

On The Eighth Day Co-Operative Limited

Report of the Management Committee and the Unaudited Financial Statements

for the Year Ended 31 August 2013

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

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The following pages do not form part of the statutory financial statements:

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ON THE EIGHTH DAY CO-OPERATIVE LIMITED

SOCIETY INFORMATION

Management committee I Ford
U Gothard
J Marsh
J Thomas
D Garland
P Lavery
S Singh
C M Vides
S Jones
C Gooding
H Welch
V Uye
D Crompton
E Sheperd-White
Rev L M McCobb
Y Hayakawa

Secretary C M Vides

Registered office Eighth Day House
111 Oxford Road
Manchester
M1 7DU

Bankers The Cooperative Bank Plc
PO Box 101
Balloon Street
Manchester
M60 4EP

Accountants Haines Watts Lancashire LLP
Chartered Accountants
Northern Assurance Buildings
9/21 Princess Street
Manchester
M2 4DN

ON THE EIGHTH DAY CO-OPERATIVE LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 AUGUST 2013

The Management Committee present their report and the unaudited financial statements for the year ended 31 August 2013.

Principal activity

The principal activity of the Society is that of the selling of wholefoods and providing the service of a vegetarian restaurant.

Business review

The results for the year and the financial position of the Society are as shown in the annexed financial statements.

Dividends

No dividends were paid in respect of the year to 31 August 2012.

Members

The members during the year were as follows:

I Ford

U Gothard

J Marsh

J Thomas

D Garland

P Lavery

S Singh

C M Vides

S Jones

C Gooding

H Welch

V Uye

D Crompton

E Sheperd-White

Rev L M McCobb

Y Hayakawa (appointed 26 March 2013)

ON THE EIGHTH DAY CO-OPERATIVE LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 AUGUST 2013
..... CONTINUED

Statement of Management Committee's responsibilities

The Management Committee is responsible for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and regulations.

The Industrial and Provident Societies Acts 1965 and 2002 requires the Management Committee to prepare financial statements for each financial year. Under that law the Management Committee has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Also under that law the Management Committee 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 profit or loss of the Society for that period. In preparing these financial statements, the Management Committee is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Management Committee is 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 enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002. 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.

Approved by the Management Committee on 28 January 2014 and signed on its behalf by:

.....
C M Vides
Member

CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF ON THE EIGHTH DAY CO-OPERATIVE LIMITED FOR THE YEAR ENDED 31 AUGUST 2013

In order to assist you to fulfil your duties under the Industrial and Provident Societies Acts 1965 to 2002, we have prepared for your approval the accounts of On The Eighth Day Co-Operative Limited for the year ended 31 August 2013 set out on pages 5 to 10 from the company'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 icaew.com/membershandbook.

This report is made solely to the Members of On The Eighth Day Co-Operative Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of On The Eighth Day Co-Operative Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than On The Eighth Day Co-Operative Limited and its Management Committee as a body for our work or for this report.

It is your duty to ensure that On The Eighth Day Co-Operative Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of On The Eighth Day Co-Operative Limited. You consider that On The Eighth Day Co-Operative Limited is exempt from the statutory audit requirement for the year.

In our opinion the revenue accounts and balance sheet for the year ended 31 August 2011 are in agreement with the books of account kept by the society and that, on the basis of the information contained in the books of account, they comply with the requirements of the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968.

In our opinion the society has satisfied the conditions for exemption from an audit of the accounts for the year ended 31 August 2011 as set out in the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968 and did not at any time within the year fall within any of the categories of society not entitled to such exemption.

.....

Haines Watts Lancashire LLP
Chartered Accountants
Northern Assurance Buildings
9/21 Princess Street
Manchester
M2 4DN

Date:.....

