

CIC 34

Community Interest Company Report

For official use
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Please complete in typescript, or in bold black capitals.

Company Name in full

THE VILLAGE SHOP CIC

Company Number

04639164

Year Ending

2008-2009

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's information and guidance notes.

Please note that you must give details in this report of transfer of assets for less than full consideration e.g. donations to outside bodies, or paid directors at less than market value.

PART 1 – GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a fair and accurate description of how they have benefited the community or section of the community which the company is intended to serve.

The company runs The Village Shop, a general store in The Village with a particular emphasis on selling locally produced food. The shop opened for business in August 2005. During the financial year 2005-2006, the shop's activities have benefited the community in the following ways:

- local residents (particularly those without access to cars and those with impaired mobility) have been able to buy their groceries more conveniently, either by visiting the shop or by using its telephone order home delivery service;
- the number of "food miles" generated by producers and consumers of food in The Village has been reduced by about 15 per cent;
- the shop has provided full-time or part-time employment for 5 local residents;
- 8 small-scale local producers of various food and drink products, who were either dissatisfied with or unable to supply larger wholesalers or retailers have been able to sell their products through the shop; and
- 40 households have been supplied with regular or occasional domestic services through the shop's job-matching service.

Continued on separate sheet.

(Please continue on separate continuation sheet if necessary.)

Company Number

04639164

Year Ending

2008-2009

PART 2 – CONSULTATION WITH STAKEHOLDERS

A “stakeholder” is any person or organisation affected by the company’s activities. Indicate what steps the company has taken during the financial year to which the report relates to consult its stakeholders, whether formally or informally. If there has been no consultation, this should be made clear.

Please indicate who the company’s stakeholders are:

The company’s stakeholders are residents of and visitors to The Village, and local producers of food and drink products in the surrounding area.

The directors of the company have lived in The Village for a number of years and developed the business model for the shop based on their experience of talking to other residents.

Please indicate how the stakeholders have been consulted:

We ask everyone using the shop for the first time to fill in a short questionnaire about their shopping habits. This has helped us to build up a profile of local consumers’ needs and what we can do to meet them more effectively. Our research has enabled us to identify that there are about 120 households in the village without access to cars or where residents have impaired mobility, and a further 200 or so households who now use the shop for at least 40 per cent of their grocery shopping.

We encourage those working in the shop to pick up ideas for the business when talking to customers and we keep a “suggestions box” for customers to provide details of products which they would like to see stocked in the shop.

What action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

A number of new lines have been added as a result of these consultations. A number of customers have remarked to us in one way or another that the shop has added to The Village’s sense of community.

(Please continue on separate continuation sheet if necessary.)

Company Number	04639164
Year Ending	2008-2009

PART 3 –DIRECTORS’ REMUNERATION (See Appendix A)

All community interest companies are required to report certain information about their directors’ remuneration.

The information required is specified in Schedule 3 to the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008, for companies which are subject to the “small companies regime” under Part 15 of the Companies Act 2006.

All companies are required to provide some of this information in the notes to their annual accounts. **If you have provided all of this information in your accounts, you need not reproduce it here, but you must state where that information can be found.**

1. Total amount of directors’ remuneration etc	
(a)	<p>The overall total amount of remuneration paid to or receivable by directors in respect of qualifying services.</p> <p>The aggregate amount of emoluments paid to or receivable by directors in respect of qualifying services was £200,000.</p> <p>There were no other transactions or arrangements in connection with the remuneration if directors or compensation for director’s loss of office which require to be disclosed.</p>
(b)	<p>The overall total amount of money paid to or receivable by directors, and the net value of assets (other than money, share options or shares) received or receivable by directors, under long term incentive schemes in respect of qualifying services.</p> <p>None.</p>
(c)	<p>The overall total value of any company contributions—</p> <p>(i) paid, or treated as paid, to a pension scheme in respect of directors’ qualifying services, and</p> <p>(ii) by reference to which the rate or amount of any money purchase benefits that may become payable will be calculated.</p> <p>None.</p>
(d)	<p>The number of directors (if any) to whom retirement benefits are accruing in respect of qualifying services—</p> <p>(i) under money purchase schemes, and</p>

	<p>(ii) under defined benefit schemes.</p> <p>None.</p>
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NB: For the purposes of section 1 above, any reference to a "subsidiary undertaking" of the company, is to an undertaking which is a subsidiary undertaking at the time the services were rendered.

