

Company Registration No 2433565 (England and Wales)

4CHILDREN (TRADING) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**



4 CHILDREN (TRADING) LIMITED

COMPANY INFORMATION

Directors

Mr J R Cove (Chairperson)
Ms H Mosienko
Ms P O'Byrne (resigned 05/03/2010)
Ms A Longfield OBE
Mr Charles Ellis (appointed 05/03/2010)
Mr C A F Gale (resigned 05/03/2010)
Mr R Rose (appointed 05/03/2010)
Mr G Lush (appointed 05/03/2010)
Ms F Armstrong (appointed 05/03/2010)

Secretary and registered office

Mr C Ellis
City Reach
5 Greenwich View Place
London
E14 9NN

Company number

2433565

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

4CHILDREN (TRADING) LIMITED

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**4CHILDREN (TRADING) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010**

The directors present their report and the financial statements for the year ended 31 March 2010

Directors' Responsibilities

The directors present their report and 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. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

In the case of each of the persons who are directors at the time when this report is approved, the following applies

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) the director has taken all the steps that he ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Principal activities and review of the business

The principal activities during the year focused on the care, training and development of young people between the ages of 0-19. The company has entered into a gift aid arrangement under which the whole of its taxable profit in any accounting period is donated to the parent charity.

Directors

The directors listed below held office during the period from 1 April 2009 to the date of this report

Ms A Longfield
Ms H Mosienko
Ms P O'Byrne
Mr J R Cove
Mr C A F Gale
Ms L Lloyd (resigned 14 May 2009)

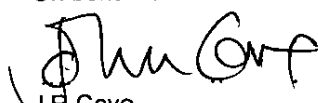
None of the directors has any beneficial interest in the share capital of the company

Auditors

Saffery Champness have expressed their willingness to remain as auditors of the company

The directors have prepared this report in accordance with the special provisions of the Companies Act 2006 relating to small companies

On behalf of the Board



J R Cove
Director

2010 17 DECEMBER 2010

4CHILDREN (TRADING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial accounts on pages 3 to 7. Those financial statements have been prepared under the historical cost convention and the accounting policies set out on page 5 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 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 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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of affairs of the company as at 31 March 2010 and of its result for the year then ended, and
- 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.

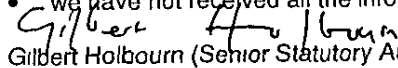
Opinion on other matter prescribed by the Companies Act 2006

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.


Gilbert Holbourn (Senior Statutory Auditor)
For and on behalf of

Saffery Champness

Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

20.12.2010

4CHILDREN (TRADING) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
TURNOVER	2	7,566,274	3,860,150
Cost of sales		(1,541,904)	(843,915)
GROSS PROFIT		6,024,370	3,016,235
Administrative expenses		(4,404,060)	(2,132,462)
OPERATING PROFIT	3	1,620,310	883,773
Less:			
Interest payable		(10,621)	(1,213)
Payment under Gift Aid		(1,654,440)	(882,560)
LOSS FOR THE FINANCIAL YEAR		<u>(44,751)</u>	<u>-</u>

All amounts relate to continuing activities

There are no movements of shareholders' funds apart from the loss for the year

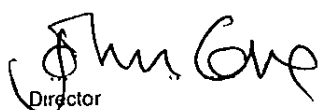
The notes on pages 5 to 7 form part of these financial statements

4CHILDREN (TRADING) LIMITED**BALANCE SHEET****AT 31 MARCH 2010**

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	5	147,420	65,280
Investments		1	1
		<u>147,421</u>	<u>65,281</u>
CURRENT ASSETS			
Stock	6	114,342	131,265
Debtors	7	1,230,227	914,002
Cash at bank and in hand		88,760	7,456
		<u>1,433,329</u>	<u>1,052,723</u>
CREDITORS Amounts falling due within one year	8	(1,625,401)	(1,117,904)
NET CURRENT (LIABILITIES)		(192,072)	(65,181)
CREDITORS Amounts falling due after one year		-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(44,651)</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Net deficit for the year	9	(44,751)	-
EQUITY SHAREHOLDERS' FUNDS	9	<u>(44,651)</u>	<u>100</u>

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (April 2008)

Approved by the Board on 17 DECEMBER 2010


Director

Company registration number 2433565

The notes on pages 5 to 7 form part of these financial statements

4CHILDREN (TRADING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2010

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). These financial statements have been prepared on a going concern basis. The company has not produced a cash flow statement on the grounds that as a small company it is exempt. The following principal accounting policies have been applied:

1.1 Turnover

Turnover represents sales to outside customers at invoiced amounts net of value added tax.