ON THE EIGHTH DAY CO-OPERATIVE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Turnover		1,503,084	1,416,059
Cost of sales		<u>(905,673)</u>	<u>(841,435)</u>
Gross profit		597,411	574,624
Administrative expenses		<u>(544,818)</u>	<u>(533,603)</u>
Operating profit	2	52,593	41,021
Income from other fixed asset investments		33	21
Other interest receivable and similar income		95	81
Interest payable and similar charges		<u>(4,126)</u>	<u>(4,666)</u>
Profit on ordinary activities before taxation		48,595	36,457
Tax on profit on ordinary activities	4	<u>(11,670)</u>	<u>(8,363)</u>
Profit for the financial year	11	<u><u>36,925</u></u>	<u><u>28,094</u></u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED
BALANCE SHEET AT 31 AUGUST 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	5	622,301	635,491
Investments	6	<u>652</u>	<u>619</u>
		<u>622,953</u>	<u>636,110</u>
Current assets			
Stocks		78,172	80,217
Debtors	7	9,713	8,383
Cash at bank and in hand		<u>125,440</u>	<u>125,187</u>
		213,325	213,787
Creditors: Amounts falling due within one year	8	<u>(141,301)</u>	<u>(149,879)</u>
Net current assets		<u>72,024</u>	<u>63,908</u>
Total assets less current liabilities		694,977	700,018
Creditors: Amounts falling due after more than one year	9	<u>(85,098)</u>	<u>(127,065)</u>
Net assets		<u><u>609,879</u></u>	<u><u>572,953</u></u>
Capital and reserves			
Called up share capital	10	16	15
Revaluation reserve	11	405,031	413,469
Profit and loss account	11	<u>204,832</u>	<u>159,469</u>
Shareholders' funds		<u><u>609,879</u></u>	<u><u>572,953</u></u>

These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Members on 28 January 2014 and signed on its behalf by:

.....
I Ford - member

.....
C M Vides - member

.....
J Marsh - member

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of long leasehold property and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Long leasehold property	2% on cost/valuation
Shop and kitchen equipment	10% on cost
Fixtures and fittings	10% on cost
Office equipment	25% to 35% on cost

The Society has adopted a policy of revaluation of its long leasehold property. In accordance with Financial Reporting Standard for Smaller Entities (effective April 2008) revaluations will be carried out every five years unless there is an indication of a material change in value in other years.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

2 Operating profit

Operating profit is stated after charging:

	2013 £	2012 £
(Profit)/loss on sale of tangible fixed assets	(84)	789
Depreciation of tangible fixed assets	<u>18,026</u>	<u>18,326</u>

3 Members' remuneration

The members' remuneration for the year was as follows:

	2013 £	2012 £
Remuneration	<u>285,198</u>	<u>268,423</u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

..... CONTINUED

4 Taxation

Tax on profit on ordinary activities

	2013	2012
	£	£
Current tax		
Corporation tax charge	<u>11,670</u>	<u>8,363</u>

5 Tangible fixed assets

	Long leasehold property £	Shop and kitchen equipment £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 September 2012	625,000	170,382	80,497	38,566	914,445
Additions	-	367	3,971	498	4,836
Disposals	-	(250)	-	-	(250)
At 31 August 2013	<u>625,000</u>	<u>170,499</u>	<u>84,468</u>	<u>39,064</u>	<u>919,031</u>
Depreciation					
At 1 September 2012	12,500	163,512	68,054	34,888	278,954
Charge for the year	12,500	748	2,023	2,755	18,026
Eliminated on disposals	-	(250)	-	-	(250)
At 31 August 2013	<u>25,000</u>	<u>164,010</u>	<u>70,077</u>	<u>37,643</u>	<u>296,730</u>
Net book value					
At 31 August 2013	<u>600,000</u>	<u>6,489</u>	<u>14,391</u>	<u>1,421</u>	<u>622,301</u>
At 31 August 2012	<u>612,500</u>	<u>6,870</u>	<u>12,443</u>	<u>3,678</u>	<u>635,491</u>

The Society operates from premises under a lease of length 999 years provided by Carlton (North Wales) Ltd. This was granted in April 2003 after the Society transferred its ownership of the freehold property to Carlton (North Wales) Ltd for a consideration of £120,000. The Society has incurred expenditure on subsequent improvements to the property, which have been accounted for in these financial statements in addition to the value of the leasehold interest.

Revaluations

The long leasehold property class of fixed assets was revalued on 10 January 2012 by Stuart F Beesley, FRICS who is external to the company. The basis of this valuation was open market value. This class of assets has a current value of £625,000 (2012 - £625,000) and a carrying amount at historical cost of £245,026 (2012 - £250,130). The depreciation on this historical cost is £66,234 (2012 - £61,130).

