

Arthritis Research UK Trading Limited

Annual Report and Financial Statements

Year ended

31 March 2015

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Directors

Liam O'Toole
Tom Hayhoe

Secretary and registered office

Mrs Joanne Turner (appointed 05/08/2015)

Copeman House
St Mary's Court
St Mary's Gate
Chesterfield S41 7TD

Company number

00891517

Auditors

BDO LLP, 2 City Place, Gatwick, RH6 0PA

Directors' Report

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal Activities

The Company is the trading subsidiary of its parent company, Arthritis Research UK (a registered charity, number 207711) and is principally engaged in the sale of Christmas cards and gifts, and the trading activities on behalf of the parent company.

Review of the Period

In 2014/15, Arthritis Research UK Trading Limited recorded turnover of £623,216. This compares to a turnover of £568,153 in the previous financial 12 month period.

Much of the company's turnover continues to be attributable to sales of catalogue goods through the parent charity's network of volunteer branches, which act for the trading company on an agency basis, and the company is extremely grateful for their efforts.

The Directors will continue to work to improve the trading returns for future financial years.

Risk

The company uses financial instruments including cash, inter-company balances and debtors. The main purpose of these financial instruments is to finance the working capital cycle of the company. The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and appropriately.

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' 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). 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 and 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Responsibilities Statement *(continued)*

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.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The Directors in office at the year-end and who served throughout the year are listed below:

Liam O'Toole
Tom Hayhoe

The Directors did not receive any emoluments (2014: £Nil) in respect of their services to the Company for the year ended 31 March 2015.

Auditors

BDO LLP, who were appointed as auditors during the year, have expressed their willingness to continue in office, and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

These financial statements have been prepared in accordance with the special provisions for smaller companies under part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entries (effective April 2008).

On behalf of the Board



Dr L O'Toole
Director

Date 2 December 2015

Independent auditor's report to the members of Arthritis Research UK Trading Limited

We have audited the financial statements of Arthritis Research UK Trading Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Fiona Condon
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date 10 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and Loss Account
For the year ended 31 March 2015

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Profit and Loss Account

	Notes	Year ended 31/03/2015 £	Year ended 31/03/2014 Restated £
Turnover	1	623,216	568,153
Cost of Sales		(195,969)	(232,750)
Gross Profit		427,247	335,403
Administrative expenses		(240,489)	(238,803)
Operating Profit		186,758	96,600
Gift to Arthritis Research UK		(186,758)	(96,600)
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	3	(19,223)	-
(Loss) / Profit for the financial year after taxation		(19,223)	-

All activities of the Company are continuing.

There is no material difference between the profit on the ordinary activities before taxation and retained profit for the year and their historical cost equivalents.

The Company has not recognised gains and losses other than the profit for the year shown above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 12 form part of these financial statements.

Balance Sheet
As at 31 March 2015

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Balance Sheet

	Notes	31/03/2015 £	31/03/2014 Restated £
Current Assets			
Stocks		45,813	42,081
Debtors	4	122,900	86,507
Cash at bank and in-hand		361,934	265,655
		530,647	394,243
Creditors – amounts falling due within one year	5	(299,870)	(144,243)
Net Assets		230,777	250,000
Capital and Reserves			
Called up share capital	6	250,000	250,000
Profit and loss account		(19,223)	-
<i>Total shareholders' funds</i>	8	230,777	250,000

These financial statements have been prepared in accordance with the special provisions for smaller companies under part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entries (effective April 2008).

The notes on pages 9 to 12 form part of these financial statements.

Approved by the Board on 2 December 2015 and signed on 2 December 2015 on their behalf by:



Dr L O'Toole
Director

(Company Number: 00891517)

Notes to the Financial Statements

1. Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008). A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention and with applicable accounting and financial reporting standards in the United Kingdom.

Cash Flow Statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash flow statements (Revised 1996)' not to prepare a cash flow statement on the grounds that The company is included in the consolidated financial statements headed by Arthritis Research UK.

Turnover

Turnover represents net proceeds received in the UK from:

- a) The sale of Christmas cards and gifts
- b) Trading activities on behalf of the parent company

Stocks

Stocks consist of goods for resale and are stated at the lower of cost and net realisable value.

Prior Year Adjustment

The prior year adjustment was in respect of donated stock which has now been removed from the Balance Sheet. This has the effect of reducing the 2014 stock balance and donation to the parent charity by £310,553.

