

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**Registered No. 885496**

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## **THE CHILDREN'S SOCIETY (TRADING) LIMITED**

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## **THE CHILDREN'S SOCIETY (TRADING) LIMITED STRATEGIC REPORT**

The directors present their strategic report and the financial statements for the year ended 31 March 2016.

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity is fundraising in aid of The Church of England Children's Society, the parent company and a registered charity.

Fundraising activities in the year included sponsored overseas walks and bike rides.

A profit before tax of £183,000 (2015: £258,000) was made and paid as gift aid to The Church of England Children's Society.

Plans for 2016/17 are underway and the company intends to continue to carry on business as a general commercial company.

The directors do not propose the payment of a dividend (2015: £nil).

The company made no political contributions during the year. Donations to UK charities solely amounted to the amounts payable to The Church of England Children's Society.

### **DIRECTORS**

The directors during the year were:

S Porter (resigned 24 June 2016)  
S Burne (resigned 9 April 2015)  
S Thomson (resigned 17 September 2015)  
C Knight (resigned 19 May 2016)  
C Gillies (appointed 17 September 2015)  
E Walker (appointed 24 June 2016)  
C Knell (appointed 11 July 2016)

At 31 March 2016, of the three ordinary shares that have been allotted, called up and fully paid, two are owned by the parent company and one is held by a former director on behalf of the company as in the prior year. The remaining directors do not have a beneficial interest in the shares of the company at 31 March 2016.

The directors who held office at the date of approval of this strategic report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors have benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

## **THE CHILDREN'S SOCIETY (TRADING) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its activities.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **AUDITORS**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Chris Gillies  
Director

### **Address of registered office**

Edward Rudolf House  
69-85 Margery Street  
WC1X 0JL  
Co Registration: 885496

20th July 2016

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S SOCIETY (TRADING) LIMITED**

We have audited the financial statements of The Children's Society (Trading) Limited for the year ended 31 March 2016 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 2, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

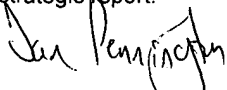
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Ian Pennington (Senior Statutory Auditor)**  
**for and behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants

15 Canada Square  
London  
E14 5GL

Date: 26<sup>th</sup> July 2016

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

|   | <b>Notes</b> | <b>2016</b><br>£000 | <b>2015</b><br>£000 |
|---|--------------|---------------------|---------------------|
| Turnover  | <b>2</b>     | 276                 | 392                 |
| Cost of sales   |              | (89)                | (130)               |
| Gross profit  |              | 187                 | 262                 |
| Administrative expenses   | <b>3,4</b>   | (4)                 | (4)                 |
| Profit on ordinary activities before taxation                                       |              | 183                 | 258                 |
| Taxation  | <b>10</b>    | (37)                | (52)                |
| Profit for the year   |              | 146                 | 206                 |
| Gift aid payment to The Church of England<br>Children's Society (net of tax credit) |              | (146)               | (206)               |
| <b>Retained profit for the year after Gift Aid payment</b>                          |              | <u>-</u>            | <u>-</u>            |

All of the company's trading is in respect of continuing operations.

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 7 to 9 form part of the financial statements.

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2016**

|   | Note | 2016<br>£000 | 2015<br>£000 |
|---|------|--------------|--------------|
| <b>Current Assets</b>                           |      |              |              |
| Debtors   | 5    | 93           | 50           |
| Stock   | 6    | 19           | 6            |
| Cash at bank and in hand                        |      | 16           | 175          |
|   |      | <u>128</u>   | <u>231</u>   |
| <b>Current liabilities</b>                      |      |              |              |
| Creditors - amounts falling due within one year | 7    | <u>(128)</u> | <u>(231)</u> |
| <b>Net current assets</b>                       |      | <u>-</u>     | <u>-</u>     |
| <b>Total assets less current liabilities</b>    |      | -            | -            |
| <b>Net assets</b>                               |      | <u>-</u>     | <u>-</u>     |
| <b>Capital and reserves</b>                     |      |              |              |
| Called up share capital                         | 8    | -            | -            |
| Profit and loss account                         |      | -            | -            |
| <b>Total funds</b>                              |      | <u>-</u>     | <u>-</u>     |

These financial statements were approved by the board of directors on 20th July 2016 and were signed on its behalf by:



**Chris Gillies**  
Director

Co Registration: 885496

The notes on pages 7 to 9 form part of the financial statements.

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2016**

|                             | <b>Share<br/>Capital<br/>£000</b> | <b>Profit and Loss<br/>Account<br/>£000</b> | <b>2016<br/>Total<br/>£000</b> | <b>2015<br/>Total<br/>£000</b> |
|-----------------------------|-----------------------------------|---|--------------------------------|--------------------------------|
| Opening Shareholder's funds | -                                 | -   | -                              | -                              |
| Profit for the year         | -                                 | 146   | 146                            | 206                            |
| Gift aid payment            | -                                 | (183)                                       | (183)                          | (258)                          |
| Current tax credit          | -                                 | 37  | 37                             | 52                             |
| Net effect of gift aid      | <u>-</u>                          | <u>(146)</u>                                | <u>(146)</u>                   | <u>(206)</u>                   |
| Closing Shareholder's funds | <u><u>-</u></u>                   | <u><u>-</u></u>                             | <u><u>-</u></u>                | <u><u>-</u></u>                |



**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**NOTES FOR THE YEAR ENDED 31 MARCH 2016**

**1 ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, and with the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102.

