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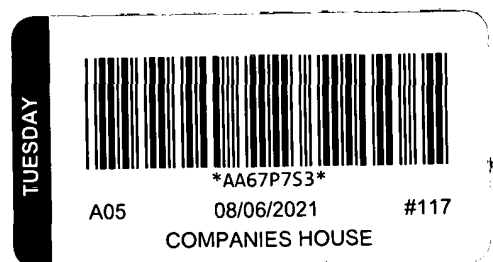
- THESE ACCOUNTS
REPLACE THE
ORIGINAL ACCOUNTS
- ~~THE~~ THEY ARE NOW
THE STATUTORY ACCOUNTS
- THEY ARE PREPARED
AS THEY WERE
AT THE DATE OF
THE ORIGINAL
ACCOUNTS
7 JUNE 2021

Versus Arthritis Trading Limited

Annual Report and Financial Statements

Year ended

31 March 2020



Versus Arthritis Trading Limited

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Directors

Liam O'Toole

Andrew Holford (appointed March 2020)

Tom Hayhoe (to March 2020)

Secretary and registered office

Olivia Belle (Appointed April 2020)

Justin Parfitt (To April 2020)

Registered Address

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 2020

Principal Activities

The Company is the trading subsidiary of its parent company, Versus Arthritis (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 Year

Turnover fell to £84,862 in 2020 (2019: £142,065). This is due to £nil turnover from shop operations in 2020, following the closure of all our shops in November 2017.

Sales of catalogue goods were also £nil in 2020 (2019: £42,908). The decrease is as a result of closure of sales activity for the trading company.

The income generated in the year came from the sale of Christmas Cards.

Administrative expenditure for the year was £9,428 (2019: £93,140). The decrease is due to no staff expenditure compared to last year, following on from the closure of Versus Arthritis Trading stores.

Overall, for the year ending 31 March 2020, the trading company made a profit of £191 compared to a loss of £43,778 last year.

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.

Our response to Covid-19

Versus Arthritis Trading Ltd does not employ any staff and its operations are limited to remote sales of Christmas cards via Cards for Good Causes. Thus, the potential effect of Covid-19 on the company is considered by the Directors to be minimal. Any potential future fall in sales revenue would be matched by a corresponding fall in expenditure.

Going Concern

The Directors have reviewed the organisation in light of its current performance, future projections and the current uncertain economic situation brought about by the Covid-19 pandemic and Brexit. The operations of the company are limited and closely controlled by the parent company and only minimal investment is allowed to avoid exposure to risk.

The Directors believe that the company have adequate resources to continue operational existence for the foreseeable future and support the going concern basis for their annual accounts.

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.

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
Andrew Holford (appointed March 2020)
Tom Hayhoe (to March 2020)

The Directors did not receive any emoluments in respect of their services to the Company for the year ended 31 March 2020 (2019: £Nil).

Auditors

BDO LLP, were appointed auditors for 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.

The directors report and financial statements have been prepared in accordance with the special provisions for smaller companies under part 15 of the Companies Act 2006.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'L O'Toole', written in a cursive style.

Dr L O'Toole
Director

Date 11 February 2021

Opinion

We have audited the financial statements of Versus Arthritis Trading Limited ("the Company") for the year ended 31 March 2020 which comprises the statement of comprehensive income, balance sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our

opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

- We have nothing to report in respect of the following matters in relation to which 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 in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK
18 February 2021

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

Profit and Loss Account (Including the Statement of Income and Retained Earnings)
For the year ended 31 March 2020

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Profit and Loss Account

	Notes	2020 £	2019 £
Turnover	1	84,862	142,065
Cost of Sales		(75,243)	(92,704)
Gross Profit		9,619	49,361
Administrative expenses		(9,428)	(93,140)
Profit / Loss before and after tax and total comprehensive (deficit) / income for the year	3	191	(43,778)
Retained Earnings			
Bought forward		13,831	57,609
Results for the year		191	(43,778)
Qualifying Charitable Donations		(191)	-
Bal at 30 March	3	13,831	13,831

The notes on pages 10 to 13 form part of these financial statements.

