

Company Registration No. 00890446

NSPCC TRADING COMPANY LIMITED

Report and Financial Statements

31 March 2009

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NSPCC TRADING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2009

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NSPCC TRADING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2009

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Mr Giles D St R Pegram
Mr Adrian Burn (resigned 4 February 2009)
Mr John Grounds

SECRETARY

Mr Giles D St R Pegram

REGISTERED OFFICE

Weston House
42 Curtain Road
London, EC2A 3NH

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
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 2009.

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.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

RESULTS AND DIVIDENDS

The results for the year's trading and the state of the company's affairs at 31 March 2009 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 £2,307,159 (2007: £3,058,935) has been donated under Gift Aid to the NSPCC. The directors do not recommend the payment of a dividend (2008: £ nil).

DIRECTORS

The directors of the company throughout the year were those listed on page 1

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 they 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 LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 3 July 2009

Signed on behalf of the Board



Mr Giles D St R Pegram
Director and Company Secretary

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 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 of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- 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, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which comply with the requirements of the Companies Act 1985.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

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 2009 which comprise the profit and loss account, the balance sheet 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, in accordance with the relevant financial reporting framework, 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 2009 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors
London
3 July 2009

NSPCC TRADING COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 March 2009**

	Note	2009 £	2008 £
Turnover	3,4	4,321,779	4,795,947
Cost of sales		(1,103,266)	(934,279)
Gross profit	4	<u>3,218,513</u>	<u>3,861,668</u>
Distribution costs		(11,231)	(15,306)
Administrative expenses		(906,590)	(802,923)
Operating profit	5	<u>2,300,692</u>	<u>3,043,439</u>
Interest receivable		6,467	15,496
Amount payable under Gift Aid		(2,307,159)	(3,058,935)
Profit for the Financial Year		<u>-</u>	<u>-</u>

Turnover and operating profit are wholly attributable to continuing activities. There are no recognised gains and losses for either the current or the preceding year and no movement in shareholder's funds. Accordingly, no statement of total recognised gains and losses and no reconciliation of movements in shareholder's funds is given.

NSPCC TRADING COMPANY LIMITED

BALANCE SHEET

As at 31 March 2009

	Note	2009 £	2008 £
Current assets			
Stocks	8	10,838	3,910
Debtors	9	1,078,716	1,313,527
Cash at bank and in hand		54,874	558,290
		<u>1,144,428</u>	<u>1,875,727</u>
Creditors: Amounts falling due within one year	10	<u>(985,680)</u>	<u>(1,768,258)</u>
Net current assets		<u>158,748</u>	<u>107,469</u>
Total assets less current liabilities		<u>158,748</u>	<u>107,469</u>
Provisions for liabilities and charges	11	<u>(128,427)</u>	<u>(77,148)</u>
Net assets		<u>30,321</u>	<u>30,321</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		<u>30,221</u>	<u>30,221</u>
Total shareholders' funds		<u>30,321</u>	<u>30,321</u>

These financial statements were approved by the Board of Directors on 3 July 2009

Signed on behalf of the Board of Directors



Mr John Grounds
Director

NSPCC TRADING COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2009

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.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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 taxable income for the period is the same as the profit on ordinary activities after gift aid to the NSPCC. As the profit after ordinary activities after gift aid to the NSPCC is nil, no tax is payable for the year (2008: nil).

The cumulative deferred tax asset of £770 (2008: £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 2009

4. ANALYSIS OF TURNOVER AND GROSS PROFIT BETWEEN ACTIVITIES

	Turnover		Gross Profit	
	2009 £	2008 £	2009 £	2008 £
Mail order	240,530	258,841	126,801	188,170
Shops - continuing operations	106,851	104,577	106,851	104,577
One-off fundraising events	2,378,277	2,308,154	1,388,741	1,444,546
Other trading	1,596,121	2,124,375	1,596,120	2,124,375
	4,321,779	4,795,947	3,218,513	3,861,668

5. OPERATING PROFIT

	2009 £	2008 £
Operating profit is stated after charging:		
Auditor's remuneration - fees payable to the company's auditors for the audit of the annual accounts	5,750	5,875
Operating leases - other	12,915	10,891

6. STAFF COSTS

	2009 £	2008 £
Total staff costs included under administrative expenses:		
Wages and salaries	88,890	98,207
Social security costs	6,922	10,779
Pension costs	2,354	4,168
	98,166	113,154

The average number of employees for the year was 5 (2008: 5), of whom 4 (2008: 4) worked on fundraising activities and 1 (2008: 1) worked on administrative activities. The average full time equivalent for the year was 4 (2008: 4). No employee emoluments exceeded £60,000 in the year (2008: nil).

7. DIRECTORS' REMUNERATION

During the year ended 31 March 2009 the directors received no remuneration for their services to the company (2008: nil).

8. STOCKS

	2009 £	2008 £
Stocks - finished goods	10,838	3,910

NSPCC TRADING COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2009

9. DEBTORS: Amounts falling due within one year	2009	2008
	£	£
Trade debtors	829,832	842,590
Amounts due from NSPCC	-	226,102
Prepayments and accrued income	248,884	244,835
	1,078,716	1,313,527

10. CREDITORS: Amounts falling due within one year	2009	2008
	£	£
Trade creditors	13,296	42,179
Gift aid payment due to NSPCC	304,380	1,258,935
Amounts due to NSPCC	112,609	-
Other creditors	81,361	5,268
Other tax and social security	-	171,608
Accruals and deferred income	474,034	290,268
	985,680	1,768,258

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. It is expected that this provision will be used over the next five years.

	Dilapidations	Shop Closure Costs	Total
	£	£	£
Balance at the beginning of the year	18,000	59,148	77,148
Provided in the year	35,000	93,427	128,427
Utilised in the year	(18,000)	(59,148)	(77,148)
Balance at the end of the year	35,000	93,427	128,427

12. CALLED UP SHARE CAPITAL	2009	2008
	£	£
Authorised, called up, allotted and fully paid:		
Ordinary shares of £1 each	100	100

13. OTHER FINANCIAL COMMITMENTS

Land and buildings

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below:

	2009	2008
	£	£
Operating leases which expire:		
after one year and less than five years	24,200	6,000
after five years	-	10,250
Total	24,200	16,250

NSPCC TRADING COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2009

14. ULTIMATE PARENT UNDERTAKING

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

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.