



# Titchmarsh Village Shop Project

c/o 15 Chapel Street, Titchmarsh, Kettering, NN14 3DA  
T: 01832 734568; M: 07786 408958 E:  
jane.teague@mac.com

## **1st Annual General Meeting Report of the Treasurer**

### **Statutory Body**

Today marks the first of the annual obligations we are required to perform as company registered under the Industrial and Provident Societies Acts. To recap, the association tasked with developing the shop was formed in this venue 16 months ago on 12 March 2006 at an open meeting of the village. Eight stalwarts were elected to take forward the shop agenda and on 16 August 2006, based on advice from ViRSA, they voted to create an IPS to take forward the shop venture. This was duly registered with the Financial Services Authority on 5 September 2006 and the venture has operated under this legal framework since then.

### **Shareholders**

The founder members of the IPS were the management committee members who each had to subscribe for a share each. The shares were made available for subscription to the wider village community in May this year and many of you here today have been subscribers since then. The shareholder register currently holds 110 members representing 63 households, of which 9 are outside the village and a further 5 in Clopton.

### **Strategy**

In order to secure banking and funding it was necessary to prepare a business case which was issued in draft in August 2006 and finalised in November 2006. This was followed up by an operational bulletin in May this year which updated forecasts, funding requirements and decisions taken by the management committee in the period since November. Copies of these reports were shared with all grants providers and financing bodies, and are available to any shareholder who requires them.

### **Insurance**

The association was required to insure the engine house from the commencement of the lease, and this was put in place from 1 May this year. The policy with Zurich Financial is in two sections, with the first part insuring the building up to point of completion and the second part covering the building and trade which we have provisionally set for 1 September. The policy is based around the standard provisions recommended by ViRSA but includes double the normal amount of public liability insurance as required by the Highways authorities.

### **Taxation**

The association is liable to corporation tax, but by virtue of its not for profit status is not expected to be liable for the payment of this tax. The association will however be required to account for PAYE and national insurance once the managers are employed. In the case of VAT the association elected to register from 30 September 2006, even though the registration thresholds are not expected to be passed till June 2008; this is because the association

expects to recover some £18,000 in VAT on its capital expenditure commitments and set up costs in the first year of trading.

## **Compliance**

Unexpectedly for something as small as a village shop there has been some considerable effort required by the management committee to ensure that legislation, red tape and fund provider requirements have all been complied with. We have counted up at quick tally over 30 pieces of legislation that we have dealt with on a one by one basis as we have encountered them. It is fortunate that the technical skills and knowledge of members of the committee have been adequate to meet these without us having to resort to expensive external advisers.

## **Funding**

The operational bulletin showed our funding requirement at £102,000, of which around £80,000 has been secured by grants and £55,000 paid. This includes a loan of £18,000 from the Cooperative and Community Finance Bank at 3% above base rates. The funding requirement has been recently reviewed by the committee and projections continue to show an outturn around £102,000 which the management committee are confident can be contained and funded.

## **Accounts**

The first set of accounts for the association have been prepared for the 5 months to 31 January 2007, and an extract of them was supplied to shareholders with the meeting notice. Although the entity itself did not exist till 5 September 2006 we have wrapped up the income and expenditure incurred prior to this date and included it in the reported figures.

The balance sheet is split in two sections to reflect shareholders funds and how they are deployed, but to understand how the shop is being funded the amount headed "Total assets less current liabilities" of £13,465 gives you a better indication of this. This is the total amount raised at 31 January, and in round sum terms is made up of £7,500 of pre-paid grant, £400 in loans from villagers, £4,400 of fund raising and £1,200 of donations. You will see on the upper parts of the balance sheet this is largely represented in cash at the bank of £9,737, with £2,334 being spent in planning applications and technical drawings and the balance of £1,500 being tied up in working capital associated with fund raising. As of the day of this meeting the amount raised has increased to around £60,000.

The accounts have been reviewed by GrossKleinWood, a firm based in Peterborough and London, and they have signed them as reporting accountants. You will note that they have not expressed an audit opinion as the committee have availed themselves of the small company dispensations in the IPS legislation to waive this requirement. This needs approval annually in general meeting and shareholders will note that this is a decision requiring their approval later on the agenda.

The GKW partner advising the association is Martin Wood, who would have been here to read his firm's accountant's report but regretfully has had to tender his apologies. In his absence it falls to me to read GKW's report on the accounts for the period to 31 January 2007.

[reading from page 3 of the accounts]

On that note this concludes the Treasurer's report for the period.

Peter James  
25 July 2007