

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018
FOR
SEMLEY SHOP LTD**

SEMLEY SHOP LTD

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for the Year Ended 31 January 2018**

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SEMLEY SHOP LTD

**COMPANY INFORMATION
for the Year Ended 31 January 2018**

DIRECTORS:

A Allfrey
A Everall
Mrs P Cairns
Lady A Meston
R Moors
Mrs J McCarthy
Mrs S Howard
Mrs J McDouall
M Butler
M Reid Scott
R Catherwood
C Margetts

SECRETARY:

M Butler

REGISTERED OFFICE:

Semley Village Stores
Semley
Shaftesbury
Dorset
SP7 9AU

REGISTERED NUMBER:

0031286R (England and Wales)

ACCOUNTANTS:

Andrews and Palmer
32 The Square
Gillingham
Dorset
SP8 4AR

SEMLEY SHOP LTD

REPORT OF THE DIRECTORS for the Year Ended 31 January 2018

The directors present their report with the financial statements of the company for the year ended 31 January 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing a shop for the local community and selling locally made produce.

REVIEW OF BUSINESS

The last financial year was an extremely difficult one for the shop and that is reflected in the significant loss we made, of over £16,000. A series of personal difficulties and unforeseeable business contingencies were a severe test of our resilience. It is to the great credit of those involved that we emerged, battered but in fundamentally better shape and ready to go on and profit from the steady increase in both footfall and turnover that is not reflected in the balance sheet.

After the encouraging year of 2016/17 when the shop made its first reasonable profit, our troubles began in June when Lal Poynter, who has been such an integral part of our success, found she had a serious health problem which led to her being off work for most of the rest of the year and the early part of 2018.

At short notice, the committee together with our Saturday gap year student, Imogen Bersey, did their best to step into Lal's shoes. This was always going to be extremely challenging, and it was more difficult because Lal has very much run the shop by her very reliable instincts. No one can recreate an individual's touch and creativity, and it became clear that we needed to develop a much more resilient system that could be quickly picked up by other users.

When the summer holidays finished in September, the shop was lucky enough to be able to get Jenny McDouall who later recruited a friend, Claire Margetts who between them did a terrific job getting up to speed on ordering and managing the stock.

Then further trouble hit. In November, our main wholesaler Palmer and Harvey stopped trading and went into liquidation with almost no notice. At almost the same time, David Conway who had set up and maintained the shop's computing system for its first five years became too unwell to continue.

It was decided to bring in a completely new system, in order to make stock management clearer and build resilience. At the same time the intention was to provide volunteers with a less daunting experience at the till. Inevitably the combination of introducing new suppliers and a new computer system at more or less the same time was a real challenge and, perhaps optimistically, it took place in the run-up to Christmas, one of the shop's most important trading months. There were good reasons for exploiting the advantage of having two young computer-literate managers, and now the system is bedded in it is a clear improvement. However it is still not being used to its full extent, and this is an area where effort must now focus.

On top of these unexpected difficulties, the coffee machine which had given good service for five years became extremely unreliable. This was bad for our customers but also very difficult for volunteers who never knew whether they could safely sell a cup of coffee.

One of the results of the unavoidable upheavals was that turnover grew at a slower rate than it has in the past few years. At the same time, cost of sales were higher as new suppliers were identified and the correct stock and stocking levels were established. Meanwhile the shop was both paying Lal as she underwent treatment and two new part time managers, which meant the staff salaries bill was up by an unexpected £5000. That is an extra cost that is likely to impact on results for 2018/19 too.

Despite the challenges, turnover continues to show a steady increase, and the new system can provide detailed information about margins that we must make the effort to understand and use. We have also introduced a new and simpler system for keeping prices of perishables up to date, which again needs more attention than it is currently getting, and a new system for recording wastage and goods that are used by the cafe so that the costs of our very popular sandwich, cake and coffee operations are properly estimated.

These are all challenges for this current year, but the signs are promising with the finances steadily improving and becoming more stable. The new system is bedding down successfully, although needs exploiting to the full. The more detailed cashing up system has been challenging for the volunteers, and it has taken some time to establish the best way of operating it.

SEMLEY SHOP LTD

REPORT OF THE DIRECTORS for the Year Ended 31 January 2018

The biggest challenge of all, however, is to engage a new generation with the need to contribute to the shop as volunteers and on the committee. Understandably, and rightly, some of our original committee members feel it is time for new blood. We are very fortunate that Jenny and now Emily Pinsent are happy to be involved although both have many other commitments (including other jobs). They are an important link with the generation that we must attract in order to build a sustainable future.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2017 to the date of this report.

