



ENGLISH HERITAGE TRADING LIMITED

ENGLISH HERITAGE TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 MARCH 2005

Registered Number 02970369



DIRECTORS' REPORT AND FINANCIAL STATEMENTS**CONTENTS**

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DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2005.

Principal Activities

The principal activity of the Company is to undertake the trading activities connected to the work of the Historic Buildings and Monuments Commission for England. The trading activities of the Historic Buildings and Monuments Commission for England were transferred to English Heritage Trading Limited on 1 April 1998. No significant change in the business of the Company has taken place during the year or is expected in the immediately foreseeable future.

Business Review

The result for the year ended 31 March 2005 was a profit of £689,000 (2004: £686,000) which was donated to the Historic Buildings and Monuments Commission for England under the Gift Aid rules, leaving a retained profit of nil (2004: nil).

Dividend

The Directors do not recommend the payment of a dividend.

Directors and Directors' Interests

The Directors who held office from 1 April 2004 to the date of this report were as follows:

Sir Neil Cossons
Mr Michael Cairns
Mr Michael Crich
Mr Andrew Fane (Resigned 8 June 2004)
Mr Mark Pemberton
Dr Simon Thurley
Mr Manish Chande

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

DIRECTORS' REPORT**Accounting Arrangements**

The Historic Buildings and Monuments Commission for England collects income and makes payments on behalf of the Company. In addition, the Historic Buildings and Monuments Commission for England incurs costs which are shared between the Historic Buildings and Monuments Commission for England and the Company. On a monthly basis there is a cash transfer between the Historic Buildings and Monuments Commission for England and the Company to settle the inter company debt for the preceding month. Consequently the Company balance sheet as at 31 March 2005 shows amounts owed by and owing to group undertakings in respect of March 2005 transactions and the charitable donation noted below.

Political and Charitable Contributions

During the year the Company donated £689,000 (2004: £686,000) under the Gift Aid rules to the Historic Buildings and Monuments Commission for England, a body which is treated as a charity for tax purposes.

Company Secretary

The office of Company Secretary from 1 April 2004 to the date of this report was held by Mr Nigel Hewitson.

Auditing Arrangements

PricewaterhouseCoopers LLP were replaced by Mazars LLP from 1 April 2004.

By order of the Board



Mr Nigel Hewitson
Company Secretary
7th July 2005

**STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE
PREPARATION OF THE FINANCIAL STATEMENTS**

The Companies Act 1985 requires the Directors to prepare 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ENGLISH HERITAGE TRADING LIMITED**

We have audited the financial statements for the year ended 31 March 2005 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

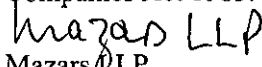
Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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

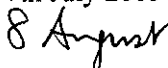
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Mazars LLP

Chartered Accountants and Registered Auditors

London

7th July 2005



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 £'000	2004 £'000
Turnover		9,289	8,359
Cost of Sales		(6,917)	(6,287)
GROSS PROFIT		2,372	2,072
Distribution and Promotion Costs		(589)	(613)
Administrative Expenses		(1,115)	(799)
OPERATING PROFIT	2	668	660
Interest Receivable and Similar Income		21	26
PROFIT ON ORDINARY ACTIVITIES BEFORE CHARITABLE DONATIONS		689	686
Donation to the Historic Buildings and Monuments Commission for England		(689)	(686)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on Profit on Ordinary Activities	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-

All the turnover and operating profit relates to the continuing operations of the Company.

The Company had no recognised gains or losses during the year other than those in the profit and loss account.

BALANCE SHEET AS AT 31 MARCH 2005

	Note	2005 £'000	2004 £'000
CURRENT ASSETS			
Stocks	6	2,741	2,468
Debtors	7	797	497
Short Term Investments		500	404
Cash at Bank and in Hand		1	0
		<u>4,039</u>	<u>3,369</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	8	(2,011)	(1,341)
NET CURRENT ASSETS		<u>2,028</u>	<u>2,028</u>
NET ASSETS		<u>2,028</u>	<u>2,028</u>
CAPITAL AND RESERVES			
Called Up Share Capital	9	2,028	2,028
Profit and Loss Account	10	-	-
SHAREHOLDERS' FUNDS	11	<u>2,028</u>	<u>2,028</u>

