

Longparish Community Pub Ltd
Unaudited Financial Statements
30 April 2022

Longparish Community Pub Ltd

Financial Statements

Year ended 30 April 2022

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Longparish Community Pub Ltd

Management Committee Report

Year ended 30 April 2022

The officers present their report and the unaudited financial statements of the society for the year ended 30 April 2022.

Principal activities

Introduction

The members of the Management Committee present their third annual report together with the unaudited financial statements of Longparish Community Pub Ltd ('the Society') for the year to 30 April 2022.

Governance, Structure and Management

The Society was registered as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014 on 20 December 2018. The Society has members, a Management Committee and a Secretary.

Purpose

The Society exists to carry on business for the benefit of the community. The Society aims to establish The Plough Inn, Longparish, as a profitable business and social hub and to carry on activities for the benefit of the whole community in and around Longparish in Hampshire.

Members

Membership is the means by which the Society is owned by the community. The Members of the Society are those whose names are listed in its Register of Members. Membership is open to any person (whether an individual, a corporate body or the nominee of an unincorporated organisation) who completes an application for membership and:

- is over 18 years of age;
- supports the Society's purpose;
- pays for the minimum number of 5 £10 shares;
- whose application is accepted by the Management Committee

Officers

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

Andy Jolliffe
Graeme Francis
Alison Cooper
Jeremy Barber
Christopher Duxbury
Mark Reynolds

Longparish Community Pub Ltd

Management Committee Report *(continued)*

Year ended 30 April 2022

Ailsa Wiggans	(Appointed 24 November 2021)
Martin Hulme	(Appointed 24 November 2021)
David Wright	(Appointed 11 May 2021)
David Marklew	(Resigned 24 November 2021)
Stuart Montague	(Resigned 24 November 2021)

In addition a representative of Longparish Parish Council attends management committee meetings.

Review of activities

Following the completion of the lease of the Plough Inn in February 2021, and as the culmination of much hard work and goodwill, we were delighted to welcome customers back in September 2021 in time to celebrate 300 years of the Plough Inn in Longparish.

Around 150 volunteers supported The Plough during the year by giving freely of knowledge and experience and by a vast amount of hard physical work, both inside the pub and in the garden. It has been a huge project, made more challenging by Covid, and it has been wonderful to see so many people contributing in so many ways. Thank you all very much.

We restored the pub, making it warm and welcoming and family and disabled friendly with a well-equipped upstairs community room. The décor is lovely and behind the scenes we have ensured that we meet modern standards on hygiene, health and safety and fire safety as well as providing good accommodation for our managers. We hoped to include bed and breakfast accommodation but this turned out not to be possible.

A warm welcome depends on much more than our premises. Our managers, Steve and Lucy and all our staff, both front of house and in the kitchen, have made our customers welcome and helped grow the business. We offer good food and drink using local suppliers where possible and are pleased to be getting good reviews and to have been included in the 2023 Good Beer Guide. Thank you to everyone who has made this possible.

Opening used up all our resources and we are grateful to members who loaned us funds to enable us to equip the kitchen and provide working capital. But there was more to do. We planned repairs to our ground floor stores to create an accessible community room, improvements to our electricity supply and work to extend our car park and improve the Test Way footpath which runs through the garden. A second share issue after the year end and support from grant funders enabled all this work to start and we expect it to be complete by Christmas 2022. Thank you to everyone who has made this possible.

Our trading results are different from those predicted in our first share offer, mainly because we were not able to open until September for wet sales and late October for food. And, of course, we had not anticipated Covid restrictions when we drew up the business plan. Staff costs were higher than predicted but sales built up and we made a small profit in December. The winter months are always difficult for rural pubs and, as anticipated, January February and March were not profitable. But turnover was growing and in April we returned to profit. The increase in the VAT rate on food and inflationary increases in costs hit our profitability after the year end. For example, our new electricity supply costs around three times as much per unit as the old. But turnover has continued to grow and reached a record of £45,000 net of VAT in August 2022. Looking forward, we are working hard to keep our costs under control. This is important because our ability to act as a community hub depends on the business being profitable.

Longparish Community Pub Ltd

Management Committee Report *(continued)*

Year ended 30 April 2022

This report was approved by the Management Committee on 9 Nov 2022 and signed on its behalf by:



Andy Jolliffe
Chair



Jeremy Barber
Treasurer



Graeme Francis
Secretary

Registered office:
Broadacre House
Longparish
Andover
Hants
SP11 6QQ

Longparish Community Pub Ltd

Independent Accountant's Report to Longparish Community Pub Ltd

Year ended 30 April 2022

We report on the financial statements of the society for the year ended 30 April 2022 which comprise the income statement, 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 Ltd

DAVID CADWALLADER & CO LIMITED
Chartered Certified Accountants

Suite 3 Bignell Park Barns
Chesterton
Nr Bicester
Oxon
OX26 1TD

18 November 2022

Longparish Community Pub Ltd

Income Statement

Year ended 30 April 2022

	Note	2022 £	2021 £
Turnover		190,048	—
Cost of sales		74,188	—
Gross profit		115,860	—
Less Administrative expenses		270,248	32,167
Add Other operating income		61,733	19,047
Operating loss		(92,655)	(13,120)
Other interest receivable and similar income		1	21
Interest payable and similar expenses		2,200	367
Loss before taxation	5	(94,854)	(13,466)
Tax on loss		—	—
Loss for the financial year		(94,854)	(13,466)

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 8 to 10 form part of these financial statements.

