

Candover Valley Community Store Limited
Unaudited Financial Statements
30 June 2023

Candover Valley Community Store Limited

Financial Statements

Year ended 30 June 2023

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Candover Valley Community Store Limited

Management Committee Report

Year ended 30 June 2023

The members present their report and the unaudited financial statements of the society for the year ended 30 June 2023.

Principal activities

The principal activity of the society is to run a village community store and post office.

Business Review

This set of accounts covers the period 1 July 2022 to 30 June 2023, the fourth year of trading of the Candover Valley Community Store (CVCS).

Trading in CVCS's fourth year has settled into a satisfactorily steady pattern and there have been pleasing signs of growth which have resulted in a turnover of £425.9K, some 12.8% up on the previous year.

This growth in turnover is to be celebrated as it is not purely driven by inflation, as is the case for some of our significant retail competitors. In addition, our total number of visits (55, 709) was up on last year by 3.2%, with volume up by 0.3%; a formidable result in hugely competitive times.

A month-on-month comparison shows that in August, September, October, December and March trading was up on the same months in all previous financial years. In May and June, trading showed significant growth over the previous two financial years (if not reaching the heady peaks of the Covid lock-downs in 2020). Our best-ever week in this financial year was Christmas week when we took £11,387 in just six days of trading. Our second best week was in June, when we achieved our highest ever number of weekly transactions (1310) which may have been helped by glorious weather and excellent sales of chilled refreshments and Hampshire products such as Judes ice cream, New Forest strawberries and Rogate Farm asparagus!

CVCS can therefore report a profit of £2,955 - a turn-round from the net loss of £5,097 experienced in the last financial year.

CVCS staff and the management committee have worked hard to contain costs where possible and to manage margins in order to return the store to profitability. These results are good for a small rural community store faced with stiff competition from supermarkets and discount chains trading in a year that has not been without its challenges. This year's financial report may show only a modest profit but it must be remembered that a community store needs only to achieve modest results to fulfil its business objectives.

Increased staff costs

Wages and salaries make up 62% of CVCS's administrative expenses and show an 11% increase on the previous year. Staff costs are a wholly necessary expense if the store and post office are to remain

Candover Valley Community Store Limited

Management Committee Report *(continued)*

Year ended 30 June 2023

open and fully staffed for 6 and a half days a week, 363 days a year. Staff absences due to long term sickness and maternity leave also had to be covered for half the financial year.

In January 2023, when financial forecasts were indicating CVCS could make a significant loss at year-end, staff costs were reviewed and the decision taken to reduce paid staff hours to a more affordable level (while honouring contractual agreements). To ensure the store and post office remained open and fully staffed, CVCS's four volunteer duty managers (Carolyn, Jocelyn, Lucy and Jane) had to step up to fill in the gaps in the rota.

At the end of the financial year, CVCS had one full-time and four part-time members of paid staff. Garry Green, our store manager, is full-time (but reduced his working hours by one day a fortnight in January 2023); Emma Simpson, our part-time assistant manager came back from maternity leave in November 2022 to join a team of part-time senior assistants Alison Cumber, Louise Harris and Rebecca Jackson. Part-time senior assistant Sean Ellis left in December 2022 after a period of long-term sick leave. A loyal band of about 40 volunteers assist the paid staff in running the store on a day-to-day basis and the CVCS management committee is most grateful for all their efforts on behalf of the store.

CVCS has continued to employ youth workers aged 16 - 19 years to help cover shifts at weekends. CVCS is proud to be able to provide job opportunities and valuable work experience in an area where part-time jobs are scarce.

Investments to improve store operations

The business review of the previous financial year reported that the CVCS committee had taken the major decision to invest in a new point of sale (POS) software system together with two new tills and card readers to replace the existing tills, card readers and entire back-office system.

The significant investment in the new ProEPOS system was made in the last financial year but the implementation was planned for this financial year and the transfer from old system to new was completed seamlessly in late August/early September - a major achievement for Chris and Garry who prepared for and implemented the new system. ProEPOS has proved to be a very worthwhile investment delivering significant benefits such as bar-coded shelf-edge labels; hand held scanners allowing label printing and easier stock updating; automatic transfer of product information from Costcutter (the wholesaler) obviating much of the need for laborious manual entry and improving the accuracy and efficiency of stock-taking - this year the annual stock-take was completed in just one day!

