

STOCKLAND COMMUNITY PUB LIMITED

(A REGISTERED SOCIETY UNDER THE CO-OPERATIVES
AND COMMUNITY BENEFIT SOCIETIES ACT 2014)

SOCIETY NUMBER 32191R

UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

STOCKLAND COMMUNITY PUB LIMITED ("THE SOCIETY" OR "SCPL")

YEAR ENDED 30 SEPTEMBER 2019

REPORT OF THE MANAGEMENT COMMITTEE

Peter Maitland

It is with great sadness that we report the death of our dear friend and colleague Peter Maitland, on Monday 13 May 2019.

Peter was well known in the Parish of Stockland for his long-term service to the local community, as a Parish Councillor and member of the Stockland Turbaries Committee. For many years he was the Chairman of the Stockland Fair Committee, and he had also been a member of the community shop steering group.

Peter's house was directly opposite the King's Arms, and like many of us he was horrified at the closure of the pub in 2013, and was instrumental in organising opposition to the previous owner's plans for developing the pub site.

At the first Management Committee meeting of SCPL in September 2013, Peter was elected as Vice Chairman and he remained in that office until May 2017, when he was elected to the office of Chairman. Peter served as Chairman throughout the crucial period of firstly opposing the previous owner's planning applications, including the Public Hearing in Axminster, and then throughout the negotiating process that culminated in the successful purchase of the King's Arms in January 2019.

As well as his activities at the heart of the village, Peter led a very busy professional life and his commitment to his international clients in particular meant that in February he felt he needed to step down as Chairman of SCPL, because he could no longer devote as much time as he would have liked to the project. He continued to serve as Vice Chairman, and he remained an active member of the Management Committee right up until the weekend when he was taken into hospital.

Peter was very passionate about the idea of bringing the King's Arms into community ownership, but as well as the passion, he also brought a lot of energy and intellectual focus into solving the many issues and complexities we have encountered over the years.

It is a tragedy that Peter is not around to enjoy a pint in the pub which he worked so hard to preserve. When the King's Arms re-opens, we hope you will want to join his colleagues on the Management Committee in raising a glass or two in his memory, inside the venue he did so much to save.

Principal Activity and Outcome for the Year

The principal activity of the Society is to maintain and let the King's Arms public house in Stockland, Devon. The Management Committee considers the outcome for the year to be satisfactory.

Acquisition of Pub

In April 2018 the Society reached an agreement to acquire the King's Arms from Horatio Properties (Guernsey) Limited. Between 18 May 2018 and 30 September 2018 the Society raised £278,051 in share capital to help finance the purchase. The transaction completed on 18 January 2019.

Renovation and appointing a Tenant

During calendar 2019 the building was subject to extensive renovation, most of which was undertaken by the year end. The Management Committee appointed a tenant on 18 December 2019.

Management Committee Members

The Management Committee members serving the Society in the year are as follows:

<u>At 1 October 2018</u>	<u>Movement in year</u>	<u>At 30 September 2019</u>
Damian Clay	-	Damian Clay
Sheelagh Dawes	-	Sheelagh Dawes
Martin Gundry	-	Martin Gundry
-	Appointed 27 June 2019	Brian Johnson
Andrew Kippax	-	Andrew Kippax
Peter Maitland	Deceased 13 May 2019	-
-	Appointed 5 March 2019	John Vickery
Jane Yates	-	Jane Yates

There were some changes to the roles undertaken within the committee in the year. On 13 February 2019 P Maitland resigned as Chairman and D Clay was appointed Chairman.

Signed and Approved on behalf of the Management Committee

Chairman
D Clay

Treasurer
A Kippax

Secretary
S Dawes

29 December 2019

The notes on pages 6 to 8 form part of these financial statements.

STOCKLAND COMMUNITY PUB LIMITED

INDEPENDENT ACCOUNTANT'S REPORT

Stockland Community Pub Ltd

Independent Accountant's Report to Stockland Community Pub Ltd Year ended 30 September 2019

We report on the financial statements of the society for the year ended 30 September 2019 which comprise the statement of income and retained earnings, 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

STOCKLAND COMMUNITY PUB LIMITED

INCOME STATEMENT

YEAR ENDED 30 SEPTEMBER	2019 £	2018 £
INCOME		
Donations, Grants and Fundraising Events	2,742	7,459
EXPENDITURE		
Administrative Expenses	<u>(51,546)</u>	<u>(7,946)</u>
OPERATING LOSS	(48,804)	(487)
Loan interest	(8,056)	-
Bank interest income	<u>348</u>	<u>95</u>
LOSS BEFORE TAX	(56,512)	(392)
TAX	<u>-</u>	<u>-</u>
LOSS AFTER TAX	<u><u>(56,512)</u></u>	<u><u>(392)</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 6 to 8 form part of these financial statements.