The Directors have reviewed The Children's Society (Trading) Limited's financial position, considering the impact of future activities for the 12 months from the date the accounts are signed, to ensure it is appropriate to produce the accounts on a going concern basis.

A summary of the accounting policies, which have been consistently applied, is set out below.

(a) Basis of accounting

The accounts are prepared under the historical cost convention.

(b) Turnover

Turnover represents the amounts (excluding VAT) derived from the provision of goods and services to customers.

(c) Accounting for income

Income is accounted for when receipt of it is probable and amounts receivable can be measured with sufficient reliability.

(d) Cash flow statement

The company has taken advantage of the exemption available in FRS 102 paragraph 33.1A whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. The ultimate controlling party, which wholly owns the company, is The Church of England Children's Society, a registered charity incorporated in England and Wales. It heads the smallest and largest group for which group accounts are prepared. Copies of the Group consolidated financial statements may be obtained from the Company Secretary at the registered office.

(e) Tax

Profit is paid as a gift to The Children's Society and therefore no tax is payable.

|  | <b>2016</b> | <b>2015</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |

**2 TURNOVER**

|                                |            |            |
|--------------------------------|------------|------------|
| Sale of Christmas cards        | 108        | 157        |
| Income from promotional events | 161        | 229        |
| CharlTyshare support services  | 7          | 6          |
|                                | <u>276</u> | <u>392</u> |

**3 EMPLOYEES AND DIRECTORS**

The company has no employees (2015: nil). Running costs were recharged by The Church of England Children's Society. No director received any remuneration (2015: £nil).

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

|  | <b>2016</b><br><b>£000</b> | <b>2015</b><br><b>£000</b> |
|--|----------------------------|----------------------------|
| <b>4 ADMINISTRATIVE EXPENSES FOR THE YEAR</b>  |                            |                            |
| Expenditure charged in arriving at the operating profit includes auditor's remuneration, excluding VAT, of £4,000 (2015: £4,000) | <u>4</u>                   | <u>4</u>                   |
| <b>5 DEBTORS</b>   |                            |                            |
| Trade debtors  | 6                          | 47                         |
| Income accruals  | 7                          | 3                          |
| Amount owed by parent undertaking  | 80                         | -                          |
|  | <u>93</u>                  | <u>50</u>                  |
| All debts fall due within one year (2015: within one year).  |                            |                            |
| <b>6 STOCK</b>   | <u>19</u>                  | <u>6</u>                   |
| <b>7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>   |                            |                            |
| Trade creditors  | 88                         | 5                          |
| VAT payable  | 36                         | 35                         |
| Amount owed to parent undertaking  | -                          | 187                        |
| Accruals   | 4                          | 4                          |
|  | <u>128</u>                 | <u>231</u>                 |
| <b>8 CALLED UP SHARE CAPITAL</b>   | <b>2016</b><br><b>£</b>    | <b>2015</b><br><b>£</b>    |
| Authorised:<br>100 ordinary shares of £1 each  | <u>100</u>                 | <u>100</u>                 |
| Allotted, called up and fully paid:<br>3 ordinary shares of £1 each  | <u>3</u>                   | <u>3</u>                   |

**THE CHILDREN'S SOCIETY (TRADING) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9 GOING CONCERN**

The directors consider the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

**10 TAXATION**

|                                      | <b>2016</b> | <b>2015</b> |
|--------------------------------------|-------------|-------------|
|                                      | <b>£000</b> | <b>£000</b> |
| Analysis of charge in period         |             |             |
| Total current tax                    | 37          | 52          |
| Total deferred tax                   | <u>-</u>    | <u>-</u>    |
| Tax on profit on ordinary activities | <u>37</u>   | <u>52</u>   |

The tax on taxable profits is included in the profit and loss as a current year tax charge.  
An equal tax credit is recognised in equity in respect of the gift-aid payment made in the year.

Factors affecting the tax charge for the current period

The current tax charge for the period is the same (2015: same) as the standard rate of corporation tax in the UK, 20% (2015 : 20%).

|  | <b>2016</b> | <b>2015</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| Current tax reconciliation               |             |             |
| Profit on ordinary activities before tax | <u>183</u>  | <u>258</u>  |
| Current tax at 20% (2015 : 20%)          | <u>37</u>   | <u>52</u>   |
| Total current tax charge (see above)     | <u>37</u>   | <u>52</u>   |

**11 PARENT COMPANY AND RELATED PARTY DISCLOSURES**

The parent company is The Church of England Children's Society, a company limited by guarantee and a charity, registered in England and Wales. The consolidated accounts of this group are available to the public at Edward Rudolf House, Margery Street, London, WC1X 0JL.

The consolidated accounts are publicly available and therefore advantage has been taken of the exemption in FRS102 not to disclose group transactions.