

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

REPORT OF THE DIRECTORS AND

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2018

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

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FOR THE YEAR ENDED 30 SEPTEMBER 2018

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NEW GALLOWAY COMMUNITY ENTERPRISES LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2018

DIRECTORS:

M Brown -Chairman
M Watson
D Spernagel -Treasurer
E Harnett
D Briggs
J Marsden - Vice Chair
J Nimmo
C Rankine
J Walker

SECRETARY:

M Watson

REGISTERED OFFICE:

New Galloway Community Shop
High Street
New Galloway
CASTLE DOUGLAS
Dumfries & Galloway
DG7 3RN

REGISTERED NUMBER:

RS007143 (Scotland)

ACCOUNTANTS:

Bell Ogilvy
Chartered Accountants
36 King Street
Castle Douglas
Dumfries & Galloway
DG7 1AF

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their report with the financial statements of the company for the year ended 30 September 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the society's rules, applicable UK accounting standards, The Co-operative and Community Benefit Societies Act 2014, and the requirements of the Financial Reporting Standard for Smaller Entities (January 2015).

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a community shop.

DIRECTORS

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

M Brown -Chairman
M Watson
D Spornagel -Treasurer
E Harnett
D Briggs
J Marsden - Vice Chair

Other changes in directors holding office are as follows:

M Smith - resigned 1 March 2018
C Millar - resigned 1 March 2018
S Lane - resigned 1 March 2018
J Nimmo - appointed 1 March 2018
C Rankine - appointed 1 March 2018
J Walker - appointed 1 March 2018

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:

Margaret Watson
.....
M Watson - Secretary

Date: 4 March 2019

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
NEW GALLOWAY COMMUNITY ENTERPRISES LTD

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of New Galloway Community Enterprises Ltd for the year ended 30 September 2018 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the Board of Directors of New Galloway Community Enterprises Ltd, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of New Galloway Community Enterprises Ltd and state those matters that we have agreed to state to the Board of Directors of New Galloway Community Enterprises Ltd, as a body, in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that New Galloway Community Enterprises Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of New Galloway Community Enterprises Ltd. You consider that New Galloway Community Enterprises Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of New Galloway Community Enterprises Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Bell Ogilvy
Chartered Accountants
36 King Street
Castle Douglas
Dumfries & Galloway
DG7 1AF

Date:

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	2017 £
TURNOVER		171,545	21,268
Cost of sales		<u>140,748</u>	<u>15,155</u>
GROSS PROFIT		30,797	6,113
Administrative expenses		<u>82,547</u>	<u>32,972</u>
		(51,750)	(26,859)
Other operating income		<u>46,403</u>	<u>33,214</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT BEFORE TAXATION		(5,347)	6,355
Tax on (loss)/profit		<u>-</u>	<u>1,512</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(5,347)</u>	<u>4,843</u>

The notes form part of these financial statements

NEW GALLOWAY COMMUNITY ENTERPRISES LTD (REGISTERED NUMBER: RS007143)

BALANCE SHEET
30 SEPTEMBER 2018

		2018		2017	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	5		4,200		5,600
Tangible assets	6		<u>237</u>		<u>237</u>
			4,437		5,837
CURRENT ASSETS					
Stocks		8,707		5,000	
Debtors	7	42,682		22,024	
Cash at bank and in hand		<u>23,553</u>		<u>12,328</u>	
		74,942		39,352	
CREDITORS					
Amounts falling due within one year	8	<u>30,311</u>		<u>3,687</u>	
NET CURRENT ASSETS			<u>44,631</u>		<u>35,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			49,068		41,502
ACCRUALS AND DEFERRED INCOME			<u>25,281</u>		<u>12,508</u>
NET ASSETS			<u><u>23,787</u></u>		<u><u>28,994</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		24,230		24,090
Retained earnings			<u>(443)</u>		<u>4,904</u>
SHAREHOLDERS' FUNDS			<u><u>23,787</u></u>		<u><u>28,994</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- 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.

