
THE CHALKE VALLEY COMMUNITY HUB LIMITED

UNAUDITED

MANAGEMENT COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

THE CHALKE VALLEY COMMUNITY HUB LIMITED

SOCIETY INFORMATION

Management committee	Antonia Allen Derek Brown - Chairman Sandra Kidby (appointed 21 March 2022) Claire Donne Caroline Dutton (resigned 21 March 2022) Reverend Jackie Lowe Nicholas Lowe (appointed 21 March 2022) Kay Mills Rachel Sykes Julian Thomas - Treasurer Linda Walton Katharine Whitmore - Vice Chairman Robert Wilkins
Secretary	Terry Jolly
Registered number	29912R
Registered office	URC Chapel High Road Broad Chalke Wiltshire SP5 5EH
Accountants	Clifford Fry & Co LLP St Mary's House Netherhampton Salisbury Wiltshire SP2 8PU

THE CHALKE VALLEY COMMUNITY HUB LIMITED

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**MANAGEMENT COMMITTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The management committee present their report and the financial statements for the year ended 30 September 2022.

Management committee's responsibilities statement

The management committee are responsible for preparing the management committee's report and the unaudited 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. 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, and its 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 management committee have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the management committees 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 surplus or deficit of the Society for that period

In preparing these financial statements, the management committee are required to

- select suitable accounting policies for the Society's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006 and Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The management committee are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in management committee's reports may differ from legislation in other jurisdictions.

Management committee

The management committee members who served during the year were:

Antonia Allen
Derek Brown - Chairman
Sandra Kidby (appointed 21 March 2022)
Claire Donne
Caroline Dutson (resigned 21 March 2022)
Reverend Jackie Lowe
Nicholas Lowe (appointed 21 March 2022)
Kay Mills
Rachel Sykes
Julian Thomas - Treasurer
Linda Walton
Katharine Whitmore - Vice Chairman
Robert Wilkins

MANAGEMENT COMMITTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Purpose and principal activity

The purpose and principal activity of the Society during the year was the operation of a shop, post office, café and meeting place.

The Society is registered under the Co-operative and Community Benefit Societies Act 2014.

Chairman's statement and review of business

The Management Committee is pleased to present this report of the activities of our business to the Members of the Society for the year ending 30 September 2022.

I would like to thank all who serve on the Committee for their dedication in aiding the management of our community enterprise.

Our four part-time team leaders continue most ably to assist Tony Patel with his many management duties and obligations, with Kate Woolven continuing as Tony's Assistant and Jayne Thorne managing the Café. We are grateful to them all for the excellent work they do on our behalf.

This year has presented of a number of challenges to the business, which has affected the financial situation of the Company.

There was a mixed performance from the Hub during 2021/22. While total Hub sales of £335.2k were up 6.9% vs. 2020/21, they were only level in £ terms versus the last normal year pre-Covid (£333.0k in 2018/19) despite significant price inflation over the period. Within this, Shop sales declined -4.7% to £276.9k, probably due to ever stronger competition from discount supermarkets at a time when household budgets are squeezed.

On the positive side, there was a very strong performance from the Café, with 2021/22 sales of £58.4k. While a full year on year comparison is misleading because of Covid impact over the first 8 months of 2020/21, for the period June-September Café sales were up 37.9% year on year.

Overall Gross Profit – the difference between the selling price and the purchase cost of the goods - increased slightly from £89.9k to £93.0k, although gross margin fell back slightly (from 28.7% to 27.8%). We expect to see a higher gross margin for 2022/23, due to the growing proportion of total sales coming from the higher margin Café business.

Bottom line profit/loss fell from a small profit of £9.1k in 2020/21 to -£20.4k in 2021/22. This reflects higher administration expenses (£118.6k, +10.9% vs.2020/21), due to a combination of general inflation, more paid overtime and a 38% rise in energy costs. Additionally there was a sharp fall in the level of grant support received (from £24.0k in 2020/21 to only £2.7k in 2021/22), primarily due to the end of Covid.

While we still have a relatively healthy balance sheet, this level of loss making is not sustainable long term. Our strategy to address this is to reduce staff overtime costs by getting more volunteer support, further grow the successful Café business, and turn around the Shop business by increasing the offering of price marked essential purchases and promoting local suppliers more strongly. We wish to ensure customer wants are satisfied and to continue to offer good quality food and service in the Café.

We are grateful to Ed and his team for their help and cooperation in operating the Post office, which continues to offer the most valuable and much appreciated service three mornings a week, the maximum allowed us by the Post Office organisation.

MANAGEMENT COMMITTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Last year we set ourselves specific objectives for the year.

- A concrete resolution of the Lease Issue, for which there was more hope.
- Depending on the timing of the above, to plan the refurbishment of the shop
- To continue to strive for a regular, if necessarily modest, profitability to ensure our future.

