

Company Registration No. 00890446

NSPCC TRADING COMPANY LIMITED

Report and Financial Statements

31 March 2006



NSPCC TRADING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2006

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NSPCC TRADING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2006

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Mr Giles D St R Pegram
Mr John Graham
Mr Adrian Burn

SECRETARY

Mr John Graham

REGISTERED OFFICE

Weston House
42 Curtain Road
London, EC2A 3NH

AUDITORS

Deloitte & Touche LLP
London

BANKERS

Barclays Bank plc
London Corporate Service Centre
1 Churchill Place
London, E14 5HP

SOLICITORS

Hempsons
20 Embankment Place
London, WC2N 6NN

NSPCC TRADING COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their annual report with the audited accounts for the year ended 31 March 2006.

This directors' report has been prepared in accordance with the special provisions relating to small companies in accordance with section 246(4) of the Companies Act 1985.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The main activities of the company are a mail order operation, the sale of NSPCC branded goods and other major fundraising events.

The company had a profitable year and continues to develop its activities to support the work of the National Society for the Prevention of Cruelty to Children (NSPCC).

FUTURE PROSPECTS

The directors consider that the company is well placed to continue trading profitably.

RESULTS AND DIVIDENDS

The results for the year's trading and the state of the company's affairs at 31 March 2006 are set out in the attached accounts.

In accordance with the objects contained in the memorandum of association, the taxable profit for the year of £1,956,603 (2005: £2,049,051) has been donated under Gift Aid to the NSPCC. The directors do not recommend the payment of a dividend (2005: £ nil).

DIRECTORS AND THEIR INTERESTS

The directors of the company throughout the year were those listed on page 1. None of the directors had a beneficial interest in any of the shares of this or any other company within the NSPCC group. None of the directors had an interest in any contracts of this or any other company within the NSPCC group.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and

the directors have taken all the steps that s/he ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 24 January 2007

Signed on behalf of the Board



Mr Giles D St R Pegram
Director

NSPCC TRADING COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the group and of the result of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSPCC TRADING COMPANY LIMITED

We have audited the financial statements of NSPCC Trading Company Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet, accounting policies and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

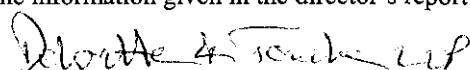
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its result for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the director's report is consistent with the financial statements



DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors

London

25 January 2007

NSPCC TRADING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2006

	Note	2006 £	2005 £
Turnover	3,4	2,825,469	3,202,009
Cost of sales		(659,138)	(862,847)
Gross profit	4	2,166,331	2,339,162
Distribution costs		(3,508)	(7,732)
Administrative expenses		(210,295)	(288,852)
Operating profit	5	1,952,528	2,042,578
Interest receivable		4,075	7,329
Profit for the year on ordinary activities before gift aid payment		1,956,603	2,049,907
Amount gift aided to NSPCC		(1,956,603)	(2,049,051)
Profit before and after tax for the year		0	856
Profit and loss account brought forward		30,221	29,365
Profit and loss account carried forward		30,221	30,221

Turnover and operating profit are wholly attributable to continuing activities. There are no recognised gains or losses for either the current or the preceding year other than those disclosed above.

NSPCC TRADING COMPANY LIMITED

BALANCE SHEET

As at 31 March 2006

	Note	2006 £	2005 £
Current assets			
Stocks	8	15,360	15,346
Debtors	9	1,805,322	284,514
Cash at bank and in hand		100,972	263,924
		<u>1,921,654</u>	<u>563,784</u>
Creditors: Amounts falling due within one year	10	(1,795,579)	(430,171)
Net current assets		<u>126,075</u>	<u>133,613</u>
Total assets less current liabilities		126,075	133,613
Provisions for liabilities and charges	11	(95,754)	(103,292)
Net assets		<u>30,321</u>	<u>30,321</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		30,221	30,221
Total shareholders' funds		<u>30,321</u>	<u>30,321</u>

These financial statements were approved by the Board of Directors on 24 January 2007

Signed on behalf of the Board of Directors



Mr John Graham
Director

NSPCC TRADING COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below. All accounting policies have been applied consistently in the current period and prior year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension Costs

Pension costs represent the recharge of the relevant proportion of pension costs relating to NSPCC staff who perform some or all of their duties for the company.

Leases

Rental costs under operating leases are charged to the profit and loss account as they fall due in equal annual amounts over the period of the lease term.

