

Registration Number: 8065RS

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
(Registered under the Co-Operative and Community Benefit Societies Act 2014)

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
CONTENTS TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

| | Page |
|---|-------------|
| Company Information | 2 |
| Management Committee Report | 3-4 |
| Accountants' Report | 5 |
| Income and Expenditure Account | 6 |
| Balance Sheet | 7-8 |
| Notes to the Financial Statements | 9-15 |
| The following pages do not form part of the financial statements | |
| Detailed Income and Expenditure Account | 17-18 |

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
CONTENTS TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Management Committee

| | |
|-------------------------------|--|
| Mike Blair – Chair | |
| Graham Gleed – Chair | (resigned October 2022) |
| Jonathan Cochrane – Treasurer | (appointed April 2022, resigned May 2023) |
| Graham Gleed – Treasurer | (appointed May 2023) |
| Nick Sloan – Secretary | |
| John Davison | |
| Simon Dauncey | (resigned July 2023) |
| Paul Fielding | |
| Ann Woods | |
| Martin Keswick | (appointed October 2022) |

Company Number 8065RS

Registered Office The Royal Oak
Stoke St Gregory
TA3 6EH

Accountants A C Mole
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Bankers HSBC
23 Fore Street
Bridgwater
TA6 3LE

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
MANAGEMENT COMMITTEE REPORT TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

The members present their report and the unaudited financial statements of the society for the year ended 31 March 2023.

Principal activities

The principal activity of the society during the year was the operation of a pub and community shop.

Members

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

Mike Blair –Chair
Graham Gleed – Chair
Johathon Cochrane - Treasurer
Nick Sloan - Secretary
John Davison
Simon Dauncey
Paul Fielding
Ann Woods
Martin Keswick

Statement of responsibilities

The management committee are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The management committee are required to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the society and of its excess of income over expenditure for that period. In preparing these financial statements, the management committee are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The management committee are responsible for maintaining satisfactory systems of internal control and keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
MANAGEMENT COMMITTEE REPORT TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

This report was approved by the management committee on and signed on behalf of the board by:

Mike Blair
Chair

Nick Sloan
Secretary

Graham Glead
Treasurer

**HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
INDEPENDENT ACCOUNTANTS' REPORT TO THE MANAGEMENT COMMITTEE ON THE
UNAUDITED FINANCIAL STATEMENTS OF
THE HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED**

We report on the financial statements of the society for the year ended 31 March 2023 on pages 6 to 15.

This report is made solely to the members of the society as a body. Our reporting work has been undertaken so that we might conclude to the members those matters we are required to state to them in an independent 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 and its members as a body, for our work, for this report, or for the opinion we have formed as independent accountant.

**RESPECTIVE RESPONSIBILITIES OF MANAGEMENT COMMITTEE AND THE
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 as independent accountant to carry out procedures designed to enable us to conclude on, and report our opinion on, the financial statements.

BASIS OF THE INDEPENDENT ACCOUNTANT'S OPINION

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

INDEPENDENT ACCOUNTANT'S OPINION

In our opinion as independent accountant:

- (1) the accounts are in agreement with those accounting records kept by the society under the *Co-operative and Community Benefit Societies Act 2014*, s. 75;
- (2) having regard only to, and on the basis of, the information contained in those accounting records, the financial statements have been drawn up in a manner consistent with the accounting requirements of the applicable legislation; and
- (3) the society satisfied the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year as specified in the *Co-operative and Community Benefit Societies Act 2014*, s. 84(1), as amended by the *Co-operative and Community Benefit Societies Act 2014 (Amendments to Audit Requirements) Order 2018*.

A C Mole
Chartered Accountants
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Dated:

THE HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

| | 2023 | 2022 |
|---------------------------------------|-------------|-------------|
| | £ | £ |
| Turnover | 402,227 | 405,064 |
| Cost of sales | (285,174) | (263,760) |
| Gross profit | 117,053 | 141,304 |
| Administrative expenses | (130,888) | (164,863) |
| Other income | 27,582 | 15,421 |
| Operating profit/(loss) | 13,747 | (8,138) |
| Interest payable and similar expenses | (19,381) | (17,228) |
| Deficit before taxation | (5,634) | (25,366) |
| Taxation | - | - |
| Net deficit for the year | (5,634) | (25,366) |