It is with increasing regret that we were not able to conclude discussions with the Landlord for a new Lease. We have asked for certain repairs and renewals of infrastructure which, in spite of our arranging quotations for the work, have still not be undertaken. The Committee feels that without these essential repairs we could not and should not accept the proposals for a considerable increase in the rent.

Thus, as reported last year, we could not embark on a programme of improvements in the shop. We are assured however that our legal rights of occupation have not changed.

As has been stated above, we regretfully did not achieve our aims for profitability for the reasons given. The campaign to attract more volunteers and other necessary changes will be put in place in the current Financial Year, as we attempt to achieve a satisfactory financial state.

The current year's objectives:

- To continue our attempts to engage with the Landlord's representatives to secure our future. If progress is made we will then be able to reconsider the undertaking of our earlier plans for upgrading the premises and equipment.
- To integrate the new volunteers with a planned training programme
- To increase our offer in the Café and to undertake some refurbishments as required.

I would like to thank all the volunteers, without whom we cannot operate, the management and staff, our advisers, and the Management Committee members for all their invaluable help and advice. Most particularly, I would like to thank The Executive Committee for their continuing help and guidance.

Finally, and most importantly, I would like to thank all our customers for their loyal support, and particularly for their understanding of, and cooperation with, the changes to the operations which may be required.

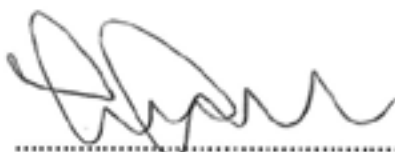
Small companies note

In preparing this report, the management committee have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the management committee on its behalf.

March 29 2023

and signed on



.....
Terry Jolly
Secretary

**CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED STATUTORY
FINANCIAL STATEMENTS OF THE CHALKE VALLEY COMMUNITY HUB LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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. In order to assist you to fulfil your duties under the Co-operative and Community Benefits Act 2014, we have prepared for your approval the financial statements of The Chalke Valley Community Hub Limited for the year ended 30 September 2022 which comprise the Statement of income and retained earnings, the Balance sheet and the related notes from the Society's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

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 these accounting records, the financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.
- c) with regard to the financial year ending September 30 2022, the financial criteria for the exercise of power conferred by section 84 were met in relation to the year.



Clifford Fry & Co LLP

St Mary's House
Netherhampton
Salisbury
Wiltshire
SP2 8PU

Date: 06/04/23

THE CHALKE VALLEY COMMUNITY HUB LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Turnover		335,219	313,541
Cost of sales		<u>(242,182)</u>	<u>(223,622)</u>
Gross profit		93,037	89,919
Administrative expenses		(118,558)	(106,942)
Other operating income		5,041	26,053
Operating (loss)/profit		<u>(20,480)</u>	<u>9,030</u>
Interest receivable and similar income		102	43
(Loss)/profit before tax		<u>(20,378)</u>	<u>9,073</u>
(Loss)/profit after tax		<u>(20,378)</u>	<u>9,073</u>
Retained earnings at the beginning of the year		73,738	64,665
		<u>73,738</u>	<u>64,665</u>
(Loss)/profit for the year		(20,378)	9,073
Retained earnings at the end of the year		<u>53,360</u>	<u>73,738</u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 13 form part of these financial statements.

THE CHALKE VALLEY COMMUNITY HUB LIMITED
REGISTERED NUMBER: 29912R

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	3,348	7,043
		<u>3,348</u>	<u>7,043</u>
Current assets			
Stocks	6	18,445	21,465
Debtors: amounts falling due within one year	7	2,352	2,156
Cash at bank and in hand	8	114,956	125,987
		<u>135,753</u>	<u>149,608</u>
Creditors: amounts falling due within one year	9	(37,251)	(34,483)
Net current assets		<u>98,502</u>	115,125
Total assets less current liabilities		<u>101,850</u>	<u>122,168</u>
Net assets excluding pension asset		<u>101,850</u>	<u>122,168</u>
Net assets		<u>101,850</u>	<u>122,168</u>
Capital and reserves			
Called up share capital	11	48,490	48,430
Profit and loss account		53,360	73,738
		<u>101,850</u>	<u>122,168</u>

THE CHALKE VALLEY COMMUNITY HUB LIMITED
REGISTERED NUMBER: 29912R

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2022

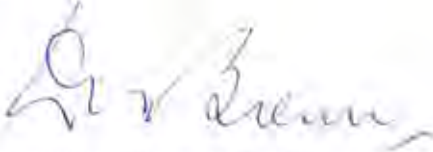
The management committees consider that the Society is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Society to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The management committees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29/09/23



.....
Derek Brown - Chairman
Management committee



.....
Julian Thomas - Treasurer
Management committee

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. General information

The Company is a private Company limited by shares incorporated in England & Wales. The principal place of business is Chalke Valley Stores, High Road, Broadchalke, Salisbury, SP5 5EH. The principal activity of the company is the operation of a shop, post office, café and meeting place.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Society has transferred the significant risks and rewards of ownership to the buyer;
- the Society retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Society will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Operating leases: the Society as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Pensions

Defined contribution pension plan

The Society operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Society pays fixed contributions into a separate entity. Once the contributions have been paid the Society has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Society in independently administered funds.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- Straight line over the life of the lease - 7 years
Fixtures and fittings	- Straight line over 4 years
Computer equipment	- Straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Society only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2021 - 8).