Deferred Taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Cash flow

The company is exempted from producing a cash flow statement as required by FRS1 (revised), as it is a wholly owned subsidiary undertaking within the context of the standard. A consolidated cash flow statement is presented in the financial statements of the NSPCC.

2. TAXATION

The tax assessed for the period is lower than the amount calculated by applying the standard rate of corporation tax of 30% (2005: 30%) to the profit on ordinary activities after Gift Aid to NSPCC. The difference of £NIL (2005: £257) due to the Gift Aid payment to the NSPCC arises due to capital allowances being in excess of depreciation. No tax is payable for the year (2005: nil).

The cumulative deferred tax asset of £770 (2005: £770) has not been recognised in respect of timing differences relating to fixed assets as there is insufficient evidence that the asset will be recovered. The asset would be recovered if it were to reverse out and sufficient taxable profits were to arise against which it could be offset.

3. TURNOVER

Turnover comprises invoiced goods or services supplied by the company exclusive of Value Added Tax. All turnover arises within the UK.

NSPCC TRADING COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2006

4. ANALYSIS OF TURNOVER AND GROSS PROFIT BETWEEN ACTIVITIES

	Turnover		Gross Profit	
	2006	2005	2006	2005
	£	£	£	£
Mail order	332,043	372,007	225,124	228,969
Shops - continuing operations	62,586	54,050	62,586	54,050
One-off fundraising events	1,145,482	2,128,045	593,264	1,408,236
Affinity cards	43,285	58,335	43,285	58,335
Other trading	1,242,073	589,572	1,242,072	589,572
	2,825,469	3,202,009	2,166,331	2,339,162

5. OPERATING PROFIT

	2006	2005
	£	£
Operating profit is stated after charging:		
Auditor's remuneration - audit fees	5,000	5,000
Operating lease rentals - other	8,045	3,165

6. STAFF COSTS

	2006	2005
	£	£
Total staff costs included under administrative expenses:		
Wages and salaries	122,573	170,301
Social security costs	11,838	18,228
Pension costs	14,366	27,102
	148,777	215,631

The average number of employees for the year was 7 (2005: 8), of whom 5 (2005: 6) worked on fundraising activities and 2 (2005: 2) worked on administrative activities. The average full time equivalent for the year was 6 (2005: 7).

7. DIRECTORS' REMUNERATION

During the year ended 31 March 2006 the directors received no remuneration for their services to the company. (2005: nil)

8. STOCKS

	2006	2005
	£	£
Finished goods held for sale via the mail order operations	15,360	15,346

9. DEBTORS: Amounts falling due within one year

	2006	2005
	£	£
Trade debtors	1,282,958	229,317
Other debtors	4	52
Prepayments and accrued income	522,360	55,145
	1,805,322	284,514

NSPCC TRADING COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2006

10. CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Trade creditors	179,877	21,636
Gift aid payment due to NSPCC	759,603	195,051
Other amounts due to NSPCC	289,198	58,507
Other creditors	63,468	79,842
Accruals and deferred income	503,433	75,135
	1,795,579	430,171

11. PROVISION FOR LIABILITIES AND CHARGES

The provision relates solely to shop closures and represents the costs arising from the unexpired element of shop leases after trading has ceased and the cost of rectification work required under the lease.

	Dilapid- ations £	Shop Closure Costs £	Total £
Balance at 1 April 2005	18,000	85,292	103,292
Provided in the year	-	-	-
Utilised in the year	-	(7,538)	(7,538)
Balance at 31 March 2006	18,000	77,754	95,754

12. CALLED UP SHARE CAPITAL

	2006	2005
	£	£
Authorised, called up, allotted and fully paid:		
Ordinary shares of £1 each	100	100

13. OTHER FINANCIAL COMMITMENTS

Leasehold premises - land and buildings

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as set out below:

	2006	2005
	£	£
Operating leases which expire:		
after five years	10,250	10,250
Total	10,250	10,250

14. ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking and controlling entity is the National Society for Prevention of Cruelty to Children (NSPCC) which is a registered charity in England and Wales registration number 216401.

The company has taken advantage of the exemption granted under paragraph (c) of Financial Reporting Standard No. 8: Related party disclosures. This does not require disclosure of transactions within group undertakings that are eliminated on consolidation.

The parent undertaking of the smallest and largest group which includes the company, and for which group accounts are prepared is the NSPCC. Copies of the NSPCC's consolidated annual report can be obtained from the registered office set out on page 1.