A Allfrey
A Everall
Mrs P Cairns
Lady A Meston
R Moors
Mrs J McCarthy
Mrs S Howard
Mrs J McDouall
M Butler
M Reid Scott
R Catherwood

Other changes in directors holding office are as follows:

Mrs S Jones - resigned 9 May 2017
C Margetts - appointed 6 October 2017

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A Allfrey - Director

17 August 2018

SEMLEY SHOP LTD

**INCOME STATEMENT
for the Year Ended 31 January 2018**

	Notes	31.1.18 £	31.1.17 £
TURNOVER		179,291	177,529
Cost of sales		<u>148,257</u>	<u>129,606</u>
GROSS PROFIT		31,034	47,923
Administrative expenses		<u>50,004</u>	<u>45,877</u>
		(18,970)	2,046
Other operating income		<u>3,020</u>	<u>4,949</u>
OPERATING (LOSS)/PROFIT	4	(15,950)	6,995
Interest payable and similar expenses		<u>103</u>	<u>128</u>
(LOSS)/PROFIT BEFORE TAXATION		(16,053)	6,867
Tax on (loss)/profit		<u>-</u>	<u>240</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(16,053)</u></u>	<u><u>6,627</u></u>

The notes form part of these financial statements

SEMLEY SHOP LTD (REGISTERED NUMBER: 0031286R)

BALANCE SHEET
31 January 2018

	Notes	31.1.18 £	£	31.1.17 £	£
FIXED ASSETS					
Tangible assets	5		25,101		31,237
CURRENT ASSETS					
Stocks		12,425		19,420	
Debtors	6	452		396	
Cash at bank and in hand		6,993		19,423	
		<u>19,870</u>		<u>39,239</u>	
CREDITORS					
Amounts falling due within one year	7	12,003		18,822	
NET CURRENT ASSETS			<u>7,867</u>		<u>20,417</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			32,968		51,654
CREDITORS					
Amounts falling due after more than one year	8		7,894		10,527
NET ASSETS			<u>25,074</u>		<u>41,127</u>
CAPITAL AND RESERVES					
Called up share capital	9		13,760		13,760
Retained earnings			11,314		27,367
SHAREHOLDERS' FUNDS			<u>25,074</u>		<u>41,127</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

SEMLEY SHOP LTD (REGISTERED NUMBER: 0031286R)

BALANCE SHEET - continued
31 January 2018

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 17 August 2018 and were signed on its behalf by:

A Allfrey - Director

M Butler - Director

Mrs P Cairns - Director

The notes form part of these financial statements

SEMLEY SHOP LTD

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 January 2018

1. STATUTORY INFORMATION

Semley Shop Ltd is a private company, limited by shares, registered in England and Wales. 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 the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Turnover is recognised in the period in which goods are sold.

Tangible fixed assets

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

Improvements to property	- 10% on cost
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on cost

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 year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Grants

Grants are receivable from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Grants received towards the development of the shop are included on the balance sheet. The annual depreciation is offset against this each year.

SEMLEY SHOP LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2018**

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2017 - 1).

4. OPERATING (LOSS)/PROFIT

The operating loss (2017 - operating profit) is stated after charging:

	31.1.18	31.1.17
	£	£
Depreciation - owned assets	7,642	8,271
	<u>7,642</u>	<u>8,271</u>

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 February 2017	39,974	48,469	1,931	90,374
Additions	-	281	1,225	1,506
	<u>39,974</u>	<u>48,750</u>	<u>3,156</u>	<u>91,880</u>
At 31 January 2018	39,974	48,750	3,156	91,880
	<u>39,974</u>	<u>48,750</u>	<u>3,156</u>	<u>91,880</u>
DEPRECIATION				
At 1 February 2017	21,411	36,407	1,319	59,137
Charge for year	3,997	3,085	560	7,642
	<u>25,408</u>	<u>39,492</u>	<u>1,879</u>	<u>66,779</u>
At 31 January 2018	25,408	39,492	1,879	66,779
	<u>25,408</u>	<u>39,492</u>	<u>1,879</u>	<u>66,779</u>
NET BOOK VALUE				
At 31 January 2018	14,566	9,258	1,277	25,101
	<u>14,566</u>	<u>9,258</u>	<u>1,277</u>	<u>25,101</u>
At 31 January 2017	18,563	12,062	612	31,237
	<u>18,563</u>	<u>12,062</u>	<u>612</u>	<u>31,237</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.18	31.1.17
	£	£
Trade debtors	-	48
Prepayments and accrued income	452	348
	<u>452</u>	<u>396</u>