These financial statements were approved by the Board of Directors on 7 July 2005 and were signed on its behalf by:



Sir Neil Cossons
Director



Dr Simon Thurley
Director

NOTES TO THE FINANCIAL STATEMENTS**1 STATEMENT OF ACCOUNTING POLICIES**

a) Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

The Company is exempt from the requirement of Financial Reporting Standard Number 1 to prepare a cash flow statement due to the fact that it is a wholly owned subsidiary undertaking and the group accounts which include the results of the subsidiary are publicly available.

b) Stocks

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

c) Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the sale of goods and services to third party customers.

d) Segmental Reporting

The Directors consider that there is only one class of business activity.

NOTES TO THE FINANCIAL STATEMENTS

	2005	2004
	£'000	£'000

2 **OPERATING PROFIT**

Operating profit is stated after charging:

Auditors' Remuneration - Audit Work	<u>6</u>	<u>5</u>
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3 **DIRECTORS' REMUNERATION**

None of the Directors received any remuneration during the year in respect of English Heritage Trading Limited.

4 **STAFF COSTS**

The company did not directly employ any staff during the year (2004: nil). All staff engaged on company activities, either on a full time or on a shared basis, have contracts of employment with the Historic Buildings and Monuments Commission for England. The costs in relation to these employees are borne by the Company and thus require disclosure in these accounts.

	2005	2004
	£'000	£'000
a) Employee Costs		
Staff engaged fully on Company activities		
Salaries and Wages	705	513
Social Security Costs	52	42
Pension Costs	88	65
	<u>845</u>	<u>620</u>
Costs of Shared Staff	1,373	1,464
Total Employee Costs	<u>2,218</u>	<u>2,084</u>

NOTES TO THE FINANCIAL STATEMENTS

4 STAFF COSTS (continued)**b) Employee Numbers**

The average number of staff engaged on Company activities during the year expressed as full-time equivalents was:

	2005	2004
Staff engaged fully on Company activities	26	22
Shared Staff	80	82
Total Employee Numbers	106	104

5 TAXATION

The Company does not have a corporation tax liability for the year ended 31 March 2005 due to the fact that the Company had no taxable profits after allowing for the donation to the Historic Buildings and Monuments Commission for England under the Gift Aid rules.

	2005 £'000	2004 £'000
6 STOCKS		
Goods for Resale	2,741	2,468

	2005 £'000	2004 £'000
7 DEBTORS		
Amounts owed by Group Undertakings	766	473
Accrued Income	31	24
Total Debtors	797	497

NOTES TO THE FINANCIAL STATEMENTS

8	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005	2004
		£'000	£'000
	Amounts owed to Group Undertakings	1,587	1,057
	Accruals and Deferred Income	424	284
	Total Creditors: Amounts Falling Due Within One Year	2,011	1,341
9	CALLED UP SHARE CAPITAL	2005	2004
		£'000	£'000
	Authorised		
	Equity : 5,000,000 Ordinary shares £1 each	5,000	5,000
	Allotted, Called Up and Fully Paid		
	Equity : 2,028,081 Ordinary shares £1 each	2,028	2,028
10	RESERVES - PROFIT AND LOSS ACCOUNT	£'000	
	At 1 April 2004		-
	Retained Profit for the Year		-
	At 31 March 2005		-

NOTES TO THE FINANCIAL STATEMENTS

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS **£'000**

Opening Shareholders' Funds as at 1 April 2004	2,028
Profit for the Financial Year	-
New Share Capital Subscribed	-
Closing Shareholders' Funds as at 31 March 2005	<u>2,028</u>

12 RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under FRS 8 from reporting transactions with the Historic Buildings and Monuments Commission for England.

There are no other related party transactions.

13 ULTIMATE PARENT ENTITY

The Company is a subsidiary undertaking of the Historic Buildings and Monuments Commission for England, a body corporate established in England under the National Heritage Act 1983.

The largest group in which the results of the Company are consolidated is English Heritage, which comprises the Historic Buildings and Monuments Commission for England and English Heritage Trading Limited. The consolidated accounts are available to the public and may be obtained from English Heritage, 23 Savile Row, London, W1S 2ET.