2. Compensation to directors for loss of office

	<p>The aggregate amount of any payments made to directors, or past directors, for loss of office.</p> <p>None.</p> <p><i>NB: For the purposes of this paragraph, any reference to a "subsidiary undertaking" of the company, is to an undertaking which is a subsidiary undertaking immediately before the loss of office as director.</i></p>
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3. Sums paid to third parties in respect of directors' services

	<p>The aggregate amount, and nature, of any consideration (including benefits otherwise than in cash) paid to or receivable by third parties for making available the services of any person—</p> <p>(i) as a director of the company, or</p> <p>(ii) while director of the company—</p> <p style="padding-left: 40px;">(a) as director of any of its subsidiary undertakings, or</p> <p style="padding-left: 40px;">(b) otherwise in connection with the management of the affairs of the company or any of its subsidiary undertakings.</p> <p>None.</p> <p><i>NB: For consideration otherwise than in cash, the reference to its amount is to the estimated money value of the benefit.</i></p> <p><i>NB: "Third party" means a person other than:</i></p> <p><i>(a) the director himself or a person connected with him or body corporate controlled by him,</i></p> <p><i>or</i></p> <p><i>(b) the company or any of its subsidiary undertakings.</i></p>
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(Please continue on separate continuation sheet if necessary.)

NOTES

General nature of obligations

- (1) Information has to be given only so far as it is contained in the company's books and papers, or the company has the right to obtain it from the persons concerned.
- (2) Any information is treated as shown if it is capable of being readily ascertained from other information which is shown.

Provisions as to amounts to be shown

- (1) The amount in each case includes all relevant sums, whether paid by or receivable from the company, any of the company's subsidiary undertakings or any other person.
- (2) References to amounts paid to or receivable by a person include amounts paid to or receivable by a person connected with him or a body corporate controlled by him (but not so as to require an amount to be counted twice).
- (3) Except as otherwise provided, the amounts to be shown for any financial year are—
 - (a) the sums receivable in respect of that year (whenever paid) or,
 - (b) in the case of sums not receivable in respect of a period, the sums paid during that year.
- (4) Sums paid by way of expenses allowance that are charged to United Kingdom income tax after the end of the relevant financial year must be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.
- (5) Where it is necessary to do so for the purpose of making any distinction required in complying with this Schedule, the directors may apportion payments between the matters in respect of which they have been paid or are receivable in such manner as they think appropriate.

Exclusion of sums liable to be accounted for to company etc

- (1) The amounts to be shown do not include any sums that are to be accounted for—
 - (a) to the company or any of its subsidiary undertakings, or
 - (b) by virtue of sections 219 and 222(3) of the Companies Act 2006 (payments in connection with share transfers: duty to account), to persons who sold their shares as a result of the offer made.
- (2) Where—
 - (a) any such sums are not shown in a note to the accounts for the relevant financial year on the ground that the person receiving them is liable to account for them, and
 - (b) the liability is afterwards wholly or partly released or is not enforced within a period of two years,those sums, to the extent to which the liability is released or not enforced, must be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.

Money purchase benefits and defined benefits

Where a pension scheme provides for any benefits that may become payable to or in respect of any director to be whichever are the greater of—

- (a) money purchase benefits as determined by or under the scheme; and
- (b) defined benefits as so determined,

the company may assume for the purposes of this paragraph that those benefits will be money purchase benefits, or defined benefits, according to whichever appears more likely at the end of the financial year.

For the purpose of determining whether a pension scheme is a money purchase or defined benefit scheme, any death in service benefits provided for by the scheme are to be disregarded.

Remuneration

Remuneration paid or receivable or share options granted in respect of a person's accepting office as a director are treated as emoluments paid or receivable or share options granted in respect of his services as a director.

