

**Company Registration No. 00890446**

**NSPCC TRADING COMPANY LIMITED**

**Annual Report and Financial Statements**

**31 March 2016**



## 1. Officers and Professional Advisers

### **Directors**

David Roberts  
Phillip Noyes  
Peter Watt  
Peter Wanless

### **Secretary**

David Roberts

### **Registered Office**

Weston House  
42 Curtain Road  
London, EC2A 3NH

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London UK

### **Bankers**

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

### **Solicitors**

Clifford Chance  
10 Upper Bank Street  
London E14 5JJ

Baker & McKenzie  
100 New Bridge Street  
London EC4V 6JA

Wragge & Co  
142 High Holborn  
London WC1N 2SW

Walker Morris  
Kings Court  
12 King Street  
Leeds LS1 2HL

## **2. Directors Report**

The directors submit their annual report with the audited accounts for the year ended 31 March 2016. NSPCC Trading Company Limited is a private limited company in the United Kingdom, incorporated in 1966. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

### **Principal Activity and Review of Business**

The main activities of the Company are major fundraising events, a mail order operation and the sale of NSPCC branded goods. The company 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 expected to continue trading profitably.

### **Going Concern**

The directors have considered the 12 month period from the date of signing, and assessed whether the Company is able to continue as a going concern, in view of projected income, expenditure and future cash flows. If income from operating activities were to fall due to a change in the economic environment or other adverse event, the directors have a reasonable expectation that the Company would continue to be able to meet its commitments as they fell due or that actions could be taken to reduce expenditure accordingly. The Company has adequate resources to continue its activities for the foreseeable future. Accordingly, the directors 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 2016 are set out in the attached accounts.

Revenue has decreased during the year as a result of value added tax exempt fundraising events previously carried out by NSPCC Trading Company Limited now being undertaken by NSPCC instead.

In accordance with the objects contained in the memorandum of association, the taxable profit for the year of £864,380 (2015: £1,761,018) has been donated under Gift Aid to the NSPCC. The directors do not recommend the payment of a dividend (2015: £nil).

### **Directors**

The directors of the Company throughout the year and subsequently were those listed on page 1.

### **Provision of Information to Auditor**

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 auditor is unaware; and

## 2. Directors Report (continued)

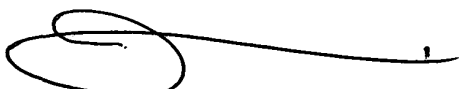
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

### Auditor

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 21 September 2016  
Signed on behalf of the Board



David Roberts  
Director

## 3. Directors Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

#### **4. 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 2016 which comprise the Income Statement, the Statement of Financial Position and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 4. Independent Auditors Report to the members of NSPCC Trading Company Limited (continued)

##### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

##### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Reza Motazed FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

22/2/2016

## Income Statement

for the year to 31 March 2016

	Notes	2016 £	2015 £
Revenue	3,4	2,574,313	4,401,455
Cost of sales		(1,511,281)	(1,979,158)
<b>Gross profit</b>	<b>4</b>	<b>1,063,032</b>	<b>2,422,297</b>
Administrative expenses		(198,652)	(661,279)
<b>Profit on ordinary activities before taxation</b>	<b>5</b>	<b>864,380</b>	<b>1,761,018</b>
Taxation	2,7	-	-
<b>Profit on ordinary activities after taxation</b>	<b>5</b>	<b>864,380</b>	<b>1,761,018</b>
Donated to the NSPCC		(864,380)	(1,761,018)
<b>Retained profit for the year</b>		<b>-</b>	<b>-</b>

Revenue and 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 except for as noted above. Accordingly, no statement of comprehensive income and no statement of change in equity is given.

The notes on pages 8 to 10 form part of these financial statements.

**NSPCC Trading Company Limited**

**Company Registration No. 00890446**


**Statement of Financial Position**

**As at 31st March 2016**

	Notes	2016 £	2015 £
<b>Current assets</b>			
Inventories	8	6,977	8,300
Trade and other receivables	9	726,609	1,265,796
Cash at bank and in hand		155,230	47,499
<b>Total current assets</b>		<b>888,816</b>	<b>1,321,595</b>
Trade and other payables	10	(858,495)	(1,291,274)
<b>Net current assets</b>		<b>30,321</b>	<b>30,321</b>
<b>Total assets less current liabilities</b>		<b>30,321</b>	<b>30,321</b>
<b>Net assets</b>		<b>30,321</b>	<b>30,321</b>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account		30,221	30,221
<b>Total shareholder's funds</b>		<b>30,321</b>	<b>30,321</b>

The financial statements are prepared in accordance with the special provisions applicable to companies subject to the small companies regime applicable to the Financial Reporting Standard 102 (FRS102).

These financial statements were approved and authorised for issue by the Board of Directors on 21 September 2016 and signed on its behalf by:



Mr David Roberts  
Director

The notes on pages 8 to 10 form part of these financial statements.



**NSPCC Trading Company Limited**  
**Notes to the Accounts**  
**for the year to 31 March 2016**

**1. Accounting Policies**

The financial statements are prepared in accordance with the special provisions applicable to companies subject to the small companies provision applicable to the Financial Reporting Standard 102 (FRS102) historical cost convention. The particular accounting policies adopted are described below. These financial statements cover the results of NSPCC Trading Company Limited incorporated in the UK under companies act.

