

The Tewin Stores Association Ltd

trading as
Tewin Stores

Committee Members' Report and Unaudited Financial Statements

for the Year Ended 30 September 2019

Holdings Limited
Chartered Certified Accountants & Business Advisors
5 Coopers Court
Folly Island
Hertford
SG14 1UB

**The Tewin Stores Association Ltd
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Tewin Stores**

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**The Tewin Stores Association Ltd
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Company Information

Chair Gerry Smith (Chair)

Committee Members Gerry Smith (Chair)
 Linda Crawford (Vice Chair)
 Doreen Lloyd (Vice-Treasurer)
 Eleanor Lohr (Hon Secretary)
 Graham Spring
 Maureen Yates
 Jenny Mason (Treasurer) – Appointed 09.01.2019
 Jacquie Mercer

Secretary Eleanor Lohr (Hon. Secretary)

Registered office 12b Hertford Road
 Tewin
 Welwyn
 Hertfordshire
 AL6 0JY

Bankers HSBC

Accountants Holdings Limited
 Chartered Certified Accountants & Business Advisors
 5 Coopers Court
 Folly Island
 Hertford
 SG14 1UB

**The Tewin Stores Association Ltd
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Committee Members' Report for the Year Ended 30 September 2019

The Committee present their report and the financial statements for the year ended 30 September 2019.

Incorporation details

The association was incorporated under the Co-operative and Community Benefit Societies Act 2014 (formerly the Industrial and Provident Societies Acts 1965-2002) on 9th October 2007 and commenced trading on 21st February 2008.

Principal activity

The principal activity of the association is the operation of a community shop, post office and cafe for the benefit of local residents.

Committee Members

The Committee Members who held office during the year were as follows:

Gerry Smith (Chair)
Linda Crawford (Vice Chair)
Doreen Lloyd (Vice-Treasurer)
Eleanor Lohr (Hon Secretary)
Graham Spring
Maureen Yates
Jenny Mason (Treasurer) – Appointed 09.01.2019
Jacquie Mercer

**The Tewin Stores Association Ltd
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Committee Members' Report for the Year Ended 30 September 2019

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Review of the year and plans for the future

It has been a landmark year for Tewin Stores having at long last secured the freehold for the property at the end of the financial year. This, we hope, will help secure the future of this village asset for the foreseeable future. The purchase was achieved with the support of the community as whole, Tewin Parish Council and an extremely generous bequest from the late Geoffrey Malin. A figure of £80,875 was raised through the share issue as well as specific donations for the purchase of the freehold. The share issue attracted 126 new shareholders giving us a total of 322 shareholders, and therefore members, of The Tewin Stores Association Ltd. This reflects the desire of our community to ensure the long-term future of our store and post office in the knowledge that without it Tewin would be a poorer place.

Tewin Stores and Café continues to be a social enterprise that supports and serves our village at the same time needing to make a profit to stay in business. Like all "high street" businesses we need to fight hard to combat the attraction of on-line shopping, discount supermarkets and local competition. Despite the difficult trading conditions, widely reported for the retail trade, we are pleased to announce a small increase in turnover with this year's figure of £159,285 being nearly 5% above last year's total. More importantly we are also able to show a sizeable increase in profit having achieved a figure of £6,478 which is an increase of 26% over last year's figure of £5,129.

We continue to monitor our overheads on a month by month basis and the fact that, due to the purchase of the freehold, we no longer need to pay rent will help in this area. We have now succeeded in securing a contract with our energy suppliers that will hopefully stabilise these prices for the coming two years. Purchasing the premises has also allowed us to secure a more favourable buildings insurance contract rather than the one previously negotiated by the landlords.

Over and above normal trading, our revenue stream is boosted by general donations, income from the 100 Club, special breakfast mornings, lunches and afternoon teas as well as our stalls at the Village Fete and Classic Car Show.

It was a great relief to secure the services of Jacquie Houston who has become our Saturday morning manager, ensuring ongoing café offerings as well as the normal shop services on our busy Saturday mornings.

