

On The Eighth Day Co-Operative Limited

Report of the Management Committee and the Unaudited Financial Statements

for the Year Ended 31 August 2014

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 J Ford
U Gothard
J Marsh
J Thomas
D Garland
P Lavery
S Singh
S Jones
C Gooding
H Welch
V Uye
D Crompton
E Sheperd-White
Y Hayakawa

Secretary H Welch

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 Manchester Limited
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 2014

The Management Committee present their report and the unaudited financial statements for the year ended 31 August 2014.

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 J Ford

U Gothard

J Marsh

J Thomas

D Garland

P Lavery

S Singh

C M Vides (resigned 27 August 2014)

S Jones

C Gooding

H Welch

V Uye

D Crompton

E Sheperd-White

Rev L M McCobb (resigned 29 August 2014)

Y Hayakawa

ON THE EIGHTH DAY CO-OPERATIVE LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 AUGUST 2014
..... 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 Board on 27 January 2015 and signed on its behalf by:

.....
H Welch
Member and secretary

**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 2014**

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 2014 set out on pages 5 to 13 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 Manchester Limited
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 2014

	Note	2014 £	2013 £
Turnover		1,633,312	1,503,084
Cost of sales		<u>(985,605)</u>	<u>(905,673)</u>
Gross profit		647,707	597,411
Administrative expenses		<u>(590,494)</u>	<u>(544,818)</u>
Operating profit	2	57,213	52,593
Income from other fixed asset investments		42	33
Other interest receivable and similar income		95	95
Interest payable and similar charges		<u>(3,161)</u>	<u>(4,126)</u>
Profit on ordinary activities before taxation		54,189	48,595
Tax on profit on ordinary activities	4	<u>(14,718)</u>	<u>(11,670)</u>
Profit for the financial year	12	<u><u>39,471</u></u>	<u><u>36,925</u></u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED
BALANCE SHEET AT 31 AUGUST 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	5	671,067	622,301
Investments	6	697	652
		<u>671,764</u>	<u>622,953</u>
Current assets			
Stocks		84,161	78,172
Debtors	7	8,571	9,713
Cash at bank and in hand		143,497	125,440
		<u>236,229</u>	<u>213,325</u>
Creditors: Amounts falling due within one year	8	<u>(155,820)</u>	<u>(141,301)</u>
Net current assets		<u>80,409</u>	<u>72,024</u>
Total assets less current liabilities		752,173	694,977
Creditors: Amounts falling due after more than one year	9	(41,968)	(85,098)
Provisions for liabilities	10	<u>(2,524)</u>	<u>-</u>
Net assets		<u><u>707,681</u></u>	<u><u>609,879</u></u>
Capital and reserves			
Called up share capital	11	14	16
Revaluation reserve	12	454,515	405,031
Profit and loss account	12	<u>253,152</u>	<u>204,832</u>
Shareholders' funds		<u><u>707,681</u></u>	<u><u>609,879</u></u>

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

Approved by the Board on 27 January 2015 and signed on its behalf by:

.....
I Ford - member

.....
H Welch - member and secretary

.....
J Marsh - member

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

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.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

2 Operating profit

Operating profit is stated after charging:

	2014	2013
	£	£
Loss/(profit) on sale of tangible fixed assets	105	(84)
Depreciation of tangible fixed assets	<u>18,618</u>	<u>18,026</u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

..... CONTINUED

3 Members' remuneration

The members' remuneration for the year was as follows:

	2014	2013
	£	£
Remuneration	<u>311,445</u>	<u>285,198</u>

4 Taxation

Tax on profit on ordinary activities

	2014	2013
	£	£
Current tax		
Corporation tax charge	12,194	11,670
Deferred tax		
Origination and reversal of timing differences	<u>2,524</u>	<u>-</u>
Total tax on profit on ordinary activities	<u>14,718</u>	<u>11,670</u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

..... CONTINUED

5 Tangible fixed assets

	Long leasehold property £	Shop and kitchen equipment £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 September 2013	625,000	170,499	84,468	39,064	919,031
Revaluation	25,000	-	-	-	25,000
Additions	-	-	4,277	4,924	9,201
Disposals	-	-	(580)	-	(580)
At 31 August 2014	<u>650,000</u>	<u>170,499</u>	<u>88,165</u>	<u>43,988</u>	<u>952,652</u>
Depreciation					
At 1 September 2013	25,000	164,010	70,077	37,643	296,730
Charge for the year	12,911	773	2,666	2,268	18,618
Eliminated on disposals	-	-	-	(430)	(430)
Writeback to recoverable amount	(33,333)	-	-	-	(33,333)
At 31 August 2014	<u>4,578</u>	<u>164,783</u>	<u>72,743</u>	<u>39,481</u>	<u>281,585</u>
Net book value					
At 31 August 2014	<u>645,422</u>	<u>5,716</u>	<u>15,422</u>	<u>4,507</u>	<u>671,067</u>
At 31 August 2013	<u>600,000</u>	<u>6,489</u>	<u>14,391</u>	<u>1,421</u>	<u>622,301</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 8 May 2014 by Peter Marsh, MRICS who is external to the company. The basis of this valuation was open market value. This class of assets has a current value of £645,422 (2013 - £600,000) and a carrying amount at historical cost of £239,921 (2013 - £245,026). The depreciation on this historical cost is £71,339 (2013 - £66,234).

