

Registered Society No. RS007589 (England and Wales)

REDGRAVE COMMUNITY SOCIETY LIMITED

REPORT OF THE MANAGEMENT COMMITTEE AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020



REDGRAVE COMMUNITY SOCIETY LIMITED

SOCIETY INFORMATION

Registered office	Lilac Cottage The Street Redgrave Diss Norfolk IP22 1RY
Business address	The Cross Keys The Street Redgrave DISS Norfolk IP22 1RW
Registered number	RS007589
Senior Statutory Auditor	Leslie Newman FCA
Auditor	Waveney Accountants Limited T/as Newman & Co Chartered Accountants & Registered Auditors 4b Church Street Diss Norfolk IP22 4DD
Bankers	Barclays Bank Plc St Andrews Street Cambridge Cambridgeshire CB 3AA



REDGRAVE COMMUNITY SOCIETY LIMITED

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REDGRAVE COMMUNITY SOCIETY LIMITED

ANNUAL REPORT

The directors present their annual report for the year ended 31 January 2020.

Principal activities

The principal activity of the society continued to be that of the operation of the Cross Keys public house in Redgrave.

Management Committee

The committee members who held office during the year and up to the date of signature of the financial statements were as follows:

Chairman	Stephen Eason	
Vice Chairman	Neil Smith	
Secretary	Julie Moore	
Treasurer	John Giddings	(Resigned 21 st May 2020)
Director	Andrew Dickson	
	Carolyn Ward	
	Donna Taylor	
	Mrs Fiona Kenworthy	(Resigned 27 July 2019)
	Ben Hopwood	(Appointed 27 July 2019 and resigned 26 November 2019)
	Suzi Lawrence	(Appointed 27 July 2019 and resigned 12 November 2019)

The Committee confirms that the annual report of the Society complies with current statutory requirements, the Co-operative and Community Benefits Societies Act 2014 and has been prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Management Committee's Responsibilities Statement

The management committee is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial year. Under that law the Management Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Management Committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the income and expenditure of the society for that period. In preparing these financial statements, the Management Committee are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 keeping adequate accounting records that are sufficient to show and explain the society's transactions and 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. It has general responsibility for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



REDGRAVE COMMUNITY SOCIETY LIMITED

ANNUAL REPORT

The trading result for the financial year ending 31st January 2020 was a loss of £6,356. This result is mainly due to difficulties with the restaurant side of the business during the year.

Our chef employed at the end of the previous financial year, resigned without notice at the end of April 2019 after the Cross Keys had achieved small accounted profits for both March and April 2019. Agency chefs were then employed but were quickly discontinued due to unreliability. A replacement full-time chef was recruited at the end of June but then demonstrated poor competence and integrity, causing damage to the Cross Keys reputation and loss of business. This person was dismissed in September 2019. A replacement chef, Michael Kirkwood, joined at the end of September after payment of an agency fee of £2,700. A new bar manager, Heidi Woodrow was also recruited during the summer. Both have proved to be successful.

The Cross Keys returned to an accounted profit in October and December. Small losses were made in November and January but this is in line with expected pub trading patterns. The December result was particularly encouraging with sales 16% higher than in any previous month.

The chef and bar manager are now working well together, with effective management of staff costs and gross margins and very positive customer feedback. The management committee has introduced new remuneration policies to encourage staff retention.

The overall effect of restaurant problems is estimated to have worsened results by £15-17,000 during the year. The share issue launched at the end of 2019 raised £10,450 to the end of January 2020, with the aim of making modest improvements to pub facilities. Since January a further £2,500 has been raised.

The committee and staff had developed a programme of events for the 2020/21 financial year and anticipated that this would enable the Cross Keys to make a modest accounted profit with the help of its staff and volunteers. Results at the start of the new financial year were however poor in February because of appalling weather, and then in March due to the onset of the Covid-19 emergency and lockdown commencing on 24 March 2020.

Action has been taken to minimise overheads while there is enforced closure and staff have been furloughed. Management of the Cross Keys' business while closed is carried out by the Management Committee and other volunteers. The Committee is pursuing all possible sources of grant funding and is also working with other community pubs to identify the best ways of dealing with the current crisis. At this time, the best estimate of the length of enforced closure is a minimum of 4 months followed by a period of restricted commercial activity due to social distancing regulations.