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2023

| | <u>Share</u> <u>Capital</u> £ | <u>Unrestricted</u> <u>Revenue</u> <u>Reserve</u> £ | <u>Total</u> £ |
|--|-------------------------------------|--|-------------------|
| At 1 April 2022 | 211,425 | (45,203) | 166,222 |
| Deficit from statement of comprehensive income | - | (5,634) | (5,634) |
| Issue of shares | - | - | - |
| | 211,425 | (50,837) | 160,588 |
| At 31 March 2023 | 211,425 | (50,837) | 160,588 |

The notes form part of these financial statements

THE HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED (Registration No: 8065)
UNAUDITED BALANCE SHEET
AT 31 MARCH 2023

| | Note | 2023 | | 2022 | |
|---|------|----------|-----------|----------|-----------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Intangible assets | 6 | | 10,500 | | 12,000 |
| Tangible assets | 7 | | 390,363 | | 400,067 |
| | | | 400,863 | | 412,067 |
| Current Assets | | | | | |
| Stock | | 19,474 | | 21,470 | |
| Debtors | 8 | 4,158 | | 1,114 | |
| Cash at bank | | 31,009 | | 31,692 | |
| | | 54,641 | | 54,276 | |
| Creditors: Amounts falling due within one year | 9 | (43,977) | | (43,300) | |
| Net Current Assets | | | 10,664 | | 10,976 |
| Creditors: Amounts falling due in more than a year | 10 | | (250,939) | | (256,821) |
| Total Assets less current liabilities | | | 160,588 | | 166,222 |
| Capital and Reserves | | | | | |
| Called up share capital | 14 | | 211,425 | | 211,425 |
| Profit and loss account | 15 | | (50,837) | | (45,203) |
| Total funds | | | 160,588 | | 166,222 |

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 ended 31 March 2023 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 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 if the Act relating to financial statements, so far as applicable to the Society.

THE HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED (Registration No: 8065)
UNAUDITED BALANCE SHEET (continued)
AT 31 MARCH 2023

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 financial statements were approved by the management committee on _____ and were signed on its behalf by:

Mike Blair
Chair

Nick Sloan
Secretary

Graham Glead
Treasurer

The notes form part of these financial statements

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Status of Society

The Society is registered in England & Wales under the Co-operative and Community Benefit Societies Act 2014 (No. 8065). The address of the registered office is The Royal Oak, Stoke St Gregory, TA3 6EH.

2 Accounting Policies

a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland section 1A.

The presentation currency of the financial statements is the Pound Sterling (£).

The Society constitutes a public benefit entity as defined by FRS102. The Society exists in order to carry on business for the benefit of the community of Stoke St Gregory.

b) Income recognition

Turnover represents income from shop and pub sales stated after discounts value added tax and other sales taxes.

Donations and grants are recognised in the income statement when receivable.

Capital grants which relate to fixed asset acquisitions are recognised in the balance sheet as deferred income and released to the profit and loss account over the estimated life of the related assets.

c) Goodwill

Goodwill being the amount paid in connection with the acquisition of the business is being amortised evenly over its estimated useful life of 10 years.

d) Tangible fixed assets

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

| | |
|--------------------------|-------------|
| Freehold property | 2% on cost |
| Improvements to property | 2% on cost |
| Plant & equipment | 10% on cost |
| Office equipment | 20% on cost |

Fixed assets are stated at cost less depreciation.

e) Stocks

Stock is valued at the lower of cost and net realisable value.

f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

g) Financial instruments

The Society only has financial assets and liabilities that qualify as basic financial instruments including cash and bank balances and trade and other payables. Basic financial instruments are therefore recognised at transaction price and subsequently at amortised cost.

h) Pension costs

Employees of the Society are entitled to join a defined contribution pension scheme. Pension contributions in relation to defined contribution schemes are recognised as an expense in the profit and loss account as incurred.

i) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The management committee are of the opinion that there are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

j) Volunteer services

In accordance with FRS102 the economic contribution of general volunteers is not recognised in the financial statements.

3 Employee numbers

The average number of employees during the year was 3 (2022: 4).