In this social media focused age how we publicise Tewin Stores, and the products and services it has to offer, has become all the more important. During the year we have increased our use of Facebook, our Web Page and e-mail via "Tewin Stores News" to get our message across. We now have a promotional video available for all to see both on You Tube and Facebook.

Changes to the Committee

Jenny Mason was elected as Treasurer in January 2019. Jenny is an experienced accountant and her input has already proved invaluable.

Staffing and Volunteers

Our part time Manager Bev Barraclough continues to do sterling work running the shop, organising volunteers, and dealing with the vagaries of our suppliers.

As already mentioned, we have added a Saturday morning manager to our staff and Jacquie Houston has already proved herself to be a great asset.

We are also pleased to have secured the services of Jo Holmes as our book keeper. Jo was pleased to add Tewin Stores to her list of clients as she is keen to support local community projects.

Unfortunately, Alan Day, our newspaper delivery man, continues to suffer from ill health and we are very grateful that his wife and son, Julie and Paul, continue to step into the breach. We wish Alan well.

**The Tewin Stores Association Ltd
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Committee Members' Report for the Year Ended 30 September 2019

..... continued

We continue to benefit from the services of Duke of Edinburgh Award students and their work at the end of the day and at weekends is invaluable. The students are a credit to themselves and are another example of how Tewin Stores can help the community and reap rewards at the same time.

The shop could not operate without our many volunteers and we are eternally grateful to them along with those who do "odd jobs" for us when needed.

Our Future Strategy

We need to ensure Tewin Stores is an attractive destination, not only for its existing loyal customer base, but for the whole spectrum of the community both young and old. At the same time, we must ensure it remains a viable business with a long-term future bearing in mind its community objectives.

The share issue provided us, after the purchase of the freehold, with a surplus that will be put towards the development and maintenance of the shop. We believe that an essential development is the extension and enhancement of our café facilities to provide an all year-round service currently curtailed by the inability to use the courtyard in winter months. How best to do this, and carry out essential maintenance, is currently being reviewed with the help of local expertise. We are committed to keeping all shareholding members, volunteers and customers fully informed of future developments.

Approved by the Board and signed on its behalf by:

.....
Gerry Smith (Chair)

.....
Eleanor Lohr (Hon. Secretary)

Date

Date

**Chartered Chartered Certified Accountants' Report to the Committee and Members on the
Unaudited Financial Statements of
The Tewin Stores Association Ltd trading as Tewin Stores**

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014 , we have compiled the financial statements of the association which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the society's Committee, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the society's Committee 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 Committee, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Association of Chartered Certified Accountants and have complied with the ethical guidance laid down by the Association relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 30 September 2018 your duty to ensure that the society has kept proper accounting records and to prepare financial statements that give a true and fair view under the Co-operative and Community Benefit Societies Act 2014 . You consider that the association is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. However, we have verified the accuracy and completeness of the accounting records and information and explanations you have given to us and, in our opinion, the financial statements comply with those underlying records.

Under section 85 of the Co-operative and Community Benefit Societies Act 2014, in our opinion:-

- The revenue account or accounts and the balance sheet are in agreement with the books of account kept by the society;
- On the basis of the information contained in the books of account, the revenue account etc. comply with the requirements of the Co-operative and Community Benefit Societies Act 2014;
- The financial criteria allowing the production of a report instead of a full audit report have been met.

.....
Holdings Limited
Chartered Certified Accountants & Business Advisors

5 Coopers Court
Folly Island
Hertford
SG14 1UB

Date:.....

**The Tewin Stores Association Ltd
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Profit and Loss Account for the Year Ended 30 September 2019

	Note	2019 £	2018 £
Turnover		159,285	152,249
Cost of sales		(118,723)	(114,387)
Gross profit		40,562	37,862
Administrative expenses		(38,465)	(35,832)
Other operating income		3,275	3,060
Operating profit	3	5,372	5,090
Other interest receivable and similar income		1,106	39
Profit on ordinary activities before taxation		6,478	5,129
Profit for the financial year	8	6,478	5,129
Profit and loss reserve brought forward		33,028	27,899
Profit and loss reserve carried forward		39,506	33,028

The notes on pages 8 to 11 form an integral part of these financial statements.