Definitions	
Company contributions	means – in relation to a pension scheme and a director, any payments (including insurance premiums) made, or treated as made, to the scheme in respect of the director by a person other than the director
Consideration	includes benefits otherwise than in cash, and in relation to such consideration the reference to its amount is to the estimated money value of the benefit
Defined benefit scheme	means – a pension scheme that is not a money purchase scheme
Defined benefits	means - retirement benefits payable under a pension scheme that are not money purchase benefits
Money purchase benefits	means -

	retirement benefits payable under a pension scheme the rate or amount of which is calculated by reference to payments made, or treated as made, by the director or by any other person in respect of the director and which are not average salary benefits
Money purchase scheme	means - a pension scheme under which all of the benefits that may become payable to or in respect of the director are money purchase benefits
Net value	means – In relation to any assets received or receivable by a director, value after deducting any money paid or other value given by the director in respect of those assets
Payment for loss of office	has the same meaning as in section 215 of the Companies Act 2006
Pension scheme	means – a retirement benefits scheme as defined by section 611 of the Income and Corporation Taxes Act 1988
Qualifying services	means - in relation to any person, that person's services as a director of the company, and that person's services while director of the company— (a) as director of any of its subsidiary undertakings; or (b) otherwise in connection with the management of the affairs of the company or any of its subsidiary undertakings
Remuneration	includes— (a) salary, fees and bonuses, sums paid by way of expenses allowance (so far as they are chargeable to UK income tax), and (b) subject to the exclusion below, the estimated money value of any other benefits received by him otherwise than in cash.

	<p>The expression does not include—</p> <p>(a) the value of any share options granted to a director or the amount of any gains made on the exercise of any such options,</p> <p>(b) any company contributions paid, or treated as paid, in respect of him under any pension scheme or any benefits to which he is entitled under any such scheme, or</p> <p>(c) any money or other assets paid to or received or receivable by him under any long term incentive scheme</p>
Retirement benefits	has the meaning given by section 612(1) of that Act
Share option	means - a right to acquire shares
Shares	means - shares (whether allotted or not) in the company, or any undertaking which is a group undertaking in relation to the company, and includes a share warrant as defined by section 779(1) of the Companies Act 2006
Subsidiary undertakings	Any reference to a subsidiary undertaking of the company, in relation to a person who is or was, while a director of the company, a director also, by virtue of the company's nomination (direct or indirect) of any other undertaking, includes that undertaking, whether or not it is or was in fact a subsidiary undertaking of the company

Company Number

04639164

Year Ending

2008-2009

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION (EXCLUDING DIVIDENDS)

Community interest companies are only permitted to transfer assets other than for full consideration (i.e. at less than market value) if:

- (i) the assets in question are transferred to an asset-locked body (a community interest company, charity or equivalent body established outside Great Britain) which is specified in the company's constitution, or where the Regulator has consented to the transfer; or
- (ii) the transfer, although not made to an asset-locked body, is nevertheless made for the benefit of the community.

Where transfers of either kind are made, the community interest company report must disclose the amount of the transfer, or, where this cannot be given precisely, a fair estimate of the value of the assets transferred. Please give the following details:

- i) A description of the asset and the amount of the transfer or estimate of its value.
Please state 'none', if applicable and move to section 5
 - a. Donated £5,000 to ABC charity (Registered Charity Number (999999)).
 - b. The company also donated surplus merchandise worth approximately £1,000 to local schools and hospitals.
 - c. £1,000 donated to XYZ Charity (Registered Charity Number 888888).
 - ii) Details of the recipient, to which the asset was transferred, including whether or not it is an asset-locked body.
 - a. Asset locked body
 - b. Not an asset locked body
 - c. Asset locked body
 - iii) If the recipient is an asset-locked body, whether it is specified in the company's memorandum or articles of association as a recipient of transfers of the company's assets other than for full consideration.
 - a. Specified in the memorandum and articles
 - b. Not specified
 - c. Not specified
 - iv) If the recipient is an asset-locked body, but is not so specified, brief details of how the Regulator's consent to the transfer was given.
 - a. N/A
 - b. Not needed
 - c. The Regulator consented to this transfer in a letter to the company of 15 February 2006.
 - v) If the recipient is not an asset-locked body, how the transfer will benefit the community.
- See continuation sheet.

(Please continue on separate continuation sheet if necessary.)