SEMLEY SHOP LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2018**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.18	31.1.17
	£	£
Bank loans and overdrafts	-	399
Trade creditors	5,057	2,955
Tax	-	331
Social security and other taxes	(3)	-
Pension control account	22	-
VAT	2,756	675
Other creditors	100	10,200
Deferred income	523	472
Accrued expenses	915	770
Deferred grants	2,633	3,020
	<u>12,003</u>	<u>18,822</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.1.18	31.1.17
	£	£
Deferred grants	7,894	10,527
	<u>7,894</u>	<u>10,527</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.1.18	31.1.17
Number:	Class:	Nominal value:	£	£
13,760	Ordinary Shares	£1	13,760	13,760
			<u>13,760</u>	<u>13,760</u>

10. RELATED PARTY DISCLOSURES

Mr. A. Allfrey, treasurer, loaned the company £10,000 on commencement of trading in May 2012 to help with cashflow. The loan is interest free and was repaid to Mr Allfrey in February 2017. This was included in other creditors at 31 January 2017.

Mr. A. Allfrey receives £100 per annum for rent of the shop, the sum of £100 (2017: £200) is outstanding at 31 January 2018.

11. ULTIMATE CONTROLLING PARTY

The controlling party is the Board.

SEMLEY SHOP LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2018**

12. GRANTS

Deferred Grants

	2018 £
At 01 February 2017	13,547
Fixed Asset Grants Received During Year	-
Released During Year	(3,020)
	10,527
At 31 January 2018	10,527

Summary Of Grants Received In Year

	Income and Expenditure Grants £	Capital Grants £	Total £
Grants Released During Year	3,020	(3,020)	nil
	3,020	(3,020)	nil
Total	3,020	(3,020)	nil

SEMLEY SHOP LTD

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
SEMLEY SHOP LTD**

Accountant's report to the members on the unaudited accounts of Semley Shop Ltd

We report on the accounts for the year ended 31 January 2018 set out on pages four to ten.

Respective responsibilities of the committee of management and reporting accountant

The society's Committee of Management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of 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.

Opinion

In our opinion:

- (a) the revenue account and balance sheet for year ended 31 January 2018 are in agreement with the books of account 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 the books of account, the revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- (c) the society has satisfied the conditions for exemption from an audit of the accounts for the year ended 31 January 2018 specified in section 84 of the Co-operative and Community Benefit Societies Act 2014 and did not at any time within the year fall within any of the categories of society not entitled to such exemption.

Andrews and Palmer
32 The Square
Gillingham
Dorset
SP8 4AR

17 August 2018

SEMLEY SHOP LTD

**TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 31 January 2018**

	31.1.18	£	31.1.17	£
Sales		179,291		177,529
Cost of sales				
Opening stock	19,420		15,948	
Purchases	141,262		133,078	
	<u>160,682</u>		<u>149,026</u>	
Closing stock	(12,425)		(19,420)	
		<u>148,257</u>		<u>129,606</u>
GROSS PROFIT		31,034		47,923
Other income				
Rents received	-		1,200	
Grants	3,020		3,749	
	<u>3,020</u>	3,020	<u>3,749</u>	4,949
		<u>34,054</u>		<u>52,872</u>
Expenditure				
Rent	100		100	
Rates and water	223		215	
Insurance	494		438	
Light and heat	2,860		3,602	
Wages	28,353		23,264	
Pensions	142		-	
Telephone	597		565	
Post and stationery	310		213	
Advertising	160		49	
Repairs and renewals	3,350		4,291	
Website and computer expenses	590		583	
Household and cleaning	693		146	
Bookkeeping	2,119		1,955	
Sundry expenses	214		302	
Accountancy	200		200	
Legal fees	288		200	
Donations	240		240	
	<u>40,933</u>	40,933	<u>36,363</u>	36,363
		(6,879)		16,509
Finance costs				
Bank charges	1,429		1,095	
Bank loan interest	103		128	
	<u>1,532</u>	1,532	<u>1,223</u>	1,223
Carried forward		(8,411)		15,286

This page does not form part of the statutory financial statements

SEMLEY SHOP LTD

**TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 31 January 2018**

	31.1.18	£	31.1.17	£
Brought forward	£	(8,411)	£	15,286
Depreciation				
Improvements to property	3,997		3,997	
Fixtures and fittings	3,085		4,021	
Computer equipment	560		253	
	<u> </u>	7,642	<u> </u>	8,271
		(16,053)		7,015
Loss on disposal of fixed assets				
Fixtures and fittings		-		148
		<u> </u>		<u> </u>
NET (LOSS)/PROFIT		<u><u>(16,053)</u></u>		<u><u>6,867</u></u>