



AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2020



Improving rural lives together



AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

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AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

REVENUE ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2020

	Notes	Year ended 28 February 2020 £	Year ended 28 February 2019 £
Turnover	2	4,208	49,116
Cost of sales		-	(42,632)
Gross profit		4,208	6,484
Administrative expenses		(18,669)	(15,376)
Other operating income		16,536	21,260
Operating profit		2,075	12,368
Interest receivable and similar income		168	157
Interest payable and similar expenses		(2,790)	(3,097)
(Loss)/profit before taxation		(547)	9,428
Tax on loss/profit		111	(1,826)
(Loss)/profit for the financial year		(436)	7,602

AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	4		19,294		24,867
Investment properties	5		360,767		360,767
			<u>380,061</u>		<u>385,634</u>
Current assets					
Debtors	6	2,064		7,740	
Cash at bank and in hand		14,602		9,147	
			<u>16,666</u>		<u>16,887</u>
Creditors: amounts falling due within one year	7	(38,289)		(29,592)	
Net current liabilities			<u>(21,623)</u>		<u>(12,705)</u>
Total assets less current liabilities			358,438		372,929
Creditors: amounts falling due after more than one year	8		(49,900)		(64,501)
Provisions for liabilities			<u>(436)</u>		<u>(1,337)</u>
Net assets			<u>308,102</u>		<u>307,091</u>
Capital and reserves					
Called up share capital	9	309,000		307,550	
Profit and loss reserves		(898)		(459)	
Total equity			<u>308,102</u>		<u>307,091</u>

For the financial year ended 28 February 2020 Avon Dasset Community Benefit Society Limited was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 and the Co-operative and Community Benefit Societies Act 2014 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006 and section 84 of the Co-operative and Community Benefit Societies Act 2014.

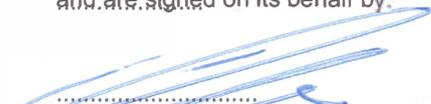
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 28 FEBRUARY 2020

The financial statements were approved by the board of directors and authorised for issue on 16 September 2020 and are signed on its behalf by:



.....
Trevor Gill (Treasurer)



.....
Michael Blakeman



.....
Darrell Muffitt

Company Registration No. RS007489

AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2020

1 Accounting policies

Company information

Avon Dasset Community Benefit Society Limited is a private company limited by shares incorporated in England and Wales and is a public benefit entity. The registered office is The Reading Room, Avon Dasset, Southam, CV47 2AL.

The principal activity of the society continued to be that of the purchase of the freehold property known as The Yew Tree, Avon Dasset and to enable the operation of The Yew Tree as a public house and a centre for the community, by leasing the premises to a tenant and supplying all wet goods to the tenant for resale.

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 Companies Act 2006 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, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have also assessed the company's situation regarding the COVID-19 pandemic and the likely impact on the company given its losses and net current liabilities position at the year end. The directors have confirmed that they will continue to support the company with working capital as and when required. On this basis the directors have a reasonable expectation that the company has adequate resources and working capital to continue in operational existence for the foreseeable future to deal with the issues arising from the COVID-19 pandemic. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income is received and apportioned over the term of the relevant lease.

1.4 Tangible fixed assets

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

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

Plant and equipment	20% straight line
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AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

1 Accounting policies

(Continued)

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 Investment properties

Investment property, which is property held to earn rentals and for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company 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).

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company 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 company's balance sheet when the company 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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the revenue account in other administrative expenses.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the revenue account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the revenue account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.12 Grants

Grants for the purpose of purchasing the investment property are recognised at the fair value of the asset received when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2 Turnover and other revenue

An analysis of the society's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Supply of wet goods	4,208	49,116
	<u> </u>	<u> </u>
	2020	2019
	£	£
Other significant revenue		
Interest income	168	157
Grants received	5,712	5,712
Rental income (incl recharged costs)	10,824	15,548
	<u> </u>	<u> </u>

AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2020

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	-	-

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 March 2019	34,012
Additions	1,537
At 28 February 2020	35,549
Depreciation and impairment	
At 1 March 2019	9,145
Depreciation charged in the year	7,110
At 28 February 2020	16,255
Carrying amount	
At 28 February 2020	19,294
At 28 February 2019	24,867

5 Investment property

	2020 £
Fair value	
At 1 March 2019 and 28 February 2020	360,767

Investment property comprises The Yew Tree public house. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the management committee. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2020

6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	604	4,421
Prepayments and accrued income	848	1,917
	<u>1,452</u>	<u>6,338</u>
	<u><u>1,452</u></u>	<u><u>6,338</u></u>
Amounts falling due after more than one year:		
Deferred tax asset	612	1,402
	<u>612</u>	<u>1,402</u>
	<u><u>612</u></u>	<u><u>1,402</u></u>
Total debtors	<u><u>2,064</u></u>	<u><u>7,740</u></u>

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other borrowings	8,889	8,889
Trade creditors	7,605	392
Other taxation and social security	549	1,837
Government grants	5,714	5,714
Other creditors	12,539	10,000
Accruals and deferred income	2,993	2,760
	<u>38,289</u>	<u>29,592</u>
	<u><u>38,289</u></u>	<u><u>29,592</u></u>

The other borrowings relates to a loan from Key Fund Investments Limited. The deferred capital grant relates to a grant from The Plunkett Foundation. Both of these were received for the sole purpose of purchasing the freehold property known as The Yew Tree, Avon Dassett.

8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other borrowings	30,370	39,259
Government grants	19,530	25,242
	<u>49,900</u>	<u>64,501</u>
	<u><u>49,900</u></u>	<u><u>64,501</u></u>

The other borrowings relates to a loan from Key Fund Investments Limited. The deferred capital grant relates to a grant from The Plunkett Foundation. Both of these were received for the sole purpose of purchasing the freehold property known as The Yew Tree, Avon Dassett.

AVON DASSETT COMMUNITY BENEFIT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2020

9 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
6,180 (2019: 6,151) shares of £50 each	309,000	307,550
	<u>309,000</u>	<u>307,550</u>

During the period, 101 shares of £50 each were issued for cash at par and 72 shares of £50 each were returned.

10 Financial commitments, guarantees and contingent liabilities

On 9 April 2020 the society received a claim for £4,967 from the outgoing tenant in respect of assets which they claimed were not paid for by the Society on termination of the lease to them at the end of 2019. The society disputes this claim on the basis that we have no legal contract to purchase these assets and the submission of this claim and the invoice raised are speculative. The invoice is not supported by any evidence of a contract or supporting invoices. The society has taken legal advice and are following their guidance and have submitted a formal defence and more recently submitted an application to strike to the court.

11 Events after the reporting date

At the time of approval of these financial statements, the United Kingdom is subject to lockdown measures in the wake of the COVID-19 pandemic. These measures are designed to severely limit social contact in all areas in order that the virus is brought under control. These measures are limiting the company's output and the directors therefore believe that this will have an adverse impact on the company's results during this lockdown period and potentially beyond. However, it is not currently possible to reliably estimate the full financial effect on the company, especially on a long term basis.

12 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Key management personnel	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

The amounts owed to key management personnel shown above relate to unsecured loans carrying interest at the rate of 1% over base rate and are repayable on demand.