However, as known and anticipated, the costs of running the new ProEPOS system have increased and these are reflected in higher IT software and consumables compared to last year and also higher bank charges, both noted under administrative expenses. Together with Garry, the management committee will review further opportunities to improve efficiency and savings by enhanced use of the ProEPOS system.

Cost cutting

In an effort to contain and reduce administrative expenses in other areas, CVCS switched the current account to the Cooperative Bank to reduce bank charges and moved to a different phone/broadband contract.

The year in brief

In September, the store was closed for most of the day of the state funeral of Her Late Majesty Queen Elizabeth II; in October, Hampshire County Council (HCC) very nearly closed the shop for three days while road repairs were undertaken in Preston Candover - proving that under normal circumstances when the road is actually open, the store does get a lot of passing trade. In November the big open deck chiller went down but was quickly repaired, albeit at considerable expense.

In December and January, CVCS promoted support of the local foodbanks. Customers responded

Candover Valley Community Store Limited

Management Committee Report *(continued)*

Year ended 30 June 2023

with great generosity and the committee is grateful to Carolyn Dawnay, Jane Ballard and Anne Luneburg for ensuring donated products reached the Alton and Basingstoke foodbanks. Support of the foodbank has continued throughout the year.

In February, the right hand side of the Village Hall car park was resurfaced, and the cost of this was borne jointly by the Village Hall and the store. From February to April, CVCS survived a planned power outage with help from Scottish and Southern Electricity, endured another four day road closure courtesy of HCC and suffered a further chiller breakdown.

On a more positive note in late April, the CVCS kitchen garden project got underway. With the kind permission of Lady Sainsbury and the help of Paul and Tina from Preston House, the store was granted permission to cultivate an area of the Preston House walled kitchen garden. A band of gardening volunteers was gathered together with the aim of planting flowers and produce for the store. No one knew if this experiment would be worthwhile or if it would repay the required effort and cost of insurance, but at the end of the financial year (June) a selection of flowers and home-grown seasonal vegetables had started coming into the store and it is hoped given the necessary permissions, that the experiment will continue next year.

In May we celebrated the Coronation and survived a succession of bank holidays (three in one month!).

On 18 June at the end of CVCS's second best-ever week, the telegraph pole carrying the CVCS phone and internet line was knocked down. For four days, CVCS staff and volunteers coped valiantly with cash-only transactions. until, thanks to the kindness of the trustees of the Village Hall and the ingenuity of Barrington Clarke and Garry, a new ethernet cable was jury-rigged up to the Village Hall router. While this restored the connection to the card readers and tills, disruption continued for a further four weeks until the telegraph pole was finally replaced and the store internet reinstated. The difficulties at the end of June were compounded when in the last week of the financial year, the store and post office were broken into. The disruption to trading and the damage caused by the burglary were to continue for several subsequent weeks - but the recovery from this set-back will be reported upon in next year's business review.

The CVCS management committee is profoundly grateful for the above-and-beyond help given by so many members of the community immediately after the burglary. This meant so much and was a true reflection of how CVCS really is part of the community family. It is a tribute to the resolve and resourcefulness of the store's staff, volunteers and management committee and to the kindness, patience and support of our customers that only one day of trading was lost after the burglary and that the difficulties of of the last two weeks of June 2023 have been overcome.

Stocking the store

Garry has continued to keep the offering of the store fresh and interesting with a huge range of fresh fruit and veg, everyday products, as well as special treats and luxury items. CVCS is proud to support many local businesses and in 2023 joined Hampshire Fare, an organisation that champions local Hampshire businesses and encourages folk to look close to home and discover the joys of local produce. CVCS's customers (both old and new) actively seek out the store to find local products such as Moon Roast coffee, Max Rolfe's preserves, Bradley Orchard's jams, jellies and apple juice, Tim Hides' Hampshire honey, Chalkstream smoked trout and salmon, Judes Ice cream, Hampshire Cheeses, Slade Farm asparagus from Rogate, New Forest strawberries and raspberries, bedding plants from Four Marks, Hairy Pots (perennial plants) from Kirton Farm Nurseries, speciality breads from Beres Bakes, brownies from the Handmade Brownie company in Basingstoke, Summerdown mints and toiletries, Isle of Wight tomatoes (in season), beer from the Flowerpots brewery in Cheriton and wonderful locally produced wines from Candover Brook, the Grange Estate and Hattingley Valley.

