | 8,460 |
| Disposals | - | (7,227) | (7,227) |
| | 257,051 | 56,043 | 313,094 |
| Depreciation | | | |
| At 1 January 2010 | 30,232 | 41,423 | 71,655 |
| Charge for the year | 5,141 | 4,241 | 9,382 |
| On disposals | - | (5,715) | (5,715) |
| | 35,373 | 39,949 | 75,322 |
| Net book value | | | |
| At 31 December 2010 | 221,678 | 16,094 | 237,772 |
| <i>At 31 December 2009</i> | 226,819 | 13,387 | 240,206 |

10. DEBTORS

| | 2010 £ | 2009 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Trade debtors | 3,178 | 4,476 |
| Prepayments and accrued income | 2,671 | 1,842 |
| | 5,849 | 6,318 |
| | 5,849 | 6,318 |

BROCKWEIR AND HEWELSFIELD VILLAGE SHOP ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

11. CREDITORS DUE WITHIN ONE YEAR

| | 2010 | 2009 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Payments received on account | 1,394 | - |
| Trade creditors | 1,778 | 3,438 |
| Bank loans | 715 | 5,167 |
| Social security and other taxes | 1,709 | 2,509 |
| Bank overdraft | 14,134 | - |
| Accruals and deferred income | 3,241 | 4,831 |
| | <u>22,971</u> | <u>15,945</u> |

12. CREDITORS DUE IN MORE THAN ONE YEAR

| | 2010 | 2009 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Government grants (See note 13) | 217,274 | 226,656 |
| Interest free bonds | 11,341 | 14,876 |
| | <u>228,615</u> | <u>241,532</u> |

13. GOVERNMENT GRANTS

| | 2010 | 2009 |
|--------------------------|----------------|----------------|
| | £ | £ |
| At 1 January 2010 | 226,656 | 235,517 |
| Released during the year | (9,382) | (8,861) |
| | <u>217,274</u> | <u>226,656</u> |