Registered number: 29874R

THE TRUE FOOD COMMUNITY CO-OPERATIVE LTD

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

DRAFT

THE TRUE FOOD COMMUNITY CO-OPERATIVE LTD

SOCIETY INFORMATION

Directors	C Hughes H Eales C Arnold V Groner (appointed 12 June 2022) E Jacobs (appointed 12 June 2022)
Company secretary	E Jacobs
Registered number	29874R
Registered office	61 Grove Road Emmer Green Reading RG4 8LJ
Accountants	The Alanbrookes Group Ltd Chartered Accountants 24 Glove Factory Studios Holt Wiltshire BA14 6RL

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THE TRUE FOOD COMMUNITY CO-OPERATIVE LTD

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the society in the year under review was that of the retail of organic food to the community of Reading.

Directors

The directors who served during the year were:

F Jakeman (resigned 12 June 2022)
C Hughes
B Beechen (resigned 27 February 2022)
H Eales
C Arnold
V Groner (appointed 12 June 2022)
E Jacobs (appointed 12 June 2022)
Z Bann (appointed 12 June 2022, resigned 23 January 2023)
B Newman-Zand (resigned 16 October 2022)

Small companies note

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

This report was approved by the board on and signed on its behalf.

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C Hughes
Chair

E Jacobs
Secretary

H Eales
Treasurer

INDEPENDENT ACCOUNTANTS' REPORT UNDER SECTION 85 OF THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014 TO THE DIRECTORS OF THE TRUE FOOD COMMUNITY CO-OPERATIVE LTD
FOR THE YEAR ENDED 31 DECEMBER 2022

We report to the members on the unaudited accounts for the year ended 31 December 2022 set out on pages 3 to 15.

RESPECTIVE RESPONSIBILITIES OF OFFICERS AND REPORTING ACCOUNTANTS

The society's officers are responsible for the preparation of the accounts, and they consider that the society is entitled to opt out of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

This report is made to the society's members, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the the accounts that we have been engaged to compile; report to the society's members that we have done so, and state those matters that we have agreed to state to them in this 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 and the society's members, as a body, for our work or for this report.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purposes of this report. These procedures provide the only assurance expressed in our opinion.

OPINION

In our opinion:

a. The accounts, including the revenue account and balance sheet, are in agreement with the accounting records kept by the society under s75 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 revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
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.

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The Alanbrookes Group Ltd

Chartered Accountants

24 Glove Factory Studios
Holt
Wiltshire
BA14 6RL
Date:

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	*2021* *£*
Turnover		**402,176**	*441,751*
Cost of sales		**(278,056)**	*(317,817)*
Gross profit		**124,120**	*123,934*
Administrative expenses		**(132,228)**	*(143,444)*
Other operating income		**3,160**	*2,065*
Operating loss		**(4,948)**	*(17,445)*
Tax on loss		**237**	*(59)*
Loss after tax		**(4,711)**	*(17,504)*
Retained earnings at the beginning of the year		**25,812**	*43,316*
		25,812	*43,316*
Loss for the year		**(4,711)**	*(17,504)*
Retained earnings at the end of the year		**21,101**	*25,812*

The notes on pages 7 to 12 form part of these financial statements.

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THE TRUE FOOD COMMUNITY CO-OPERATIVE LTD
REGISTERED NUMBER: 29874R

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		*2021* *£*
Fixed assets					
Tangible assets	3		**11,047**		*12,349*
			11,047		*12,349*
Current assets					
Stocks	4	**23,477**		*23,471*	
Debtors: amounts falling due within one year	5	**2,907**		*2,494*	
Cash at bank and in hand	6	**15,750**		*22,086*	
		42,134		*48,051*	
Creditors: amounts falling due within one year	7	**(29,797)**		*(32,155)*	
Net current assets			**12,337**		*15,896*
Total assets less current liabilities			**23,384**		*28,245*
Provisions for liabilities					
Deferred tax	8	**(2,109)**		*(2,346)*	
			(2,109)		*(2,346)*
Net assets			**21,275**		*25,899*
Capital and reserves					
Called up share capital	9		**174**		*87*
Profit and loss account			**21,101**		*25,812*
			21,275		*25,899*

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BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The company is entitled to exemption from audit under s.84 of the Co-operative and Community Benefits Societies Act 2014, and the members have not required the company to obtain an audit of its financial statements in accordance with s.84(2) of the Act.

The directors acknowledge their responsibilities for:

a. ensuring that the company keeps accounting records which comply with s.75 of the Co-operative and Community Benefits Societies Act 2014 and
b. 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.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

C Hughes
Chair

E Jacobs
Secretary

H Eales
Treasurer

The notes on pages 7 to 12 form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	**425**	**43,316**	**43,741**
Comprehensive income for the year			
Loss for the year	**-**	**(17,504)**	**(17,504)**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**(17,504)**	**(17,504)**
Shares issued during the year	**17**	**-**	**17**
Shares redeemed during the year	**(355)**	**-**	**(355)**
Total transactions with owners	**(338)**	**-**	**(338)**
At 1 January 2022	**87**	**25,812**	**25,899**
Comprehensive income for the year			
Loss for the year	**-**	**(4,711)**	**(4,711)**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**(4,711)**	**(4,711)**
Shares issued during the year	**111**	**-**	**111**
Shares redeemed during the year	**(24)**	**-**	**(24)**
Total transactions with owners	**87**	**-**	**87**
At 31 December 2022	**174**	**21,101**	**21,275**

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The notes on pages 7 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The principal activity of the society in the year under review was that of the retail of organic food to the community of Reading.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Society's accounting policies.