ON THE EIGHTH DAY CO-OPERATIVE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013****..... CONTINUED****6 Investments held as fixed assets**

	2013 £	2012 £
Other investments	<u>652</u>	<u>619</u>
Other investments		Unlisted investments £
Cost		
At 1 September 2012		619
Additions		<u>33</u>
At 31 August 2013		<u>652</u>
Net book value		
At 31 August 2013		<u>652</u>
At 31 August 2012		<u>619</u>

Investments include £400 which represents the cost of shares purchased in a co-operative scheme which allows the Society to make bulk purchases from a national retailer at trade prices.

7 Debtors

	2013 £	2012 £
Trade debtors	1,060	-
Prepayments and accrued income	<u>8,653</u>	<u>8,383</u>
	<u>9,713</u>	<u>8,383</u>

8 Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	41,662	36,643
Bank loans and overdrafts	41,592	40,393
Corporation tax	11,670	8,363
Other taxes and social security	28,045	24,000
Other creditors	309	109
Accruals and deferred income	<u>18,023</u>	<u>40,371</u>
	<u>141,301</u>	<u>149,879</u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013****..... CONTINUED****9 Creditors: Amounts falling due after more than one year**

	2013 £	2012 £
Bank loans and overdrafts	<u>85,098</u>	<u>127,065</u>

10 Share capital**Allotted, called up and fully paid shares**

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1 each	<u>16</u>	<u>16</u>	<u>15</u>	<u>15</u>

During the year the Society issued one new ordinary shares at par to a new member.

11 Reserves

	Revaluation reserve £	Profit and loss account £	Total £
At 1 September 2012	413,469	159,469	572,938
Profit for the year	-	36,925	36,925
Transfer of realised profits	<u>(8,438)</u>	<u>8,438</u>	<u>-</u>
At 31 August 2013	<u>405,031</u>	<u>204,832</u>	<u>609,863</u>

12 Control

The society is controlled by the members who own 100% of the called up share capital.

ON THE EIGHTH DAY CO-OPERATIVE LIMITED**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013**

	2013		2012	
	£	£	£	£
Turnover				
Sales		1,503,084		1,416,059
Cost of sales				
Opening stock	80,217		92,471	
Purchases	903,628		829,181	
Closing stock	<u>(78,172)</u>		<u>(80,217)</u>	
		<u>(905,673)</u>		<u>(841,435)</u>
Gross profit		<u>597,411</u>		<u>574,624</u>
Gross profit (%)		39.75%		40.58%
Administrative expenses (analysed below)				
Employment costs	401,036		392,856	
Establishment costs	82,400		75,627	
General administrative expenses	29,972		34,209	
Finance charges	13,468		11,796	
Depreciation costs	<u>17,942</u>		<u>19,115</u>	
		<u>(544,818)</u>		<u>(533,603)</u>
Income from other fixed asset investments				
Income from other investments (unlisted)	27		16	
Unlisted investment interest receivable	<u>6</u>		<u>5</u>	
		33		21
Other interest receivable and similar income				
Bank interest receivable		95		81
Interest payable and similar charges				
Bank loan interest payable		<u>(4,126)</u>		<u>(4,666)</u>
Profit on ordinary activities before taxation		<u><u>48,595</u></u>		<u><u>36,457</u></u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013**

	2013 £	2012 £
Employment costs		
Wages and salaries	89,740	94,256
Staff employers NIC	3,467	4,911
Members' remuneration	285,198	268,423
Members' employers NIC	22,631	25,266
	<u>401,036</u>	<u>392,856</u>
Establishment costs		
Rent, rates and water	25,054	24,417
Light, heat and power	23,928	21,187
Insurance	9,526	8,736
Repairs and maintenance	23,892	21,287
	<u>82,400</u>	<u>75,627</u>
General administrative expenses		
Telephone and fax	1,656	1,507
Printing, postage and stationery	1,267	2,314
Hire of plant and machinery	898	960
Sundry expenses	4,175	3,519
Laundry and cleaning	14,242	12,169
Accountancy fees	3,180	3,438
Legal and professional fees	2,052	4,940
Advertising	1,184	602
Website costs	500	3,960
Travelling	818	800
	<u>29,972</u>	<u>34,209</u>
Finance charges		
Bank charges	<u>13,468</u>	<u>11,796</u>
Depreciation costs		
Depreciation of long leasehold property	12,500	12,500
Depreciation of shop and kitchen equipment	748	1,394
Depreciation of fixtures and fittings	2,023	1,874
Depreciation of office equipment	2,755	2,558
(Profit)/loss on disposal of tangible fixed assets	(84)	789
	<u>17,942</u>	<u>19,115</u>