The notes form part of these financial statements

BALANCE SHEET - continued
30 SEPTEMBER 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 4 March 2019 and were signed on its behalf by:

Michael Brown

.....
M Brown -Chairman - Director

Dawn Spernagel

.....
D Spernagel -Treasurer - Director

Margaret Watson

.....
M Watson - Director

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2018**

1. STATUTORY INFORMATION

New Galloway Community Enterprises Ltd is a private company, limited by shares, registered in Scotland. 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 and services supplied to customers during the year, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Land and buildings - not provided

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.

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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.

Revenue recognition

In accordance with the principle of revenue recognition, income is recognised as the right to consideration through performance of contractual obligations and is included in the financial statements when the company is legally entitled to the income.

Funds

The society maintains a community fund and a number of designated funds (funds set aside by the directors for specific purposes).

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 6 (2017 - 4).

4. **OPERATING (LOSS)/PROFIT**

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

	2018	2017
	£	£
Goodwill amortisation	<u>1,400</u>	<u>1,400</u>

5. **INTANGIBLE FIXED ASSETS**

COST

At 1 October 2017
and 30 September 2018

Goodwill
£

7,000

AMORTISATION

At 1 October 2017
Charge for year

1,400
1,400

At 30 September 2018

2,800

NET BOOK VALUE

At 30 September 2018

4,200

At 30 September 2017

5,600

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2018

6. TANGIBLE FIXED ASSETS

		Land and buildings £
COST		
At 1 October 2017 and 30 September 2018		<u>237</u>
NET BOOK VALUE		
At 30 September 2018		<u>237</u>
At 30 September 2017		<u>237</u>
Refurbishment costs to date	£343,368	
Grant allocation to cover costs	(£343,368)	

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	7,706	17,168
Other debtors	<u>34,976</u>	<u>4,856</u>
	<u>42,682</u>	<u>22,024</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	29,559	2,171
Taxation and social security	<u>752</u>	<u>1,516</u>
	<u>30,311</u>	<u>3,687</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
2,423	Ordinary	£10	<u>24,230</u>	<u>24,090</u>

14 Ordinary shares of £10 each were allotted and fully paid for cash at par during the year.

Members at the beginning of the period	258
Members admitted during the year	2
Members at the end of the period	260

10. ULTIMATE CONTROLLING PARTY

The Society is controlled by its members who have one vote each. The day to day management of the society is handled by the board of directors, who are appointed by the members.

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018		2017	
	£	£	£	£
Sales		171,545		21,268
Cost of sales				
Opening stock	5,000		-	
Purchases	<u>144,455</u>		<u>20,155</u>	
	149,455		20,155	
Closing stock	<u>(8,707)</u>		<u>(5,000)</u>	
		<u>140,748</u>		<u>15,155</u>
GROSS PROFIT		30,797		6,113
Other income				
BLF Grant	45,699		26,970	
Plunkett Foundation grant	-		951	
Donations	704		1,867	
Community Shares Scotland	<u>-</u>		<u>3,426</u>	
		<u>46,403</u>		<u>33,214</u>
		77,200		39,327
Expenditure				
Rent	4,947		-	
Rates and water	1,053		501	
Insurance	1,241		263	
Light and heat	5,503		881	
Wages	56,277		7,058	
Pensions	265		-	
Telephone	616		45	
Printing and stationery	627		1,175	
Advertising	186		4,252	
Travelling	234		81	
Repairs and renewals	5,410		77	
Computer expenses	533		217	
Sundry expenses	1,096		1,127	
Project manager	-		10,346	
Accountancy	2,895		1,570	
Legal and professional fees	<u>-</u>		<u>3,979</u>	
		<u>80,883</u>		<u>31,572</u>
		(3,683)		7,755
Finance costs				
Bank charges		<u>264</u>		<u>-</u>
		(3,947)		7,755
Depreciation				
Goodwill		<u>1,400</u>		<u>1,400</u>
NET (LOSS)/PROFIT		<u>(5,347)</u>		<u>6,355</u>

This page does not form part of the statutory financial statements

