

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

REPORT OF THE DIRECTORS AND

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2019

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NEW GALLOWAY COMMUNITY ENTERPRISES LTD

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FOR THE YEAR ENDED 30 SEPTEMBER 2019

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NEW GALLOWAY COMMUNITY ENTERPRISES LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2019

DIRECTORS:

M Brown -Chairman
M Watson
D Spernagel -Treasurer
D Briggs
J Marsden - Vice Chair
J Nimmo
J Walker
S Dressler
W Leach

SECRETARY:

J Nimmo

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 2019

The directors present their report with the financial statements of the company for the year ended 30 September 2019.

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 2018 to the date of this report.

M Brown -Chairman
M Watson
D Spernagel -Treasurer
D Briggs
J Marsden - Vice Chair
J Nimmo
J Walker

Other changes in directors holding office are as follows:

E Harnett - resigned 7 March 2019
C Rankin - resigned 7 March 2019
S Dressler - appointed 7 March 2019
W Leach - appointed 7 March 2019

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:

.....
J Nimmo - Secretary

Date:

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 2019 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 profit 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 2019

	Notes	2019 £	2018 £
TURNOVER		227,993	171,545
Cost of sales		160,571	140,748
GROSS PROFIT		67,422	30,797
Administrative expenses		94,235	82,547
		(26,813)	(51,750)
Other operating income		29,685	46,403
OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) BEFORE TAXATION		2,872	(5,347)
Tax on profit/(loss)		(770)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,642	(5,347)

The notes form part of these financial statements

NEW GALLOWAY COMMUNITY ENTERPRISES LTD (REGISTERED NUMBER: RS007143)

**BALANCE SHEET
30 SEPTEMBER 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	5	2,800	4,200
Tangible assets	6	9,860	237
		<u>12,660</u>	<u>4,437</u>
CURRENT ASSETS			
Stocks		14,233	8,707
Debtors	7	1,980	42,682
Cash at bank and in hand		41,752	23,553
		<u>57,965</u>	<u>74,942</u>
CREDITORS			
Amounts falling due within one year	8	20,568	30,311
		<u>37,397</u>	<u>44,631</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>50,057</u>	<u>49,068</u>
ACCRUALS AND DEFERRED INCOME		<u>22,588</u>	<u>25,281</u>
NET ASSETS		<u>27,469</u>	<u>23,787</u>
CAPITAL AND RESERVES			
Called up share capital	9	24,270	24,230
Retained earnings		3,199	(443)
SHAREHOLDERS' FUNDS		<u>27,469</u>	<u>23,787</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2019 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.

BALANCE SHEET - continued
30 SEPTEMBER 2019

The 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 Board of Directors on and were signed on its behalf by:

.....
M Brown -Chairman - Director

.....
D Spernagel -Treasurer - Director

.....
J Nimmo - Director

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NEW GALLOWAY COMMUNITY ENTERPRISES LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" 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 (covered by grants) - not applicable

Land and buildings (exempt from grants) - 20% SL

Improvements to Property - 20% SL

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.

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. **ACCOUNTING POLICIES - continued**

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.

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 7 (2018 - 6).

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

The operating profit (2018 - operating loss) is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	2,405	-
Goodwill amortisation	1,400	1,400
	<u> </u>	<u> </u>

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 October 2018 and 30 September 2019	7,000
AMORTISATION	
At 1 October 2018	2,800
Charge for year	1,400
At 30 September 2019	4,200
NET BOOK VALUE	
At 30 September 2019	2,800
At 30 September 2018	4,200

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 October 2018	237	-	237
Additions	2,832	9,196	12,028
At 30 September 2019	3,069	9,196	12,265
DEPRECIATION			
Charge for year	566	1,839	2,405
At 30 September 2019	566	1,839	2,405
NET BOOK VALUE			
At 30 September 2019	2,503	7,357	9,860
At 30 September 2018	237	-	237

Refurbishment costs to date £503,195
Grant allocation to cover costs (£503,195)

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	334	7,706
Other debtors	1,646	34,976
	1,980	42,682

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	17,587	29,559
Taxation and social security	2,981	752
	<u>20,568</u>	<u>30,311</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
2,427	Ordinary	£10	<u>24,270</u>	<u>24,230</u>

Members at the beginning of the period 260

Members admitted during the year 1

Members at the end of the period 261

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.

11. BLF COMMUNITY ENGAGEMENT WORKER (CEW) GRANT

Costs incurred in regards to the BLF CEW Grant are as follows:

Grant received	£14,904
Expenses:	
Wages	£13,980
Telephone	£ 226
Computer	£ 75
Sundries	£ 685

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

ACCOMMODATION
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019		2018	
	£	£	£	£
Sales		13,264		-
Cost of sales				
Purchases		678		-
GROSS PROFIT		12,586		-
Expenditure				
Light and heat	1,447		-	
Wages	1,782		-	
Telephone	8		-	
Repairs and renewals	1,964		-	
		5,201		-
		7,385		-
Depreciation				
Improvements to property		1,839		-
NET PROFIT		5,546		-

This page does not form part of the statutory financial statements

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

**SHOP
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	2019		2018	
	£	£	£	£
Sales		214,729		171,545
Cost of sales				
Opening stock	8,707		5,000	
Purchases	165,419		144,455	
	<u>174,126</u>		<u>149,455</u>	
Closing stock	(14,233)		(8,707)	
		<u>159,893</u>		<u>140,748</u>
GROSS PROFIT		54,836		30,797
Other income				
BLF Grant	26,294		45,699	
Donations	335		704	
Community Shares Scotland	1,120		-	
SRUC food grant	1,936		-	
	<u>29,685</u>		<u>46,403</u>	
		84,521		77,200
Expenditure				
Rent	-		4,947	
Rates and water	577		1,053	
Insurance	2,189		1,241	
Light and heat	2,650		5,503	
Wages	63,903		56,277	
Pensions	648		265	
Telephone	902		616	
Printing and stationery	610		627	
Advertising	603		186	
Travelling	-		234	
Repairs and renewals	4,150		5,410	
Computer expenses	711		533	
Sundry expenses	2,755		1,096	
Accountancy	3,690		2,895	
	<u>83,388</u>		<u>80,883</u>	
		1,133		(3,683)
Finance costs				
Bank charges		1,841		264
Carried forward		(708)		(3,947)

This page does not form part of the statutory financial statements

NEW GALLOWAY COMMUNITY ENTERPRISES LTD

SHOP
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019		2018	
	£	£	£	£
Brought forward		(708)		(3,947)
Depreciation				
Goodwill	1,400		1,400	
Freehold property	566		-	
	<u> </u>	<u>1,966</u>	<u> </u>	<u>1,400</u>
NET LOSS		<u><u>(2,674)</u></u>		<u><u>(5,347)</u></u>

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