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

..... CONTINUED

6 Investments held as fixed assets

	2014 £	2013 £
Other investments	<u>697</u>	<u>652</u>
Other investments		Unlisted investments £
Cost		
At 1 September 2013		652
Additions		<u>45</u>
At 31 August 2014		<u>697</u>
Net book value		
At 31 August 2014		<u>697</u>
At 31 August 2013		<u>652</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

	2014 £	2013 £
Trade debtors	91	1,060
Prepayments and accrued income	<u>8,480</u>	<u>8,653</u>
	<u>8,571</u>	<u>9,713</u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

..... CONTINUED

8 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	48,564	41,662
Bank loans and overdrafts	42,793	41,592
Corporation tax	12,194	11,670
Other taxes and social security	28,288	28,045
Other creditors	9,219	309
Accruals and deferred income	14,762	18,023
	<u>155,820</u>	<u>141,301</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2014	2013
	£	£
Bank loans and overdrafts	<u>42,793</u>	<u>41,952</u>

9 Creditors: Amounts falling due after more than one year

	2014	2013
	£	£
Bank loans and overdrafts	<u>41,968</u>	<u>85,098</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2014	2013
	£	£
Bank loans and overdrafts	<u>41,968</u>	<u>85,098</u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

..... CONTINUED

10 Provisions

	Deferred tax £	Total £
At 1 September 2013	-	-
Charged to the profit and loss account	<u>2,524</u>	<u>2,524</u>
At 31 August 2014	<u><u>2,524</u></u>	<u><u>2,524</u></u>

Analysis of deferred tax

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>2,524</u>	-
	<u><u>2,524</u></u>	<u><u>-</u></u>

11 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 each	<u>14</u>	<u>14</u>	<u>16</u>	<u>16</u>

During the year the Society purchased two ordinary shares at par from members who ceased membership during the year..

12 Reserves

	Revaluation reserve £	Profit and loss account £	Total £
At 1 September 2013	405,031	204,832	609,863
Profit for the year	-	39,471	39,471
Transfer of realised profits	(8,849)	8,849	-
Surplus on property revaluation	<u>58,333</u>	<u>-</u>	<u>58,333</u>
At 31 August 2014	<u><u>454,515</u></u>	<u><u>253,152</u></u>	<u><u>707,667</u></u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014
..... CONTINUED

13 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 2014**

	2014		2013	
	£	£	£	£
Turnover				
Sales		1,633,312		1,503,084
Cost of sales				
Opening stock	78,172		80,217	
Purchases	991,594		903,628	
Closing stock	<u>(84,161)</u>		<u>(78,172)</u>	
		<u>(985,605)</u>		<u>(905,673)</u>
Gross profit		<u>647,707</u>		<u>597,411</u>
Gross profit (%)		39.66%		39.75%
Administrative expenses (analysed below)				
Employment costs	440,052		401,036	
Establishment costs	85,635		82,400	
General administrative expenses	30,361		29,972	
Finance charges	15,723		13,468	
Depreciation costs	<u>18,723</u>		<u>17,942</u>	
		<u>(590,494)</u>		<u>(544,818)</u>
Income from other fixed asset investments				
Income from other investments (unlisted)	36		27	
Unlisted investment interest receivable	<u>6</u>		<u>6</u>	
		42		33
Other interest receivable and similar income				
Bank interest receivable		95		95
Interest payable and similar charges				
Bank loan interest payable		<u>(3,161)</u>		<u>(4,126)</u>
Profit on ordinary activities before taxation		<u>54,189</u>		<u>48,595</u>

ON THE EIGHTH DAY CO-OPERATIVE LIMITED**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
Employment costs		
Wages and salaries	98,479	89,740
Staff employers NIC	4,678	3,467
Members' remuneration	311,445	285,198
Members' employers NIC	25,450	22,631
	<u>440,052</u>	<u>401,036</u>
Establishment costs		
Rent, rates and water	24,611	25,054
Light, heat and power	24,909	23,928
Insurance	9,650	9,526
Repairs and maintenance	26,465	23,892
	<u>85,635</u>	<u>82,400</u>
General administrative expenses		
Telephone and fax	1,677	1,656
Printing, postage and stationery	1,491	1,267
Hire of plant and machinery	1,260	898
Sundry expenses	3,937	4,175
Laundry and cleaning	14,739	14,242
Accountancy fees	4,028	3,180
Legal and professional fees	1,795	2,052
Advertising	772	1,184
Website costs	-	500
Travelling	662	818
	<u>30,361</u>	<u>29,972</u>
Finance charges		
Bank charges	1,412	1,282
Credit card charges	14,311	12,186
	<u>15,723</u>	<u>13,468</u>
Depreciation costs		
Depreciation of long leasehold property	12,911	12,500
Depreciation of shop and kitchen equipment	773	748
Depreciation of fixtures and fittings	2,666	2,023
Depreciation of office equipment	2,268	2,755
(Profit)/loss on disposal of tangible fixed assets	105	(84)
	<u>18,723</u>	<u>17,942</u>