2. Profit on Ordinary Activities

	Year ended 31/03/2015	Year ended 31/03/2014
	£	£
Profit on ordinary activities is stated after charging:		
Wages and salaries including agency costs	-	9,978
Social Security costs	-	1,023
Other pension costs	-	98
Auditors' remuneration – audit services	6,000	6,000

The average number of employees during the period was nil (2014: 1). The average number of Directors during the period was 2 (2014: 2). The Directors received no emoluments in respect of their services to the Company during the period (2014: £nil).

3. Tax charge per accounts

	Year Ended 31/03/2015	Year Ended 31/03/2014
	£	£
<i>Analysis of tax charge for the period</i>		
<i>Current tax</i>		
UK corporation tax at 21.00%	-	-
Adjustments in respect of previous periods	19,222	-
Total current tax charge	19,222	nil
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	19,222	nil
<i>Provision for deferred tax</i>		
<i>Movement in provision:</i>		
Provision at start of period	-	-
Deferred tax charged in Profit and Loss account for the period	-	-
	nil	
Deferred tax asset not recognised	(367)	nil

3. Tax charge per accounts cont...

	Year Ended 31/03/2015 £	Year Ended 31/03/2014 £
FRS19' reconciliation of current tax charge		
Profit on ordinary activities before tax	97,003	nil
Tax on profit on ordinary activities at standard CT rate of 21.00%	20,371	nil
<i>Effects of:</i>		
Adjustments to tax charge in respect of previous periods	19,222	-
Capital allowances in excess of depreciation	(85)	-
Other short term timing differences	(20,286)	-
Current tax charge for the period	19,222	nil

4. Debtors – Amounts receivable within one year

	Year Ended 31/03/2015 £	Year Ended 31/03/2014 £
Prepayments and Accrued income	12,652	63,064
Amounts owed from parent company	110,248	23,443
	122,900	86,507

5. Creditors – Amounts falling due within one year

	Year Ended 31/03/2015 £	Year Ended 31/03/2014 £
		Restated
Trade Creditors	1,751	14,744
Amounts owed to parent company	265,058	97,502
Taxation	19,223	16,480
Accruals and Deferred Income	13,838	15,517
	299,870	144,243

6. Called up Share Capital

	31/03/2015	31/03/2014
	£	£
Authorised, allotted, issued and fully paid ordinary shares of £1 each	250,000	250,000

7. Ultimate Parent Company

The immediate and ultimate parent company is Arthritis Research UK, a charitable company limited by guarantee and incorporated in England. Consolidated accounts can be obtained from Copeman House, St Mary's Court, St Mary's Gate, Chesterfield, Derbyshire, S41 7TD.

8. Reconciliation of Movement in Total Shareholders' Funds

	31/03/2015	31/03/2014
	£	£
		Restated
Profit / Loss for the year	186,758	96,600
Gift to Arthritis Research UK	(186,758)	(96,600)
	-	-
Opening shareholders' funds as previously stated	250,000	250,903
Prior year adjustment	-	(903)
Opening shareholders' funds as restated	250,000	250,000
Profit for the year	186,758	96,600
Gift to Arthritis Research UK	(186,758)	(96,600)
Taxation	(19,223)	-
Closing shareholders' funds	230,777	250,000

9. Related Party Transactions

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose related party transactions with other group companies, on the grounds that it is a 99.9% owned subsidiary of Arthritis Research UK, a company registered in England whose consolidated accounts are publicly available. There are no other related party transactions to disclose.

The following page does not form part of these financial statements.

Detailed Trading Profit and Loss Account
For the year ended 31 March 2015

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Detailed Trading Profit and Loss Account
For the information of the Directors only

	Year Ended 31/03/2015	Year Ended 31/03/2015	Year Ended 31/03/2014 Restated	Year Ended 31/03/2014 Restated
	£	£	£	£
Sales				
Ordinary activities	546,409		508,681	
On behalf of the Parent Company	76,807		59,472	
		623,216		568,153
Cost of Sales				
Ordinary activities	(195,969)		(232,750)	
		(195,969)		(232,750)
Trading profit		427,247		335,403
Interest receivable		-		-
Gross Profit		427,247		335,403
Overhead expenses				
Staff costs	-		(11,098)	
Postage	4,123		(13,305)	
Meetings and Conferences	(17,453)		-	
Equipment Leasing	(19,065)		-	
Printing & Stationery	(19,765)		(15,983)	
Legal & Professional	(6,000)		(6,000)	
Agency charge	(111,108)		(111,108)	
Advertising and Promotions	(4,001)		-	
Warehouse storage & order fulfilment	(60,173)		(76,612)	
Investment Management fees	(264)		(123)	
Sundry Expenses	(6,783)		(4,574)	
		(240,489)		(238,803)
Profit on ordinary activities		186,758		96,600