Going forward

The results outlined in this report show only a modest profit, but the management committee is delighted that CVCS has recovered from the loss of the previous financial year and shown strong

Candover Valley Community Store Limited

Management Committee Report *(continued)*

Year ended 30 June 2023

signs of growth.

CVCS continues to be a very well supported, well stocked and attractively presented shop, coffee area and post office that employs five members of both full-time and part-time staff and offers local employment opportunities to 16 - 19yr olds.

As CVCS enters its fifth year of trading, unsettling international events, uncertain economic times and the challenges of the rising cost of living undoubtedly lie ahead. The CVCS management committee will continue to monitor costs and expenses against revenue and to set cautiously optimistic targets for the future, in the knowledge that we have a loyal and burgeoning customer base who are aware of the location and offering of the store and recognise the vital contribution that the store makes to the whole community.

Thanks

The CVCS management committee would like to extend their heartfelt thanks to Garry Green (store manager); Emma Simpson (assistant manager); Alison Cumber, Louise Harris, Rebecca Jackson (senior assistants) and all the CVCS volunteers and youth workers for their incredibly hard work keeping the store and post office open and so well stocked during the fourth full year of trading. The committee also wish to thank all those volunteers who work unseen in the background carrying out many and varied maintenance tasks from repairing equipment, date checking, cleaning, painting and decorating, fitting new ethernet cables and sorting out the IT issues, posting updates on social media, to baking cakes and picking up weekly cheese deliveries.

Finally the committee would like to thank all the CVCS shareholders and loyal customers for their steadfast support.

Members

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

J Ballard
C Dawnay
A Ellett
L Muncey
J Laws
C Smith
J Rogerson
W Simson
H Webb

(Resigned 31 January 2023)

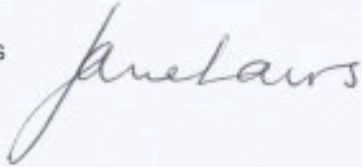
Candover Valley Community Store Limited

Management Committee Report *(continued)*

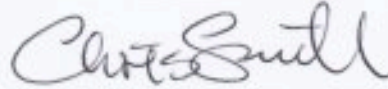
Year ended 30 June 2023

This report was approved by the management committee on 24/11/23 and signed on behalf of the board by:

J Laws
Chair



C Smith
Treasurer



L Muncey
Secretary



Registered office:
Candover Valley Store
Alresford Road
Preston Candover
Hampshire
RG25 2EE

Candover Valley Community Store Limited

Independent Accountant's Report to Candover Valley Community Store Limited

Year ended 30 June 2023

We report on the financial statements of the society for the year ended 30 June 2023 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

Candover Valley Community Store Limited

Income Statement

Year ended 30 June 2023

	Note	2023 £	2022 £
Turnover		425,916	377,651
Cost of sales		<u>322,217</u>	<u>296,698</u>
Gross profit		103,699	80,953
Administrative expenses		122,631	106,506
Other operating income		<u>20,998</u>	<u>20,377</u>
Operating profit/(loss)		2,066	(5,176)
Other interest receivable and similar income		<u>889</u>	<u>79</u>
Profit/(loss) before taxation	4	2,955	(5,097)
Tax on profit/(loss)		<u>—</u>	<u>—</u>
Profit/(loss) for the financial year		<u><u>2,955</u></u>	<u><u>(5,097)</u></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 10 to 12 form part of these financial statements.

Candover Valley Community Store Limited

Statement of Financial Position

30 June 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	151,377	163,781
Current assets			
Stocks		18,215	22,840
Debtors	6	5,469	6,416
Cash at bank and in hand		118,979	97,245
		<u>142,663</u>	<u>126,501</u>
Creditors: amounts falling due within one year	7	<u>103,443</u>	<u>102,640</u>
Net current assets		<u>39,220</u>	<u>23,861</u>
Total assets less current liabilities		<u>190,597</u>	<u>187,642</u>
Net assets		<u>190,597</u>	<u>187,642</u>
Capital and reserves			
Called up share capital		52,880	52,880
Profit and loss account		137,717	134,762
Members funds		<u>190,597</u>	<u>187,642</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 10 to 12 form part of these financial statements.

