



Grant Thornton

# Financial Statements The Church Schools Trading Company Limited

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For the year ended 31 August 2010

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Company No 2724038

## Company information

**Company registration number:** 2724038

**Registered office:** 23 Chapel Street  
Titchmarsh  
Kettering  
Northamptonshire  
NN14 3DA

**Directors:** Mr J A Nicholson ACA  
Mrs C M Rendle-Short MBA MedAdmin BMus

**Secretary:** Mr J A Nicholson ACA

**Bankers:** Barclays Bank Plc  
Kettering and Birmingham

**Auditor:** Grant Thornton UK LLP  
Grant Thornton House  
Kettering Parkway  
Kettering  
Northants  
NN15 6XR'

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## Report of the directors

The directors present their report together with financial statements for the year ended 31 August 2010.

### **Principal activities**

The company is principally engaged in the letting of furnished accommodation and sports facilities together with retail trading through school uniform shops.

### **Directors**

The present membership of the Board is set out below. All directors served throughout the year to 31 August 2010.

Mr J A Nicholson ACA  
Mrs C M Rendle-Short MBA MedAdmin BMus

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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. The financial statements are required by law to 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 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.

The directors are responsible for keeping adequate accounting records that 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.

**Statement of directors' responsibilities (continued)**

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

**Charitable contributions**

During the year the company made charitable donations of £ 477,508 (2009 - £ 442,543)

**Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, 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.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under section 477 of the Companies Act 2006.

BY ORDER OF THE BOARD



J A Nicholson  
Secretary



## Report of the independent auditor to the members of The Church Schools Trading Company Limited (registered number 2724038)

### **Independent auditor's report to the members of Church Schools Trading Limited**

We have audited the financial statements of Church Schools Trading Limited School for the year ended 31 August 2010 which comprise the profit and loss account, the balance sheet and the notes 1 - 14. 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)

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 and 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 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 August 2010 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.



## Report of the independent auditor to the members of The Church Schools Trading Company Limited (registered number 2724038)

### **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.<sup>1</sup>

### **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

A handwritten signature in black ink, appearing to read "Stephen Robinson".

**Stephen Robinson**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP, Statutory Auditor, Chartered Accountants  
Kettering

17 December 2010

## Principal accounting policies

### **Basis of preparation**

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).

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year with the exception of the depreciation rate of office furniture and equipment which has changed from 3 years to 10 years.

### **Going concern**

The directors have been reviewed the position of the company and the resources available. Based on this review they consider the Company will have sufficient resources to meet its liabilities as they fall due and as such the financial statements have been prepared on a going concern basis.

### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their estimated useful economic lives. The periods generally applicable are:

Improvements to property	3 years
Office furniture and equipment	10 years
Sports equipment	3 years
Language laboratory	3 years

### **Stocks**

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



## Profit and loss account

		2010 £	2009 £
<b>Turnover</b>		826,205	800,493
<b>Cost of sales</b>		<u>291,316</u>	<u>318,143</u>
<b>Gross profit</b>		534,889	482,350
Other operating charges	2	<u>533,713</u>	<u>480,398</u>
<b>Profit on ordinary activities before taxation</b>	1	1,176	1,952
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>	10	<u>1,176</u>	<u>1,952</u>

All the above results are derived from continuing activities

## Balance sheet

	Note	£	2010 £	£	2009 £
<b>Fixed assets</b>					
Tangible assets	4		8,062		9,214
<b>Current assets</b>					
Stocks	5	108,579		165,733	
Debtors	6	177,666		202,043	
Cash at bank and in hand		328,048		163,320	
		614,293		531,096	
<b>Creditors: amounts falling due within one year</b>	7	(626,633)		(545,764)	
<b>Net current liabilities</b>			(12,340)		(14,668)
<b>Total assets less current liabilities</b>			(4,278)		(5,454)
<b>Capital and reserves</b>					
Called up share capital	8		2		2
Profit and loss account	9		(4,280)		(5,456)
<b>Shareholders' funds</b>	10		(4,278)		(5,454)

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

The financial statements were approved by the Board and authorised for issue on 15<sup>th</sup> December 2010 and signed on its behalf by:



J A Nicholson  
Director

## Notes to the financial statements

### 1 Operating profit

Operating profit is stated after charging:

	2010 £	2009 £
Depreciation of owned assets	1,152	1,152
Auditor's remuneration	3,000	2,850
	<u>4,152</u>	<u>4,002</u>

### 2 Other operating charges

	2010 £	2009 £
Administrative expenses	533,713	480,398
	<u>533,713</u>	<u>480,398</u>

### 3 Directors' remuneration

There was no remuneration payable in respect of directors during the year (2009 - £Nil).