STOCKLAND COMMUNITY PUB LIMITED

STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER	Note	2019 £	2018 £
FIXED ASSETS	3	416,510	-
CURRENT ASSETS			
CASH AT BANK AND IN HAND		52,155	272,199
STOCK		-	61
DEBTORS	4	5,213	7,200
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	<u>(4,130)</u>	<u>(200)</u>
NET CURRENT ASSETS		53,238	279,260
TOTAL ASSETS LESS CURRENT LIABILITIES		469,748	279,260
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	6	<u>(247,000)</u>	-
NET ASSETS		<u>222,748</u>	<u>279,260</u>
CAPITAL AND RESERVES			
SHARE CAPITAL		278,051	278,051
PROFIT AND LOSS (DEFICIT) / RESERVE		<u>(55,303)</u>	<u>1,209</u>
SHAREHOLDER FUNDS		<u>222,748</u>	<u>279,260</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'.

Signed and Approved on behalf of the Management Committee on 29 December 2019

Chairman
D Clay

Treasurer
A Kippax

Secretary
S Dawes

The notes on pages 6 to 8 form part of these financial statements.

STOCKLAND COMMUNITY PUB LIMITED

YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is Shorms, Shore Bottom, Stockland, Devon EX14 9DQ.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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:

Land and buildings - nil

Plant and machinery - 10% straight line

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.

2. Accounting policies (continued)

Impairment of fixed assets (continued)

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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the financial statements. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Financial Position. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

3. Fixed assets

Tangible assets	Plant and machinery	Land and buildings	Total
Cost			£
At 1 October 2018	-	-	-
Additions	<u>28,320</u>	<u>388,190</u>	<u>416,510</u>
At 30 September 2019	28,320	388,190	416,510

No depreciation was charged in the year ended 30 September 2019.

4. Debtors

	2019 £	2018 £
VAT	3,998	-
Prepayments	1,215	-
Recoverable vendor legal fees	-	6,000
Other debtors	<u>-</u>	<u>1,200</u>
Total	5,213	7,200

5. Creditors: amounts falling due within one year

	2019 £	2018 £
Accrued interest	2,882	-
Other accruals and trade creditors	<u>1,248</u>	<u>200</u>
Total	4,130	200

6. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Interest bearing loans	200,000	-
Non interest bearing loans	<u>47,000</u>	<u>-</u>
Total	247,000	-

7. Post balance sheet events

On 18 December 2019 SCPL entered into a fifteen year lease with Bar & Good Food Ltd.

8. Related Party Transactions

Transactions with Related Parties are undertaken at open market value and recorded in the Society's minutes.

No member of the Management Committee or parties related to them received any fee or remuneration from the Society during the year.

During the year, members of the Management Committee purchased items on behalf of the Society which it periodically refunded. Amounts owed to members as a result of this at the year end of £249.72 are included in Note 5. above under "Other accruals and trade creditors". These amounts were repaid by 14 October 2019.

One member of the Management Committee advanced £5,000 as an interest free loan to the Society in the year. This is included under "Non interest bearing loans" in Note 6. above.

The partner of one member of the Management Committee advanced £5,000 as an interest free loan to the Society in the year. This is included under "Non interest bearing loans" in Note 6. above.

No other transactions with related parties were undertaken that were required to be disclosed under FRS 102.

THE FOLLOWING PAGE DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

STOCKLAND COMMUNITY PUB LIMITED

DETAILED EXPENDITURE STATEMENT

YEAR ENDED 30 SEPTEMBER	2019 £	2018 £
Administrative Expenses		
Roof repairs – thatch	35,249	-
Insurance	6,692	560
Roof repairs – slates & flat roof	5,711	-
Utilities	1,096	-
Professional fees	985	1,216
Consumables	947	-
Memberships / licences	457	140
Purchases for events	269	1,507
Other expenses	140	201
Valuation fees	-	3,360
Share issue costs	-	606
Publicity	<u>-</u>	<u>356</u>
Total	(51,546)	(7,946)