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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Society will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.3 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.

2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Society operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.5 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.

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Plant and machinery	- 25% - 33% on cost
Fixtures and fittings	- 25% on cost
Other fixed assets	- over the term of the lease

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.

2.6 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.

2.7 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.

2.8 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.

2.9 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. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Society a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Society becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation				
At 1 January 2022	**19,996**	**14,602**	**12,327**	**46,925**
Additions	**291**	**2,852**	**-**	**3,143**
At 31 December 2022	**20,287**	**17,454**	**12,327**	**50,068**
Depreciation				
At 1 January 2022	**11,823**	**11,362**	**11,391**	**34,576**
Charge for the year on owned assets	**3,166**	**917**	**362**	**4,445**
At 31 December 2022	**14,989**	**12,279**	**11,753**	**39,021**
Net book value				
At 31 December 2022	**5,298**	**5,175**	**574**	**11,047**
At 31 December 2021	*8,174*	*3,239*	*936*	*12,349*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Stocks

	2022 £	2021 £
Raw materials and consumables	**23,477**	*23,471*
	23,477	*23,471*

5. Debtors

	2022 £	2021 £
Trade debtors	**4**	-
Prepayments and accrued income	**2,903**	*2,494*
	2,907	*2,494*

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6. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	**15,750**	*22,086*
	15,750	*22,086*

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	**22,232**	*24,166*
Other taxation and social security	**778**	*1,725*
Other creditors	**345**	*304*
Accruals and deferred income	**6,442**	*5,960*
	29,797	*32,155*

8. Deferred taxation

	2022 £
At beginning of year	**(2,346)**
Charged to profit or loss	**237**
At end of year	**(2,109)**

The provision for deferred taxation is made up as follows:

	2022 £	*2021* *£*
Accelerated capital allowances	**(2,109)**	*(2,346)*
	(2,109)	*(2,346)*

9. Share capital

	2022 £	*2021* *£*
Allotted, called up and fully paid		
174 *(2021 - 87)* Ordinary shares shares of £1.00 each	**174**	*87*

There were 111 (2021 - 17) ordinary shares issued during the year and 24 (2021 - 355) ordinary shares redeemed during the year.

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DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	*2021* *£*
Turnover		**402,176**	*441,751*
Cost Of Sales		**(278,056)**	*(317,817)*
Gross profit		**124,120**	*123,934*
Gross profit %		**30.9 %**	*28.1 %*
Other operating income		**3,160**	*2,065*
Less: overheads			
Administration expenses		**(114,979)**	*(126,408)*
Establishment expenses		**(17,249)**	*(17,036)*
Operating loss		**(4,948)**	*(17,445)*
Tax on loss on ordinary activities		**237**	*(59)*
Loss for the year		**(4,711)**	*(17,504)*

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SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	*2021 £*
Turnover		
Sales	**402,176**	*441,599*
Ticket sales	**-**	*152*
	402,176	*441,751*

	2022 £	*2021 £*
Cost of sales		
Opening stocks	**23,471**	*30,300*
Closing stocks	**(23,477)**	*(23,471)*
Purchases	**277,523**	*309,725*
Other direct costs	**539**	*1,263*
	278,056	*317,817*

	2022 £	*2021 £*
Other operating income		
Donations received	**851**	*673*
Subscriptions received	**1,114**	*853*
Grants	**1,195**	*539*
	3,160	*2,065*

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SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Administration expenses		
Staff salaries	**90,930**	*102,698*
Staff pension costs - defined contribution schemes	**1,385**	*-*
Staff training	**264**	*875*
Member events and costs	**98**	*-*
Consultancy	**-**	*1,000*
Postage	**6**	*-*
Telephone and data costs	**437**	*781*
IT costs and consumables	**2,319**	*738*
General office expenses	**1,235**	*1,183*
Advertising and marketing costs	**704**	*866*
Licences and subscriptions	**2,583**	*2,486*
Legal and professional	**-**	*1,000*
Payroll admin costs	**511**	*614*
Accountancy fees	**795**	*750*
Card machine costs	**239**	*299*
Bank charges	**3,306**	*3,816*
Sundry expenses	**310**	*-*
Cleaning and waste	**1,925**	*1,883*
Insurances	**3,415**	*3,373*
Depreciation - plant and machinery	**3,050**	*3,782*
Depreciation - computer equipment	**116**	*-*
Depreciation - other fixed assets	**362**	*-*
Depreciation - fixtures and fittings	**917**	*386*
Profit/loss on sale of tangible assets	**-**	*(122)*
Room hire	**72**	*-*
	114,979	*126,408*

	2022 £	2021 £
Establishment		
Rent	**10,000**	*10,097*
Water	**146**	*284*
Light and heat	**6,002**	*4,638*
Repairs and maintenance	**1,101**	*2,017*
	17,249	*17,036*

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