### 4 Tangible fixed asset

	Improvements to property £	Office furniture and equipment £	Sports equipment £	Language laboratory £	Total £
Cost					
At 1 September 2009	7,003	41,119	18,291	38,517	104,930
Additions	-	-	-	-	-
At 31 August 2010	<u>7,003</u>	<u>41,119</u>	<u>18,291</u>	<u>38,517</u>	<u>104,930</u>
Depreciation					
At 1 September 2009	7,003	31,905	18,291	38,517	95,716
Charge for the year	-	1,152	-	-	1,152
At 31 August 2010	<u>7,003</u>	<u>33,057</u>	<u>18,291</u>	<u>38,517</u>	<u>96,868</u>
Net book amount at 31 August 2010	<u>-</u>	<u>8,062</u>	<u>-</u>	<u>-</u>	<u>8,062</u>
Net book amount at 31 August 2009	<u>-</u>	<u>9,214</u>	<u>-</u>	<u>-</u>	<u>9,214</u>

**5 Stocks**

	2010 £	2009 £
Goods for resale	<u>108,579</u>	<u>165,733</u>

**6 Debtors**

	2010 £	2009 £
Trade debtors	146,344	127,491
Amounts owed from group undertakings	-	74,552
Prepayments and accrued income	<u>31,322</u>	<u>-</u>
	<u>177,666</u>	<u>202,043</u>

**7 Creditors: amounts falling due within one year**

	2010 £	2009 £
Trade creditors	21,882	14,949
Amounts owed to group undertakings	572,519	442,543
Social security and other taxes	25,595	16,527
Accruals and deferred income	6,637	26,939
Other creditors	<u>-</u>	<u>44,806</u>
	<u>626,633</u>	<u>545,764</u>

**8 Share capital**

	2010 and 2009 £
Authorised 100 ordinary shares of £1 each	<u>100</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>

**9 Reserves**

	Profit and loss account £
At 1 September 2009	(5,456)
Profit for the year	<u>1,176</u>
At 31 August 2010	<u>(4,280)</u>

**10 Reconciliation of movements in shareholders' funds**

	2010 £	2009 £
Profit for the financial year and net increase in shareholders' funds	1,176	1,952
Shareholders' funds at 1 September 2009	<u>(5,454)</u>	<u>(7,406)</u>
Shareholders' funds at 31 August 2010	<u>(4,278)</u>	<u>(5,454)</u>

**11 Capital commitments**

The company had no capital commitments at 31 August 2010 or 31 August 2009

**12 Contingent liabilities**

At 31 August 2010 the company was party to a cross guarantee on bank loans and overdrafts of the parent undertaking totalling £ 56,911,000 (2009 - £56,357,000)

**13 Controlling related party**

The directors consider that the controlling related party and ultimate parent undertaking of this company is United Church Schools Foundation Limited, a company registered in England and Wales.

**14 Related party transactions**

As a wholly owned subsidiary of United Church Schools Foundation Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by United Church Schools Foundation Limited.

There were no other related party transactions.

## Management information

**The following pages do not form part of the statutory financial statements**

## Detailed trading and profit and loss account

	2010	2009
£	£	£
<b>Sales</b>		
Lettings and sports centre income	616,968	551,079
Uniform and equipment sales	180,120	217,680
Coffee shop	29,087	31,734
Other income	30	-
	<u>826,205</u>	<u>800,493</u>
<b>Cost of sales</b>		
Lettings - catering costs	65,107	58,141
Lettings - cleaning	2,374	8,908
Lettings - repairs	9,350	9,838
Lettings - sports centre costs	28,516	23,669
Lettings - other expenses	36,738	38,205
Uniform and equipment purchases	132,607	146,028
Holiday activity courses expenses	-	14,321
Coffee shop purchases	16,624	19,033
	<u>291,316</u>	<u>318,143</u>
<b>Gross profit</b>	<b>534,889</b>	<b>482,350</b>
<b>Less: Expenditure</b>		
Wages	43,729	25,491
Legal and professional charges	2,267	-
Audit and accountancy	3,000	2,850
Bank charges	2,952	2,386
Sundry expenses	63	3,938
Depreciation	1,152	1,152
Bad debts cost	3,042	2,038
Gift Aid payable	477,508	442,543
	<u>533,713</u>	<u>480,398</u>
<b>Net profit for the year before taxation</b>	<b><u>1,176</u></b>	<b><u>1,952</u></b>