4 Profit before taxation

Profit before taxation is stated after charging:

| | 2023 | 2022 |
|-----------------------------|-------------|-------------|
| | £ | £ |
| Depreciation – owned assets | 10,415 | 9,997 |
| Amortisation | 1,500 | 1,500 |
| | _____ | _____ |

5 Grants and donations

| | 2023 | 2022 |
|-----------|-------------|-------------|
| | £ | £ |
| Grants | 5,442 | 7,352 |
| Donations | 11,912 | 1,553 |
| | _____ | _____ |
| | 17,354 | 8,905 |
| | _____ | _____ |

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6 Intangible Assets

| | Goodwill £ |
|-----------------------|-----------------------------|
| Cost | |
| As at 1 April 2022 | 15,000 |
| Additions | - |
| | 15,000 |
| As at 31 March 2023 | 15,000 |
| | 15,000 |
| Amortisation | |
| As at 1 April 2022 | 3,000 |
| Charge for the year | 1,500 |
| | 4,500 |
| As at 31 March 2023 | 4,500 |
| | 4,500 |
| Net Book Value | |
| As at 31 March 2023 | 10,500 |
| | 10,500 |
| As at 31 March 2022 | 12,000 |
| | 12,000 |

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7 Tangible Assets

| | Freehold Property | Improve- ments to Property | Plant & Equipment | Office Equipment | Total |
|------------------------|------------------------------|---|----------------------------------|-----------------------------|--------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| As at 1 April 2022 | 352,560 | 37,373 | 24,957 | 392 | 415,282 |
| Additions | - | - | 840 | - | 840 |
| Disposals | - | - | (147) | - | (147) |
| As at 31 March 2023 | 352,560 | 37,373 | 25,650 | 392 | 415,975 |
| Depreciation | | | | | |
| As at 1 April 2022 | 11,164 | 728 | 3,154 | 169 | 15,215 |
| Charge for the year | 7,051 | 747 | 2,538 | 79 | 10,415 |
| Eliminated on disposal | - | - | (18) | - | (18) |
| As at 31 March 2023 | 18,215 | 1,475 | 5,674 | 248 | 25,612 |
| Net Book Value | | | | | |
| As at 31 March 2023 | 334,345 | 35,898 | 19,976 | 144 | 390,363 |
| As at 31 March 2022 | 341,396 | 36,645 | 21,803 | 223 | 400,067 |

8 Debtors

| | 2023 | 2022 |
|---------------|-------------|-------------|
| | £ | £ |
| Trade debtors | 3,013 | 969 |
| Other debtors | 1,145 | 145 |
| | 4,158 | 1,114 |

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Trade creditors | 8,613 | - |
| Other creditors | 619 | 619 |
| Accruals | 5,986 | 4,574 |
| Wages payable | 5,136 | 3,353 |
| PAYE/NIC payable | 1,603 | 5,092 |
| Pension payable | 370 | 455 |
| VAT | 5,019 | 2,826 |
| Deferred income (see note 11) | 3,262 | 4,151 |
| Bank loan (see note 12) | 8,169 | 9,965 |
| Other loan (see note 12) | 5,200 | 12,265 |
| | 43,977 | 43,300 |
| | 43,977 | 43,300 |

10 Creditors: amounts falling due in more than one year

| | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Deferred income (see note 11) | 82,679 | 84,648 |
| Bank loans (see note 12) | 121,635 | 125,548 |
| Other loans (see note 12) | 46,625 | 46,625 |
| | 250,939 | 256,821 |
| | 250,939 | 256,821 |

Amounts included above which fall due after more than 5 years:

| | | |
|---|--------|--------|
| Repayable by instalments | | |
| Bank loans more than 5 years by instalments | 79,099 | 80,180 |
| | 79,099 | 80,180 |

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11 Capital Grants

The amounts recognised in the financial statements for grants are as follows:

| | 2023 | 2022 |
|---|-------------|-------------|
| | £ | £ |
| Recognised in creditors: | | |
| Deferred grants due within one year | 3,262 | 4,151 |
| Deferred grants due within more than one year | 82,679 | 84,648 |
| | 85,941 | 88,799 |
| Deferred Income | 85,941 | 88,799 |
| | 2,856 | 3,645 |
| Recognised in operating income | 2,856 | 3,645 |

Capital grants received in the year totalled £nil. The capital grant balance brought forward from the previous year totalled £88,799 which will be released to the profit and loss account over the useful economic life of the related assets. During the year £2,856 has been expensed to the profit and loss in relation to depreciation charges in the year.