The Society has so far received grants of £11,500 and action is underway to attract additional funds to cover the closure period and facilitate recommencement of trading

Statement of disclosure to auditor

So far as the Management Committee is aware there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Society's auditor is unaware and that each committee member has taken all the necessary steps that they ought to have taken in order to make themselves aware of all relevant audit information and to establish that the Society's auditor is aware of that information.

Auditors

The Society's members will be invited to determine whether for the 2020-21 financial year the Society should have:

1. a full statutory audit carried out by a registered Auditor
2. an independent examination carried out by a register Auditor

Option 2 is the preferred option by the committee because it is considered to provide an equal level of assurance for Members at a significantly lower cost than a full statutory audit.

On behalf of the Management Committee



Stephen Eason
Chairman

Date: 21-AUG-2020



REDGRAVE COMMUNITY SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Redgrave Community Society Limited (the 'society') for the year ended 31 January 2020 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 January 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Society Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Covid - 19

We draw your attention to note 1.2 in the financial statements that discusses the risks facing the Society in relation to going concern, how the Covid-19 pandemic has affected those risks and the actions taken by the Committee to mitigate them. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.



REDGRAVE COMMUNITY SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of committees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the committee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the report of the committee and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the committee

As explained more fully in the committees' responsibilities statement, the committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor'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 the society's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Leslie Newman FCA
Senior Statutory Auditor

26 AUGUST 2020
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T/as Newman & Co
Chartered Accountants
4b Church Street
Diss
Norfolk
IP22 4DD



REDGRAVE COMMUNITY SOCIETY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2020

	2020	2019
	£	£
Turnover	239,037	217,614
Cost of sales	(105,672)	(116,440)
	<hr/>	<hr/>
Gross profit	133,365	101,174
Administrative expenses	(137,409)	(165,962)
Other operating income	2,652	105
	<hr/>	<hr/>
Operating loss	(1,392)	(64,683)
Interest receivable and similar income	192	4
Interest payable and similar expenses	(5,156)	(5,535)
	<hr/>	<hr/>
Loss before taxation	(6,356)	(70,214)
Tax on loss	-	-
	<hr/>	<hr/>
Loss for the financial year	<u>(6,356)</u>	<u>(70,214)</u>



REDGRAVE COMMUNITY SOCIETY LIMITED


BALANCE SHEET


AS AT 31 JANUARY 2020


	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	3		263,480		267,447
Current assets					
Stocks		6,446		7,527	
Debtors	4	7,019		2,702	
Cash at bank and in hand		13,672		6,667	
		<u>27,137</u>		<u>16,896</u>	
Creditors: amounts falling due within one year	5	<u>(88,653)</u>		<u>(42,663)</u>	
Net current liabilities			<u>(61,516)</u>		<u>(25,767)</u>
Total assets less current liabilities			201,964		241,680
Creditors: amounts falling due after more than one year	6		(49,800)		(93,743)
Provisions for liabilities			<u>(894)</u>		<u>-</u>
Net assets			<u>151,270</u>		<u>147,937</u>
Capital and reserves					
Called up share capital	7		229,200		218,750
Profit and loss reserves			<u>(77,930)</u>		<u>(70,813)</u>
Total equity			<u>151,270</u>		<u>147,937</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the committee and authorised for issue on 26.08.2020 and are signed on its behalf by:


.....
Stephen Eason
Chairman


.....
John Giddings
Treasurer


.....
Julie Moore
Secretary

Society Registration No. RS007589



REDGRAVE COMMUNITY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Society information

Redgrave Community Society Limited is a private society limited by shares incorporated in England and Wales. The registered office is Lilac Cottage, The Street, Redgrave, DISS, Norfolk, IP22 1RY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Co-operative and Community Benefit Societies Act 2014 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the society. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Part of the Loan Stock (£41,500) we raised at the outset is due for repayment on 21st January 2021 and the balance (£8,500) on 14th November 2021. Commitments have been made to the Society for £45,000 of the total amount to be lent for another three year period after the maturity dates and the Management Committee are seeking to raise additional working capital.