Candover Valley Community Store Limited

Statement of Financial Position *(continued)*

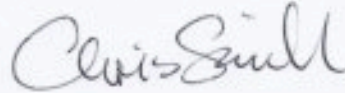
30 June 2023

These financial statements were approved by the management committee and authorised for issue on 24/11/23, and are signed on their behalf by:

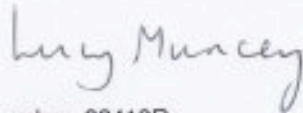
J Laws
Chair



C Smith
Treasurer



L Muncey
Secretary



Registration number: 32413R

The notes on pages 10 to 12 form part of these financial statements.

Candover Valley Community Store Limited

Notes to the Financial Statements

Year ended 30 June 2023

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is Candover Valley Store, Alresford Road, Preston Candover, Hampshire, RG25 2EE.

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 is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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:

Long leasehold property	-	5% straight line
Equipment	-	20% reducing balance

Candover Valley Community Store Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

2. Accounting policies *(continued)*

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.

3. Employee numbers

The average number of persons employed by the society during the year amounted to 3 (2022: 3).

4. Profit before taxation

Profit before taxation is stated after charging:

	2023	2022
	£	£
Depreciation of tangible assets	<u>14,057</u>	<u>15,276</u>

Candover Valley Community Store Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

5. Tangible assets

	Long leasehold property £	Equipment £	Total £
Cost			
At 1 July 2022	161,088	53,168	214,256
Additions	–	1,653	1,653
At 30 June 2023	<u>161,088</u>	<u>54,821</u>	<u>215,909</u>
Depreciation			
At 1 July 2022	26,240	24,235	50,475
Charge for the year	8,043	6,014	14,057
At 30 June 2023	<u>34,283</u>	<u>30,249</u>	<u>64,532</u>
Carrying amount			
At 30 June 2023	<u>126,805</u>	<u>24,572</u>	<u>151,377</u>
At 30 June 2022	<u>134,848</u>	<u>28,933</u>	<u>163,781</u>

6. Debtors

	2023 £	2022 £
Trade debtors	4,359	3,065
Other debtors	1,110	3,351
	<u>5,469</u>	<u>6,416</u>

7. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	16,522	7,948
Social security and other taxes	2,947	1,725
Other creditors	83,974	92,967
	<u>103,443</u>	<u>102,640</u>

Candover Valley Community Store Limited

Management Information

Year ended 30 June 2023

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

Candover Valley Community Store Limited

Detailed Income Statement

Year ended 30 June 2023

	2023	2022
	£	£
Turnover		
Sales	425,916	377,651
Cost of sales		
Opening stock - raw materials	22,840	20,227
Purchases	317,191	298,680
Discrepancies in Year	(128)	478
Direct costs	529	153
	<u>340,432</u>	<u>319,538</u>
Closing stock	18,215	22,840
	<u>322,217</u>	<u>296,698</u>
Gross profit	<u>103,699</u>	<u>80,953</u>
Overheads		
Administrative expenses	122,631	106,506
Loss on society trading	<u>(18,932)</u>	<u>(25,553)</u>
Capital grant income	9,008	9,008
Post Office commission	11,990	11,884
Revenue grant income	–	(515)
	<u>20,998</u>	<u>20,377</u>
Operating profit/(loss)	<u>2,066</u>	<u>(5,176)</u>
Other interest receivable and similar income	889	79
Profit/(loss) before taxation	<u><u>2,955</u></u>	<u><u>(5,097)</u></u>

Candover Valley Community Store Limited

Notes to the Detailed Income Statement

Year ended 30 June 2023

	2023	2022
	£	£
Administrative expenses		
Wages and salaries	75,091	67,536
Rent	780	–
Light and heat	5,804	5,150
Insurance	1,488	327
Repairs and maintenance (allowable)	4,808	334
Waste Disposal	1,648	1,285
Cleaning costs	242	42
Telephone	769	759
IT software and consumables	2,217	1,269
Printing postage and stationery	525	279
Sundry expenses	1,792	1,771
Charitable donations (allowable)	193	50
Community giving	3,487	4,337
Advertising	485	485
Entertaining	499	627
Legal and professional fees (allowable)	2,648	3,565
Accountancy fees	805	820
Depreciation of tangible assets	14,057	15,276
Bank charges	5,293	2,594
	<u>122,631</u>	<u>106,506</u>
Other interest receivable and similar income		
Interest Income	<u>889</u>	<u>79</u>