Longparish Community Pub Ltd

Statement of Financial Position

30 April 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	282,891	225,278
Current assets			
Stocks		11,451	—
Debtors	7	16,877	99,288
Cash at bank and in hand		34,972	96,460
		<u>63,300</u>	<u>195,748</u>
Creditors: amounts falling due within one year	8	<u>27,875</u>	<u>60,713</u>
Net current assets		<u>35,425</u>	<u>135,035</u>
Total assets less current liabilities		318,316	360,313
Creditors: amounts falling due after more than one year	9	<u>94,524</u>	<u>41,667</u>
Net assets		<u>223,792</u>	<u>318,646</u>
Capital and reserves			
Called up share capital		330,400	330,400
Profit and loss account		(106,608)	(11,754)
Members funds		<u>223,792</u>	<u>318,646</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 officers 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'.

The statement of financial position
continues on the following page.


The notes on pages 8 to 10 form part of these financial statements.

Longparish Community Pub Ltd

Statement of Financial Position *(continued)*

30 April 2022

These financial statements were approved by the Management Committee and authorised for issue on 9 Nov 2022, and are signed on its behalf by:


Andy Jolliffe
Chair


Jeremy Barber
Treasurer


Graeme Francis
Secretary

Registration number: RS007951

The notes on pages 8 to 10 form part of these financial statements.

Longparish Community Pub Ltd

Notes to the Financial Statements

Year ended 30 April 2022

1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is Broadacre House, Longparish, Andover, Hants, SP11 6QQ.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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.

Longparish Community Pub Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

3. Accounting policies *(continued)*

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:

Long leasehold property	-	Straight line over length of lease
Fixtures and fittings	-	20% reducing balance

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

4. Employee numbers

From September 2021 the Society employed three full time staff and an average of 12 part-time staff (4 full time equivalents).

5. Profit before taxation

Profit before taxation is stated after charging:

	2022 £	2021 £
Depreciation of tangible assets	<u>11,622</u>	<u>2,342</u>

6. Tangible assets

	Long leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 May 2021	227,390	230	227,620
Additions	—	70,735	70,735
Disposals	—	(1,500)	(1,500)
At 30 April 2022	<u>227,390</u>	<u>69,465</u>	<u>296,855</u>
Depreciation			
At 1 May 2021	2,296	46	2,342
Charge for the year	2,296	9,326	11,622
At 30 April 2022	<u>4,592</u>	<u>9,372</u>	<u>13,964</u>
Carrying amount			
At 30 April 2022	<u>222,798</u>	<u>60,093</u>	<u>282,891</u>
At 30 April 2021	<u>225,094</u>	<u>184</u>	<u>225,278</u>

Longparish Community Pub Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

7. Debtors

	2022	2021
	£	£
Other debtors	<u>16,877</u>	<u>99,288</u>

8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	11,515	3,985
Social security and other taxes	8,442	—
Key Fund loan	7,143	7,143
Other creditors	775	49,585
	<u>27,875</u>	<u>60,713</u>

The Key Fund loan relates to the amount repayable within one year in equal monthly instalments.

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

	2022	2021
	£	£
Key Fund loan	34,524	41,667
Other loans	60,000	—
	<u>94,524</u>	<u>41,667</u>

The Key Fund loan relates to the amount repayable after one year in equal monthly instalments.

10. Reserves

Reserves includes a grant of £50,000 from The Plunkett Foundation towards the acquisition of the property which may be repayable if the Society fails in the 7 years after it was granted.

Longparish Community Pub Ltd

Management Information

Year ended 30 April 2022

The following pages do not form part of the financial statements.

Longparish Community Pub Ltd

Detailed Income Statement

Year ended 30 April 2022

	2022 £	2021 £
Turnover		
Sales	180,895	—
Tips	7,415	—
Miscellaneous sales	1,738	—
	<u>190,048</u>	<u>—</u>
 Cost of sales		
Purchases	73,303	—
Direct costs	885	—
	<u>74,188</u>	<u>—</u>
 Gross profit	<u>115,860</u>	<u>—</u>

Longparish Community Pub Ltd

Detailed Income Statement *(continued)*

Year ended 30 April 2022

	2022 £	2021 £
Overheads		
Administrative expenses		
Rent	9,450	2,247
Rates and water	3,050	—
Light and heat	16,838	375
Insurance	7,555	3,872
Repairs and maintenance	114,985	5,583
Cleaning costs	4,340	46
Wages and salaries	87,509	—
Motor expenses	553	66
Travel and subsistence	275	—
Telephone	107	—
IT Software and consumables	5,895	161
Printing postage and stationery	678	—
Staff training	1,000	—
Charitable donations (allowable)	250	—
Subscriptions	799	200
General expenses	1,739	224
Advertising	828	80
Operating lease payments - equipment	288	—
Bank charges	1,136	500
Legal and professional fees	626	15,696
Accountancy fees	775	775
Depreciation of tangible assets	11,622	2,342
(Gain)/loss on disposal of tangible assets	(50)	—
	<u>270,248</u>	<u>32,167</u>
Loss on society trading	<u>(154,388)</u>	<u>(32,167)</u>
Other income	8	—
Revenue donations	6,215	17,657
Income from Plunkett	48,810	1,390
Capital donations	6,700	—
	<u>61,733</u>	<u>19,047</u>
Operating loss	<u>(92,655)</u>	<u>(13,120)</u>
Other interest receivable and similar income	1	21
Interest payable and similar expenses	(2,200)	(367)
Loss before taxation	<u>(94,854)</u>	<u>(13,466)</u>

Longparish Community Pub Ltd

Notes to the Detailed Income Statement

Year ended 30 April 2022

	2022 £	2021 £
Other interest receivable and similar income		
Bank interest received	<u>1</u>	<u>21</u>
Interest payable and similar expenses		
Keyfund loan interest	<u>2,200</u>	<u>367</u>