While the small loss made is disappointing the trading figures have improved considerably and would have generated surplus cash had it not been for the exceptional circumstances outlined earlier in these accounts.

However, to put the Society in a stronger position for the future, the committee are also in discussions with their bankers to raise funds via a mortgage of the freehold of the Cross Keys.

The committee is confident that, subject to sufficient funds being raised and a well-managed exit from the Covid-19 crisis, the action being taken will enable the Society to continue to meet its obligations as they fall due and continue as a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on straight line basis
Plant and equipment	20% and 25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the society estimates the recoverable amount of the cash-generating unit to which the asset belongs.



REDGRAVE COMMUNITY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the society's balance sheet when the society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 society after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the society are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the society.



REDGRAVE COMMUNITY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the society is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons employed by the society during the year was 8 (2019 - 7).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 February 2019	261,255	14,304	275,559
Additions	105	3,352	3,457
	<hr/>	<hr/>	<hr/>
At 31 January 2020	261,360	17,656	279,016
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 February 2019	5,225	2,887	8,112
Depreciation charged in the year	5,225	2,199	7,424
	<hr/>	<hr/>	<hr/>
At 31 January 2020	10,450	5,086	15,536
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 January 2020	250,910	12,570	263,480
	<hr/>	<hr/>	<hr/>
At 31 January 2019	256,030	11,417	267,447
	<hr/>	<hr/>	<hr/>

4 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	7,019	2,702
	<hr/>	<hr/>



REDGRAVE COMMUNITY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

5 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	13,878	10,288
Taxation and social security	7,371	-
Other creditors	67,404	32,375
	<u>88,653</u>	<u>42,663</u>

6 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	41,300	26,243
Other creditors	8,500	67,500
	<u>49,800</u>	<u>93,743</u>

The bank has a fixed and floating charge on the assets of the company as security for the bank loan.

7 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
4,584 (2019: 4,375) Ordinary shares of £50 each	<u>229,200</u>	<u>218,750</u>

8 Related party transactions

Transactions with related parties

During the year the society entered into the following transactions with related parties:

The terms of an existing loan from a member were changed, waiving entitlement to interest.



REDGRAVE COMMUNITY SOCIETY LIMITED
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2020

(This page does not form part of the statutory financial statements)

		2020		2019
	£	£	£	£
Turnover				
Sales		233,886		214,840
Fundraising income		5,151		1,520
Events		-		1,254
		<hr/>		<hr/>
		239,037		217,614
Cost of sales				
Raw materials purchases	104,207		113,385	
Gas	1,465		3,055	
		<hr/>		<hr/>
		(105,672)		(116,440)
Gross profit	55.79%	133,365	46.49%	101,174
Other operating income				
Sundry income		2,652		105
Administrative expenses				
Wages and salaries	87,832		91,845	
Staff training	3,705		321	
Licences	1,583		1,592	
Rates	1,225		2,116	
Cleaning	369		1,701	
Light and heat	8,717		10,833	
Repairs and renewals	8,034		10,364	
Refurbishment	-		18,078	
Computer running costs	-		49	
Courier, delivery charges	-		100	
Entertainer hire	3,038		1,067	
Leasing - plant and machinery	1,155		450	
Travelling expenses	-		25	
Professional subscriptions	-		436	
Legal and professional fees	5,254		9,737	
Insurance	2,523		1,829	
Printing, postage and stationery	698		2,188	
Advertising	123		770	
Telephone	1,498		1,768	
Sundry expenses	332		962	
Bank charges	1,619		481	
Credit card charges	2,280		1,138	
Depreciation	7,424		8,112	
		<hr/>		<hr/>
		(137,409)		(165,962)
Operating loss		(1,392)		(64,683)
Interest receivable and similar income				
Bank interest received		192		4



REDGRAVE COMMUNITY SOCIETY LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

(This page does not form part of the statutory financial statements)

	£	2020 £	£	2019 £
	_____		_____	
Interest payable and similar expenses		192		4
Bank interest on loans and overdrafts		(5,156)		(5,535)
Loss before taxation		<u>(6,356)</u>		<u>(70,214)</u>

