

Malvern Book Cooperative

Annual Report for year ended 31st December 2019

The 2019 year was very successful. Turnover grew by around 15% year on year to £145,000. We ended the year with a profit of £15,000. Our most successful trading year, in financial terms, yet.

This successful trading also meant that we ended the year with a healthy cash balance of £22,000. In 'normal' times we would have proposed returning some of these profits to members as a dividend or through the discount vouchers we have used previously. However, given the turn of events in the early part of 2020 we are proposing that we preserve our cash reserves in order to tide us over the trading interruption and pay no dividend.

There are several notable items in the accounts for the year. At the year-end we held significantly more stock than in previous years. Our cash position means that we are able to maintain higher stock balances which in turn contribute to choice for customers as well as reducing the risk of 'stock outs' on popular titles. Increasingly we are able to obtain stock on a 'sale or return' basis when we purchase directly from publishers.

Creditors at the year-end are represented by the amounts owing to publishers and wholesalers. There were no other amounts owing at the year end.

All capital assets have been purchased outright and no depreciation charges are made.

In the year we issued £1,100 of share capital to new members.

Although we have not had to make use of it, and have no plans to utilise it, we maintain an overdraft facility of £3,000 with our bank. There is no charge associated with this.

Whilst this report is a review of the previous trading year we must comment on the current year. The Covid closure has had significant implications. Whilst the government support for small businesses and the payments for furloughed staff have been a considerable help we are relying on our healthy cash position to tide us over. As we return to trading the future is still uncertain. It is unlikely that turnover will return to previous levels quickly. We are managing costs closely at this time and reviewing operations regularly.

Malvern Book Cooperative

Income Statement for Year ending 31/12/2019

	Notes		2019	2018
		£	£	£
Revenue	1		144,650	125,453
Opening Stock		16,519		10,695
Purchases	2	120,165		109,785
Closing Stock		(28,995)		(16,519)
Cost of Sales			107,689	
Gross Profit			36,961	33,968
Expenses				
Rent and Utilities	2		13,863	13,167
Depreciation			-	-
Other			7,359	12,476
Operating Profit			15,739	8,325
Interest			-	-
Net Profit after Interest			15,739	8,325
Dividends			-	-
Retained Income			15,739	8,325

Malvern Book Cooperative

Statement of Financial Position as at 31/12/2019

	Cost	Depreciation	Net Book Value
	£	£	£
Non-current Assets	6,694	0	0
Current Assets			
Stock		28,995	
Debtors		0	
Cash		22,345	
			51,340
Current Liabilities			
Creditors			(9,599)
Long Term Liabilities			
Loans			0
Net Assets			41,741
Financed By			
Withdrawable Shares			26,150
Retained Income			15,591
			41,741

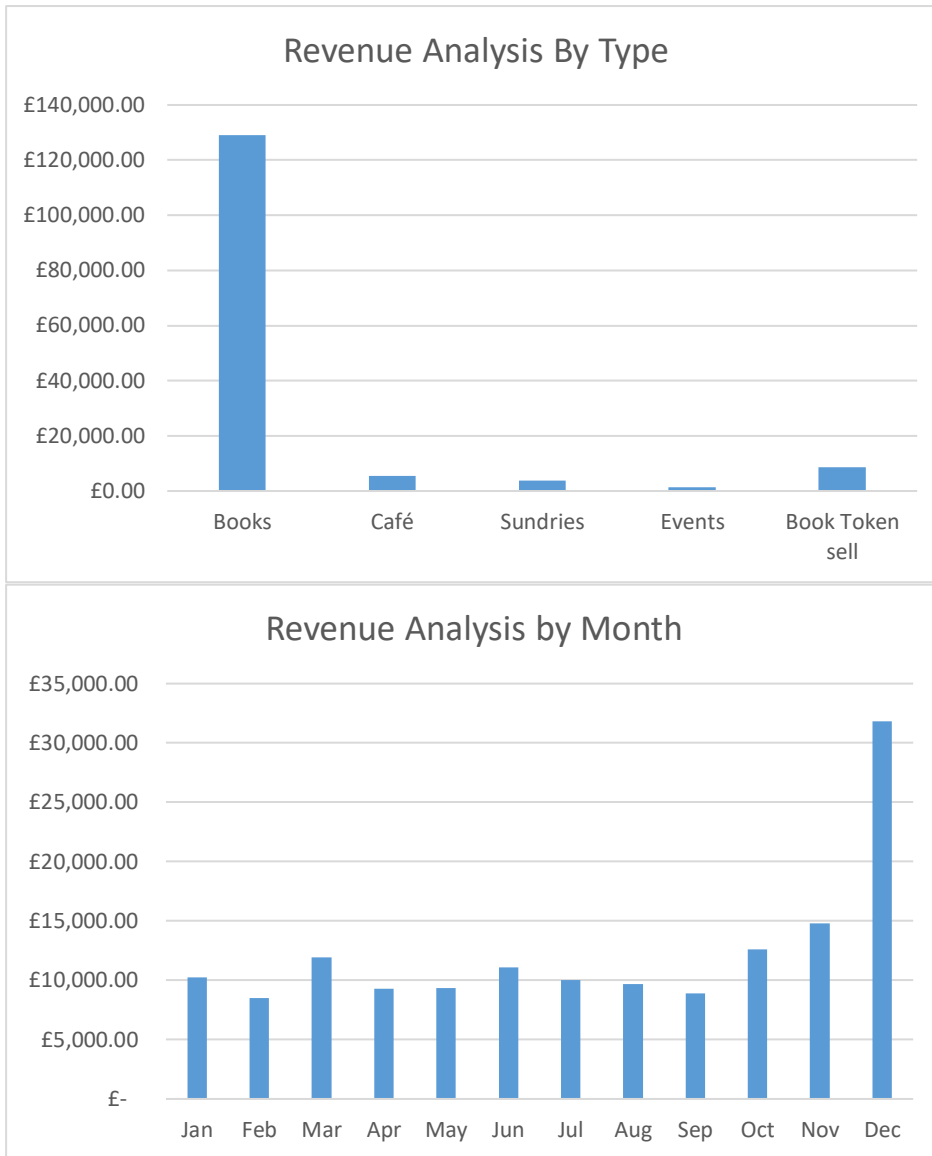
Malvern Book Cooperative

Cash Flow Statement for Year Ending 31/12/2019

	£
Net Profit	15,739
Add	
Depreciation	-
	15,739
Changes in Working Capital	
Decrease in Debtors	-
Increase in Creditors	129
increase in Stock	(12,476)
	(12,347)
	3,392
Investing Activities	
Non-current asset purchases	-
Financing Activities	
Issue of Shares	1,100
Interest Paid	
Loan received	-
Change in cash	4,492
Opening Cash	17,853
Closing Cash Balance	22,345

Notes to the Accounts

1. Revenue Analysis



2. Expenditure Analysis