12 Loans

An analysis of the maturity of loans is given below:

| | 2023 | 2022 |
|---|-------------|-------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Bank loans | 8,169 | 9,965 |
| Other loans | 5,200 | 12,265 |
| | 13,369 | 22,230 |
| | 13,369 | 22,230 |
| Amounts falling due within two and five years: | | |
| Bank loans | 42,536 | 45,368 |
| Other loans | 46,625 | 46,625 |
| | 89,161 | 91,993 |
| | 89,161 | 91,993 |
| Amounts falling due in more than five years: | | |
| Repayable by instalments | | |
| Bank loans | 79,099 | 80,180 |
| | 79,099 | 80,180 |

The bank loans are secured by a legal charge on The Royal Oak Inn, Stoke St Gregory, TA3 6EH. There are two loans in operation, the first at an interest rate of 4.6% with an outstanding balance of £92,948. The second loan is at a rate of 8% with an outstanding balance of £36,855.

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13 Related party transactions

During the year ending 31 March 2023 £nil (2022; £9,528) was reimbursed to nil members (2022: 6 members) of the management committee for out of pocket expenses. A donation of £10,000 (2022: £nil) was received by the Society during the year from one member (2022: nil).

14 Called up share capital

| | 2023 | 2022 |
|--|-------------|-------------|
| | £ | £ |
| £25 Shares allotted, issued and each fully paid: | | |
| At 1 April 2022 | 211,425 | 207,725 |
| Issue of Ordinary Shares | - | 3,700 |
| | 211,425 | 211,425 |
| At 31 March 2023 | 211,425 | 211,425 |

Share capital consists of 8,457 ordinary Shares at £25 each to 254 shareholders.

15 Accumulated deficit

| | 2023 | 2022 |
|--|-------------|-------------|
| | £ | £ |
| Balance at 1 April 2022 | (45,203) | (19,837) |
| Net deficit for year transferred from income and expenditure account | (5,634) | (25,366) |
| | (50,837) | (45,203) |
| Balance at 31 March 2023 | (50,837) | (45,203) |

The following pages do not form part of the financial statements

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

| | 2023 | | 2022 | |
|--------------------------------|----------|-----------|----------|-----------|
| Income | £ | £ | £ | £ |
| Shop Sales | 294,603 | | 335,053 | |
| Pub Sales | 107,624 | | 70,011 | |
| | | 402,227 | | 405,064 |
| Cost of Sales | | | | |
| Opening stock | 21,471 | | 13,466 | |
| Cost of goods sold: Shop | 225,540 | | 232,625 | |
| Cost of goods sold: Pub | 56,197 | | 37,518 | |
| Cost of goods sold: Café | 1,440 | | 1,622 | |
| Closing stock | (19,474) | | (21,471) | |
| | | (285,174) | | (263,760) |
| Gross Profit | | 117,053 | | 141,304 |
| Other Income | | | | |
| Grants and donations | 17,354 | | 8,905 | |
| Rental income | 7,600 | | 4,600 | |
| Interest income | - | | 42 | |
| Other income | 2,628 | | 1,874 | |
| | | 27,582 | | 15,421 |
| Administrative Expenses | | | | |
| Professional fees | 815 | | 458 | |
| Wages and salaries | 83,806 | | 91,428 | |
| Insurance | 1,813 | | 583 | |
| Light and heat | 8,557 | | 12,945 | |
| Rates and water | 3,788 | | 1,492 | |
| Telephone | 826 | | 584 | |
| Premises expenses | 2,556 | | 1,520 | |
| Office expenses | 392 | | 467 | |
| Advertising | 27 | | 568 | |
| Subscriptions | - | | 220 | |
| Repairs and renewals | 6,606 | | 33,466 | |
| Sundry expenses | 497 | | 308 | |
| Bookkeeping | 4,806 | | 4,482 | |
| Accountancy | 4,355 | | 4,845 | |
| | | (118,844) | | (153,366) |
| Finance costs | | | | |
| Bank charges | 6,736 | | 5,067 | |
| Loan interest | 12,645 | | 12,161 | |
| | | (19,381) | | (17,228) |
| Carried forward | | 6,410 | | (13,869) |

HEART OF THE VILLAGE (STOKE ST GREGORY) LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

| | 2023 | | 2022 | |
|---|-------------|----------|-------------|----------|
| | £ | £ | £ | £ |
| Brought forward | | 6,410 | | (13,869) |
| Depreciation | | | | |
| Depreciation | 10,415 | | 9,997 | |
| Amortisation | 1,500 | | 1,500 | |
| | | (11,915) | | (11,497) |
| Loss on Disposal of Fixed Assets | | | | |
| Plant and machinery | 129 | | | |
| | | (129) | | - |
| Net deficit for the year | | (5,634) | | (25,366) |