**Going concern**

The directors have assessed whether the Company is able to continue as a going concern, in view of projected income, expenditure and future cash flows. If income from operating activities were to fall due to a change in the economic environment or other adverse event, the directors have a reasonable expectation that the Company would continue to be able to meet its commitments as they fell due or that actions could be taken to reduce expenditure accordingly. The Company has adequate resources to continue its activities for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

**Explanation of transition to FRS 102**

This is the first year that the company has presented the financial statements under Financial Reporting Standard 102 (FRS 102). The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015; the date of transition to Financial Reporting Standard 102 (FRS 102) was therefore 1 April 2014. The transition to FRS 102 has not resulted in any restatements to the figures presented. However, the terminology used has been updated.

**Principal accounting estimates and judgements**

*In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.*

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates, along with their underlying assumptions, are continually reviewed.

The below is considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported:

- **Bad Debt provision:** Specific provisions are made where it is unlikely that the company will receive payment.

**Revenue recognition**

Revenue comprises the income received from fundraising events; mail order sales and shops sales; and other trading activities. Income from the sale of goods is recognised as revenue in the accounting period in which the sale is made and income from fundraising events is recorded in the accounting period in which the event takes place.

Income which has been recognised as income at 31 March 2016 but not been received is included in accrued income within debtors. Amounts invoiced in advance are included in deferred income within creditors.

**Inventories**

Inventories are measured at the lower of cost adjusted and net realisable value when applicable for any loss of service potential and replacement cost.

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value (including transaction costs) and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors including amounts owed to parent and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors including amounts owed to parent and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Leases**

Rental costs under operating leases are charged to the profit and loss account 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 meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to presentation of a cash flow statement in respect of its separate financial statements. A consolidated cash flow statement is presented in the financial statements of the NSPCC.

**NSPCC Trading Company Limited**  
**Notes to the Accounts**  
**for the year to 31 March 2016**

**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 (2015: £nil).

**3. Revenue**

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

**4. Analysis of Revenue and Gross Profit between activities**

	Turnover		Gross Profit	
	2016 £	2015 £	2016 £	2015 £
One-off fundraising events	1,725,878	3,587,988	259,508	1,613,372
Mail order	101,491	144,642	56,580	140,091
Shops	43,007	123,594	43,007	123,594
Other trading	703,937	545,231	703,937	545,240
<b>Total</b>	<b>2,574,313</b>	<b>4,401,455</b>	<b>1,063,032</b>	<b>2,422,297</b>

**5. Operating profit**

	2016 £	2015 £
Profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,300	6,150
Fees payable to the Company's auditor for other services:		
Tax compliance services	1,320	1,100
Operating lease rentals (land and buildings)	8,000	6,000

**6. Staff and directors remuneration**

During the year ended 31 March 2016 the directors received no remuneration for their services to the company (2015: £nil). The company does not employ staff directly but utilises the NSPCC's staff, equivalent to an average of 3 employees (2015: 17), calculated on a full-time equivalent basis.

**7. Tax on ordinary activities**

	2016 £	2015 £
Current taxation		
Tax expense included in profit	-	-
UK corporation tax at 20% (2015: 21%) based on profit for the year	-	-

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 20%. The current tax for the year differs from the standard rate for the reasons set out in the following reconciliation:

	2016 £	2015 £
Profit before taxation	(864,380)	(1,761,018)
Current tax charge for the year:		
Tax charge on profit on ordinary activities at standard rate of 20% (2015: 21%)	172,876	369,813
Tax on gift aid donation	(172,876)	(369,813)
<b>Current tax for the year</b>	<b>-</b>	<b>-</b>

**NSPCC Trading Company Limited**  
**Notes to the Accounts**  
**for the year to 31 March 2016**

**8. Inventories**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Inventory - finished goods	6,977	8,300

**9. Trade and other receivables**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade Receivables	183,541	319,627
Prepayments	520,332	819,615
Accrued income	16,000	109,401
Other receivables	6,736	17,153
<b>Total</b>	<b>726,609</b>	<b>1,265,796</b>

**10. Trade and other payables**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade payables	59,880	40,745
Amounts owed to parent	640,378	1,128,567
Other payables	18,772	15,833
Accruals and deferred income	139,465	106,129
<b>Total</b>	<b>858,495</b>	<b>1,291,274</b>

**11. Operating lease commitments**

Total of future minimum lease payments for the company under non-cancellable operating leases for each of the following periods:

	<b>Land and</b>	<b>Land and</b>
	<b>buildings</b>	<b>buildings</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Company</b>		
Within one year	8,000	8,000
Later than one year and not later than five years	5,874	13,874
<b>Total</b>	<b>13,874</b>	<b>21,874</b>

**12. Called up share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Authorised, called up, allotted and fully paid:		
Ordinary shares of £1 each	100	100

**13. 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.

Advantage has been taken of exemptions under FRS 102 not to disclose related party transactions with and between wholly-owned subsidiaries.

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.