**The Tewin Stores Association Ltd
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Balance Sheet as at 30 September 2019

	Note	2019	2018
		£	£
Fixed assets			
Tangible assets	4	156,762	5,658
Current assets			
Stocks		8,247	6,462
Debtors	5	7,112	6,689
Cash at bank and in hand		89,750	140,883
		105,109	154,034
Creditors: Amounts falling due within one year	6	(4,590)	(8,539)
Net current assets		100,519	145,495
Net assets		<u>257,281</u>	<u>151,153</u>
Capital and reserves			
Members' and non-members' capital donations, grant funding and bequests	7	217,775	118,125
Profit and loss reserve	8	39,506	33,028
Accumulated funds		<u>257,281</u>	<u>151,153</u>

For the financial year ended 30 September 2019, the society was entitled to exemption from audit under section 84 of the Co-operative and Community Benefit Societies Act 2014 and a resolution to that effect has been passed at a general meeting. The directors acknowledge their responsibilities for ensuring that the society keeps accounting records which comply with section 75 of the Act and preparing accounts which give a true and fair view of the state of affairs of the society as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 80 and which otherwise comply with the Co-operative and Community Benefit Societies Act 2014.

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) (effective April 2008).

Approved by the Board on and signed on its behalf by:

.....

.....

Gerry Smith (Chair)

Eleanor Lohr (Hon. Secretary)
Company Secretary

The notes on pages 8 to 11 form an integral part of these financial statements.

**The Tewin Stores Association Ltd
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Notes to the Financial Statements for the Year Ended 30 September 2019

2 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	25% reducing balance basis
Furniture and fittings	25% reducing balance basis
Café	25% straight line basis
Freehold property	Held at fair value

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	1,415	1,886

**The Tewin Stores Association Ltd
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Notes to the Financial Statements for the Year Ended 30 September 2019

..... continued

4 TANGIBLE FIXED ASSETS

	Freehold property	Plant & machinery	Total
	£	£	£
Cost			
As at 1 October 2018	-	38,724	38,724
Additions	152,519	-	152,519
As at 30 September 2019	<u>152,519</u>	<u>38,724</u>	<u>191,243</u>
Depreciation			
As at 1 October 2018	-	33,066	33,066
Charge for the year	-	1,415	1,415
As at 30 September 2019	<u>-</u>	<u>34,481</u>	<u>34,481</u>
Net book value			
As at 30 September 2019	<u>152,519</u>	<u>4,243</u>	<u>156,762</u>
As at 30 September 2018	<u>-</u>	<u>5,658</u>	<u>5,658</u>

On 30th August 2019 the Freehold of the premises was purchased for £152,519.

5 DEBTORS

	2019	2018
	£	£
Trade debtors	2,181	2,181
Other debtors	4,931	4,508
	<u>7,112</u>	<u>6,689</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	2,190	4,628
Taxation and social security	1,030	1,361
Other creditors	1,370	2,550
	<u>4,590</u>	<u>8,539</u>

**The Tewin Stores Association Ltd
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Notes to the Financial Statements for the Year Ended 30 September 2019

..... continued

	2019 £
7 MEMBERS' AND NON-MEMBERS' CAPITAL DONATIONS, GRANT FUNDING AND BEQUESTS	
Members' capital donations – shares class 1	4,900
Matched grant funding - Plunkett Foundation	12,000
Bequest from Mr Geoffrey Walter Malin*	100,000
Members' capital donations – shares class 2	78,425
Donations for shop purchase	2,450
Parish council grant	20,000
Total	217,775

Members' capital donations – shares class 1: Shares are neither withdrawable nor transferable and carry no right to interest, dividend or bonus, and shall be forfeited and cancelled on cessation of membership.

The grant funding comes from the Village Core Programme operated by the Plunkett Foundation and is designated in accordance with the grant terms and conditions.

Members' capital donations – shares class 2: Shares may be withdrawn by Members who have held them for a minimum of three years, having regard to the long term interest of the Society. They are not transferable except on death or bankruptcy. Any payment of interest must be from trading profits and is also at the discretion of the Management Committee having regard to the long term interest of the Society.

*The bequest from Mr Geoffrey Walter Malin has been capitalised for the future development of the shop

	£
Balance at 1 October 2018	33,028
Transfer from profit and loss account for the year	6,478
Balance at 30 September 2019	39,506

9 OPERATING LEASE COMMITMENTS

As at 30 September 2019 the company had annual commitments under non-cancellable operating leases as follows:

	2019 £	2018 £
Operating leases which expire:	-	6,000

Rent - within two and five years

Due to the purchase of the Freehold on 30th August 2019 there are no longer any operating lease commitments.

**The Tewin Stores Association Ltd
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Notes to the Financial Statements for the Year Ended 30 September 2019

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10 RELATED PARTIES

Controlling entity

The association is controlled by its members under the Co-operative & Community Benefit Societies Act 2014 for the benefit of the community and its Objects. Members have donated capital of at least £25 each. The company employs volunteers to work in the shop and considers them honorary members. A full list of members is available at the registered office.

Related party transactions

There is no fee charged by Holdings Limited in respect of the year end accounts preparation.

**The Tewin Stores Association Ltd
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Detailed Profit and Loss Account for the Year Ended 30 September 2019

	2019	2018
	£	£
Turnover		
Sales, UK	158,035	150,999
Grants and subsidies	<u>1,250</u>	<u>1,250</u>
	159,285	152,249
Cost of sales		
Opening stock	6,462	8,003
Purchases	120,341	112,756
Direct costs	167	90
Closing stock	<u>(8,247)</u>	<u>(6,462)</u>
	(118,723)	(114,387)
Gross profit		
25.46% (2018 – 24.87%)	40,562	37,862
Administrative expenses (analysed below)		
Employment costs	20,614	19,620
Establishment costs	9,890	9,869
General administrative expenses	5,479	3,511
Finance charges	1,067	946
Depreciation costs	<u>1,415</u>	<u>1,886</u>
	(38,465)	(35,832)
Other operating income		
Donations	<u>3,275</u>	<u>3,060</u>
Operating profit	5,372	5,090
Other interest receivable and similar income		
Bank interest receivable	<u>1,106</u>	<u>39</u>
Profit on ordinary activities before taxation	6,478	5,129
Profit for the financial year	<u>6,478</u>	<u>5,129</u>

This page does not form part of the statutory financial statements.

**The Tewin Stores Association Ltd
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Detailed Profit and Loss Account for the Year Ended 30 September 2019

..... continued

	2019 £	2018 £
Employment costs		
Wages and salaries	20,614	19,414
Staff welfare	-	206
	<u>20,614</u>	<u>19,620</u>
 Establishment costs		
Rent	5,048	5,726
Water rates	171	123
Light, heat and power	3,396	2,558
Insurance	937	801
Repairs and maintenance	338	661
	<u>9,890</u>	<u>9,869</u>
 General administrative expenses		
Telephone and fax	1,093	974
Computer software and maintenance costs	721	956
Printing, postage and stationery	99	87
Sundry expenses	393	47
Cleaning and trade refuse	954	507
Motor expenses	-	-
Promotional expenses	-	25
Bookkeeping and administration	1,800	780
Legal and professional fees	419	135
	<u>5,479</u>	<u>3,511</u>
 Finance charges		
Bank charges	17	30
Credit card processing charges	1,050	916
	<u>1,067</u>	<u>946</u>
 Depreciation costs		
Depreciation of plant and machinery (owned)	717	956
Depreciation of fixtures and fittings (owned)	291	388
Depreciation of office equipment (owned)	407	542
	<u>1,415</u>	<u>1,886</u>

This page does not form part of the statutory financial statements.