Company Number	04639164
Year Ending	2008-2009

PART 5 – DIVIDENDS FOR THE FINANCIAL YEAR TO WHICH THE REPORT RELATES

This part of the template should be completed if the company is limited by shares and has declared or proposed to declare a dividend in respect of the financial year to which the report relates or has declared a dividend in respect of any of the four financial years immediately preceding that financial year. If the company is limited by shares but has not declared or proposed any dividends in respect of the financial year to which the report relates, please indicate this.

Before completing this part you should consult Chapter 6.2 of, and Annex G to, the Regulator's information and guidance notes and regulations 17 to 20 of the Community Interest Company Regulations 2005, which contain the rules on dividend payments.

For all dividends declared or proposed in respect of the financial year to which the report relates, please supply the following information:

- (i) A description of the class, number and paid up value of the shares on which the dividend has been declared or paid. **Please state 'none', if applicable and move to section 6**
 - a. 5,000 "A" class ordinary shares, each with a paid up value of £4
 - b. 1 "B" class ordinary share with a paid up value of £1
- (ii) The amount of dividend declared or paid per share
 - a. 70 pence per share (declared)
 - b. £5,000 per share (proposed)
- (iii) Whether or not the dividend is an exempt dividend (in essence, a dividend paid directly or indirectly to an asset-locked body where the asset-locked body is either specified in the company's constitution as a possible recipient of its assets, or the Regulator has consented to payment of the dividend; but see regulations 17(3) to (5) of the Community Interest Company Regulations 2005)
 - a. No
 - b. Yes
- (iv) if it is an exempt dividend, why it is an exempt dividend.
 - a. N/A
 - b. Shares owned by XYZ Charity (Registered Number 999999) Regulator's consent in letter of 21.03.2009

(Please continue on separate continuation sheet if necessary.)

Company Number

04639164

Year Ending

2008-2009

Where a dividend which is not an exempt dividend is declared or proposed in respect of the financial year to which the report relates, the report must explain how it complies with regulations 17 to 20 of the Community Interest Company Regulations 2005 by giving details of:

(i) The applicable share dividend cap

a. 10 per cent

b. N/A

(ii) The maximum dividend per share

a. 40 pence

b. N/A

(iii) Whether any unused dividend capacity from previous financial years is included in the dividend (and, if so, how much and from which year).

a. Yes – 30 per cent from 2007/08

b. N/A

(iv) The maximum aggregate dividend

£3,500

(v) How each of the above figures has been calculated.

(1) The company's "A" ordinary shares were issued before it became a community interest company. When it became a community interest company, the share dividend cap which had effect in relation to these shares was "that percentage of the paid up value of a share in a relevant company which is 5 percentage points higher than the Bank of England's base lending rate" (Community Interest Company Regulations 2005, regulation 22(1)(a)). At the start of the financial year to which this report relates, the Bank of England's base lending rate was 5 per cent. The applicable share dividend cap is therefore 10 per cent.

(2) Since the applicable share dividend cap is 10 per cent, the maximum dividend per share for the company's "A" ordinary shares is 10 per cent of their paid up value of £4, or 40 pence.

(3) The derivation of the unused dividend capacity included in the dividend for this year can be seen from Part 6 below.

(4) The maximum aggregate dividend is declared when the total amount of dividends declared on a relevant company's shares in a given year, less the amount of any exempt dividends, equals the aggregate dividend cap which had effect in relation to that company on the first day of the financial year in respect of which the dividends are declared (Community Interest Company Regulations 2005, regulation 19(1)). In this case, the aggregate dividend cap is 35 per cent of a relevant company's distributable profits (Community Interest Company Regulations, regulation 22(1)(b)). The company's distributable profits for the financial year 2009/2010 were £10,000. The maximum aggregate dividend was therefore 35 per cent of £10,000, or £3,500.

(vi) In addition to the above information, the total amount of (a) all exempt; and (b) all non-exempt dividends declared or proposed in respect of the financial year to which the report relates should be given.

a. 5,000 b. £3,500 c. £3,500

(Please continue on separate continuation sheet if necessary.)

Company Number

04639164

Year Ending

2008-2009

PART 6 – DIVIDENDS FOR PREVIOUS FINANCIAL YEARS

This part of the template should be completed if the company is limited by shares and has declared or proposed to declare a dividend in respect of the financial year to which the report relates or has declared a dividend in respect of any of the four financial years immediately preceding that financial year. If the company is limited by shares but has not declared any dividends in respect of any of the preceding four financial years, please indicate this.