1.2 Depreciation

Depreciation is provided to write off the cost, less its estimated residual value, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Website development costs	-	25% per annum
Computer equipment	-	25% per annum
Fixtures & Fittings	-	25% per annum
Accounting system	-	25% per annum

Website development costs have been capitalised in accordance with UITF Abstract 29. This policy is considered to be appropriate because significant enhancements have been made to develop the website into a major source of income generation for the company.

1.3 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is based on cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price.

2 TURNOVER

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

3 OPERATING PROFIT

	2010 £	2009 £
The operating profit is stated after charging		
Auditors' remuneration - audit fees - current year	9,000	6,000
Depreciation - own tangible assets	107,798	34,047

4 TAXATION

The company is liable to taxation on its taxable profits. However, no tax provision is included in these accounts as the profits are paid by Gift Aid to the ultimate parent company (see note 1.1) reducing the taxable profit to £nil for the year.

4CHILDREN (TRADING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2010

5 TANGIBLE FIXED ASSETS

	Website development £	Computer equipment £	Fixtures & fittings £	Accounting system £	Sundry assets £	Total £
COST						
At 1 April 2009	42,924	130,183	94,642	59,047	-	326,796
Transferred from 4Children (Direct) Ltd	-	86,051	93,453	-	24,323	203,827
Additions	-	19,045	8,536	-	2,999	30,580
Disposals	(16,710)	(2,023)	-	-	-	(18,733)
At 31 March 2010	26,214	233,256	198,631	59,047	27,322	542,470
DEPRECIATION						
At 1 April 2009	25,863	106,629	86,151	42,873	-	261,516
Transferred from 4Children (Direct) Ltd	-	19,546	17,332	-	7,015	43,893
Charge for the year	17,061	36,611	29,281	14,736	10,109	107,798
Disposals	(16,710)	(1,447)	-	-	-	(18,157)
At 31 March 2010	26,214	161,339	132,764	57,609	17,124	395,050
NET BOOK VALUE						
At 31 March 2010	-	71,917	63,867	1,438	10,198	147,420
At 31 March 2009	17,061	23,554	8,491	16,174	-	65,280

6 STOCK

	2010 £	2009 £
Stock of publications	114,342	131,265

7 DEBTORS

	2010 £	2009 £
Trade debtors	724,957	543,406
Other debtors	480,111	353,475
Prepayments	25,159	17,121
	1,230,227	914,002

8 CREDITORS Amounts falling due within one year

	2010 £	2009 £
Bank overdraft	46,476	-
Trade creditors	499,196	577,773
Sundry creditors	11,686	-
VAT and social security costs	301,067	67,174
Deferred income	279,891	143,860
Accruals	70,450	174,665
Amounts owed to ultimate parent undertaking	416,635	154,432
	1,625,401	1,117,904

4CHILDREN (TRADING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2010

9 SHAREHOLDERS FUNDS	Profit and loss account £	Share capital £	Total £
As at 1 April 2009	-	100	100
Net deficit for the year	(44,751)	-	(44,751)
As at 31 March 2010	<u>(44,751)</u>	<u>100</u>	<u>(44,651)</u>
The share capital comprises			
		2010 £	2009 £
Allotted, issued called up and fully paid			
100 Ordinary shares of £1		<u>100</u>	<u>100</u>

10 CONTINGENT LIABILITY

The bank overdraft of the ultimate parent company, 4 Children, is secured by way of a cross guarantee over the assets of the Charity and both of its subsidiaries. Big Issue Investment Ltd has a debenture ranking behind the bank on 4Children (Trading) Ltd but has first lien on 4Children and 4Children (Direct) Ltd, the latter being a subsidiary of 4Children (Trading) Ltd (see note 11)

11 INVESTMENTS AND ULTIMATE PARENT UNDERTAKING

4Children (Trading) Ltd owns 100% of the issued share capital of 4Children (Direct) Ltd, a company registered in England and Wales (Registered company No 5133622)

4Children (Trading) Ltd is exempt from preparing consolidated accounts under the Companies Act 2006 as it is included in the consolidated accounts of its parent. The company is also, as a wholly owned subsidiary, exempt from disclosing transactions with other group companies under FRS8

The ultimate parent undertaking is 4Children, a charitable company registered in England and Wales (Registered Company No 1789253). 4Children owns 100% of the issued share capital of 4Children (Trading) Limited (Registered Company No 2433565) which has Gift Aided its entire taxable profit totalling £1,654,440 (2009 £882,560) to the charity

Group accounts may be obtained from

4Children
City Reach
5 Greenwich View Place
London
E14 9NN