Balance Sheet
As at 31 March 2020

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Balance Sheet

	Notes	2020 £	2019 £
Current Assets			
Debtors	4	12,650	16,754
Cash at bank and in-hand		286,654	291,410
Assets		299,304	308,164
Creditors – amounts falling due within one year	5	(35,473)	(44,333)
Net current assets and net assets		263,831	263,831
Capital and Reserves			
Called up share capital	6	250,000	250,000
Profit and loss account		13,831	13,831
Total shareholders' funds	8	263,831	263,831

These financial statements have been prepared in accordance with the special provisions for smaller companies.

The notes on pages 10 to 13 form part of these financial statements.

Approved by the Board on 11 February 2021 and signed on their behalf by:



Dr L O'Toole
Director

(Company Number: 00891517)

Cash Flow Statement

	2020	2019
For the year ended 31 March 2020	£'000	£'000
Cash flows from operating activities		
Net Income / (expenditure) for the reporting period (as per statement of financial activities)	191	(43,778)
Qualifying Charitable Donation	(191)	-
Decrease in stocks	-	14,477
Decrease in debtors	4,104	6,198
(Decrease) / Increase in creditors	(8,860)	34,411
Net cash used in operating activities	(4,756)	11,309
Cash flows from investing activities		
Net cash provided by investing activities	-	-
Change in cash and cash equivalents in the reporting period	(4,756)	11,309
Cash and cash equivalents at the beginning of the reporting period	291,410	280,102
Cash and cash equivalents at the end of the reporting period	286,654	291,410

Notes to the Financial Statements

1. Accounting Policies

Arthritis Research UK is a limited company (by shares) incorporated in England. The registered office and number are on the contents page.

The financial statements have been prepared in accordance with FRS102 section 1A small entities. 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.

Turnover

Turnover represents net proceeds received in the UK from trading activities on behalf of the parent company.

It is recognised when the trading company is entitled to the income, the amount can be quantified with reasonable accuracy and the profitability of receipt of income is more likely than not.

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

2. Employees and Auditors Remuneration

The company had no employees in either year. The average number of Directors during the period was 2 (2019 : 2). The Directors received no emoluments in respect of their services to the Company during the period (2019: £nil).

Auditors remuneration for audit of £2,550 (2019: £6,000) is recharged to the trading company from the parent. Details of the group audit & non-audit fees can be found in the parent accounts.

3. Tax charge per accounts

	2020 £	2019 £
Total current tax charge / (credit)	-	-
Deferred tax asset not recognised	-	634
	2020 £	2019 £
Reconciliation of current tax charge		
(Loss)/ Profit on ordinary activities before tax	191	(43,778)
Tax on profit on ordinary activities at standard corporation tax rate of 19% (2018: 19%)	-	-
Adjust closing deferred tax to average rate	-	-
Movement in deferred tax not recognised	-	-
Change in tax rate	-	-
Charitable donation to the parent	(191)	-
Current tax charge for the period	-	-

4. Debtors – Amounts receivable within one year

	2020 £	2019 £
Prepayments and Accrued income	12,650	15,678
VAT	-	1,076
Amounts owed from parent company	-	-
	<u>12,650</u>	<u>16,754</u>

5. Creditors – Amounts falling due within one year

	2020 £	2019 £
Trade Creditors	1,159	1,166
Other Creditors	17,694	-
Amounts owed to parent company	1,531	33,819
VAT	9,101	-
Accruals and Deferred Income	5,988	9,348
	<u>35,473</u>	<u>44,333</u>

6. Called up Share Capital

	2020 £	2019 £
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 Versus Arthritis, 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

	2020 £	2019 £
Opening shareholders' funds	263,831	307,609
Total comprehensive income for the year	191	(43,778)
Charitable donation to Versus Arthritis	(191)	-
Closing shareholders' funds	263,831	263,831

9. Related Party Transactions

For the year ending 31 March 2020 the trading company will make a charitable donation of £191 (2019: £nil) to the charity within 9 months. There was a management fee from the parent charity to the trading company of £nil (2019: £1,860) along with a staff costs recharge of £nil (2019: £28,573) and recharge of audit fees of £2,550 (2019: £6,000).