4. Taxation

	2022 £	2021 £
Total current tax	-	-

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2021 - 19%).

THE CHALKE VALLEY COMMUNITY HUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

5. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 October 2021	86,499	53,761	14,395	154,655
Disposals	-	(4,196)	-	(4,196)
At 30 September 2022	<u>86,499</u>	<u>49,565</u>	<u>14,395</u>	<u>150,459</u>
Depreciation				
At 1 October 2021	86,499	48,029	13,084	147,612
Charge for the year on owned assets	-	2,939	756	3,695
Disposals	-	(4,196)	-	(4,196)
At 30 September 2022	<u>86,499</u>	<u>46,772</u>	<u>13,840</u>	<u>147,111</u>
Net book value				
At 30 September 2022	<u>-</u>	<u>2,793</u>	<u>555</u>	<u>3,348</u>
At 30 September 2021	<u>-</u>	<u>5,732</u>	<u>1,311</u>	<u>7,043</u>

THE CHALKE VALLEY COMMUNITY HUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

6. Stocks

	2022 £	2021 £
Finished goods and goods for resale	18,445	21,465
	18,445	21,465
	18,445	21,465

7. Debtors

	2022 £	2021 £
Trade debtors	720	360
Prepayments and accrued income	1,632	1,796
	2,352	2,156
	2,352	2,156

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	114,956	125,987
	114,956	125,987
	114,956	125,987

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,212	8,396
Other taxation and social security	3,600	2,061
Other creditors	273	205
Accruals and deferred income	23,166	23,821
	37,251	34,483
	37,251	34,483

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>114,956</u>	<u>125,987</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

11. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
4,849 (2021 - 4,843) Ordinary shares of £10.00 each	<u>48,490</u>	<u>48,430</u>

During the year, 6 Ordinary share were issued at par.

12. Pension commitments

The Society operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The pension cost charge represents contributions payable by the Society to the fund and amounted to £1,246 (2021 - £947). Contributions totalling £273 (2021 - £205) were payable to the fund at the balance sheet date and are included in creditors.

13. Commitments under operating leases

The Society had no commitments under non-cancellable operating leases at the balance sheet date.

14. Controlling party

There is no ultimate controlling party.

THE CHALKE VALLEY COMMUNITY HUB LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Turnover		335,219	313,541
Cost of Sales		(242,182)	(223,622)
Gross profit		<u>93,037</u>	<u>89,919</u>
Gross profit %		27.8 %	28.7 %
Other operating income		5,041	26,053
Less: overheads			
Administration expenses		(118,558)	(106,942)
Operating (loss)/profit		<u>(20,480)</u>	<u>9,030</u>
Interest receivable		102	43
(Loss)/Profit for the year		<u>(20,378)</u>	<u>9,073</u>

THE CHALKE VALLEY COMMUNITY HUB LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Turnover		
Shop sales	276,859	290,637
Café sales	58,360	22,904
	<u>335,219</u>	<u>313,541</u>
	2022 £	2021 £
Cost of sales		
Opening stocks	21,465	15,734
Purchases	238,924	229,353
Subcontract labour	238	-
Closing stocks	(18,445)	(21,465)
	<u>242,182</u>	<u>223,622</u>
	2022 £	2021 £
Other operating income		
Other operating income	2,667	23,963
Net rents receivable	1,440	1,440
Grants released	734	550
Donations received	200	100
	<u>5,041</u>	<u>26,053</u>

THE CHALKE VALLEY COMMUNITY HUB LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022 £	2021 £
Administration expenses		
Staff salaries	75,890	68,447
Staff pension costs	1,246	947
Staff welfare	-	120
Printing and stationery	27	227
Telephone and fax	1,253	1,433
Charity donations	100	-
Legal and professional	1,053	-
Accountancy fees	1,100	1,100
Equipment hire	1,780	1,780
Bank charges	2,837	2,154
Sundry expenses	2,024	844
Rent	5,057	5,088
Rates	186	178
Light and heat	10,318	7,469
Cleaning	2,911	2,393
Insurances	2,098	1,877
Repairs and maintenance	2,940	4,058
Depreciation	3,695	4,432
Profit on sale of tangible assets	(625)	-
Bookkeeping fees	4,668	4,395
	<u>118,558</u>	<u>106,942</u>
	2022 £	2021 £
Interest receivable		
Bank interest receivable	102	43
	<u>102</u>	<u>43</u>