For each of the previous four financial years, and for all dividends declared or paid in respect of those years, the following information should be supplied:

- (i) A description of the class, number and paid up value of the shares on which the dividend has been declared or paid. **Please state 'None' if applicable and move to section 7.**
- a. 2005/06: 5,000 "A" class ordinary shares, each with a paid up value of £4
b. 2006/07: 5,000 "A" class ordinary shares, each with a paid up value of £4
c. 2007/08: 5,000 "A" class ordinary shares, each with a paid up value of £4
d. 2008/09: 5,000 "A" class ordinary shares, each with a paid up value of £4
- (ii) The amount of dividend declared or paid per share.
- a. No dividend declared or paid
b. 25 pence per share (paid)
c. No dividend declared or paid
d. 105 pence per share (paid)
- (iii) Whether or not the dividend is an exempt dividend (in essence, a dividend paid directly or indirectly to an asset-locked body where the asset-locked body is either specified in the company's constitution as a possible recipient of its assets, or the Regulator has consented to payment of the dividend)
- a. No b. No c. No d. No
- (iv) If it is an exempt dividend, why it is an exempt dividend.
- N/A
- (v) The maximum dividend per share.
- a. 40 pence b. 15 pence c. 40 pence d. 40

(Please continue on separate continuation sheet if necessary.)

Company Number

04639164

Year Ending

2008-2009

PART 7 – INTEREST PAID AT A PERFORMANCE-RELATED RATE

This part should only be completed if the company has, at any time during the financial year to which this report relates, had a debt outstanding, or a debenture in issue on which a performance-related rate of interest was payable. A performance-related rate of interest is a rate which varies according to the level of the company's profits or turnover, or any item on its balance sheet. See further Chapter 6.3 of the Regulator's information and guidance notes, and regulation 21 of the Community Interest Company Regulations 2005 (this part is designed to monitor compliance with regulation 21 and Schedule 4 to the Regulations, which set out the interest capping regime and define its key terms).

Under the Regulations, the rate of performance-related interest payable is capped by reference to the Bank of England's base lending rate. However, this cap only applies in respect of agreements to pay a performance-related rate, which were entered into on or after the date on which the company became a community interest company.

In order to demonstrate compliance with the rules on performance-related rates of interest, please give the following details:

(i) The rates of interest paid on any debt or debenture of the company on which a performance-related rate of interest was payable as calculated over a 12 month period ending with the most recent date on which interest became payable in respect of that debt or debenture during the financial year. **Please state 'none', if applicable and move to section 8**

a. £10,000 loan from XYZ Ltd

b. £5,000 loan from ABC Ltd

(ii) (If the interest cap applied to that debt or debenture) how any such rates of interest were calculated.

a. Cap applicable – Loan agreement signed on 12.09.05 when interest cap was 9 per cent

b. Cap not applicable – Loan agreement signed on 12.09.03 before company was a community interest company

(iii) Either the interest cap applicable to the debt or debenture concerned (with an explanation of how it has been calculated), or an explanation of why the cap does not apply to it (i.e. because the agreement was entered into before the company became a community interest company).

a. 8.5 per cent b. 10 per cent

(Please continue on separate continuation sheet if necessary.)

Company Number

04639164

Year Ending

2008-2009

(N.B. Please enclose a cheque for £15 payable to Companies House)

PART 8 - SIGNATORY

Please ensure that a director or secretary signs the original CIC Report, which should be retained for your records. Please send a copy of the CIC Report to the Registrar of Companies (see below).

Signed

B. CLARKE

Date

19/11/05

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Miss S. Ramirez

8 Atlanta Road

The Village

Little County

Tel

DX Number

DX Exchange

Please send a completed copy to one of the following addresses, with a cheque for £15 (payable to Companies House)

*Companies registered in **England and Wales**:* Companies House, Crown Way, Cardiff, CF14 3UZ (DX 33050 Cardiff)

*Companies registered in **Scotland**:* Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF (DX235 Edinburgh)

*Companies registered in **Northern Ireland**:* Companies House, 2nd Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG